



Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2024



Vickery Creek Falls
Roswell, Georgia

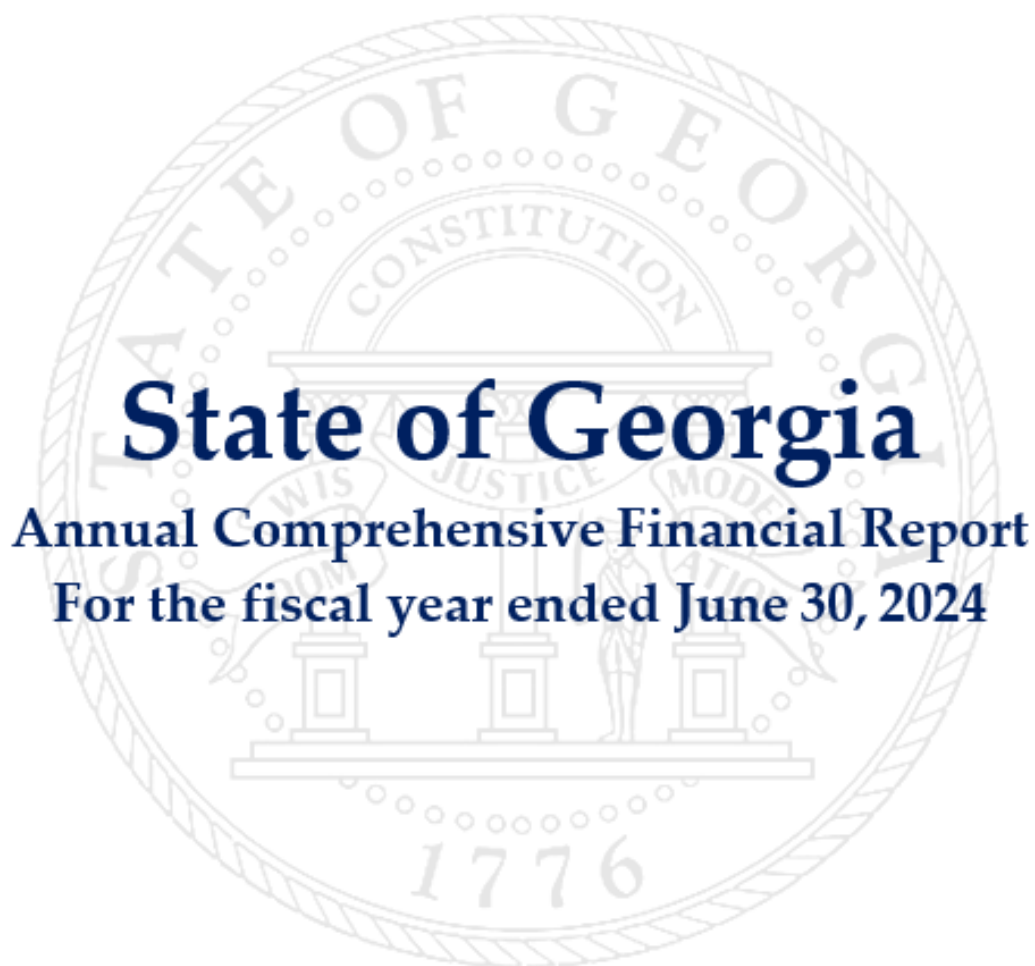
Submitted by the Georgia Department of Economic Development



GEORGIA.GOV

Vickery Creek Falls, Roswell, Georgia

Vickery Creek Falls, is located inside the Vickery Creek Unit of the Chattahoochee River National Recreation Area. The Vickery Creek Waterfall is only a short 30-minute (22 mile) drive north from the city. Set in an urban park, the waterfall was originally created in 1836 as Vickery Creek Dam to help power the nearby Roswell Mills. [Roswell Mill Waterfall in Georgia - Parks & Trips](#)



State of Georgia

**Annual Comprehensive Financial Report
For the fiscal year ended June 30, 2024**

Prepared by:
State Accounting Office





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For the Fiscal Year Ended June 30, 2024

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INTRODUCTORY SECTION



Spivey Hall
Morrow, Georgia
Submitted by the Board of Regents



Brian P. Kemp

Governor

Gerlda B. Hines

State Accounting Officer

April 23, 2025

The Honorable Brian P. Kemp, Governor of Georgia

The Honorable Members of the General Assembly

Citizens of the State of Georgia

It is my privilege to present the *Annual Comprehensive Financial Report* on the operations of the State of Georgia (State) for the fiscal year ended June 30, 2024, in accordance with the Official Code of Georgia Annotated (OCGA), §50-5B-3(a)(7). The objective of this report is to provide a clear picture of our government as a single comprehensive reporting entity.

This report consists of management's representations concerning the State's finances and management assumes full responsibility for the completeness and reliability of the information presented. This report reflects my commitment to you, the citizens of the State, and to the financial community to maintain our financial statements in accordance with Generally Accepted Accounting Principles (GAAP) applicable to governments as prescribed by the Governmental Accounting Standards Board (GASB). Information presented in this report is believed to be accurate in all material respects, and all disclosures have been included that are necessary to enable the reader to obtain a thorough understanding of the State's financial activities.

Internal Controls

The State's management is responsible for the establishment and maintenance of internal accounting controls which are designed to provide reasonable, but not absolute, assurance that assets are safeguarded, financial transactions are properly recorded and adequately documented, and to ensure the reliability of financial records for preparing financial statements. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived from such control and that the evaluation of those costs and benefits requires estimates and judgments by the State's management.

Independent Audit

The financial statements of significant organizations comprising the State reporting entity have been separately audited and reported on by either the State Auditor or independent certified public accountants. The State Auditor and other independent auditors have performed an examination of the accompanying financial statements for the State and have issued a disclaimer of opinion on Business-Type Activities and the Unemployment Compensation Fund and an unmodified opinions on the remainder of the State's basic financial statements included in this report.

Federal regulations also require the State to undergo an annual Single Audit in conformance with the Single Audit Act Amendments of 1996 and the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (contained in Title 2 U.S. Code of Federal Regulations Part 200). Information related to the Single Audit, including the schedule of expenditures of federal awards, audit findings and recommendations, summary of prior audit findings, and the Independent Auditor's reports, is issued in a separate report and will be available at a later date.

Management’s Discussion and Analysis (MD&A)

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of MD&A. This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The State’s MD&A can be found immediately following the independent auditor’s report.

PROFILE OF THE STATE OF GEORGIA

The State, founded on February 12, 1733, was the last of the original 13 colonies and became the fourth state by ratifying the U.S. Constitution on January 2, 1788. The State is an economic hub of the southeast. Atlanta, the state capital, is the major economic and population center of the State with major regional economic and population centers in Augusta, Savannah, and Macon. The State’s economic base is diverse with major port facilities on the coast, agricultural resources throughout the State, manufacturing and service industries, and is a major transportation center with one of the busiest airports in the nation. The State is the eighth largest state with an estimated population of \$11.0 million people.

Reporting Entity

The Constitution of the State of Georgia (Constitution) provides the basic framework for the State’s government, which is divided into three separate branches: legislative, executive, and judicial, as shown on the organizational chart on page v. The duties of each branch are outlined in the Constitution and in the OCGA.

For financial reporting purposes, the State’s reporting entity consists of (1) the primary government, (2) component unit organizations for which the primary government is financially accountable, and (3) other component unit organizations for which the nature and significance of their relationship with the primary government is such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete. Further information about the State’s reporting entity can be found in *Note 1 - Summary of Significant Accounting Policies-Section B* in the Notes to the Financial Statements.

The State and its component units provide a full range of services to its citizens, including education, health and welfare, transportation, public safety, economic development and assistance, culture and recreation, conservation, and general government services. The financial statements present information on the financial position and operations of state government associated with these services as a single comprehensive reporting entity. Accordingly, the various agencies, departments, boards, commissions, authorities, foundations, funds, and accounts of the State that have been identified as part of the primary government or a component unit have been included in this report.

Budgetary Control

The Constitution requires that budgeted expenditures not exceed the estimated revenues and other funding sources, including beginning fund balances. The State’s legal level of budgetary control is funding source within program. Annually, the Governor submits a balanced budget by program to the Legislature. In addition to the internal controls previously discussed, the State maintains budgetary controls to ensure compliance with the legal provisions of the State’s Appropriation Act, which reflects the Georgia General Assembly’s approval of the annual budget. Budgetary control is maintained through a formal appropriation and allotment process.

The State’s annual budget is prepared on a statutory basis which is principally the modified accrual basis utilizing encumbrance accounting. The State monitors spending activity to ensure that expenditures do not exceed appropriated amounts by agency at the legal level of control as provided for by the Constitution. Information regarding the State’s budgetary process can be found in the Notes to Required Supplementary Information within this report.

The statutory basis of accounting required by state law differs materially from the basis used to report revenues and expenditures in accordance with GAAP. Detailed information on the statutory basis of accounting and the results of operations on that basis for fiscal year 2024 can be found in the separately issued Budgetary Compliance Report (BCR) dated February 10, 2025.

Budget Stabilization

The State maintains the Revenue Shortfall Reserve (RSR) which provides for the sound management of excess revenue collections in any given fiscal year. By statute, all surplus state funds existing at the end of each fiscal year shall be reserved and added to the RSR. Funds in the RSR carry forward from fiscal year to fiscal year without reverting to the revenue collections fund within the General Fund at the end of a fiscal year. Additional information about the State's RSR balances can be found in MD&A.

Long-term Financial Planning - Debt Management

Each year, the Georgia State Financing and Investment Commission (Commission) issues its debt management plan (Plan) which provides a five-year projection of the State's general obligation and guaranteed revenue bond issuances and the debt service requirements for all outstanding debt and projected new debt issuances. The Plan covers the current fiscal year and the four succeeding fiscal years. The resulting projected annual debt service requirements are compared to the actual treasury receipts of the State for the immediately preceding fiscal year and projected future treasury receipts of the State to determine the ratio of debt service requirements to the prior year's State treasury receipts. This ratio, which is established by the Constitution at a maximum of 10%, but the Plan is limited to a maximum of 7% by Commission policy, along with several other ratios discussed in the Plan, serves as a guide for the Governor and the General Assembly in their consideration of the authorization of new State debt during the budget preparation, review, and adoption process. Projected issuances of new debt may be increased or decreased depending on the capital needs of the State and projections of estimated treasury receipts in future years.

Fiscal Year Budget Overview

Georgia's strong post-pandemic economy and Governor Kemp's commitment to conservative fiscal management have enabled the State to invest in areas of importance while simultaneously providing billions of dollars in tax relief to the citizens of Georgia. The state has prioritized investments in K-12 education, public safety, and transportation infrastructure in fiscal year 2024 (FY 2024). Additionally, during the 2024 Legislative Session, Governor Kemp recommended and the General Assembly approved \$2.3 billion in capital needs for the Amended FY 2024 and FY 2025 budgets, defraying millions in future borrowing costs for taxpayers. Recent years have seen increased pay for teachers, state law enforcement, and state employees to address critical workforce needs.

Georgia continues to exercise budgetary prudence combined with a strong economy, which has provided opportunity for unprecedented investment in our state while simultaneously allowing for historic tax relief for hardworking Georgia families.

Companies worldwide are moving to the Peach State to expand their operations. Georgia is ensuring that communities across the state can welcome these growth opportunities by having a strong infrastructure and a skilled workforce ready to meet the needs of job creators. The amended FY 2024 budget included a \$1.5 billion investment in the Georgia Department of Transportation to maintain roadways and accelerate construction on projects.

During fiscal year 2024 State General Fund receipts deposited with the Office of the State Treasurer were \$36.4 billion, which was 7.6% more than the final amended revenue estimate of \$33.9 billion and 1.4% more than prior year 2023. This increase was due to higher wages which drove up income tax collections and inflation helped boost what the state collected from sales taxes. This increase helps put Georgia on solid financial footing. As a result, the balance of the Revenue Shortfall Reserve (RSR) as of June 30, 2024 represented an increase of \$74.6 million (1.4%), as well as the maximum 15% legal limit as compared to the prior year. Receipts representing the excess \$11.5 billion RSR were reported as undesignated, regular surplus.

By statute, up to 1% of fiscal year 2024 net revenue collections of \$364.4 million may be appropriated from the RSR in fiscal year 2025 for K-12 needs. As of the date of this report, the \$5.5 billion RSR balance has not been adjusted for this potential appropriation. In addition, the Governor may release, for appropriation in a subsequent year, funds in excess of 4% of current year (fiscal year 2024) revenue collections.

ECONOMIC FACTORS AND OUTLOOK

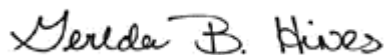
Looking ahead to the Amended FY 2025 and Fiscal Year 2026 budgets, Georgia will continue to prioritize conservative fiscal management to ensure the state meets its ongoing financial commitments, plan for sustainable future growth, and provide further tax relief for Georgia families. Georgia remains committed to a structurally balanced budget.

Additional information on the economic outlook for the State can be located in the State’s MD&A which can be found immediately following the independent auditor’s report.

ACKNOWLEDGMENTS

The preparation of this report would not have been possible without the dedicated and efficient service of the entire staff of the State Accounting Office. We also express our appreciation to the fiscal officers throughout state government for their dedicated efforts in assisting us in the preparation of this report.

Respectfully submitted,



Gerlda B. Hines
State Accounting Officer



JUDICIAL

Supreme Court
Court of Appeals
Superior Courts
District Attorneys
Judicial Agencies

EXECUTIVE

Constitutional Officers

Lieutenant Governor
Public Service Commission
State School Superintendent
Secretary of State
Commissioner of Insurance
Attorney General
Commissioner of Agriculture
Commissioner of Labor

Governor

Office of Planning and Budget
Governor's Office

LEGISLATIVE

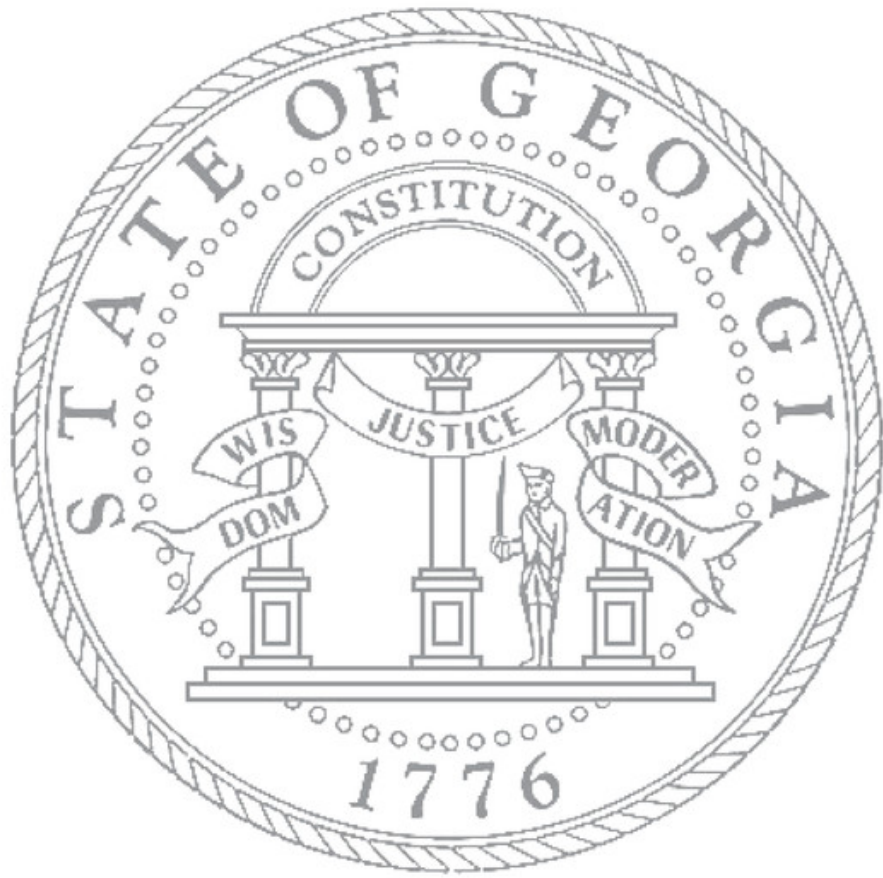
General Assembly
Senate
House of Representatives

Legislative Agencies

Department of Audits and Accounts

Department of Administrative Services
Department of Banking and Finance
Department of Behavioral Health & Developmental Disabilities
Department of Community Affairs
Department of Community Health
Department of Community Supervision
Department of Corrections
Department of Defense
Department of Driver Services
Department of Early Care and Learning
Department of Economic Development
Department of Education
Department of Human Services
Department of Juvenile Justice
Department of Natural Resources
Department of Public Health
Department of Public Safety
Department of Revenue
Department of Transportation

Department of Veterans' Services
Employees' Retirement System of Georgia
Georgia Bureau of Investigation
Georgia Forestry Commission
Georgia Lottery Corporation
Georgia State Financing and Investment Commission
Georgia Student Finance Commission
Georgia Technology Authority
Office of the State Treasurer
State Accounting Office
State Board of Pardons and Paroles
State Board of Workers' Compensation
Technical College System of Georgia
Teachers' Retirement System of Georgia
University System of Georgia
Examining and Licensing Boards
Advisory Boards
Other Executive Agencies
Interstate Agencies
Authorities



State of Georgia
Principal State Officials
June 30, 2024



Executive:

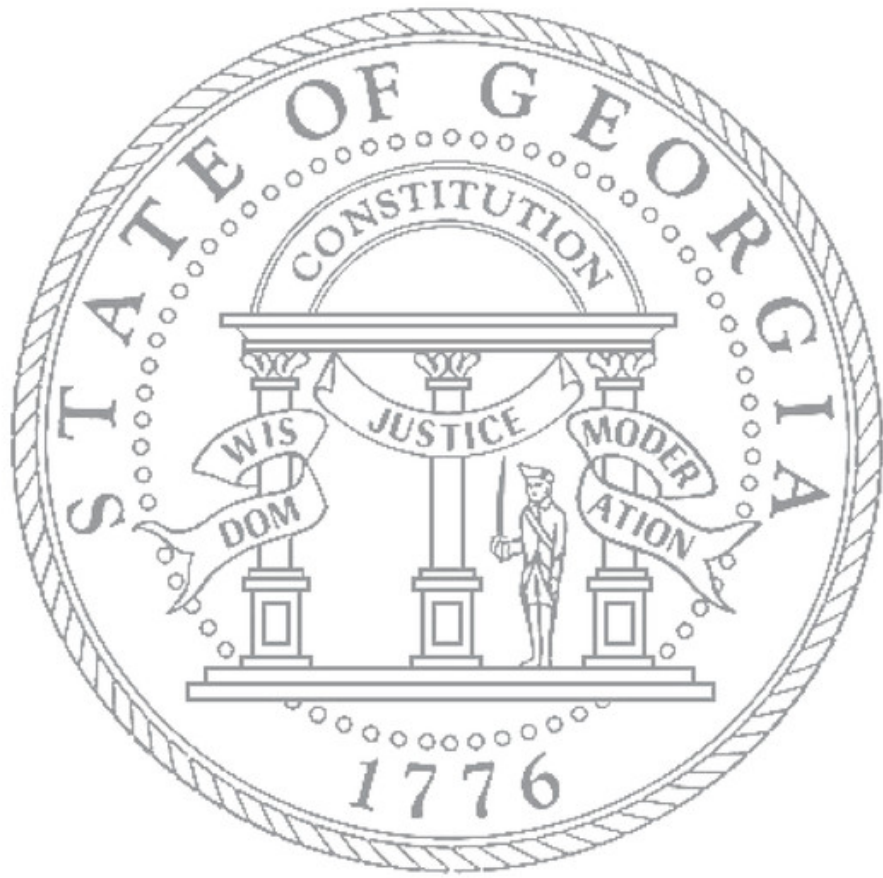
Brian P. Kemp..... Governor
Brad Raffensperger..... Secretary of State
Chris Carr..... Attorney General
Bruce Thompson..... Commissioner of Labor
Richard Woods State Superintendent of Schools
John F. King..... Commissioner of Insurance
Tyler Harper Commissioner of Agriculture
Terrel "Fitz" Johnson..... Public Service Commissioner
Tim Echols (Vice Chairman)..... Public Service Commissioner
Lauren "Bubba" McDonald, Jr Public Service Commissioner
Tricia Pridemore (Chairman) Public Service Commissioner
Jason Shaw Public Service Commissioner

Legislative:

Burt Jones Lieutenant Governor/President of the Senate
Jon Burns Speaker of the House of Representatives

Judicial:

Michael P. Boggs Chief Justice of the Supreme Court



ACKNOWLEDGMENTS

The Georgia Annual Comprehensive Financial Report for the fiscal year ending June 30, 2024 was prepared by:

STATE ACCOUNTING OFFICE

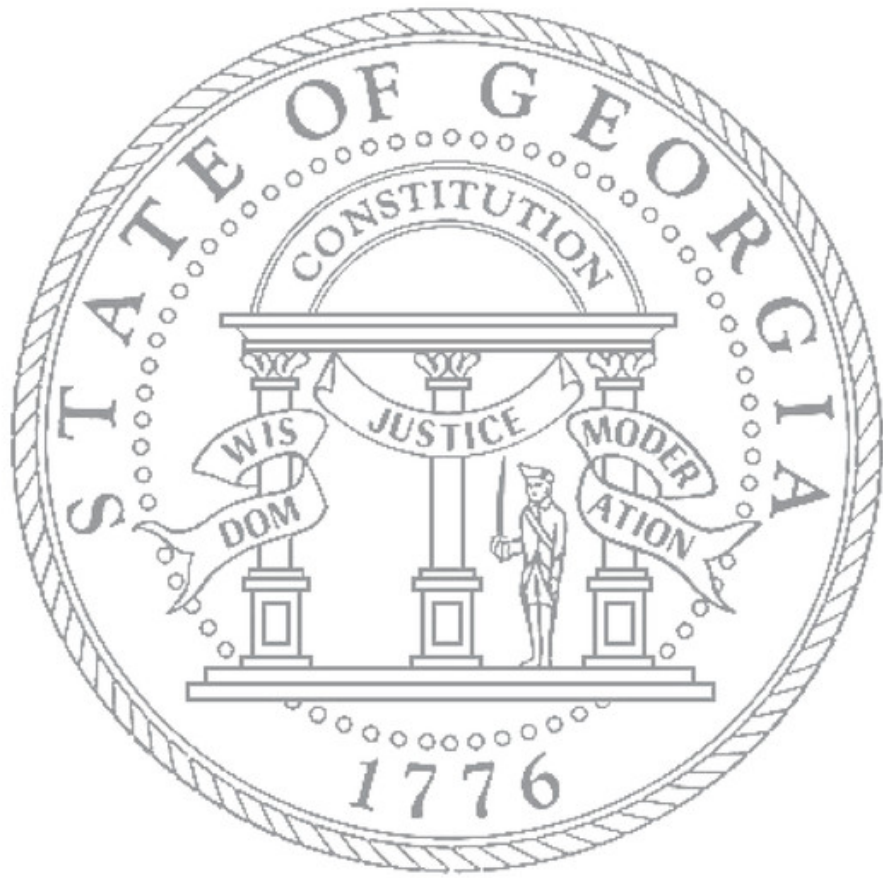
Kris Martins, Deputy State Accounting Officer, Financial Reporting

STATEWIDE ACCOUNTING AND REPORTING

Jocelyn Bautista	Tiara Linsey
Chelsea Bennett	Bogdana Matano
Dylan Cleveland	Makaila McAlpin
Renita Coleman	Vesna Mesihovic
Imani Devaughn	Akinola Morakinyo
Kristi Fuss	Caron Purvis
Cynthia Goodwine	Phyllis Raines
Tessica Harvey	Anna Read
Rachael Krizanek	Yilma Wakayo
Kim Le	Donna G. Winn
Josie Ann Librada	

SPECIAL APPRECIATION

The State Accounting Office would like to extend special appreciation to all fiscal and accounting personnel throughout the State who contributed the financial information for their agencies. Additionally, the Division of Statewide Accounting and Reporting would like to acknowledge the efforts given by all of the functional and support personnel of the State Accounting Office.



FINANCIAL SECTION



Forsyth County Firetruck
Forsyth County, Georgia
Submitted by the Georgia Public Safety Training Center



INDEPENDENT AUDITOR'S REPORT

The Honorable Brian P. Kemp, Governor of Georgia
and
Members of the General Assembly of the State of Georgia

Report on the Audit of the Financial Statements

Disclaimer of Opinions and Unmodified Opinions

We have audited the accompanying financial statements of the governmental activities, aggregate discretely presented component units, each major fund (except the unemployment compensation fund), and aggregate remaining fund information, and we were engaged to audit the business-type activities and unemployment compensation fund, of the State of Georgia (State) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the State's basic financial statements as listed in the table of contents.

Summary of Opinions

<i>Opinion Unit</i>	<i>Type of Opinion</i>
Governmental Activities	Unmodified
Business-type Activities	Disclaimer
Aggregate Discretely Presented Component Units	Unmodified
Governmental - General Fund	Unmodified
Governmental - General Obligation Bond Fund	Unmodified
Enterprise - Higher Education Fund	Unmodified
Enterprise - State Health Benefit Fund	Unmodified
Enterprise - Unemployment Compensation Fund	Disclaimer
Aggregate Remaining Fund Information	Unmodified

Disclaimer of Opinions on Business-type Activities and Unemployment Compensation Fund

We do not express an opinion on the accompanying financial statements of the business-type activities and unemployment compensation fund and the respective changes in financial position for the year ended June 30, 2024. Because of the significance of the matter described in the Basis for Disclaimer of Opinion on Business-type Activities and Unemployment Compensation Fund section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements of the business-type activities and unemployment compensation fund of the State.

Unmodified Opinion on Each of the Other Opinion Units

In our opinion, based on our audit and the reports of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, aggregate discretely presented component units, each major fund (except the unemployment compensation fund), and aggregate remaining fund information of the State as of June 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

The financial statements of the entities listed below were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for those entities, are based solely on the reports of the other auditors.

- | | |
|---|---|
| Augusta University Foundation, Inc. and Subsidiaries
Augusta University Real Estate Corporation
Augusta University Real Estate Foundation, Inc.
Augusta University Research Institute, Inc.
Employees' Retirement System of Georgia
Georgia Advanced Technology Ventures, Inc. and Subsidiaries
Georgia Building Authority
Georgia Environmental Finance Authority
Georgia Gwinnett College Foundation, Inc.
Georgia Housing and Finance Authority
Georgia Lottery Corporation
Georgia Ports Authority
Georgia Southern University Housing Foundation, Inc. and Subsidiaries
Georgia State Financing and Investment Commission
Georgia State University Athletic Association, Inc.
Georgia State University Foundation, Inc.
Georgia State University Research Foundation, Inc. | Georgia Tech Athletic Association
Georgia Tech Facilities, Inc.
Georgia Tech Foundation, Inc.
Georgia Tech Research Corporation
Kennesaw State University Foundation, Inc.
Medical College of Georgia Foundation, Inc.
Middle Georgia State University Real Estate Foundation, Inc. and Subsidiaries
Teachers Retirement System of Georgia
The University of Georgia Foundation
University of Georgia Athletic Association, Inc.
University of Georgia Research Foundation, Inc. and Subsidiaries
University of North Georgia Real Estate Foundation, Inc. and Subsidiaries
UWG Real Estate Foundation, Inc.
University System of Georgia Foundation, Inc. and Affiliates
VSU Auxiliary Services Real Estate Foundation, Inc. |
|---|---|

Those financial statements represent part or all of the total assets, net position or fund balances, and revenues or additions of the governmental activities, the business-type activities, the aggregate discretely presented component units, the major governmental fund- general obligation bond projects fund, and the aggregate remaining fund information as reported in the following table:

Opinion Unit	Percent of Total Assets	Percent of Net Position/ Fund Balance	Percent of Total Revenues/ Additions
Governmental Activities	6%	9%	4%
Business-type Activities	2%	6%	0%
Aggregate Discretely Presented Component Units	86%	85%	93%
Governmental – General Obligation Bond Projects Fund	100%	100%	100%
Aggregate Remaining Fund Information	80%	81%	36%

Basis for Disclaimer of Opinion on Business-type Activities and Unemployment Compensation Fund

The State's Department of Labor was unable to provide sufficient appropriate audit evidence for the balances and financial activity of the receivables and payables of the unemployment compensation fund. There was a lack of internal controls over benefit payments, and we were unable to obtain sufficient appropriate audit evidence to determine or verify by alternative means whether certain paid claims met eligibility requirements. Also, as of the date of our audit report, management was still in the process of determining the balance for receivables and related payables due to overpayments of certain unemployment insurance claims. The State's records do not permit us, nor is it practical to extend or apply other auditing procedures, to obtain sufficient appropriate audit evidence to conclude that the receivable and payable balances and revenues, expenses and related cash flows in the unemployment compensation fund were free of material misstatement. As a result of these matters, we were unable to determine whether further audit adjustments may have been necessary in respect to the recorded or unrecorded receivables, payables, and the elements making up the statements of activities and cash flows.

Basis for Unmodified Opinions

We conducted our audit of the financial statements of the governmental activities, aggregate discretely presented component units, each major fund (except the unemployment compensation fund), and aggregate remaining fund information 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 following financial statements in accordance with GAAS but not in accordance with *Government Auditing Standards*:

Augusta University Real Estate Corporation	Georgia Tech Foundation, Inc.
Augusta University Real Estate Foundation, Inc.	Kennesaw State University Foundation, Inc.
Georgia Advanced Technology Ventures, Inc. and Subsidiaries	Medical College of Georgia Foundation, Inc.
Georgia Gwinnett College Foundation, Inc.	Middle Georgia State University Real Estate Foundation, Inc. and Subsidiaries
Georgia Lottery Corporation	The University of Georgia Foundation
Georgia Southern University Housing Foundation, Inc. and Subsidiaries	University of Georgia Athletic Association, Inc.
Georgia State University Athletic Association, Inc.	University of North Georgia Real Estate Foundation, Inc. and Subsidiaries
Georgia State University Foundation, Inc.	UWG Real Estate Foundation, Inc.
Georgia Tech Athletic Association	VSU Auxiliary Services Real Estate Foundation, Inc.
Georgia Tech Facilities, Inc.	

We are required to be independent of the State, 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 unmodified audit opinions.

Emphasis of Matter

As discussed in Note 2 to the financial statements, in 2024, the State restated the prior period financial statements due to changes in the financial reporting entity and to correct an error. Our opinions are not modified with respect to these matters.

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 State'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

Auditor's Responsibilities for the Audit of the Business-type Activities and Unemployment Compensation Fund

Our responsibility is to conduct an audit of the State's financial statements in accordance with GAAS and *Government Auditing Standards* and to issue an auditor's report. However, because of the matter described in the Basis for Disclaimer of Opinion on Business-type Activities and Unemployment Compensation Fund section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements of the unemployment compensation fund.

We are required to be independent of the State and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit.

Auditor's Responsibilities for the Audit of the Governmental Activities, Aggregate Discretely Presented Component Units, Each Major Fund (except the Unemployment Compensation Fund), and Aggregate Remaining Fund Information

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 State'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 State's ability to continue as a going concern for a reasonable period of time.

Georgia statutes, in addition to audit responsibilities, entrust other responsibilities to the Department of Audits and Accounts. Those responsibilities include service by the State Auditor on the governing boards of various agencies, authorities, commissions, and component units of the State. The Department of Audits and Accounts elected not to provide audit services for the organizational units of the State of Georgia associated with these boards.

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 and other auditors 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 State's basic financial statements. The accompanying supplementary information, as listed in the table of contents, and statistical section are presented for the purposes of additional analysis and are not required parts 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 by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the reports of the other auditors, 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 and statistical 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 will also issue our report dated April 23, 2025 on our consideration of the State'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. That report will be issued under separate cover. 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 State'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 State's internal control over financial reporting and compliance.

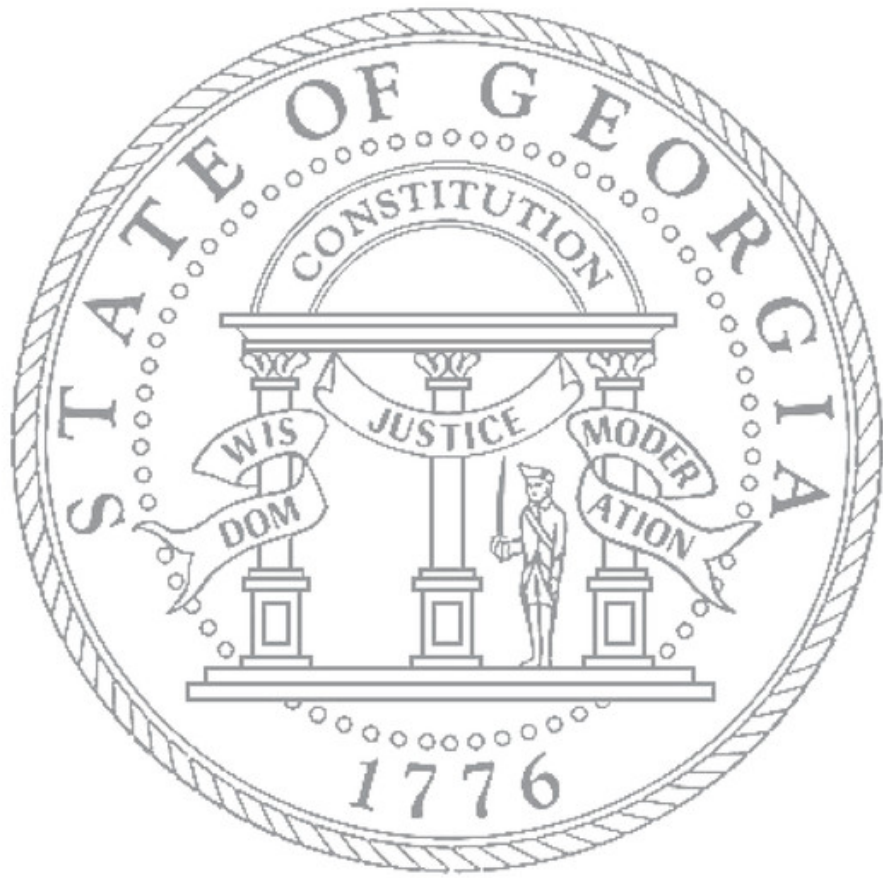
A copy of this report has been filed as a permanent record and made available to the press of the State, as provided for by Official Code of Georgia Annotated section 50-6-24.

Respectfully submitted,



Greg S. Griffin
State Auditor

April 23, 2025



MANAGEMENT'S DISCUSSION AND ANALYSIS



INTRODUCTION

The *Management's Discussion and Analysis* (MD&A) of the State of Georgia's *Annual Comprehensive Financial Report* presents an overview and analysis of the financial activities of the State for the fiscal year ended June 30, 2024. It should be read in conjunction with the letter of transmittal, located in the Introductory Section of this report, and the State's financial statements, including the notes to the financial statements, which are an integral part of the statements that follow this narrative.

FINANCIAL HIGHLIGHTS – PRIMARY GOVERNMENT

Prior year amounts in MD&A have been restated. Refer to Note 2 for additional information.

Government-wide

- Net Position - Total assets and deferred outflows of resources of the State exceeded liabilities and deferred inflows of resources by \$58.0 billion. Contributing to this amount, an excess of \$9.4 billion was reported as unrestricted net position.
- Changes in Net Position - The State's total net position increased by \$6.0 billion in fiscal year 2024 compared to the balances reported in the prior year (as restated). More specifically, net position of governmental activities increased by \$5.1 billion while net position of business-type activities increased by \$911.1 million.
- Excess of Revenues over Expenses – Governmental Activities - The State's total revenues for governmental activities, which totaled \$67.8 billion were \$9.0 billion more than total expenses (excluding transfers). General revenues, which are primarily comprised of tax collections, totaled \$37.1 billion, and program revenues, which primarily come from operating grants and contributions, totaled \$30.8 billion.

Fund Level

- Governmental Funds – Fund Balances - The governmental funds reported combined ending fund balances of \$31.1 billion. This amount represents an increase of \$1.7 billion (5.8%) (as restated), when compared with the prior year. Of this total fund balance, \$32.6 million (0.1%) represents nonspendable fund balance; \$11.1 billion (35.7%) represents restricted fund balance; \$46.0 million (0.1%) represents committed fund balance; \$3.3 billion (10.7%) represents assigned fund balance; and \$16.6 billion (53.4%) represents unassigned fund balance.
- General Fund – Fund Balances - The General Fund ended the fiscal year with a total fund balance of \$26.3 billion, of which \$16.6 billion was classified as unassigned fund balance. Total revenues represents a decrease by \$4.5 billion (6.3%) over the prior year (as restated).
- Enterprise Funds – Net position - The Enterprise Funds ended the fiscal year with a total net position of \$8.1 billion. More specifically, the major funds areas with significant net positions were the Higher Education Fund of \$4.7 billion, the Unemployment Compensation Fund of \$1.9 billion, and the State Health Benefit Plan (SHBP) of \$1.1 billion.

Long-term Debt

The long-term bond debt of the primary government decreased \$416.2 million (3.6%) during the fiscal year. The decrease represents the State partially funding capital projects with state appropriations, a refunding issuance that



Management's Discussion and Analysis

(Unaudited)

retired old debt, along with the normal net difference between new issuances and maturing principal payments. The amount owed for general obligation (GO) bonds decreased by \$330.5 million (3.1%) for the primary government. The amount owed for Grant Anticipation Revenue Vehicle (GARVEE) bonds/revenue bonds decreased \$85.6 million (7.7%) for the primary government. In July of 2023 (fiscal year 2024), the State issued new bonded debt in the amount of \$880.9 million for the primary government. The State continues to balance the need to issue debt for capital improvements against State management's desire to maintain a conservative approach to debt management.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of this report includes four parts: (1) management's discussion and analysis, (2) basic financial statements, (3) required supplementary information, and (4) other supplementary information. The Basic Financial Statements consist of three components: government-wide financial statements, fund financial statements, and notes to the financial statements.

Government-wide Financial Statements – Reporting the State as a Whole

The Statement of Net Position and the Statement of Activities together comprise the government-wide financial statements and provide a broad overview of the State's financial activities as a whole. These statements are prepared with a long-term focus using the full-accrual basis of accounting, similar to private-sector businesses. This means all revenues and expenses associated with the fiscal year are recognized regardless of when cash is spent or received, and all assets, deferred outflows of resources, liabilities and deferred inflows of resources, including capital assets and long-term debt, are reported at the entity level.

The government-wide statements report the State's net position, which is the difference between total assets and deferred outflows of resources and total liabilities and deferred inflows of resources. These statements also include how these items have changed from the prior year. Over time, increases and decreases in net position measure whether the State's overall financial condition is improving or declining. In evaluating the State's overall condition, however, additional non-financial information should be considered, such as the State's economic outlook, changes in demographics, and the condition of its capital assets and infrastructure. The government-wide statements report three activities:

- Governmental Activities - The majority of the State's basic services fall under this activity, including services related to general government, education, health and welfare, transportation, public safety, economic development and assistance, culture and recreation, and conservation. Taxes and intergovernmental revenues are the major funding sources for these programs.
- Business-Type Activities - The State operates certain activities similar to private-sector businesses by charging fees to customers to recover all or a significant portion of their costs of providing goods and services. The Unemployment Compensation Fund, the self-insured SHBP, and the Higher Education Fund are some examples of business-type activities. The Higher Education Fund consists of the University System of Georgia (USG) and the Technical College System of Georgia.
- Component Units - Certain organizations are legally separate from the State; however, the State remains financially accountable for them. The Georgia Environmental Finance Authority, Georgia Housing and Finance Authority, and Georgia Lottery Corporation are examples of component units.



Management's Discussion and Analysis

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Fund Financial Statements – Reporting the State’s Most Significant Funds

The fund financial statements provide detailed information about individual major funds, not the State as a whole, and are located in the Basic Financial Statements – Fund Financial Statements section. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The State, like other state and local governments, uses funds to ensure and demonstrate compliance with finance-related and legal requirements. All of the State funds are divided into three types, each of which use a different accounting approach and should be interpreted differently:

- **Governmental Funds** - Most of the basic services provided by the State are financed through governmental funds and are essentially the same functions reported as governmental activities in the government-wide financial statements. Governmental funds use the modified accrual basis of accounting, and focus on short-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. These statements provide a detailed short-term view of the State’s finances that assist in determining whether there will be adequate financial resources available to meet the current needs of the State.
- **Proprietary Funds** - The Proprietary funds, which include enterprise funds and internal service funds, account for state activities that are similar to private-sector businesses. Like government-wide statements, proprietary fund statements are presented using the full-accrual basis of accounting. Activities whose customers are mostly outside of state government are accounted for in enterprise funds and are the same functions reported as business-type activities. The enterprise fund financial statements provide more detail and additional information than in the government-wide statements, such as cash flows. Activities whose customers are mostly other state organizations are accounted for in internal service funds. The internal service fund activities are allocated proportionately between the governmental activities (predominately) and the business-type activities in the government-wide statements based on the benefit of the services provided to those activities.
- **Fiduciary Funds** - These funds are used to account for resources held for the benefit of parties outside the state government. The State is responsible for ensuring these assets are used for their intended purposes. Fiduciary funds use full-accrual accounting but are not reflected in the government-wide financial statements because the resources from these funds are not available to support the State’s own programs.

Reconciliation between Government-wide and Fund Statements

This report also includes two schedules that reconcile and explain the differences between the amounts reported for the governmental activities on the government-wide statements (full-accrual accounting, long-term focus) with the amounts reported on the governmental fund statements (modified accrual accounting, short-term focus). The schedules are located in the Basic Financial Statements – Fund Financial Statements – Governmental Funds section. The following explanations represent some of the reporting differences between the two statements:

- Capital outlays result in capital assets on the government-wide statements but are reported as expenditures in the governmental fund financial statements.
- Bond proceeds are recorded as long-term debt on the government-wide statements but are listed as current financial resources on the governmental fund statements.



Management's Discussion and Analysis

(Unaudited)

- Net pension and other postemployment (OPEB) assets/liabilities are reported on the government-wide statements but are not reported on the governmental fund statements.

Notes to the Financial Statements

The notes to the financial statements located at the end of the basic financial statements section provide additional information essential to a complete understanding of the financial statements. The notes are applicable to both the government-wide financial statements and the fund financial statements.

Required and Other Supplementary Information

In addition to this MD&A, the basic financial statements are followed by a section containing other required supplementary information which further explains and supports the information in the financial statements. This section of the report includes: (1) a budgetary comparison schedule of the General Fund (Budget Fund), including reconciliations of revenues and expenditures on the statutory and GAAP basis for the fiscal year, (2) information on the State's public entity risk pool, (3) information on the State's defined benefit pension plans and (4) information on the State's OPEB plans. Other supplementary information includes combined financial statements for the State's nonmajor governmental funds, nonmajor enterprise funds, internal service funds, fiduciary funds and non-major component units. The total columns of these combined financial statements carry forward to the applicable fund financial statements.

FINANCIAL ANALYSIS OF THE STATE AS A WHOLE

Net Position

Governmental entities are required by Generally Accepted Accounting Principles (GAAP) to report on their net position. The *Statement of Net Position* presents the value of all of the State's assets and deferred outflows of resources, as well as all liabilities and deferred inflows of resources, with the difference reported as net position.

As shown in Table 1 on the following page, the State reported a total net position of \$58.0 billion, which is comprised of \$34.7 billion in net investment in capital assets, \$14.0 billion in restricted net position, and an unrestricted portion of net position excess of \$9.4 billion.

Based on the positive balance in unrestricted net position, funds were available to the state for discretionary purposes. In fiscal year 2024, the state exceeded the maximum legal limit of state general receipts with the excess reported as surplus for a fourth year in a row. The following table was derived from the current and prior year government-wide *Statement of Net Position*.

(Table on next page)



Management's Discussion and Analysis

(Unaudited)

Table 1 - Net Position						
As of June 30, 2024 and 2023 (amounts in thousands)						
	Governmental Activities		Business-type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Assets						
Non-Capital Assets	\$ 48,316,242	\$ 45,849,263	\$ 8,605,103	\$ 8,074,594	\$ 56,921,345	\$ 53,923,857
Capital and Right-to-Use Assets, net	31,199,506	29,394,946	13,015,456	12,663,442	44,214,962	42,058,388
Total Assets	79,515,748	75,244,209	21,620,559	20,738,036	101,136,307	95,982,245
Deferred Outflows of Resources	2,251,977	3,536,335	2,436,138	3,430,732	4,688,115	6,967,067
Liabilities						
Noncurrent Liabilities	18,130,736	19,470,006	12,141,350	13,414,585	30,272,086	32,884,591
Current Liabilities	12,063,341	12,535,759	1,659,404	1,593,441	13,722,745	14,129,200
Total Liabilities	30,194,077	32,005,765	13,800,754	15,008,026	43,994,831	47,013,791
Deferred Inflows of Resources	1,319,275	1,614,674	2,469,983	2,285,841	3,789,258	3,900,515
Net Position						
Net Investment in Capital Assets ⁽¹⁾	28,146,729	25,910,175	9,913,820	9,433,321	34,658,528	31,890,611
Restricted	11,061,086	9,829,326	2,969,200	2,721,596	14,030,286	12,550,922
Unrestricted ⁽¹⁾	11,046,558	9,420,604	(5,097,060)	(5,280,016)	9,351,519	7,593,473
Total Net Position	\$ 50,254,373	\$ 45,160,105	\$ 7,785,960	\$ 6,874,901	\$ 58,040,333	\$ 52,035,006
Percent Change in Total:						
Net Position from Prior Year (as Restated)	11.3 %		13.3 %		11.5 %	

⁽¹⁾ Refer to Note 4 for additional details

Note: Adjustment to prior year amounts have been recorded in the prior year column(s). Refer to Note 2 for additional details of these adjustments.

Net position for governmental activities increased by \$5.1 billion (11.3%) (as restated). The excess unrestricted balance of \$11.0 billion is primarily the result of the following types of transactions:

- The State continues to issue general obligation debt for the purposes of capital acquisition and construction on behalf of independent school systems, business-type activities, component units and State schools. Since the issuance of this debt does not result in capital assets acquisitions for governmental activities, the debt of \$5.7 billion is not reflected in the net position category, net investment in capital assets, but rather in the unrestricted net position category.
- GASB Statement No. 68 (GASB 68), as related to pensions, required the State to recognize its proportionate share of the net pension liability of the pension plans applicable to said standard. As of June 30, 2024, this liability, along with associated deferred outflows of resources and deferred inflows of resources, resulted in a \$4.3 billion impact to unrestricted net position.
- GASB Statement No. 75 (GASB 75), as related to OPEB, required the State to recognize its proportionate share of the net OPEB liability of the OPEB plans applicable to said standard. As of June 30, 2024, this liability, along with associated deferred outflows of resources and deferred inflows of resources, resulted in a \$50.5 million impact to unrestricted net position.
- The above excess net position includes \$5.6 billion in Revenue Shortfall Reserves (RSR) and an additional \$11.0 billion that was in excess of the 15% legal limit in the RSR.



Management's Discussion and Analysis

(Unaudited)

Net position for business-type activities as originally reported increased by \$911.1 million (13.3%). The deficit unrestricted balance of \$5.1 billion is primarily due to net pension and OPEB liabilities as follows:

- GASB 68, as related to pensions, required the State to recognize its proportionate share of the net pension liability of the pension plans applicable to said standard. As of June 30, 2024, this liability, along with associated deferred outflows of resources and deferred inflows of resources, resulted in a \$3.5 billion impact to unrestricted net position.
- GASB 75, as related to OPEB, required the State to recognize its proportionate share of the net OPEB liability of the OPEB plans applicable to said standard. As of June 30, 2024, this liability, along with associated deferred outflows of resources and deferred inflows of resources, resulted in a \$4.4 billion impact to unrestricted net position.

Changes in Net Position

The revenue and expense information, as shown in Table 2 on the following page, was derived from the government-wide *Statement of Activities* and summarizes the State's total revenues, expenses and changes in net position for fiscal year 2024. Consistent with the prior year, the State received a majority of its \$80.8 billion in revenues from taxes and operating grants and contributions. Expenses of the primary government during fiscal year 2024 were \$74.8 billion. As a result of the excess revenues over expenses, the total net position of the primary government increased by \$6.0 billion, before contributions to permanent endowments and transfers.

(Table on next page)



Management's Discussion and Analysis

(Unaudited)

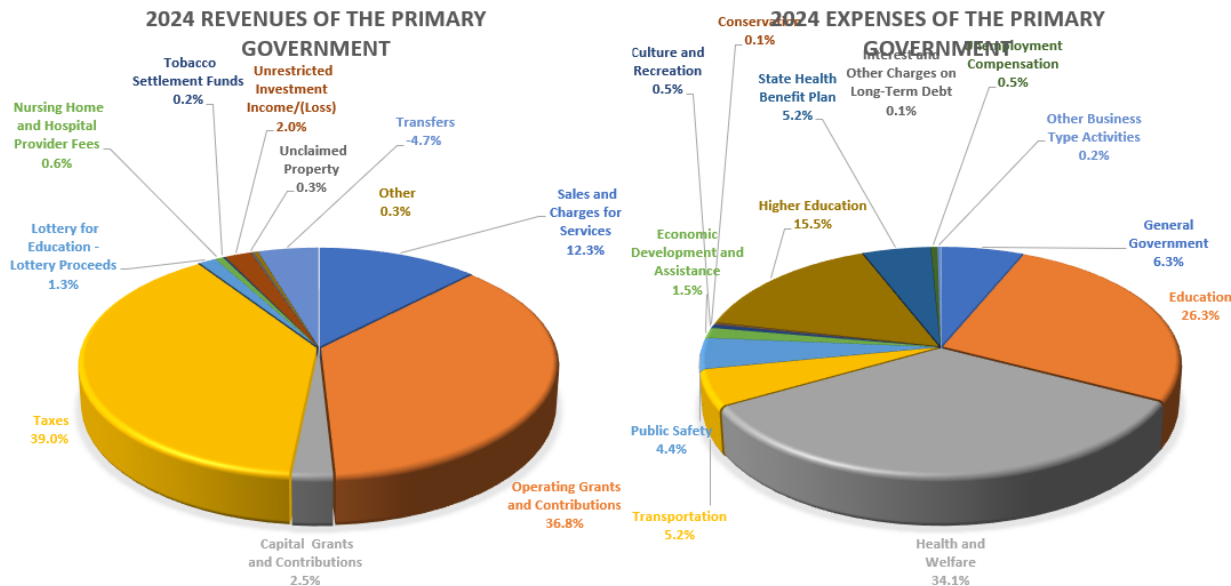
Table 2 - Changes in Net Position

For the Years Ended June 30, 2024 and 2023 (amounts in thousands)

	Governmental Activities		Business-type Activities		Total Primary Government		Total Percentage Change
	2024	2023	2024	2023	2024	2023	2023 to 2024
Revenues:							
Program Revenues:							
Sales and Charges for Services	\$ 1,968,525	\$ 1,697,293	\$ 8,498,312	\$ 7,796,377	\$ 10,466,837	\$ 9,493,670	10.3%
Operating Grants/Contributions	26,739,917	32,222,749	4,453,037	4,161,060	31,192,954	36,383,809	(14.3%)
Capital Grants/Contributions	2,050,874	1,837,763	62,545	58,107	2,113,419	1,895,870	11.5%
General Revenues:							
Taxes	33,056,643	32,167,253	—	—	33,056,643	32,167,253	2.8%
Lottery for Education - Lottery Proceeds	1,133,615	1,516,383	—	—	1,133,615	1,516,383	(25.2%)
Nursing Home and Hospital Provider Fees	529,614	532,147	—	—	529,614	532,147	(0.5%)
Tobacco Settlement Funds	147,000	164,832	—	—	147,000	164,832	(10.8%)
Unrestricted Investment Income	1,736,128	1,064,891	—	—	1,736,128	1,064,891	63.0%
Unclaimed Property	220,261	232,593	—	—	220,261	232,593	(5.3%)
Other	244,412	251,001	—	—	244,412	251,001	(2.6%)
Total Revenues	67,826,989	71,686,905	13,013,894	12,015,544	80,840,883	83,702,449	(3.4%)
Expenses:							
General Government	4,707,029	2,752,005	—	—	4,707,029	2,752,005	71.0%
Education	19,703,715	22,276,859	—	—	19,703,715	22,276,859	(11.6%)
Health and Welfare	25,531,417	26,892,697	—	—	25,531,417	26,892,697	(5.1%)
Transportation	3,870,558	3,151,843	—	—	3,870,558	3,151,843	22.8%
Public Safety	3,303,259	2,896,710	—	—	3,303,259	2,896,710	14.0%
Economic Development and Assistance	1,098,961	822,101	—	—	1,098,961	822,101	33.7%
Culture and Recreation	406,637	403,942	—	—	406,637	403,942	0.7%
Conservation	86,456	81,294	—	—	86,456	81,294	6.3%
Interest and Other Charges on Long-Term Debt	73,740	520,199	—	—	73,740	520,199	(85.8%)
Higher Education Fund	—	—	11,592,480	11,074,416	11,592,480	11,074,416	4.7%
State Health Benefit Plan	—	—	3,908,324	3,280,753	3,908,324	3,280,753	19.1%
Unemployment Compensation Fund	—	—	376,486	83,294	376,486	83,294	352.0%
Nonmajor Enterprise Funds	—	—	176,767	66,272	176,767	66,272	166.7%
Total Expenses	58,781,772	59,797,650	16,054,057	14,504,735	74,835,829	74,302,385	0.7%
Increase (Decrease) in Net Position Before Contributions and Transfers	9,045,217	11,889,255	(3,040,163)	(2,489,191)	6,005,054	9,400,064	
Contributions to Permanent Endowments	—	—	273	3,142	273	3,142	
Transfers	(3,950,949)	(3,841,817)	3,950,949	3,841,817	—	—	
Change in Net Position	5,094,268	8,047,438	911,059	1,355,768	6,005,327	9,403,206	
Net Position July 1 - Restated	45,160,105	37,112,667	6,874,901	5,519,133	52,035,006	42,631,800	
Net Position June 30	\$ 50,254,373	\$ 45,160,105	\$ 7,785,960	\$ 6,874,901	\$ 58,040,333	\$ 52,035,006	11.5%

Note: Adjustment to prior year amounts have been recorded in the prior year column(s). Refer to Note 2 for additional details of these adjustments.

(Charts on next page)



Governmental Activities

The State's total revenues for governmental activities from all sources decreased by \$3.9 billion (5.4%) (as restated). The primary driver of this change was a decrease in operating grants and contributions of \$5.5 billion (17.0%) (as restated), which was primarily related to the following:

- The Department of Education had a decrease of \$3.5 billion, primarily due to ESSER II & III grants.
- The Department of Human Services had a decrease of \$1.6 billion revenue, which was primarily due to reduced pandemic-related activities in 2024.

These decreases in operating grants and contributions revenue were partially offset by an increase in general revenue of \$1.1 billion (3.2%). The drivers of this general revenues increase was due to \$767.2 million at the Department of Revenue, primarily due to an executive order in 2023 for a suspension on gas tax, which reduced the revenue in fiscal year 2023. Additionally, unrestricted investment income increased by \$671.2 million due to increased interest rates in fiscal year 2024.

The following table shows to what extent program revenues (charges for services and grants) covered program expenses. During fiscal year 2024, program revenues covered \$30.8 billion (52.3%) of the \$58.8 billion in total program expenses. For the remaining \$28.0 billion (47.7%) of the total program expenses, the State relied on taxes and other general revenues.

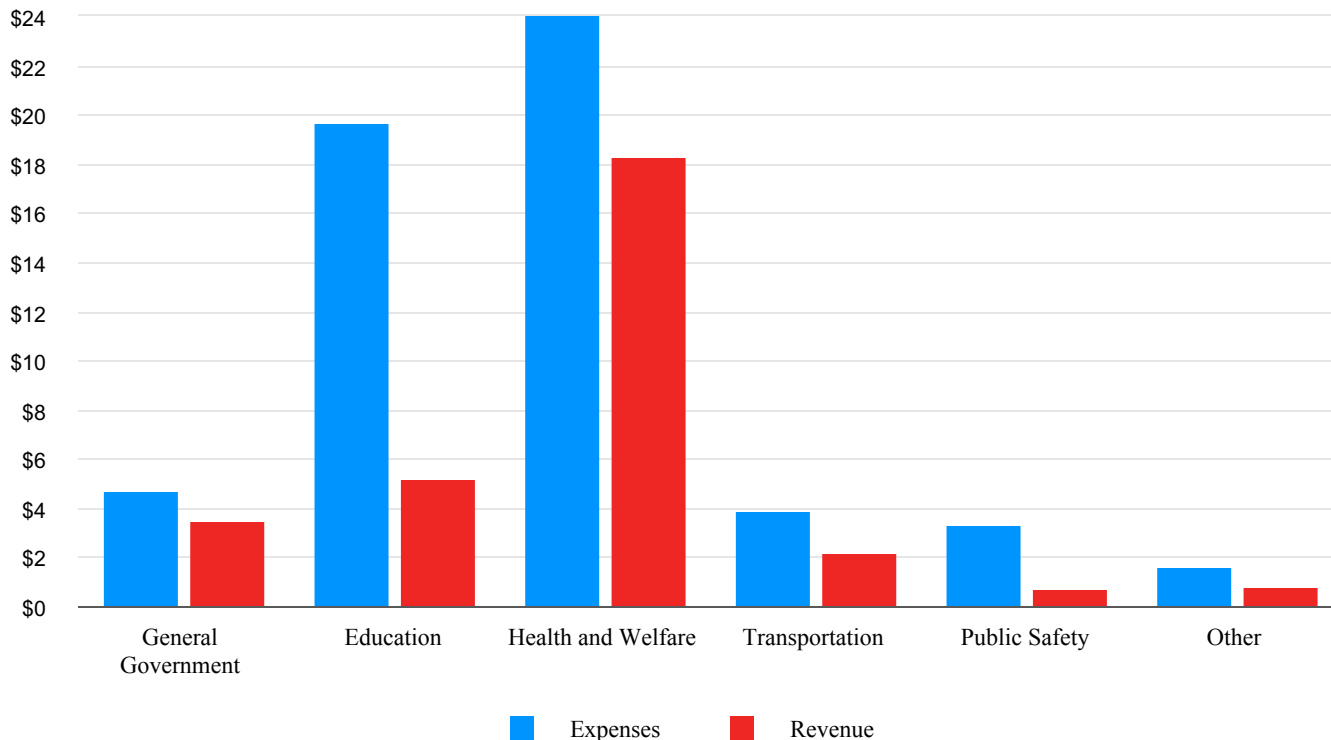
(Chart on next page)



Management's Discussion and Analysis

(Unaudited)

Table 3 – Net Program Revenue
For the Year Ended June 30, 2024 (amounts in billions)



Business-type Activities

The State’s revenues for business-type activities increased \$998.4 million (8.3%), primarily driven by sales and charges for services increases at the State Health Benefit Plan of \$556.9 million, which is consistent with healthcare increases happening at a national level.

The State’s expenses for business-type activities showed an increase of \$1.5 billion (10.7%). Of this increase, the State Health Benefit plan had increases of \$627.6 million, which correlates to their revenue increase. The Higher Education Fund expenses increased by \$518.1 million. This increase is primarily attributed to increases in salaries and benefits expenses due to a combination of increases in overall employee head count as well as cost-of-living and retention adjustments that went into effect during the fiscal year. In addition, there was an overall increase in grants and contracts expenses at the University System of Georgia (USG).

As a result of the excess revenues over expenses, the total net position of the business-type activities increased by \$911.1 million (13.3%) during the fiscal year.

In fiscal year 2024, business-type activities expenses were funded 81.1% from program revenues compared to 82.8% in the prior year. The remaining expenses were funded by \$4.0 billion in transfers from governmental activities, of which the majority were State Appropriations to the Higher Education Fund.



FINANCIAL ANALYSIS OF THE STATE'S GOVERNMENTAL FUNDS

Fund Balances

As of June 30, 2024, the State's governmental funds reported a combined ending fund balance of \$31.1 billion. Of this amount \$11.1 billion (35.7%) is restricted for specific programs by constitutional provisions, external constraints, or contractual obligations and \$16.6 billion (53.4%) of fund balance is unassigned.

General Fund

The General Fund is the chief operating fund of the State and had a total fund balance of \$26.3 billion as of fiscal year end. The net change in fund balance during the fiscal year was an increase of \$268.2 million (1.0%) (as restated). The following major revenues, expenditures and other sources/uses contributed to the change in fund balance:

- Revenues - Revenues of the General Fund totaled \$66.1 billion in the fiscal year, represents a decrease of \$4.5 billion (6.3%) over the prior year (as restated). These decreases are primarily related to the following:
 - Federal Revenue decreased \$3.5 billion at the Department of Education, primarily due to a decrease in ESSER II and ESSER III grants.
 - Federal Revenue decreased by \$1.6 billion at the Department of Human Services due to a reduction in Pandemic-related grant activities during 2024 in comparison to 2023.
 - The Department of Revenue had an increase in government tax revenue in 2024 of \$982.8 million, which was primarily driven by an executive order in 2023 for a suspension on gas tax, which reduced the revenue in fiscal year 2023.

- Expenditures - Expenditures of the General Fund totaled \$58.6 billion in the fiscal year, a decrease of \$834.7 million (1.4)% over the prior year (as restated).
 - Total education expenses decreased \$2.5 billion, primarily due to a reduction in ESSER II & III grant payments made to local education authorities.
 - The Department of Transportation expended \$1.0 billion more in 2024 than 2023 due to an increase in state appropriations that they received in the 2024 amended budget.
 - The Department of Human Services expended \$1.3 billion less in 2024, related to a reduction in pandemic-related grant activities in comparison to 2023.

Capital Project Fund - General Obligation Bond Projects Fund

Fund balance in the General Obligation Bond Projects Fund increased by \$1.3 billion (67.0%) from the prior year. This was primarily attributed to an increase in State appropriations from the general fund to the capital projects fund, as the State funded capital outlay expenditures during the fiscal year in lieu of issuing new General Obligation Bond debt in calendar year 2024.



FINANCIAL ANALYSIS OF THE STATE'S PROPRIETARY FUNDS

Higher Education Fund

The total net position of the Higher Education Fund increased \$419.2 million (9.7%).

Operating revenues of the Higher Education Fund increased by \$436.0 million (7.2%). Of this increase, \$320.0 million is generated from operating grants and contract activities at the USG, which is largely due to research activities primarily at four of the research institutions.

Operating expenses increased by \$515.6 million (4.8%) primarily a result of changes at the USG as follows.

- Increase in Faculty salaries of \$126.9 million and staff salaries of \$201.9 million, mostly due to cost-of-living and retention adjustments approved by the state legislature for eligible state employees.
- Increase in supplies and other services of \$197.3 million, primarily due to increase in Research and Public Service grants and contracts.
- Decrease in Scholarships and Fellowship of \$42.9 million, due to the result of the HEERF scholarship funds being utilized fiscal year 2023 with less funds remaining and available in fiscal year 2024.

The increase in Higher Education expenses were also affected by changes in Pension and OPEB expenses as follows:

- Increase in Pension expense of \$215.8 million primarily due to the changes of assumptions and difference between expected and actual experience.
- Decreases in benefits related to OPEB expense of \$222.0 million, primarily due to a change in the discount rate and the expected return on assets.

Non-operating revenues (net of expenses) decreased \$278.9 million (18.3%) primarily due to non-operating grants and contracts decreases of \$244.3 million at the USG, mostly due to exhausting remaining federal HEERF funds.

The Higher Education Fund had a decrease of \$114.6 million (53.6%) of transfers out, primarily due to increased cash supplements to GSFIC, related to upcoming construction activities.

State Health Benefit Plan

Operating revenues for SHBP increased by \$556.9 million (16.1%) and operating expenses increased by \$627.6 million (19.1%). The revenue increases are driven by increased rates. Expenses were higher, which is consistent with the national average, as well as the plan having some high dollar claims during the year. These changes resulted in a corresponding decrease in operating income of \$70.7 million.

Unemployment Compensation Fund

Due to the disclaimer of opinion on the Unemployment Compensation Fund, the results of this fund are not being analyzed.



CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The State’s capital assets increased by a net \$2.2 billion (5.4%) during the year. The change consisted of a net increase in infrastructure of \$727.9 million and a net increase in machinery and equipment of \$183.9 million, as well as net increases in land, buildings and improvements other than buildings of \$323.0 million, \$209.7 million, and \$52.7 million respectively. Additionally, construction in progress increased by \$699.4 million.

As of June 30, 2024, the State had General Fund commitments of \$4.8 billion and Capital Project Fund commitments of \$955.7 million for highway infrastructure and bridge construction. The State Road and Tollway Authority had \$606.0 million of commitments, which is comprised of \$420.8 million for the I-20 East Interchange Reconstruction Project, \$101.5 million for the SR 316 Bundle 1 Project, \$26.3 million for the I-16 at I-95 Interchange and I-16 Widening from I-95 to I-516 Reconstruction Project and \$57.8 million for the I-285 at SR 400 Interchange Reconstruction Project. Also, the USG had \$892.9 million in outstanding encumbrances at fiscal year end. In addition to these encumbrances, the USG had other significant unearned outstanding construction or renovation contracts in the amount of \$80.9 million executed as of June 30, 2024.

Additional information on the State’s capital assets can be found in *Note 9 – Capital Assets and Intangible-Right-to-Use Assets* of the Notes to the Financial Statements section of this report.

Table 4 - Capital Assets, Net of Accumulated Depreciation

As of June 30, 2024 and 2023 (amounts in thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Buildings/Building Improvements	\$ 2,503,738	\$ 2,412,451	\$ 9,907,262	\$ 9,788,877	\$ 12,411,000	\$ 12,201,328
Improvements Other Than Buildings	162,987	153,787	290,805	247,265	453,792	401,052
Infrastructure	14,955,972	14,220,288	219,891	227,636	15,175,863	14,447,924
Intangibles - Other Than Software	155,858	143,928	—	—	155,858	143,928
Land	5,687,656	5,385,061	538,741	518,343	6,226,397	5,903,404
Library Collections	—	—	159,508	159,023	159,508	159,023
Machinery and Equipment	537,110	445,320	770,401	678,248	1,307,511	1,123,568
Software	195,740	219,292	51,424	65,215	247,164	284,507
Works of Art and Collections	1,421	1,421	63,568	62,666	64,989	64,087
Construction in Progress	5,977,025	5,371,984	446,102	351,753	6,423,127	5,723,737
Total	\$ 30,177,507	\$ 28,353,532	\$ 12,447,702	\$ 12,099,026	\$ 42,625,209	\$ 40,452,558

(Table on next page)



Management's Discussion and Analysis

(Unaudited)

Table 5 - Intangible Right-To-Use Assets, Net of Accumulated Amortization						
As of June 30, 2024 and 2023 (amounts in thousands)						
	Governmental Activities		Business-type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Land	\$ 157	\$ 214	\$ 1,368	\$ 2,112	\$ 1,525	\$ 2,326
Infrastructure	—	—	4,443	5,528	4,443	5,528
Buildings and Building Improvements	706,923	728,814	445,260	447,762	1,152,183	1,176,576
Improvements Other Than Buildings	—	—	7,640	(3,162)	7,640	(3,162)
Machinery and Equipment	95,700	120,679	11,863	10,299	107,563	130,978
Software Development in progress	28,015	10,821	1,116	—	29,131	10,821
Subscription Based IT Arrangements (SBITAs)	191,204	180,886	96,064	101,877	287,268	282,763
Total	\$ 1,021,999	\$ 1,041,414	\$ 567,754	\$ 564,416	\$ 1,589,753	\$ 1,605,830

Debt Administration

The Constitution authorizes issuing general obligation debt only as approved by the legislature and prohibits the issuance of general obligation bonds for operating purposes. The Constitution requires the State to maintain a reserve sufficient to pay annual debt service requirements on all general obligation debt. If for any reason the reserve balance is insufficient to make all debt service payments when due, the first revenues received thereafter in the General Fund will be set aside for such use. The Constitution also stipulates that no debt may be incurred when the highest aggregate annual debt service requirements for any year for outstanding general obligation debt and guaranteed revenue debt, including proposed debt, exceed 10% of the total revenue receipts, less refunds in the state treasury, in the fiscal year immediately preceding the year in which any such debt is to be incurred. While GO bonds were issued during fiscal year 2024, there were no bonds issued in calendar year 2024. Even so, at June 30, 2024, the State was \$2.5 billion below the annual debt service limit established by the Constitution.

Table 6 - Net Outstanding Bond Debt						
As of June 30, 2024 and 2023 (amounts in thousands)						
	Governmental Activities		Business-type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
General Obligation Bonds	\$10,218,749	\$10,549,292	\$ —	\$ —	\$10,218,749	\$10,549,292
GARVEE Bonds	440,186	495,312	—	—	440,186	495,312
Revenue Bonds	—	19,622	588,530	599,411	588,530	619,033
	\$10,658,935	\$11,064,226	\$ 588,530	\$ 599,411	\$11,247,465	\$11,663,637

At the end of the fiscal year, the State had \$11.2 billion in total outstanding bonded debt. Of this amount \$10.2 billion (net of premiums and discounts) (90.9%), is secured by the full faith and credit of the government for general obligation bonds. Guaranteed revenue bonds of \$588.5 million (5.2%) are secured primarily by toll revenues or applicable security deeds and related assignment of contract documents; and \$440.2 million (3.9%) in State Road and Tollway Authority GARVEE bonds are secured by Federal Highway Administration grant funds and state motor fuel funds.

Total general obligation bonds, GARVEE bonds, and revenue bonds payable, net of premiums and discounts, decreased \$330.5 million (3.1%), decreased \$55.1 million (11.1%), and decreased \$30.5 million (4.9%)



Management's Discussion and Analysis

(Unaudited)

respectively. During the fiscal year, the State issued \$880.9 million of general obligation (GO) bonds, excluding premiums and discounts. Of the \$880.9 million of GO Bonds issued, \$621.3 million were related to capital projects, while \$259.5 million represented a refunding bond issuance. Of the capital projects authorized, there was \$120.6 million for public safety projects, \$235.9 million for higher education facilities, \$61.5 million to advance "Growing Georgia" projects, \$160 million for K-12 school facilities, \$11.1 million in "Responsible and Efficient Government" projects, \$17.7 million for public libraries, and \$14.6 million for "Healthy Georgia" projects.

Because the state did not issue new general obligation bonds for the calendar year 2024, Fitch Ratings and Moody's Investors Service did not issue formal reports for Georgia's bond ratings. However, S&P Global Ratings reaffirmed the AAA rating. In the prior calendar year, all agencies gave Georgia the highest possible ratings in their analyses of the State's credit worthiness. These ratings, the highest available, help the State achieve the lowest possible interest rates. Additional information regarding the State's outstanding debt can be found in *Note 10 – Long-Term Liabilities* of the notes to the financial statements section.

BUDGETARY HIGHLIGHTS

Fiscal Year 2024 Budget Highlights

The Amended Fiscal Year 2024 (AFY 2024) appropriations bill was signed by the Governor on February 29, 2024 as passed by the General Assembly.

Revenues

The AFY 2024 budget increased the total general fund revenue estimate over the original budget by \$5.5 billion, based on FY 2023 actual revenue performance. Despite unprecedented economic challenges in recent years, the State has been able to return over \$5.2 billion directly to Georgia taxpayers through tax rebates and suspension of the state's motor fuel tax in addition to enacting the largest income tax reduction in Georgia history. More specifically, the State has focused on growing Georgia's economy rather than growing state government, and in turn, is reaping the dividends of those smart investments as Georgia remains the number one state in which to do business for a tenth consecutive year. In fiscal year 2024, the State furthered efforts to keep Georgia competitive by investing in our economy and the State's workforce while maintaining the same fiscally conservative approach to governance that has enabled Georgia to remain one of the few states to have a AAA bond rating from all three rating agencies.

(Table on next page)



Management's Discussion and Analysis

(Unaudited)

Revenue Estimates Since FY 2023
(In millions)

	AFY 2023 Estimate	FY 2023 Actuals	FY 2024 Original Estimate	AFY 2024 Estimate	Change Over FY 2023 Actuals	FY 2025 Estimate	Change Over AFY 2024 Estimate
General Funds							
Taxes: Revenue							
Income Tax - Individual	\$ 14,934.20	\$ 16,969.08	\$ 14,706.90	\$ 15,505.16	-8.6%	\$ 15,808.93	2.0%
Income Tax - Corporate	1,882.50	3,807.57	1,401.71	3,047.67	-20.0%	3,062.90	0.5%
Sales and Use Tax-General	8,365.66	8,918.95	8,352.55	8,149.22	-8.6%	8,369.25	2.7%
Motor Fuel	897.89	837.22	2,032.93	1,556.63	85.9%	2,067.47	32.8%
Tobacco Taxes	237.00	235.58	234.63	224.51	-4.7%	221.14	-1.5%
Alcoholic Beverages Tax	230.00	227.08	234.60	222.99	-1.8%	222.55	-0.2%
Property Tax	-	0.16	-	0.17	-	-	-
Motor Vehicle License Tax	390.00	407.30	368.55	412.19	1.2%	416.72	1.1%
Title Ad Valorem Tax	750.00	831.32	672.50	774.38	-6.8%	788.31	1.8%
Insurance Premium Tax	580.00	680.84	560.00	682.54	0.2%	680.84	-0.2%
Total Net Taxes	\$ 28,267.25	\$ 32,915.09	\$ 28,564.37	\$ 30,575.46	-7.1%	\$ 31,638.11	3.5%
Total Interest Fees and Sales	2,380.18	3,029.45	2,206.99	3,307.25	9.2%	2,787.12	-15.7%
Total State General Funds	\$ 30,647.43	\$ 35,944.54	\$ 30,771.36	\$ 33,882.71	-5.7%	\$ 34,425.23	1.6%
Lottery Funds	1,417.10	1,588.51	1,514.66	1,511.94	-4.8%	1,511.85	0.0%
Tobacco Settlement Funds	148.53	170.70	148.56	148.57	-13.0%	148.62	-
Brain and Spinal Injury Trust Fund	1.61	1.61	1.91	1.91	18.6%	1.85	-3.1%
Safe Harbor for Children Trust Fund	0.11	0.11	0.20	0.20	81.8%	0.25	25.0%
Other State Revenue	-	1.47	-	-	-	-	-
Total State Treasury Receipts	\$ 32,214.78	\$ 37,706.94	\$ 32,436.69	\$ 35,545.33	-5.7%	\$ 36,087.80	1.5%
Supplemental Fund Sources							
Return of Audited Surplus	-	501.49	-	-	-	-	-
Mid-year Adjustment Reserve	349.35	349.35	-	359.44	2.9%	-	-
Unreserved, Undesignated Surplus	-	-	-	2,000.00	-	-	-
TOTAL STATE TREASURY RECEIPTS	\$ 32,564.13	\$ 38,557.78	\$ 32,436.69	\$ 37,904.77	-1.7%	\$ 36,087.80	-4.8%

Source: Governor's Office of Planning and Budget

Expenditures

The Amended FY 2024 budget increased the revenue estimate over the original budget by \$5.5 billion in general fund revenue, based on FY 2023 actual revenue performance. The Amended budget prioritizes restoring funds for health care and K-12 education needs, funding recruitment and retention initiatives, and continuing economic development investment opportunities.

Statewide Changes:

- \$315.2 million to provide a \$1,000 one-time salary supplement for state employees, certificated K-12 employees, and Pre-K teachers and assistant teachers for recruitment and retention purposes

Educated Georgia:

- \$102.5 million for a midterm adjustment in the Quality Basic Education Program

Safe Georgia:

- \$135.4 million to address Department of Corrections facility maintenance and repairs
- \$436.8 million for additional construction on a new state prison

Responsible and Efficient Government:

- \$134.0 million for the implementation of the state reinsurance program to reduce insurance premiums statewide
- \$500.0 million to improve the long-term financial viability of the pension system and support state retirees
- \$250.0 million for the Workers' Compensation, Liability, and Property risk pools to reduce outstanding obligations and meet the costs of future claims expenses



Management's Discussion and Analysis

(Unaudited)

- \$158.6 million for the NextGen ERP, Department of Labor Unemployment Insurance System, Professional Standards Commission Educator Certification Case Management System, Board of Regents ERP System, and Department of Human Services \$TARS Case Management System modernization
- \$392.0 million for repairs and improvements to resolve safety, health, accommodations, and accessibility at the Georgia Capitol Complex

Growing Georgia:

- \$100.0 million for Regional Economic Business Assistance to support economic development projects and promote investment in Georgia businesses
- \$250.0 million for the Georgia Fund to support water and wastewater infrastructure development across the state through low interest loans to local communities
- \$100.0 million to support rural economic development projects and expand grant opportunities for rural site development

Mobile Georgia:

- \$593.4 million to expedite the Department of Transportation's existing project pipeline
- \$250.0 million for additional support of local transportation infrastructure projects
- \$500.0 million for infrastructure projects that enhance economic development while promoting freight and logistics efficiency and safety

In fiscal year 2024, Georgia remained committed to using tax dollars as efficiently as possible, improving customer service, reducing unnecessary government bureaucracy, and returning surpluses to its citizens while maintaining cautious, conservative budgets as the State has weathered economic uncertainty and rampant inflation. This budgetary prudence in the face of uncertainty combined with the tremendous strength in the State's economy has provided opportunity for unprecedented investment in the state while simultaneously allowing for historic tax relief for hardworking Georgia families.

Revenue Shortfall Reserve (RSR)

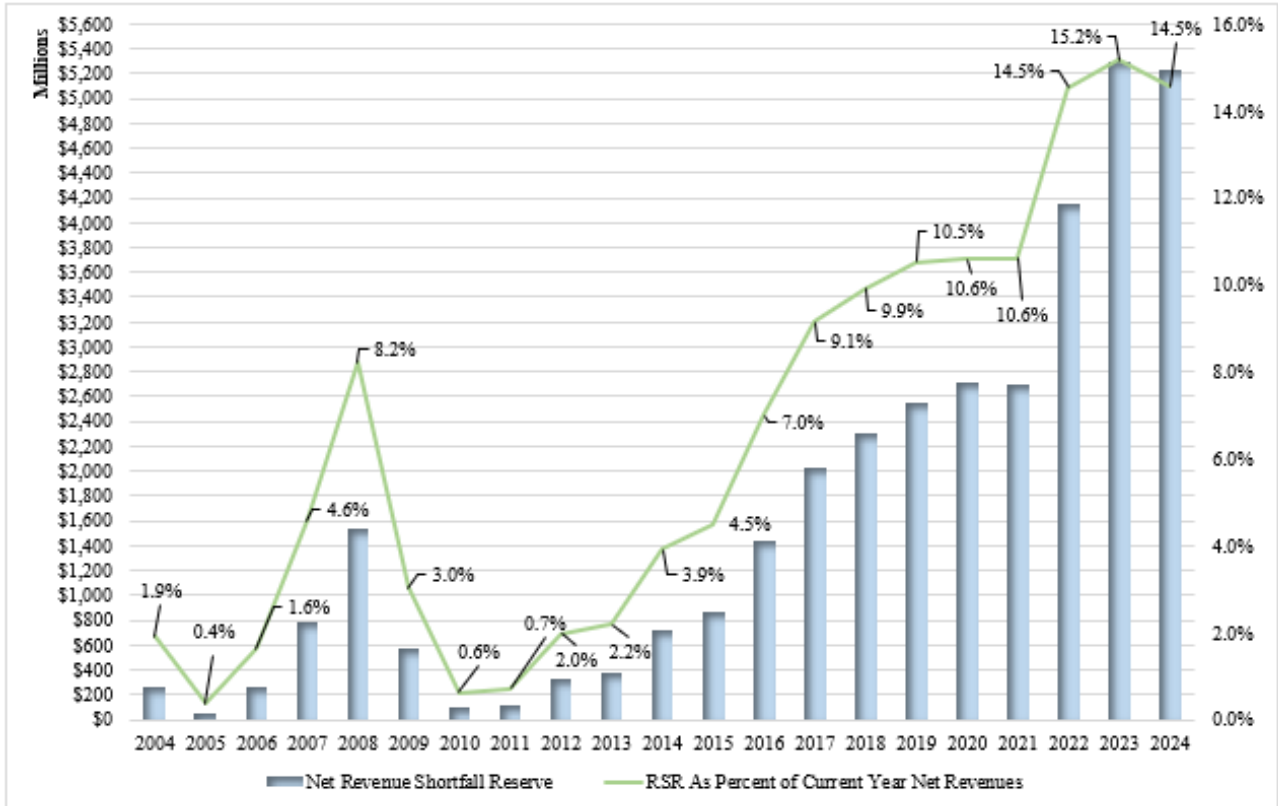
The RSR provides for the sound management of excess revenue collections in any given fiscal year. By statute, all surplus State funds existing at the end of each fiscal year shall be reserved and added to the RSR. Each fiscal year, the General Assembly may appropriate from the RSR an amount up to 1% of the net revenue collections of the preceding fiscal year for funding increased K-12 education needs. Also, the Governor may release for appropriation by the General Assembly a stated amount of reserve funds in the RSR that are in excess of 4% of the net revenue collections of the preceding fiscal year. The RSR cannot exceed 15% of the previous fiscal year's net revenue collections.

By statute, 1% of fiscal year 2024 state general fund receipts/net revenue collections (\$364.4 million) is available from the RSR for the mid-year K-12 education appropriation adjustment in the amended fiscal year 2025 budget. This amount had not been appropriated as of the date of this report, however, it has been included in the chart below.

The ending balance in the Revenue Shortfall Reserve (RSR), or "rainy day" fund, is a critical tool in helping to address budget shortfalls. While combating the impact of inflation and warnings of a potential recession, the State remained focused on maintaining the RSR. After adjusting for the current year agency lapse less the mid-year adjustment for education, the RSR balance as of June 30, 2024 is \$5.5 billion. Current state law provides that the reserve cannot exceed 15% of the previous fiscal year's net revenue. In fiscal year 2024, the 15% legal limit was exceeded and the receipts in excess of the 15% (\$11.0 billion) were reported as unreserved, undesignated surplus. Prior to mid-year adjustment for education, this increase in the RSR represents an increase of \$74.6 million from fiscal year 2023, and after the mid-year adjustment for education, a decrease of \$274.8 million from fiscal year 2023.



**Revenue Shortfall Reserve as a Percentage of State General Fund Receipts
(in millions)**



Source: State Accounting Office

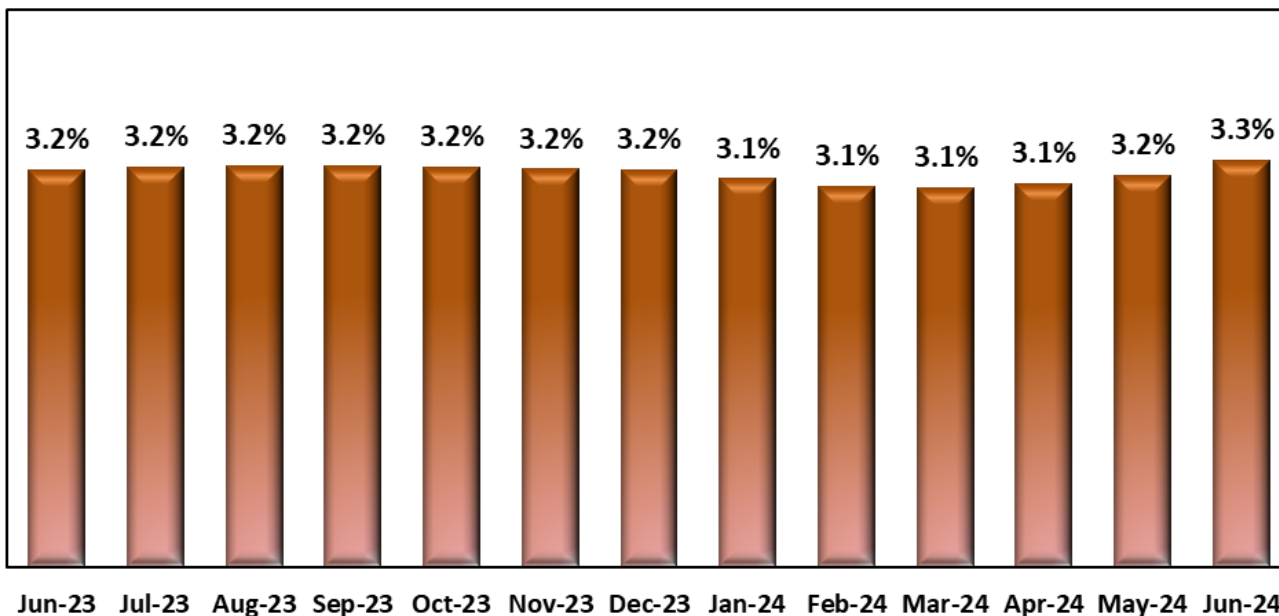


ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Economic Outlook

The Georgia economy in 2024 has remained strong with total employment growing by 62,700 jobs during the fiscal year, the largest gains coming in education and health services followed by government and leisure and hospitality services. The state's unemployment remained in a narrow, historically low range of 3.1 to 3.3 percent for the fiscal year, ending the year up 0.1 percentage points from June 2023, while the state's workforce grew by 1.5 percent. Still-tight labor markets, workforce growth and core inflation (CPI less food and energy) of 3.3 percent for the 12 months through June helped push wage and salary income 6.4 percent higher in Georgia in fiscal year 2024 compared to the year before, according to U.S. Bureau of Economic Analysis data. This income growth more than offset income-tax rate cuts that became effective January 1, 2024, resulting in withholding tax collections growth of 0.6% for the fiscal year (see second figure below).

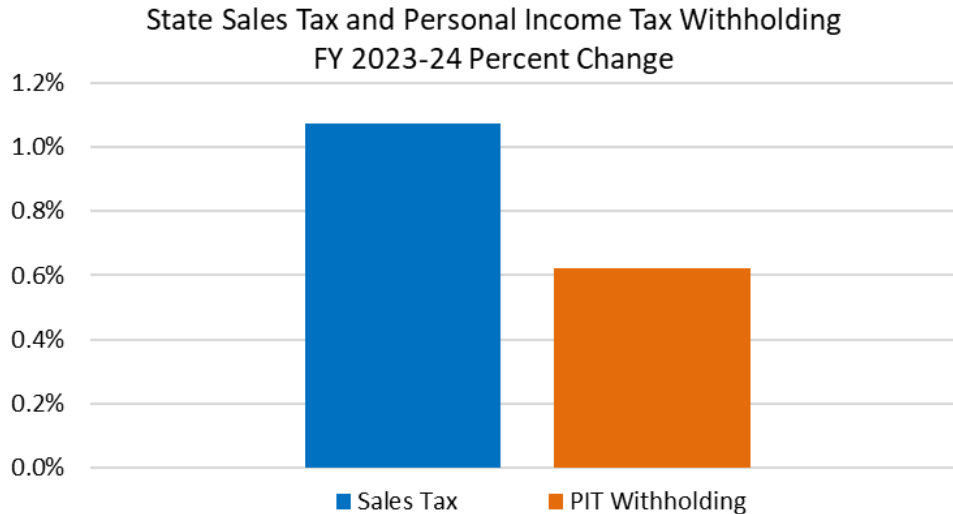
Georgia Unemployment Rate (Seasonally Adjusted)



Source: U.S. Bureau of Labor Statistics

Continuing labor market strength and rising wage incomes continued to support a strong consumer sector in Georgia, as evidenced by 6.5% growth in personal consumption expenditures (PCE) in the state in calendar year 2023 over 2022, the latest period of data available. US PCE growth in the first half of calendar year 2024 remained strong at 5.2% growth. However, a marked shift in consumption to tangible goods from generally nontaxable services that boosted sales tax revenues in the first two years after the start of the pandemic reversed more recently, creating a drag on sales taxable collections. In calendar year 2023, the latest period of available state PCE data, this shift from goods back to services reduced taxable consumer spending by an estimated 4% from the level expected had the taxable share of PCE remained at the elevated 2021 level. Based on more recent national PCE figures, the shift back to services continues and may have reduced taxable consumption by more than 6% in FY 2024 compared to the level expected without the shift. As a result, state sales tax collections grew by only about 1.1% in FY 2024.

(Chart on next page)



Heading into FY 2025, Georgia’s economy remains healthy, though job growth has slowed in the first five months of the fiscal year to 5,100 jobs and unemployment has risen to 3.7%. Consumer sentiment remains relatively low due to concerns over higher prices in the coming months, according to the University of Michigan Consumer Sentiment Survey, particularly for durable goods that may be subject to new tariffs, though those expectations may lead consumers to accelerate purchases in the very near term to avoid future price hikes.

Federal Reserve monetary policy has eased in the current fiscal year, with interest-rate cuts in September, November, and December, but statements after the latest rate cut suggest the Fed will pause this easing cycle for the time being due to concerns that inflation remains sticky and may rise if broad new tariffs are imposed. New projections released after the December FOMC meeting show members expecting only 50 basis points of cuts in calendar year 2025, keeping rates at year-end 50 basis points above the level projected after the September meeting.

In short, Georgia’s economy is healthy, but by many measures, growth has slowed from the pace of the prior few years. While many signs point to slower growth in 2025 than in 2024, few forecasters predict a recession in the coming year. However, many warn of negative economic impacts of potential federal policy changes, including a near-term rise in inflation and slowdowns in real consumer spending and output if large tariff increases are enacted, and especially in the event of retaliation by trading partners.

Fiscal Year 2025 Budget Highlights

The \$36.1 billion FY 2025 budget was signed by Governor Brian Kemp on May 7, 2024. The FY 2025 budget provides an additional \$3.7 billion in funding over the original FY 2024 budget. The budget continues the state's investments in its workforce, fully funding education and supporting Georgia's teachers, improving access to affordable health care, and promoting workforce readiness for our citizens. The Amended FY 2025 budget includes \$2.7 billion in reserve funds for one-time, high priority investment needs for the state that will further strengthen Georgia's economy.

Statewide Changes:

- \$262.3 million to provide a four percent cost-of-living adjustment for state employees
- \$45.2 million to provide a \$3,000 targeted salary enhancement for selected POST certified law enforcement officers
- \$77.8 million to fully fund actuarial determined employer contributions for the Teachers Retirement System



Management's Discussion and Analysis

(Unaudited)

Educated Georgia:

- \$244.5 million to fund the state share of employer increases on certified educators who participate in SHBP
- \$382.4 million to adjust the state base salary schedule to increase salaries for certified personnel by \$2,500
- \$243.6 million for enrollment growth and training and experience to recognize a 0.05 percent increase in enrollment, bringing the total number of full-time equivalent (FTE) students funded in FY 2024 to 1.74 million students and over 138,000 teachers and administrators
- \$200 million for the Pupil Transportation Grant to provide additional state support to local school districts statewide
- \$108.9 million to establish School Security Grant program
- \$235.3 million for construction and renovation projects for local school systems
- \$102.8 million for capital projects at various institutions
- \$105.5 million for capital projects at various TCSG institutions

Healthy Georgia:

- \$106.6 million to implement provider rate study recommendations for New Options Waiver (NOW) and Comprehensive Supports Waiver Program (COMP) and Community Behavioral Health Rehabilitation Services providers
- \$399 million for Medicaid and PeachCare, including \$273 million to restore loss of enhanced Federal Medical Assistance Percentage (FMAP) due to the COVID-19 Public Health Emergency, \$45 million for the hold harmless provision in Medicare Part B premiums, \$142 million for skilled nursing centers to reflect 2022 cost reports, and \$61 million for the Medicare Part D clawback
- \$55.6 million to implement provider rate study recommendations for Independent Care Waiver Program and Elderly and Disabled Waiver Program providers and parity for Georgia Pediatric Program providers.

Safe Georgia:

- \$72 million for physical health and pharmacy services contracts
- \$40.1 million for the construction of the Medical Examiner Annex Addition
- \$52 million for construction of a 48-bed facility in Baldwin County

Responsible and Efficient Government:

- \$24 million to provide enhanced and standardized cybersecurity tools to executive branch agencies
- \$20 million for the state reinsurance program to reduce insurance premiums statewide

Growing Georgia:

- \$22 million for construction of a new goat, sheep, and swine barn at the Georgia National Fairgrounds
- \$18.9 million for major renovations and improvements at state parks and department facilities

Mobile Georgia:

- \$70 million for the Department of Transportation to reflect projected FY 2025 motor fuel revenue collections
- \$26.3 million for the Transportation Trust Fund for transportation projects pursuant to HB 511 (2021 Session)



REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the State's finances for all of the State's citizens, taxpayers, customers, and investors and creditors. This financial report seeks to demonstrate the State's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to: State Accounting Office, 200 Piedmont Avenue, Suite 1604 West Tower, and Atlanta, Georgia 30334-9010.

BASIC FINANCIAL STATEMENTS



Statement of Net Position

June 30, 2024

(amounts in thousands)

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and Cash Equivalents	\$ 3,232,640	\$ 1,467,228	\$ 4,699,868	\$ 1,040,422
Pooled Investments with State Treasury	29,213,168	2,017,786	31,230,954	3,175,604
Investments	4,249,521	857,091	5,106,612	1,608,688
Receivables (Net)	8,721,668	990,570	9,712,238	7,964,186
Due from Primary Government	—	—	—	12,439
Due from Component Units	40,730	456,578	497,308	—
Internal Balances	412,774	(412,774)	—	—
Inventories	54,232	23,525	77,757	15,773
Prepaid Items	358,671	232,170	590,841	43,251
Other Assets	161,702	1	161,703	192,214
Restricted Assets				
Cash and Cash Equivalents	12,075	2,487,675	2,499,750	603,478
Pooled Investments with State Treasury	295,852	166,157	462,009	836,407
Investments	476,516	296,892	773,408	5,109,093
Receivables (Net)	641,873	—	641,873	311,275
Net Pension Asset	71,932	760	72,692	—
Net OPEB Asset	372,888	21,444	394,332	4,747
Capital Assets				
Non-depreciable Capital Assets	11,820,807	1,045,525	12,866,332	1,605,952
Depreciable Capital Assets (Net)	18,356,700	11,402,177	29,758,877	4,275,355
Non-amortized Right-to-Use Assets	28,015	1,116	29,131	126
Amortized Right-to-Use Assets (Net)	993,984	566,638	1,560,622	251,344
Total Assets	79,515,748	21,620,559	101,136,307	27,050,354
Deferred Outflows of Resources	2,251,977	2,436,138	4,688,115	172,170

(continued)



Statement of Net Position June 30, 2024

(amounts in thousands)

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Liabilities				
Accounts Payable and Accrued Liabilities	2,229,656	479,598	2,709,254	659,786
Local Education Agencies Payable	2,044,278	—	2,044,278	—
Due to Primary Government	—	—	—	497,308
Due to Component Units	1,975	10,464	12,439	—
Policy Claims and Uninsured Liabilities	3,523,423	513,180	4,036,603	6,918
Accrued Interest Payable	329,306	7,822	337,128	33,525
Contracts Payable	198,477	37,016	235,493	103,859
Funds Held for Others	204,344	19,836	224,180	141,686
Unearned Revenue	3,123,807	576,414	3,700,221	293,098
Other Liabilities	408,075	15,074	423,149	1,577,047
Long-term Liabilities:				
Current Portion of Long-term Liabilities	1,304,179	446,664	1,750,843	276,196
Noncurrent:				
Net Pension Liability	5,776,797	5,153,102	10,929,899	284,789
Net OPEB Liability	227,894	3,209,242	3,437,136	94,442
Noncurrent Portion of Long-term Liabilities	10,821,866	3,332,342	14,154,208	6,417,019
Total Liabilities	<u>30,194,077</u>	<u>13,800,754</u>	<u>43,994,831</u>	<u>10,385,673</u>
Deferred Inflows of Resources	<u>1,319,275</u>	<u>2,469,983</u>	<u>3,789,258</u>	<u>780,538</u>
Net Position				
Net Investment in Capital Assets ⁽¹⁾	28,146,729	9,913,820	34,658,528	3,922,691
Restricted for:				
Bond Covenants/Debt Service	3,288	34,950	38,238	80,577
Capital Projects	1,410,006	20,527	1,430,533	292,900
Guaranteed Revenue Debt Common Reserve Fund	25,335	—	25,335	—
Loan and Grant Programs	—	—	—	2,796,344
Lottery for Education	2,151,266	—	2,151,266	—
Motor Fuel Tax Funds	4,382,020	—	4,382,020	—
National Opioid Settlement	879,244	—	879,244	—
Nonexpendable:				
Permanent Trust	—	230,377	230,377	3,402,868
Other Programs	—	—	—	81,342
Other Benefits	—	445,363	445,363	—
Other Purposes	1,536,231	360,401	1,896,632	635,288
Permanent Trust Expendable	—	—	—	1,383,233
Transportation Investment Act	673,696	—	673,696	—
Unemployment Compensation Benefits	—	1,877,582	1,877,582	—
Unrestricted ⁽¹⁾	11,046,558	(5,097,060)	9,351,519	3,461,070
Total Net Position	<u>\$ 50,254,373</u>	<u>\$ 7,785,960</u>	<u>\$ 58,040,333</u>	<u>\$ 16,056,313</u>

⁽¹⁾ Refer to Note 4 for additional details



State of Georgia

Statement of Activities

For the Fiscal Year Ended June 30, 2024

(amounts in thousands)

Functions/Programs	Expenses	Program Revenues		
		Sales and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities:				
General Government	\$ 4,707,029	\$ 1,365,353	\$ 2,073,535	\$ 24,035
Education	19,703,715	13,340	5,216,533	—
Health and Welfare	25,531,417	83,646	18,181,439	664
Transportation	3,870,558	40,785	159,800	2,008,348
Public Safety	3,303,259	181,677	588,255	10
Economic Development and Assistance	1,098,961	80,266	388,557	12
Culture and Recreation	406,637	191,566	121,241	17,450
Conservation	86,456	11,892	10,557	355
Interest and Other Charges on Long-Term Debt	73,740	—	—	—
Total Governmental Activities	<u>58,781,772</u>	<u>1,968,525</u>	<u>26,739,917</u>	<u>2,050,874</u>
Business-type Activities:				
Higher Education	11,592,480	3,780,957	4,259,705	62,545
State Health Benefit Plan	3,908,324	4,024,579	76,977	—
Unemployment Compensation	376,486	491,766	43,890	—
Other Business-type Activities	176,767	201,010	72,465	—
Total Business-type Activities	<u>16,054,057</u>	<u>8,498,312</u>	<u>4,453,037</u>	<u>62,545</u>
Total Primary Government	<u>\$ 74,835,829</u>	<u>\$ 10,466,837</u>	<u>\$ 31,192,954</u>	<u>\$ 2,113,419</u>
Component Units				
A U Health Systems, Inc.	\$ —	\$ —	\$ —	\$ —
Georgia Environmental Finance Authority	85,205	37,604	513,590	—
Geo. L. Smith II Georgia World Congress Center Authority	244,630	79,702	41,306	—
Georgia Housing and Finance Authority	432,628	106,221	364,773	—
Georgia Lottery Corporation	5,847,480	5,837,291	8,634	—
Georgia Ports Authority	620,575	698,661	76,444	5,695
Georgia Tech Foundation, Incorporated	174,003	40,714	253,708	—
Georgia Tech Research Corporation	1,378,568	21,575	1,352,582	—
Nonmajor Component Units	1,906,441	781,086	1,337,414	17,359
Total Component Units	<u>\$ 10,689,530</u>	<u>\$ 7,602,854</u>	<u>\$ 3,948,451</u>	<u>\$ 23,054</u>
General Revenues:				
Taxes				
Income Taxes - Individual				
Sales and Use Taxes - General				
Motor Fuel Taxes				
Motor Vehicle License and Title Ad Valorem Taxes				
Corporate Taxes				
Other Taxes				
Lottery for Education - Lottery Proceeds				
Nursing Home and Hospital Provider Fees				
Tobacco Settlement Funds				
Unrestricted Investment Income/(Loss)				
Unclaimed Property				
Other				
Payments from the Primary Government				
Contributions to Permanent Endowments				
Transfers				
Total General Revenues, Contributions to Permanent Endowments and Transfers				
Change in Net Position				
Net Position, July 1				
Adjustments to Net Position				
Net Position, July 1 - Restated (Note 3)				
Net Position, June 30				



**Net (Expense) Revenue and
Changes in Net Position**

Primary Government			
<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>	<u>Component Units</u>
\$ (1,244,106)		\$ (1,244,106)	
(14,473,842)		(14,473,842)	
(7,265,668)		(7,265,668)	
(1,661,625)		(1,661,625)	
(2,533,317)		(2,533,317)	
(630,126)		(630,126)	
(76,380)		(76,380)	
(63,652)		(63,652)	
(73,740)		(73,740)	
<u>(28,022,456)</u>		<u>(28,022,456)</u>	
	\$ (3,489,273)	(3,489,273)	
	193,232	193,232	
	159,170	159,170	
	96,708	96,708	
	<u>(3,040,163)</u>	<u>(3,040,163)</u>	
<u>(28,022,456)</u>	<u>(3,040,163)</u>	<u>(31,062,619)</u>	
			\$ —
			465,989
			(123,622)
			38,366
			(1,555)
			160,225
			120,419
			(4,411)
			229,418
			<u>884,829</u>
15,784,257	—	15,784,257	—
9,324,102	—	9,324,102	—
1,759,162	—	1,759,162	—
1,271,220	—	1,271,220	—
3,694,984	—	3,694,984	—
1,222,918	—	1,222,918	54,178
1,133,615	—	1,133,615	—
529,614	—	529,614	—
147,000	—	147,000	—
1,736,128	—	1,736,128	167,608
220,261	—	220,261	—
244,412	—	244,412	—
—	—	—	214,043
—	273	273	126,380
<u>(3,950,949)</u>	<u>3,950,949</u>	<u>—</u>	<u>—</u>
<u>33,116,724</u>	<u>3,951,222</u>	<u>37,067,946</u>	<u>562,209</u>
5,094,268	911,059	6,005,327	1,447,038
44,868,650	6,874,901	51,743,551	14,826,772
291,455	—	291,455	(217,497)
<u>45,160,105</u>	<u>6,874,901</u>	<u>52,035,006</u>	<u>14,609,275</u>
<u>\$ 50,254,373</u>	<u>\$ 7,785,960</u>	<u>\$ 58,040,333</u>	<u>\$ 16,056,313</u>



Balance Sheet

Governmental Funds

June 30, 2024

(amounts in thousands)

	General Obligation			Total
	General Fund	Bond Projects Fund	Nonmajor Funds	
Assets				
Cash and Cash Equivalents	\$ 1,031,725	\$ 1,159,147	\$ 1,018,290	\$ 3,209,162
Pooled Investments with State Treasury	28,288,160	—	29,507	28,317,667
Investments	1,334,712	2,464,684	449,553	4,248,949
Receivables (Net)	8,534,116	—	51,124	8,585,240
Due from Other Funds	78,527	—	101,385	179,912
Due from Component Units	40,477	—	212	40,689
Inventories	28,036	—	1	28,037
Restricted Assets				
Pooled Investments with State Treasury	87,103	—	208,749	295,852
Cash and Cash Equivalents	—	—	12,074	12,074
Investments	—	—	476,516	476,516
Receivables	—	—	641,873	641,873
Other Assets	644,094	—	—	644,094
Total Assets	\$ 40,066,950	\$ 3,623,831	\$ 2,989,284	\$ 46,680,065
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts Payable and Other Accruals	\$ 2,059,292	\$ 80,638	\$ 26,237	\$ 2,166,167
Due to Other Funds	516,313	72,622	76,392	665,327
Due to Component Units	1,848	—	127	1,975
Local Education Agencies Payable	2,044,278	—	—	2,044,278
Policy Claims and Uninsured Liabilities	2,602,539	—	—	2,602,539
Contracts Payable	17,844	44,856	135,777	198,477
Bonds Payable	—	—	391,220	391,220
Interest Payable	—	—	108,385	108,385
Undistributed Local Government Sales Tax	15,600	—	—	15,600
Funds Held for Others	202,804	22	—	202,826
Unearned Revenue	3,112,434	3,008	92,043	3,207,485
Other Liabilities	148,372	99,718	76	248,166
Total Liabilities	\$ 10,721,324	\$ 300,864	\$ 830,257	\$ 11,852,445
Deferred Inflows of Resources	3,017,466	—	676,240	3,693,706
Fund Balances:				
Nonspendable	32,615	—	2	32,617
Restricted	7,016,066	2,710,631	1,389,221	11,115,918
Unrestricted				
Committed	45,996	—	—	45,996
Assigned	2,622,280	612,336	93,564	3,328,180
Unassigned	16,611,203	—	—	16,611,203
Total Fund Balances	26,328,160	3,322,967	1,482,787	31,133,914
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 40,066,950	\$ 3,623,831	\$ 2,989,284	\$ 46,680,065



Reconciliation of Fund Balances To the Statement of Net Position June 30, 2024

(amounts in thousands)

Total Fund Balances - Governmental Funds (from previous page)	\$	31,133,914
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital Assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. These assets consist of:		
Land	\$	5,672,340
Buildings and Building Improvements		4,091,730
Improvements Other Than Buildings		220,812
Machinery and Equipment		1,620,782
Infrastructure		39,065,987
Construction in Progress		5,966,260
Works of Art		147
Intangibles - Other Than Software		156,405
Software		647,621
Accumulated Depreciation		(27,837,784)
		29,604,300
Right-To-Use Assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. These assets consist of:		
SBITA In Progress - Right-to-Use		28,015
Land		77
Buildings and Building Improvements		918,555
Machinery and Equipment		6,126
SBITAs		295,177
Accumulated Amortization		(363,878)
		884,072
Deferred inflows of resources are not reported in the governmental funds:		
Revenues are not available soon enough after year end to pay for current period's expenditures		2,797,878
Related to OPEB		(289,776)
Related to Pensions		(125,138)
		2,382,964
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.		
		1,484,919
Deferred outflows of resources are not reported in the governmental funds:		
Related to OPEB		563,723
Related to pensions		1,590,456
		2,154,179
Other assets not available in the current period and therefore are not reported in the governmental funds:		
Net OPEB Asset		366,538
Net Pension Asset		71,932
		438,470
Certain long-term liabilities and related accrued interest are not due and payable in the current period and, therefore, are not reported in the funds.		
General Obligation Bonds		(8,835,285)
Premiums		(992,244)
Deferred Amount on Refundings		71,451
Accrued Interest Payable		(213,002)
Revenue Bonds		(375,130)
Premiums		(65,056)
Accrued Interest Payable		(1,563)
Lease Obligations		(707,511)
Accrued Interest Obligation (leases)		(1,095)
Subscription Obligations		(152,852)
Accrued Interest Obligation (subscriptions)		(2,389)
Compensated Absences		(364,533)
Long-Term Notes		(19,141)
Net OPEB Liability		(224,521)
Net Pension Liability		(5,700,275)
Other		(108,890)
Pollution Remediation		(136,409)
		(17,828,445)
Total Net Position - Governmental Activities	\$	50,254,373



Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

For the Fiscal Year Ended June 30, 2024

(amounts in thousands)

	General Fund	General Obligation Bond Projects Fund	Nonmajor Funds	Total
Revenues:				
Taxes	\$ 33,016,395	\$ —	\$ —	\$ 33,016,395
Licenses and Permits	567,444	—	—	567,444
Intergovernmental - Federal	26,691,501	11,189	—	26,702,690
Intergovernmental - Other	794,725	113,807	232,183	1,140,715
Sales and Services	554,034	—	142,516	696,550
Fines and Forfeits	472,239	—	—	472,239
Interest and Other Investment Income	1,720,706	141,248	71,704	1,933,658
Unclaimed Property	222,351	—	—	222,351
Lottery Proceeds	1,133,615	—	—	1,133,615
Nursing Home Provider Fees	128,552	—	—	128,552
Hospital Provider Payments	401,061	—	—	401,061
Other	378,745	229	183	379,157
Total Revenues	\$ 66,081,368	\$ 266,473	\$ 446,586	\$ 66,794,427
Expenditures:				
Current:				
General Government	\$ 3,829,282	\$ 2,588	\$ 1,379	\$ 3,833,249
Education	19,722,266	—	—	19,722,266
Health and Welfare	25,596,449	—	911	25,597,360
Transportation	4,658,959	—	395,809	5,054,768
Public Safety	3,226,231	—	—	3,226,231
Economic Development and Assistance	1,076,224	—	—	1,076,224
Culture and Recreation	437,445	—	—	437,445
Conservation	90,337	—	—	90,337
Capital Outlay	—	914,427	—	914,427
Debt Service				
Principal	—	—	931,140	931,140
Interest	—	—	410,228	410,228
Accrued Interest on Bonds Retired in Advance	—	—	186	186
Discount on Bonds Retired in Advance	—	—	(4,751)	(4,751)
Other Debt Service Expenditures	—	15,275	489	15,764
Total Expenditures	\$ 58,637,193	\$ 932,290	\$ 1,735,391	\$ 61,304,874
Excess (Deficiency) of Revenues Over (Under) Expenditures	7,444,175	(665,817)	(1,288,805)	5,489,553
Other Financing Sources (Uses):				
Debt Issuance - General Obligation Bonds	\$ —	\$ 621,335	\$ —	\$ 621,335
Debt Issuance - Refunding Bonds	—	—	259,545	259,545
Debt Issuance - General Obligation Bonds - Premium	—	51,479	—	51,479
Debt Issuance - Refunding Bonds - Premium	—	—	20,592	20,592
Payment to Refunded Bond Escrow Agent	—	—	(279,648)	(279,648)
Lease Obligations Issuance	81,598	—	—	81,598
Subscription Obligations Issuance	130,495	—	—	130,495
Transfers In	527,248	1,741,145	1,533,007	3,801,400
Transfers Out	(7,915,296)	(415,114)	(133,604)	(8,464,014)
Net Other Financing Sources (Uses)	(7,175,955)	1,998,845	1,399,892	(3,777,218)
Net Change in Fund Balances	268,220	1,333,028	111,087	1,712,335
Fund Balances, July 1	25,768,485	1,989,939	1,371,700	29,130,124
Adjustments to Fund Balance	291,455	—	—	291,455
Fund Balances, July 1 - Restated (Note 3)	26,059,940	1,989,939	1,371,700	29,421,579
Fund Balances, June 30	\$ 26,328,160	\$ 3,322,967	\$ 1,482,787	\$ 31,133,914



Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds to the Statement of Activities

For the Fiscal Year Ended June 30, 2024

(amounts in thousands)

Net Change in Fund Balances - Governmental Funds (from previous page) \$ 1,712,335

Amounts reported for governmental activities in the Statement of Activities are different because:

Capital outlays including leases are reported as expenditures in governmental funds.

However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlay (net of losses), net of transfers to Business-Type Activities, Component Units and outside organizations.

	\$ 3,238,861	
Depreciation - Amortization expense	(1,248,101)	1,990,760

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenue in the governmental funds.

893,159

Bond proceeds (net of issuance costs and payments to refunding escrow) and notes provide current financial resources to governmental funds; however, issuing debt increases long-term liabilities in the Statement of Net Position.

	(621,335)	
General Obligation Bonds Issued	(72,071)	
Premiums on General Obligation Bonds Issued	(259,545)	
Refunding Bonds Issued	309,813	(643,138)
Payments to escrow agent for refunding		

Some capital additions were financed through leases. In governmental funds, a lease arrangement is considered a source of financing, but in the Statement of Net Position, the lease obligation is reported as a liability.

(212,093)

Repayment of long-term debt is reported as an expenditure in governmental funds, but the repayment reduces the long-term liabilities in the Statement of Net Position. Payments were made on the following long-term liabilities:

	875,805	
General Obligation Bonds	58,980	
Revenue Bonds	2,128	
Notes	14,214	951,127
Lease Obligations		

Internal service funds are used by management to charge the costs of certain activities to individual funds. The incorporation of the external activities of these funds, and the elimination of profit/loss generated by primary government customers results in net revenue (expense) for Governmental Activities.

137,416

Some items reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. This adjustment combines the net changes in the following balances:

	24,776	
Compensated Absences	241,383	
Accrued Interest on Bonds Payable	(46,791)	
Arbitrage Rebate	(14,824)	
Amortization of Deferred Amount on Refunding	107,278	
Bond Premiums	515,707	
OPEB costs, net	(550,958)	
Pension costs, net	(11,870)	264,701
Other		

Change in Net Position - Governmental Activities \$ 5,094,267



Statement of Net Position

Proprietary Funds

June 30, 2024

(amounts in thousands)

	Business-type Activities - Enterprise Funds					Governmental Activities -
	Higher Education Fund	State Health Benefits Plan	Unemployment Compensation Fund	Nonmajor Funds	Total	Internal Service Funds
Assets						
Current Assets:						
Cash and Cash Equivalents	\$ 1,440,262	\$ 23,884	\$ —	\$ 3,082	\$ 1,467,228	\$ 23,487
Pooled Investments with State Treasury	515,115	1,474,866	—	27,805	2,017,786	895,501
Investments	26,260	—	—	445,270	471,530	6
Receivables (Net)	440,379	88,768	397,929	21,315	948,391	114,358
Due from Other Funds	70,487	—	—	62	70,549	602,508
Due from Component Units	299,378	—	—	157,200	456,578	40
Inventories	23,324	—	—	201	23,525	26,195
Prepays	232,170	—	—	—	232,170	81
Other Current Assets	1	—	—	—	1	53
Restricted Assets:						
Cash and Cash Equivalents	502,696	—	1,877,263	106,038	2,485,997	—
Pooled Investments with State Treasury	—	—	—	166,157	166,157	—
Investments	838	—	—	—	838	—
Total Current Assets	3,550,910	1,587,518	2,275,192	927,130	8,340,750	1,662,229
Noncurrent Assets:						
Investments	385,561	—	—	—	385,561	565
Receivables (Net)	42,117	—	—	—	42,117	22,070
Restricted Assets:						
Cash and Cash Equivalents	1,678	—	—	—	1,678	—
Investments	296,054	—	—	—	296,054	—
Net Pension Asset	760	—	—	—	760	—
Net OPEB Asset	20,267	418	—	759	21,444	6,351
Capital Assets						
Non-Depreciable Capital Assets	1,004,139	—	—	41,386	1,045,525	27,354
Depreciable Capital Assets (Net)	11,395,899	—	—	6,278	11,402,177	545,851
Non-Amortizable Right-to-Use Assets	1,116	—	—	—	1,116	—
Amortizable Right-to-Use Assets (Net)	555,136	—	—	11,502	566,638	137,928
Total Noncurrent Assets	13,702,727	418	—	59,925	13,763,070	740,119
Total Assets	17,253,637	1,587,936	2,275,192	987,055	22,103,820	2,402,348
Deferred Outflows of Resources	2,414,562	2,196	—	19,380	2,436,138	26,346

(continued)



Statement of Net Position

Proprietary Funds

June 30, 2024

(amounts in thousands)

	Business-type Activities - Enterprise Funds					Governmental Activities -
	Higher Education Fund	State Health Benefits Plan	Unemployment Compensation Fund	Nonmajor Funds	Total	Internal Service Funds
Liabilities						
Current Liabilities:						
Accounts Payable and Other Accruals	284,141	2,066	173,275	20,116	479,598	47,698
Accrued Interest Payable	1,631	—	—	6,191	7,822	2,872
Contracts Payable	37,016	—	—	—	37,016	—
Policy Claims and Uninsured Liabilities	52,795	449,265	11,120	—	513,180	920,885
Unearned Revenue	332,295	5,069	209,160	22,197	568,721	8,364
Due to Other Funds	187,579	—	—	—	187,579	—
Due to Component Units	10,464	—	—	—	10,464	—
Funds Held for Others	15,676	—	4,055	105	19,836	1,518
Other Current Liabilities	15,047	27	—	—	15,074	185
Current Portion of Long-term Liabilities	434,958	439	—	11,267	446,664	41,670
Total Current Liabilities	<u>1,371,602</u>	<u>456,866</u>	<u>397,610</u>	<u>59,876</u>	<u>2,285,954</u>	<u>1,023,192</u>
Noncurrent Liabilities:						
Unearned Revenue	7,693	—	—	—	7,693	—
Other Noncurrent Liabilities	—	—	—	—	—	680
Long-term Liabilities:						
Net OPEB Liability	3,208,265	281	—	696	3,209,242	3,374
Net Pension Liability	5,133,662	6,223	—	13,217	5,153,102	76,523
Noncurrent Portion of Long-term Liabilities	2,743,260	26	—	589,056	3,332,342	105,980
Total Noncurrent Liabilities	<u>11,092,880</u>	<u>6,530</u>	<u>—</u>	<u>602,969</u>	<u>11,702,379</u>	<u>186,557</u>
Total Liabilities	<u>12,464,482</u>	<u>463,396</u>	<u>397,610</u>	<u>662,845</u>	<u>13,988,333</u>	<u>1,209,749</u>
Deferred Inflows of Resources	<u>2,468,497</u>	<u>501</u>	<u>—</u>	<u>985</u>	<u>2,469,983</u>	<u>29,708</u>
Net Position						
Net Investment in Capital Assets	9,889,170	—	—	24,650	9,913,820	573,734
Restricted for:						
Bond Covenants/Debt Service	—	—	—	34,950	34,950	—
Capital Projects	20,527	—	—	—	20,527	—
Other Purpose	351,277	418	—	8,706	360,401	6,548
Nonexpendable:						
Permanent Trust	230,377	—	—	—	230,377	—
Other Benefits	—	—	—	445,363	445,363	—
Unemployment Compensation Benefits	—	—	1,877,582	—	1,877,582	—
Unrestricted	<u>(5,756,131)</u>	<u>1,125,817</u>	<u>—</u>	<u>(171,064)</u>	<u>(4,801,378)</u>	<u>608,955</u>
Total Net Position	<u>\$ 4,735,220</u>	<u>\$ 1,126,235</u>	<u>\$ 1,877,582</u>	<u>\$ 342,605</u>	8,081,642	<u>\$ 1,189,237</u>
Adjustment to reflect the consolidation of Internal Service Fund activities related to Enterprise Funds.					(295,682)	
Net Position of Business-type Activities					<u>\$ 7,785,960</u>	





Statement of Revenues, Expenses, and Changes in Net Position

Proprietary Funds

For the Fiscal Year Ended June 30, 2024

(amounts in thousands)

	Business-type Activities - Enterprise Funds					Governmental Activities -
	Higher Education Fund	State Health Benefits Plan	Unemployment Compensation Fund	Nonmajor Funds	Total	Internal Service Funds
Operating Revenues:						
Operating Contributions/Premiums	\$ 150,387	\$ 4,024,579	\$ 491,766	\$ 509	\$ 4,667,241	\$ (42,628)
Operating Grants	2,713,278	—	(2,040)	—	2,711,238	2,729
Rents and Royalties	13,219	—	—	—	13,219	29,899
Sales and Services	1,328,668	—	—	200,500	1,529,168	339,389
Tuition and Fees	3,080,687	—	—	—	3,080,687	—
Less: Scholarship Allowances	(841,133)	—	—	—	(841,133)	—
Other	49,127	—	—	—	49,127	1,569
Total Operating Revenues	6,494,233	4,024,579	489,726	201,009	11,209,547	330,958
Operating Expenses:						
Personal Services	6,704,013	4,748	—	12,732	6,721,493	78,386
Services and Supplies	2,798,448	121,827	—	101,929	3,022,204	351,837
Scholarships and Fellowships	563,889	—	—	—	563,889	—
Benefits Expense	494,703	3,781,750	376,486	4,364	4,657,303	—
Claims and Judgments	—	—	—	—	—	135,948
Interest Expense	—	—	—	7,049	7,049	1,518
Amortization/Depreciation	759,514	—	—	7,502	767,016	75,933
Other	—	—	—	30,039	30,039	757
Total Operating Expenses	11,320,567	3,908,325	376,486	163,615	15,768,993	644,379
Operating Income (Loss)	(4,826,334)	116,254	113,240	37,394	(4,559,446)	(313,421)
Nonoperating Revenues (Expenses):						
Grants and Contributions	1,362,043	—	—	—	1,362,043	2,005
Interest and Other Investment Income/(Loss)	181,859	74,974	45,932	72,467	375,232	24,927
Interest Expense	(111,279)	—	—	(13,153)	(124,432)	—
Other	(185,783)	2,003	—	—	(183,780)	(831)
Net Nonoperating Revenues (Expenses)	1,246,840	76,977	45,932	59,314	1,429,063	26,101
Income (Loss) Before Contributions and transfers	(3,579,494)	193,231	159,172	96,708	(3,130,383)	(287,320)
Contributions to Permanent Endowments	273	—	—	—	273	—
Capital Grants and Contributions	266,732	—	—	—	266,732	59,587
Total Contributions	267,005	—	—	—	267,005	59,587
Transfers:						
Transfers In	3,830,928	4,076	—	41	3,835,045	415,595
Transfers Out	(99,247)	—	(3,591)	(63)	(102,901)	(8,153)
Net Transfers	3,731,681	4,076	(3,591)	(22)	3,732,144	407,442
Change in Net Position	419,192	197,307	155,581	96,686	868,766	179,709
Net Position, July 1	4,316,028	928,928	1,722,001	245,919		1,009,528
Net Position, June 30	\$ 4,735,220	\$ 1,126,235	\$ 1,877,582	\$ 342,605		\$ 1,189,237
Adjustment to reflect the consolidation of Internal Service Fund activities related to Enterprise Funds.					42,293	
Change in Net Position of business-type activities					\$ 911,059	



Statement of Cash Flows

Proprietary Funds

For the Fiscal Year Ended June 30, 2024

(amounts in thousands)

	Business-type Activities - Enterprise Funds				Total	Governmental
	Higher Education Fund	State Health Benefits Plan	Unemployment Compensation Fund	Nonmajor Funds		Internal Service Funds
Cash Flows from Operating Activities:						
Cash Received from Customers	\$ 58,696	\$ —	\$ —	\$ 178,127	\$ 236,823	\$ 232,581
Cash Received from Other Funds (Internal Activity)	—	—	—	—	—	367,538
Cash Received from Grants and Required Contributions/ Premiums	2,712,485	3,991,607	536,323	—	7,240,415	—
Cash Received from Tuition and Fees	3,651,599	—	—	—	3,651,599	—
Cash Paid to Vendors	(4,648,682)	(147,766)	—	(116,721)	(4,913,169)	(373,622)
Cash Paid to Employees	(5,329,113)	(5,940)	—	(7,959)	(5,343,012)	(69,490)
Cash Paid for Benefits	—	(3,691,332)	(373,716)	—	(4,065,048)	—
Cash Paid for Claims and Judgments	—	—	—	—	—	(199,303)
Cash Paid for Scholarships, Fellowships and Loans	(580,251)	—	—	—	(580,251)	—
Other Operating Receipts	41,104	—	82	—	41,186	611
Other Operating Payments	(16,618)	—	—	(12,801)	(29,419)	—
Net Cash Provided by (Used in) Operating Activities	<u>(4,110,780)</u>	<u>146,569</u>	<u>162,689</u>	<u>40,646</u>	<u>(3,760,876)</u>	<u>(41,685)</u>
Cash Flows from Noncapital Financing Activities:						
Interest Paid on Debt	—	—	—	(7,061)	(7,061)	—
Transfers from Other Funds	3,830,928	4,076	—	41	3,835,045	415,595
Transfers to Other Funds	(99,247)	—	(3,591)	(63)	(102,901)	(8,153)
Payments on Noncapital Financing Debt	—	—	—	(6,783)	(6,783)	—
Other Noncapital Receipts	1,297,571	—	—	—	1,297,571	9,530
Other Noncapital Payments	(122,694)	—	—	—	(122,694)	(2,005)
Net Cash Provided by (Used in) Noncapital Financing Activities	<u>4,906,558</u>	<u>4,076</u>	<u>(3,591)</u>	<u>(13,866)</u>	<u>4,893,177</u>	<u>414,967</u>
Cash Flows from Capital and Related Financing Activities:						
Capital Contributions	—	—	—	—	—	59,587
Capital Grants and Gifts Received	78,904	—	—	—	78,904	—
Proceeds from Sale of Capital Assets	1,262	—	—	—	1,262	19,144
Acquisition and Construction of Capital Assets	(784,767)	—	—	(15,762)	(800,529)	(66,421)
Principal Paid on Capital Debt	(222,221)	—	—	(3,951)	(226,172)	(69,745)
Interest Paid on Capital Debt	(114,034)	—	—	(12,677)	(126,711)	244
Net Cash Used in Capital and Related Financing Activities	<u>(1,040,856)</u>	<u>—</u>	<u>—</u>	<u>(32,390)</u>	<u>(1,073,246)</u>	<u>(57,191)</u>
Cash Flows from Investing Activities:						
Proceeds from Sales of Investments	813,351	—	—	7,224	820,575	781
Purchase of Investments	(823,933)	—	—	—	(823,933)	44
Interest and Dividends Received	148,427	76,978	45,933	17,671	289,009	24,312
Other Investing Activities	—	—	—	13,775	13,775	—
Net Cash Provided by (Used in) Investing Activities	<u>137,845</u>	<u>76,978</u>	<u>45,933</u>	<u>38,670</u>	<u>299,426</u>	<u>25,137</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(107,233)	227,623	205,031	33,060	358,481	341,228
Cash and Cash Equivalents, July 1 -	<u>2,566,984</u>	<u>1,271,127</u>	<u>1,672,232</u>	<u>270,022</u>	<u>5,780,365</u>	<u>577,760</u>
Cash and Cash Equivalents, June 30	<u>\$ 2,459,751</u>	<u>\$ 1,498,750</u>	<u>\$ 1,877,263</u>	<u>\$ 303,082</u>	<u>\$ 6,138,846</u>	<u>\$ 918,988</u>

(continued)



Statement of Cash Flows

Proprietary Funds

For the Fiscal Year Ended June 30, 2024

(amounts in thousands)

	Business-type Activities - Enterprise Funds					Governmental Activities -
	Higher Education Fund	State Health Benefits Plan	Unemployment Compensation Fund	Nonmajor Funds	Total	Internal Service Funds
Reconciliation of Operating Income (Loss) to Net Cash provided by (Used in) Operating Activities						
Operating Income (Loss)	\$ (4,826,334)	\$ 116,254	\$ 113,240	\$ 37,394	\$ (4,559,446)	\$ (313,421)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:						
Amortization/Depreciation Expense	759,514	—	—	7,502	767,016	75,934
Other Reconciling Items	3,891	—	—	—	3,891	—
Changes in Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources:						
Accounts Receivable	(63,156)	40,234	20,842	(19,925)	(22,005)	31,963
Due from Other Funds	—	(18,022)	—	(1)	(18,023)	237,940
Due from Component Units	—	—	—	—	—	1
Notes Receivable	891	—	—	—	891	—
Net OPEB Asset	(2,857)	(33)	—	(146)	(3,036)	(896)
Other Assets	(11,569)	—	—	14	(11,555)	(181)
Deferred Outflows of Resources	983,326	1,787	—	2,755	987,868	17,929
Accounts Payable and Other Accruals	20,011	(25,939)	(1,116)	12,197	5,153	(11,334)
Due to Other Funds	—	—	—	—	—	(56)
Benefits Payable	—	90,418	2,770	—	93,188	—
Unearned Revenue	13,300	(55,183)	26,873	4,105	(10,905)	(818)
Claims and Judgments Payable	30	—	—	—	30	(63,355)
Compensated Absences Payable	16,701	32	—	(70)	16,663	7,728
Net OPEB Liability	(802,119)	228	—	(523)	(802,414)	(2,078)
Net Pension Liability	(342,421)	(2,317)	—	(1,232)	(345,970)	(10,996)
Other Liabilities	(75,158)	26	80	(594)	(75,646)	351
Deferred Inflows of Resources	215,170	(916)	—	(830)	213,424	(10,396)
Net Cash Provided by (Used in) Operating Activities	\$ (4,110,780)	\$ 146,569	\$ 162,689	\$ 40,646	\$ (3,760,876)	\$ (41,685)
Noncash Investing, Capital, and Financing Activities:						
Gift of Capital Assets Reducing Proceeds of Capital Grants and Gifts	\$ 189,471	\$ —	\$ —	\$ —	\$ 189,471	\$ —
Gifts other than Capital Assets Reducing Proceeds of Grants and Gifts for Other than Capital Assets	3,891	—	—	—	3,891	—
Change in Receivable from Grantor Agency Affecting Proceeds of Capital Debt	7,305	—	—	—	7,305	—
Change in Accrued Interest Payable Affecting Interest Paid	(54)	—	—	—	(54)	—
Capital Assets Acquired by Incurring Lease Obligations	134,512	—	—	2,124	136,636	—
Change in Fair Value of Investments	33,395	—	—	—	33,395	(4,462)
Early Extinguishment of Capital Debt	38,047	—	—	(1,256)	36,791	—
Loss on Disposal of Capital Assets Reducing Proceeds from Sale of Capital Assets	(32,500)	—	—	—	(32,500)	—
Other	(51,614)	—	—	—	(51,614)	—
Total Noncash Investing, Capital and Financing Activities	\$ 322,453	\$ —	\$ —	\$ 868	\$ 323,321	\$ (4,462)



Statement of Fiduciary Net Position

Fiduciary Funds

June 30, 2024

(amounts in thousands)

	Pension and Other Employee Benefits Trust	Investment Trust	Private Purpose Trust	Custodial Funds	
				Custodial	External Investment Pool
Assets					
Cash and Cash Equivalents	\$ 4,183,358	\$ —	\$ 840	\$ 179,481	\$ —
Pooled Investments with State Treasury	1,066,472	19,936,906	310,613	22,638	—
Receivables, Net					
Interest and Dividends	277,055	90,407	—	—	—
Due from Brokers for Securities Sold	146,494	—	—	—	—
Taxes for Other Governments	—	—	—	1,078,913	—
Other	367,410	—	5,771	138,799	—
Due from Other Funds	378	—	—	—	—
Investments, at Fair Value					
Certificates of Deposit	—	—	—	2,155	—
Pooled Investments	19,731,003	—	—	242,784	80,468
Mutual Funds	3,706,097	—	—	—	—
Government Obligations	17,555,798	—	—	—	—
Corporate Bonds/Notes/Debentures	7,017,324	—	—	—	—
Stocks	81,494,738	—	—	—	—
Asset-backed Securities	23,915	—	—	—	—
Mortgage Investments	76,403	—	—	—	—
Real Estate Investment Trusts	805,147	—	—	—	—
Capital Assets					
Land	8,431	—	—	—	—
Buildings	7,793	—	—	—	—
Software	29,325	—	—	—	—
Machinery and Equipment	7,504	—	—	—	—
Works of Art	114	—	—	—	—
Accumulated Depreciation	(38,651)	—	—	—	—
Intangible Right-to-Use Assets					
Subscription Asset	4,324	—	—	—	—
Accumulated Amortization	(1,952)	—	—	—	—
Net OPEB Asset	6,351	—	265	—	—
Other Assets	—	—	—	1,085	—
Total Assets	136,474,831	20,027,313	317,489	1,665,855	80,468
Deferred Outflows of Resources	17,797	—	452	—	—
Liabilities					
Accounts Payable and Other Accruals	61,610	—	—	15,854	—
Due to Other Funds	441	—	—	—	—
Due to Brokers for Securities Purchased	143,127	—	—	—	—
Due to Local Governments	—	—	—	1,148,745	—
Salaries/Withholding Payable	3	—	—	13	—
Benefits Payable	69,145	—	—	—	—
Unearned Revenue	314	—	—	3,681	—
Compensated Absences Payable	77	—	146	—	—
Lease Obligations	1	—	—	—	—
Subscription Obligations	762	—	—	—	—
Net OPEB Liability	2,795	—	54	—	—
Net Pension Liability	44,199	—	1,344	—	—
Other Liabilities	—	—	—	2,829	—
Total Liabilities	322,474	—	1,544	1,171,122	—
Deferred Inflows of Resources	4,218	—	166	—	—
Net Position					
Restricted for:					
Pension Benefits	130,812,772	—	—	—	—
Other Postemployment Benefits	5,353,164	—	—	—	—
Pool Participants	—	20,027,313	—	—	80,468
Individuals, Organizations, and Other Governments	—	—	—	494,733	—
Other Purposes	—	—	316,231	—	—
Total Net Position	\$ 136,165,936	\$ 20,027,313	\$ 316,231	\$ 494,733	\$ 80,468



Statement of Changes in Fiduciary Net Position

Fiduciary Funds

For the Fiscal Year Ended June 30, 2024

(amounts in thousands)

	Pension and Other Employee Benefits Trust	Investment Trust	Private Purpose Trust	Custodial Funds	
				Custodial	External Investment Pool
Additions:					
Contributions/Assessments					
Child Support Recovery Program	\$ —	\$ —	\$ —	\$ 732,287	\$ —
Collections for Local Governments	—	—	—	10,005,618	—
Detainees' Accounts	—	—	—	71,508	—
Employer	5,065,540	—	—	—	—
Fees	836	—	—	—	—
Insurance Premiums	2,533	—	—	—	—
NonEmployer	143,873	—	—	—	—
Plan Members/Participants	1,257,939	—	703	147,281	—
Pool Participant Deposits	—	20,536,997	—	—	1,583
Student Financial Aid	—	—	—	2,270,814	—
Student Support	—	—	—	125,041	—
Miscellaneous	1,603	—	—	94,449	—
Interest and Other Investment Income					
Dividends and Interest	2,693,998	1,048,004	15,341	34,008	3,687
Net Appreciation (Depreciation) in					
Investments Reported at Fair Value	14,496,031	—	—	1	5,956
Less: Investment Expense	(97,903)	(10,629)	—	(89)	(72)
Transfers from Other Funds	529,613	—	—	—	—
Total Additions	24,094,063	21,574,372	16,044	13,480,918	11,154
Deductions:					
Distributions					
Benefits	8,921,005	—	16,232	143,831	—
Child Support Recovery Program	—	—	—	733,432	—
Detainees' Accounts	—	—	—	68,297	—
Distributions to Local Governments	—	—	—	10,005,618	—
General and Administrative Expenses	55,958	—	1,456	—	—
Pool Participant Withdrawals	2,205	18,591,253	—	—	5,923
Refunds	121,499	—	—	—	—
Student Financial Aid	—	—	—	2,276,370	—
Student Support	—	—	—	123,380	—
Miscellaneous	—	—	—	74,247	—
Transfers to Other Funds	—	—	—	6,585	—
Total Deductions	9,100,667	18,591,253	17,688	13,431,760	5,923
Net Increase (Decrease) in Fiduciary Net Position	14,993,396	2,983,119	(1,644)	49,158	5,231
Net Position, July 1	121,172,540	17,044,194	317,875	445,575	75,237
Net Position, June 30	\$ 136,165,936	\$ 20,027,313	\$ 316,231	\$ 494,733	\$ 80,468

State of Georgia

Statement of Net Position

Component Units

June 30, 2024

(amounts in thousands)

	A U Health Systems, Inc.	Georgia Environmental Finance Authority	Geo. L. Smith II Georgia World Congress Center Authority	Georgia Housing and Finance Authority
Assets				
Current Assets:				
Cash and Cash Equivalents	\$ —	\$ 15,668	\$ 50,790	\$ 143,392
Pooled Investments with State Treasury	—	1,434,276	62,263	—
Investments	—	—	—	163,025
Receivables (Net)	—	29,015	24,795	50,588
Due from Primary Government	—	—	—	—
Due from Component Units	—	—	—	—
Inventory	—	—	524	—
Prepaid	—	—	336	—
Other Current Assets	—	4	—	126,998
Restricted for:				
Cash and Cash Equivalents	—	—	—	—
Pooled Investments with State Treasury	—	—	—	493,429
Investments	—	—	—	—
Other Receivables (Net)	—	—	—	—
Total Current Assets	<u>—</u>	<u>1,478,963</u>	<u>138,708</u>	<u>977,432</u>
Noncurrent Assets:				
Investments	—	—	—	287,481
Receivables (Net)	—	1,933,057	59,148	1,956,067
Other Noncurrent Assets	—	—	—	—
Restricted Assets				
Cash and Cash Equivalents	—	—	12,876	—
Investments	—	—	24,458	—
Net OPEB Asset	—	574	1,605	—
Receivables (Net)	—	—	18,866	—
Capital Assets				
Non-depreciable Capital Assets	—	—	68,760	800
Depreciable Capital Assets (Net)	—	1,234	1,471,891	1,596
Non-Amortized Right-to-Use Assets	—	—	—	—
Right-to-Use Assets (Net)	—	—	2,570	—
Total Noncurrent Assets	<u>—</u>	<u>1,934,865</u>	<u>1,660,174</u>	<u>2,245,944</u>
Total Assets	<u>—</u>	<u>3,413,828</u>	<u>1,798,882</u>	<u>3,223,376</u>
Deferred Outflows of Resources	<u>—</u>	<u>2,141</u>	<u>10,195</u>	<u>—</u>



Georgia Lottery Corporation	Georgia Ports Authority	Georgia Tech Foundation, Incorporated	Georgia Tech Research Corporation	Nonmajor Component Units	Total
\$ 68,747	\$ 59,681	\$ 20,056	\$ 257,506	\$ 424,582	\$ 1,040,422
238,067	814,689	—	—	626,309	3,175,604
—	26,890	—	—	237,889	427,804
221,074	103,628	30,894	288,563	517,319	1,265,876
—	—	380	5	12,054	12,439
—	—	—	—	48,752	48,752
—	8,766	—	—	6,483	15,773
4,837	1,871	—	1,500	34,707	43,251
—	—	2,160	—	458	129,620
—	215,007	19,843	—	149,722	384,572
—	342,978	—	—	—	836,407
—	—	—	—	241,306	241,306
—	—	60,766	—	52,779	113,545
<u>532,725</u>	<u>1,573,510</u>	<u>134,099</u>	<u>547,574</u>	<u>2,352,360</u>	<u>7,735,371</u>
—	—	502,493	—	390,910	1,180,884
4,248	261,175	76,712	80,996	2,326,907	6,698,310
—	4,913	25,564	85	32,032	62,594
21,445	—	—	—	184,585	218,906
152,967	—	2,187,606	—	2,502,756	4,867,787
—	—	—	—	2,568	4,747
—	—	69,257	—	109,607	197,730
—	1,079,395	76,302	692	380,003	1,605,952
2,978	1,687,554	72,262	1,345	1,036,495	4,275,355
—	—	—	—	126	126
33,918	6,560	—	91,934	116,362	251,344
<u>215,556</u>	<u>3,039,597</u>	<u>3,010,196</u>	<u>175,052</u>	<u>7,082,351</u>	<u>19,363,735</u>
<u>748,281</u>	<u>4,613,107</u>	<u>3,144,295</u>	<u>722,626</u>	<u>9,434,711</u>	<u>27,099,106</u>
<u>35</u>	<u>45,846</u>	<u>—</u>	<u>—</u>	<u>113,953</u>	<u>172,170</u>

(continued)

State of Georgia

Statement of Net Position

Component Units

June 30, 2024

(amounts in thousands)

	A U Health Systems, Inc.	Georgia Environmental Finance Authority	Geo. L. Smith II Georgia World Congress Center Authority	Georgia Housing and Finance Authority
Liabilities				
Current Liabilities:				
Accounts Payable and Other Accruals	—	13,595	1	3,915
Accrued Interest Payable	—	—	—	4,275
Contracts Payable	—	—	—	—
Unearned Revenue	—	—	8,021	3,510
Policy Claims and Uninsured Liabilities	—	—	—	—
Due to Primary Government	—	—	21,048	19,408
Due to Component Units	—	—	—	—
Funds Held for Others	—	—	—	—
Other Current Liabilities	—	—	7,674	664,345
Current Portion of Long-term Liabilities	—	93	1,591	42,545
Current Liabilities Payable from Restricted Assets:				
Other	—	495	29,096	—
Total Current Liabilities	—	14,183	67,431	737,998
Noncurrent Liabilities:				
Unearned Revenue	—	—	—	—
Policy Claims and Uninsured Liabilities	—	—	—	—
Other Noncurrent Liabilities	—	—	11,975	700,727
Long-term Liabilities:				
Net OPEB Liability	—	220	8,002	—
Net Pension Liability	—	5,936	27,086	—
Noncurrent Portion of Long-term Liabilities	—	370	512,854	1,480,882
Total Noncurrent Liabilities	—	6,526	559,917	2,181,609
Total Liabilities	—	20,709	627,348	2,919,607
Deferred Inflows				
	—	286	67,841	—
Net Position				
Net Investment in Capital Assets	—	1,232	1,161,198	2,396
Restricted for:				
Bond Covenants/Debt Service	—	—	45,949	—
Capital Projects	—	—	1,333	—
Permanent Trust Expendable	—	—	—	—
Other Purposes	—	—	42,163	—
Nonexpendable:				
Permanent Trust	—	—	—	—
Other Purposes	—	—	—	—
Loan and Grant Programs	—	2,417,177	—	—
Unrestricted	—	976,565	(136,755)	301,373
Total Net Position	\$ —	\$ 3,394,974	\$ 1,113,888	\$ 303,769



Georgia Lottery Corporation	Georgia Ports Authority	Georgia Tech Foundation, Incorporated	Georgia Tech Research Corporation	Nonmajor Component Units	Total
507,266	30,195	9,739	—	95,075	659,786
—	—	—	—	29,250	33,525
—	103,859	—	—	—	103,859
—	—	8,650	96,341	115,734	232,256
—	—	—	—	4,487	4,487
—	33	8,004	135,393	313,422	497,308
—	—	—	—	48,752	48,752
—	—	—	139,005	2,681	141,686
330	—	2,315	—	25,059	699,723
24,051	26,156	25,683	14,256	141,821	276,196
21,115	—	—	—	8,368	59,074
<u>552,762</u>	<u>160,243</u>	<u>54,391</u>	<u>384,995</u>	<u>784,649</u>	<u>2,756,652</u>
—	729	—	—	60,113	60,842
—	—	—	—	2,431	2,431
—	6,250	36,206	—	63,092	818,250
—	10,841	—	—	75,379	94,442
135	52,123	—	—	199,509	284,789
<u>187,460</u>	<u>1,294,860</u>	<u>308,310</u>	<u>80,996</u>	<u>2,551,287</u>	<u>6,417,019</u>
<u>187,595</u>	<u>1,364,803</u>	<u>344,516</u>	<u>80,996</u>	<u>2,951,811</u>	<u>7,677,773</u>
<u>740,357</u>	<u>1,525,046</u>	<u>398,907</u>	<u>465,991</u>	<u>3,736,460</u>	<u>10,434,425</u>
<u>18,790</u>	<u>278,349</u>	<u>—</u>	<u>91,932</u>	<u>323,340</u>	<u>780,538</u>
(3,037)	1,931,935	(2,538)	(1,282)	832,787	3,922,691
—	16,160	—	—	18,468	80,577
—	—	51,018	—	240,549	292,900
—	—	287,862	—	1,095,371	1,383,233
—	—	—	5,752	587,373	635,288
—	—	2,003,455	—	1,399,413	3,402,868
—	—	—	—	81,342	81,342
—	—	—	—	379,167	2,796,344
<u>(7,794)</u>	<u>907,463</u>	<u>405,591</u>	<u>160,233</u>	<u>854,394</u>	<u>3,461,070</u>
<u>\$ (10,831)</u>	<u>\$ 2,855,558</u>	<u>\$ 2,745,388</u>	<u>\$ 164,703</u>	<u>\$ 5,488,864</u>	<u>\$ 16,056,313</u>

State of Georgia

Statement of Activities

Component Units

For the Fiscal Year Ended June 30, 2024

(amounts in thousands)

	A U Health Systems, Inc.	Georgia Environmental Finance Authority	Geo. L. Smith II Georgia World Congress Center Authority	Georgia Housing and Finance Authority
Expenses	\$ —	\$ 85,205	\$ 244,630	\$ 432,628
Program Revenues:				
Sales and Charges for Services	—	37,604	79,702	106,221
Operating Grants and Contributions	—	513,590	41,306	364,773
Capital Grants and Contributions	—	—	—	—
Total Program Revenues	—	551,194	121,008	470,994
Net (Expenses) Revenue	—	465,989	(123,622)	38,366
General Revenues:				
Taxes	—	—	41,457	—
Unrestricted Investment Income/(Loss)	—	—	—	—
Payments from the Primary Government	—	—	29,500	—
Contributions to Permanent Endowments	—	—	—	—
Total General Revenues	—	—	70,957	—
Change in Net Position	—	465,989	(52,665)	38,366
Net Position, July 1	217,497	2,928,985	1,166,553	265,403
Adjustments to Net Position	(217,497)	—	—	—
Net Position, July 1 - Restated (Note 3)	—	2,928,985	1,166,553	265,403
Net Position, June 30	\$ —	\$ 3,394,974	\$ 1,113,888	\$ 303,769



Georgia Lottery Corporation	Georgia Ports Authority	Georgia Tech Foundation, Incorporated	Georgia Tech Research Corporation	Nonmajor Component Units	Total
\$ 5,847,480	\$ 620,575	\$ 174,003	\$ 1,378,568	\$ 1,906,441	\$ 10,689,530
5,837,291	698,661	40,714	21,575	781,086	7,602,854
8,634	76,444	253,708	1,352,582	1,337,414	3,948,451
—	5,695	—	—	17,359	23,054
5,845,925	780,800	294,422	1,374,157	2,135,859	11,574,359
(1,555)	160,225	120,419	(4,411)	229,418	884,829
—	—	—	—	12,721	54,178
114	—	60,285	7,638	99,571	167,608
—	—	—	—	184,543	214,043
—	—	41,801	—	84,579	126,380
114	—	102,086	7,638	381,414	562,209
(1,441)	160,225	222,505	3,227	610,832	1,447,038
(9,390)	2,695,333	2,522,883	—	5,039,508	14,826,772
—	—	—	161,476	(161,476)	(217,497)
(9,390)	2,695,333	2,522,883	161,476	4,878,032	14,609,275
\$ (10,831)	\$ 2,855,558	\$ 2,745,388	\$ 164,703	\$ 5,488,864	\$ 16,056,313





Notes to the Financial Statements

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Notes to the Financial Statements For the Fiscal Year Ended June 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The accompanying financial statements of the State have been prepared in conformity with U.S. Generally Accepted Accounting Principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). Preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

The fiscal year end for the primary government and component units is June 30, except for, VSU Auxiliary Service Real Estate Foundation, Inc. (component unit) and the Stone Mountain Memorial Association (component unit) which have a fiscal year end of December 31.

B. Financial Reporting Entity

For financial reporting purposes, the State reporting entity includes the primary government and its component units. The primary government consists of all the organizations that compose the legal entity of the State. All agencies, departments, authorities, commissions, courts, councils, boards, universities, colleges, foundations, retirement funds, associations and other organizations that are not legally separate are, for financial reporting purposes, considered part of the primary government. Component units are legally separate organizations for which the State's elected officials are financially accountable.

Financial accountability is the ability of the State to appoint a voting majority of an organization's governing board and to impose its will upon the organization or when there exists the potential for the organization to provide specific financial benefits or impose specific financial burdens on the primary government. When the State does not appoint a voting majority of an organization's governing body, GASB standards require inclusion in the financial reporting entity if: (1) an organization is fiscally dependent upon the State because its resources are held for the direct benefit of the State or can be accessed by the State *and* (2) the potential exists for the organization to provide specific financial benefits to, or impose specific financial burdens on the State. In addition, component units can be other organizations for which the nature and significance of their relationships with the primary government are such that exclusion would cause the financial statements to be misleading.

Certain component units of the State issue their own separate audited financial statements which may be obtained from their respective administrative offices. The most recent financial statements for component unit organizations with "AUD" at the end of their descriptions below may be obtained from the Department of Audits and Accounts (DOAA) online at www.audits.ga.gov. Certain component units (with "NSR" at the end of their descriptions below) are not required to prepare or issue separate financial statements beyond the financial information included in this report. The financial statements for discretely presented higher education foundations and similar organizations can be obtained from their respective administrative offices or from the Board of Regents.

Blended Component Units

Blended component units have governing bodies substantively the same as the State, provide services entirely or almost entirely to the primary government or have total debt outstanding, including leases, that is expected to be paid entirely, or almost entirely, with resources of the State. As such, although they are legally separate entities, they are, in substance, part of the government's operations. GASB standards require this type of component unit to be reported as part of the primary government and blended into the appropriate funds.



Notes to the Financial Statements For the Fiscal Year Ended June 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The State's blended component units, as described in the Nonmajor Governmental Funds and Internal Service Funds portions of the Supplementary Information – Combining and Individual Fund Statements category of the Financial Section, are as follows:

Special Revenue Funds

The following component units provide services entirely or almost entirely to the primary government and are therefore considered blended component units:

The **Georgia Aviation Authority** was created to provide oversight and efficient operation of state aircrafts and aviation operations, and ensure the safety of state air travelers and aviation property. (NSR)

The **State Road and Tollway Authority (SRTA)** is a legally separate public corporation created to finance transportation projects and operate toll facilities in the State of Georgia. SRTA's total debt outstanding is expected to be paid with resources of the Primary Government and therefore is considered a blended component unit. (AUD)

Debt Service Fund

The **State Road and Tollway Authority** uses a debt service fund for the payment of principal and interest on the debt of SRTA's governmental funds. SRTA issues bonded debt which finances State transportation infrastructure construction. (AUD)

Enterprise Funds

The following component units provide services entirely or almost entirely to the primary government and are therefore considered blended component units:

The **Georgia Higher Education Facilities Authority** is a legally separate public corporation created for the purpose of financing eligible construction, renovation, improvement, and rehabilitation or restoration projects for the University System of Georgia. The Authority issues debt and enters into lease agreements principally with the University System of Georgia Foundation, Inc. (discretely presented component unit). The costs of the Authority's debt are recovered through lease payments from the Foundation. The Authority provides services entirely or almost entirely to the Primary Government and is therefore considered a blended component unit. (<https://gsfic.georgia.gov/financing-and-investment-division/georgia-higher-education-facilities-authority>)

The **State Employees' Assurance Department - Active (SEAD-Active)** is used to account for the accumulation of resources for the purpose of providing survivors' benefits for eligible members of the Employees', Judicial, and Legislative Retirement Systems. SEAD-Active is a cost-sharing multiple employer life insurance plan created in 2007 by the Georgia General Assembly to amend Title 47 of the Official Code of Georgia Annotated, relating to retirement, so as to establish a fund for the provision of term life insurance to active members of Employees' Retirement System (ERS), Legislative Retirement System, and Georgia Judicial Retirement System. (<https://www.ers.ga.gov/group-term-life-insurance>)

The **State Road and Tollway Authority** uses an enterprise fund to account for all tolling activities, including the I-75 South Metro Express Lanes, and all other facilities of the tolling system (i.e. the I-85 Express Lanes, the I-85 Extension Express Lanes, the I-75 Northwest Corridor Express Lanes, and five future toll facilities under planning and/or construction). (AUD)



Notes to the Financial Statements For the Fiscal Year Ended June 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Internal Service Funds

The following component units all provide services entirely or almost entirely to the Primary Government and are therefore considered blended component units:

The **Georgia Building Authority** is responsible for all services associated with the management of State office buildings, maintaining the grounds within the State Capitol complex, maintaining the Governor's Mansion and operating parking facilities. (<https://gba.georgia.gov/>)

The **Georgia Correctional Industries Administration** utilizes the inmate work force to manufacture products and provide services for the penal system, other units of state government and local governments. (NSR)

The **Georgia Technology Authority** was created to provide technology enterprise management and technology portfolio management to state and local governments. (NSR)

Discretely Presented Component Units

Discrete presentation entails reporting component unit financial data in a separate column and/or rows in each of the government-wide statements to emphasize that these component units are legally separate from the State. Except for Georgia Military College, the other component units are included in the reporting entity because, under the criteria established by GASB, the State has the ability to impose its will on these organizations.

The determination of major component units is based on any of the following factors: (a) the services provided by the component unit to the citizenry are such that separate reporting as a major component unit is considered essential to financial statement users, (b) there are significant transactions with the primary government, or (c) there is a significant financial benefit or burden relationship with the primary government.

The State's major discretely presented component units are described below:

The **Georgia Environmental Finance Authority (GEFA)** is a body corporate and politic. GEFA provides funding to eligible municipalities, counties, water and sewer authorities in the State for construction and expansion of public water, sewer, and solid waste facilities. The State periodically provides general obligation bond proceeds to GEFA to fund various loan programs for water and sewerage facilities. GEFA is governed by a board of directors consisting of three officials designated by statute and eight members appointed by the Governor. (<https://gefa.georgia.gov/>)

The **Geo. L. Smith II Georgia World Congress Center Authority** is a body corporate and politic and an instrumentality and public corporation of the State. The Authority is responsible for operating and maintaining a comprehensive international trade and convention center consisting of a complex of facilities suitable for multipurpose use. The Authority is governed by a board of directors composed of 15 members appointed by the Governor. (AUD)

The **Georgia Housing and Finance Authority (GHFA)** is a body corporate and politic. GHFA is responsible for facilitating housing, housing finance and financing for health facilities and health care services throughout the State. The powers of GHFA are vested in 18 members who also comprise the board of the Department of Community Affairs (DCA). Board members are appointed by the Governor and are composed of one member from each U.S. Congressional District in the State, plus four additional members from the State at large, and include elected officials of counties or municipalities, individuals with an interest or expertise in community or economic development, environmental issues, housing development



Notes to the Financial Statements For the Fiscal Year Ended June 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

or finance or citizens who in the judgment and discretion of the Governor would enhance the DCA board. (<https://www.dca.ga.gov/>)

The **Georgia Lottery Corporation (GLC)** is a public body, corporate and politic. GLC operates lottery games to provide continuing entertainment to the public and maximize revenues, the net proceeds of which are utilized to support improvements and enhancements for educational purposes. Net proceeds are remitted to the State's General Fund and are appropriated to certain educational agencies through the State's budget process. GLC is governed by a board of directors composed of seven members, all of which are appointed by the Governor. The State is legally entitled to residual resources of GLC. (<https://www.galottery.com/en-us/home.html>)

The **Georgia Ports Authority (GPA)** is a body corporate and politic. The purpose of the Authority is to develop and improve the harbors or seaports of the State for the handling of waterborne commerce and to acquire, construct, equip, maintain, develop and improve said harbors, seaports and their facilities. The State has provided general obligation bond proceeds to GPA to finance projects and facilities. The Board consists of 13 members, all of which are appointed by the Governor. (<https://gaports.com/>)

The **Georgia Tech Foundation, Incorporated** is a nonprofit organization established to promote, in various ways, the cause of higher education in the State, to raise and receive funds for the support and enhancement of the Georgia Institute of Technology (GIT), and to aid the GIT in its development as a leading educational institution. The individual financial statements may be obtained from the foundation at the following address: 760 Spring St. NW, Atlanta, GA 30308. (<https://www.gtf.gatech.edu/>)

The **Georgia Tech Research Corporation** Georgia Tech Research Corporation ("GTRC") is a legally separate, not-for-profit corporation under the laws of the state of Georgia. GTRC is organized and operated primarily for the purpose of soliciting grants and contracts for research or services to be performed by or in conjunction with Georgia Institute of Technology. The individual financial statements may be obtained from the foundation at the following address: 926 Dalney Street, NW, Atlanta, GA 30332. (<https://gtrc.gatech.edu/gtrc/documents/financial-information>)

The State's nonmajor discretely presented component units are as follows:

The **Atlanta-region Transit Link "ATL" Authority** is a body corporate and politic. The purpose of which is to manage transit and air quality within certain areas of the State of Georgia. The Board of Directors of the Authority consists of 16 members; of which, the primary government appoints or elects a majority. (NSR)

Economic Development Organizations

The Economic Development organizations cultivate business for the State. These organizations are described below:

The **Georgia Development Authority** is a body corporate and politic. The Authority was created to assist agricultural and industrial interests by providing credit and servicing functions to better enable farmers and businessmen to obtain needed capital funds. The Authority is governed by a board of directors composed of seven members; four are appointed by the Governor and three are State Agency heads. (<https://www.gdaonline.com/>)

The **OneGeorgia Authority** is a body corporate and politic and an instrumentality and public corporation of the State. The purpose of the Authority is to promote the health, welfare, safety and economic society of the rural citizens of the State through the development and retention of employment opportunities in rural



Notes to the Financial Statements For the Fiscal Year Ended June 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

areas and the enhancement of the infrastructures that accomplish that goal. The six members of the Authority are State officials designated by statute. (NSR)

The **Savannah-Georgia Convention Center Authority** a state Authority, is a body corporate and politic. The Authority was created to develop and promote the growth of the State's import and export markets through its ports and other transportation modes, and to construct, operate and maintain the Savannah International Trade and Convention Center. The Authority is governed by a board of directors composed of 11 members: six members appointed by the Governor; three members appointed by the members of the Georgia General Assembly representing Chatham County; the President of the Savannah Area Convention and Visitors' Bureau; and the President of the Savannah Economic Development Authority. (AUD)

The **Georgia Seed Development Commission** is a body corporate and politic and an instrumentality and public corporation of the State whose purpose is to purchase, process and resell breeders' and foundation seeds. The Commission consists of 11 members who are accountable as trustees. Of the 11 members serving on the Board, six members are State officials or are appointed by State officials. (NSR)

The **Georgia Military College (GMC)** is a body corporate and politic, and is an instrumentality and a public corporation of the State. GMC is dedicated to providing a high-quality military education to the youth of the State. The Board of Trustees consists of the mayor of the City of Milledgeville and six additional members, one of which is elected from each of the six municipal voting districts of the City, as required by statute. The government, control, and management of GMC are vested in the Board of Trustees. GMC receives any designated funds appropriated by the General Assembly through the Board of Regents of the University System of Georgia. Although GMC does not meet the fiscal dependency or financial benefit/burden criteria, due to the nature and significance to the State and the potential assumption that GMC is the same as other colleges reported within the state reporting entity, management has determined that it would be misleading to exclude GMC from the state reporting entity. (AUD)

The **Georgia Public Telecommunications Commission** is a body corporate and politic. The Commission is a public charitable organization created for the purpose of providing educational, instructional and public broadcasting services to citizens of Georgia. The budget of the Commission must be approved by the State. (AUD)

The **Georgia Regional Transportation Authority** is a body corporate and politic. Within its jurisdiction, the purpose of the Authority is to manage land transportation and air quality, review all Developments of Regional Impact (DRI), and approve the allocation of state and federal transportation resources in metro Atlanta via the Atlanta Transportation Improvement Program (TIP). The Governor appoints all 15 Board Members of the Authority. (NSR)

The **Georgia Student Finance Authority** is a body corporate and politic. The Authority was created for the purpose of improving higher educational opportunities by providing educational scholarship, grant and loan assistance. A substantial amount of funding is provided to the Authority by the State. (<https://gsfc.georgia.gov/>)

The **REACH Georgia Foundation** is a nonprofit organization that was formed to ensure that Georgia's academically promising students have the academic, social and financial support needed to graduate from high school, access college and achieve post secondary success. The REACH Georgia Program is the State of Georgia's first needs-based mentorship and college scholarship program and the Foundation's mission is to raise and invest funds. (<https://www.gafutures.org/>)



Notes to the Financial Statements For the Fiscal Year Ended June 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The **Regional Educational Service Agencies** were established to provide shared services to improve the effectiveness of educational programs and services of local school systems and to provide direct instructional programs to selected public school students. The State has 16 of these agencies. (NSR)

The **Georgia Superior Court Clerks' Cooperative Authority** is a body corporate and politic and an instrumentality and public corporation of the State created to provide a cooperative for the development, acquisition and distribution of record management systems, information, services, supplies and materials for superior court clerks of the State. (<https://www.gscca.org/>)

Tourism / State Attractions

These organizations promote State interests or encourage visitation to the State through the operation and maintenance of various attractions. Organizations involved in such activities are described below:

The **Georgia Agricultural Exposition Authority** is a body corporate and politic. The Authority is responsible for provision of a facility for the agricultural community, for public events, exhibits and other activities and for promotion and staging of a statewide fair. (NSR)

The **Jekyll Island - State Park Authority** is a body corporate and politic and an instrumentality and public corporation of the State. The Authority was created to operate and manage resort recreational facilities on Jekyll Island. The Authority includes its component unit, Jekyll Island Foundation, Inc. (NSR)

The **Lake Lanier Islands Development Authority** is a body corporate and politic and an instrumentality and public corporation of the State. The purpose of the Authority is to manage, preserve and protect projects on Lake Lanier Islands. (NSR)

The **North Georgia Mountains Authority** is a body corporate and politic and an instrumentality and public corporation of the State responsible for the construction and management of recreation, accommodation and tourist facilities and services. (NSR)

The **Stone Mountain Memorial Association** is a body corporate and politic and an instrumentality and public corporation of the State. The Authority is responsible for maintenance and operation of Stone Mountain as a Confederate memorial and public recreational area. (<http://stonemountainpark.org/>)

The **Higher Education Foundations and Similar Organizations** are nonprofit organizations established to secure and manage support for various projects including acquisitions and improvements of properties and facilities for units of the University System of Georgia. The following are the organizations included in the Higher Education Foundations (<https://www.usg.edu/>):

- Augusta University Foundation, Inc. and Subsidiaries
- Augusta University Real Estate Corporation
- Augusta University Real Estate Foundation, Inc. (formerly known as GHSF)
- Augusta University Research Institute, Inc.
- Georgia Advanced Technology Ventures, Inc. and Subsidiaries
- Georgia Gwinnett College Foundation, Inc. and Subsidiaries
- Georgia Southern University Housing Foundation, Inc.
- Georgia State University Athletic Association, Inc.
- Georgia State University Foundation, Inc.
- Georgia State University Research Foundation, Inc.



Notes to the Financial Statements For the Fiscal Year Ended June 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Georgia Tech Athletic Association
Georgia Tech Facilities, Inc.
Kennesaw State University Foundation, Inc.
Medical College of Georgia Foundation, Inc.
Middle Georgia State University Real Estate Foundation, Inc. and Subsidiaries
University of Georgia Athletic Association, Inc.
The University of Georgia Foundation
University of Georgia Research Foundation, Inc. and Subsidiaries
University of North Georgia Real Estate Foundation, Inc. and Subsidiaries
UWG Real Estate Foundation, Inc.
University System of Georgia Foundation, Inc. and Affiliates
VSU Auxiliary Services Real Estate Foundation, Inc.

Fiduciary Component Units

GAAP requires fiduciary component units to be reported as fiduciary funds of the primary government rather than as discrete component units. In accordance with GAAP, fiduciary funds and component units that are fiduciary in nature are excluded from the government-wide financial statements. The State's two most significant fiduciary component units are ERS and the Teachers Retirement System of Georgia (TRS). Fiduciary component units are detailed in the Fiduciary Funds portion of the Supplementary Information – Combining and Individual Fund Statements category of the Financial Section.

C. Government-wide and Fund Financial Statements

Government-wide Financial Statements

The Statement of Net Position and Statement of Activities display information about the primary government and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities, which normally are financed through taxes, intergovernmental revenues, and other non-exchange revenues, are reported separately from business-type activities, which are financed in whole or in part by fees charged to external parties for goods or services. Likewise, the primary government is reported separately from its discretely presented component units.

The Statement of Net Position presents the State's non-fiduciary assets, liabilities and deferred outflows/inflows of resources, with the difference reported as net position. Net position is reported in three categories:

- Net Investment In Capital Assets consists of capital assets, net of accumulated amortization/depreciation and reduced by outstanding balances for bonds, notes and other debt that are attributed to the acquisition, construction or improvement of those assets. In addition, deferred outflows/ inflows of resources that are attributable to the acquisition, construction or improvement of capital assets or related debt are included in Net Investment in Capital Assets. If there are significant unspent related debt proceeds or deferred inflows of resources at the end of the reporting period, the portion of the debt or deferred inflows of resources attributable to the unspent amount are not included.
- Restricted net position results when constraints placed on net position use are either externally imposed by creditors, grantors, contributors, and the like, or imposed by law through constitutional provisions or enabling legislation.



Notes to the Financial Statements For the Fiscal Year Ended June 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- Unrestricted net position consists of net position that does not meet the definition of the two preceding categories. Unrestricted net position often is designated, indicating it is not available for general operations. Such designations have internally imposed constraints on resources, but can be removed or modified.

When both restricted and unrestricted resources are available for use, generally it is the State's policy to use restricted resources first. Other funds not otherwise remitted to the State Treasury, which may be available from restricted or unrestricted net position should be utilized next, prior to the use of State funds.

The Statement of Activities demonstrates the degree to which the direct expense of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable within a specific function. Program revenues include (a) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not meeting the definition of program revenues are instead reported as general revenues.

Fund Financial Statements

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though fiduciary funds are excluded from the government-wide statements. Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements. All remaining governmental and proprietary funds are aggregated and reported as nonmajor funds. Internal service funds are also aggregated and reported in a separate column on the proprietary funds financial statements.

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to timing of the measurements made, regardless of the measurements focus applied.

The government-wide financial statements and the proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the "accrual basis of accounting". Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of cash flows. Grants and similar items are recognized as revenues in the fiscal year in which eligibility requirements imposed by the provider have been met. Unearned revenue is recorded when cash or other assets are received prior to being earned. Additionally, long-term assets and liabilities, such as capital assets and intangible right-to-use assets and long-term debt, are included on the financial statements.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they become earned, measurable and available. "Earned" means substantially accomplished, "measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the State generally considers taxes and other revenues to be available if the revenues are collected within 30 days after fiscal year-end. An exception to this policy is federal grant revenues, which generally are considered to be available if collection is expected within 12 months after year-end. Unearned revenue reported represents a liability that represents amounts received, but not yet earned, and unavailable revenue represents amounts earned which are not yet available. Capital purchases are recorded as expenditures and neither capital assets, intangible right-to-use assets nor long-term liabilities, such as long-term debt, are reflected on the balance sheet.



Notes to the Financial Statements For the Fiscal Year Ended June 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Expenditures generally are recorded when the related fund liability is incurred, as under the accrual basis of accounting. Specifically, under the modified accrual basis of accounting, expenditures are recognized when the related liability is incurred and measurable. However, debt service expenditures, as well as expenditures related to compensated absences, claims and judgments, and other long-term liabilities, are recorded only when payment is due or (for debt service expenditures), when amounts have been accumulated in the debt service fund for payments to be made early in the subsequent fiscal year.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The State's proprietary funds and discretely presented component units, other than certain higher education foundations and similar organizations, follow all GASB pronouncements, (including all National Council on Governmental Accounting (NCGA) Statements and Interpretations currently in effect). Certain higher education foundations and similar organizations report under the Financial Accounting Standards Board (FASB) standards; including FASB Codification Topic 958, *Not-for-Profit Entities*. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. The FASB reports were reclassified or reformatted, as applicable, to GASB presentation in these financial statements.

GAAP requires that revenues and expenses relating to summer school activities, the dates of which cross the State's fiscal year, are allocated between fiscal years rather than reported in a single fiscal year with the exception of teachers' salaries which are recorded in the fiscal year earned.

The State reports the following major funds:

Major Governmental Funds

General Fund – The principal operating fund of the State which accounts for all financial resources of the general government, except those required to be accounted for in another fund.

General Obligation Bond Projects Fund – Accounts for the financial resources to be used for the acquisition and construction of major capital facilities (other than those financed by proprietary funds) financed with general obligation bond proceeds, interest income on investments, appropriations, and cash supplements from State and local agencies as designated for Georgia State Financing and Investment Commission construction projects, including educational facilities for county and independent school systems.

Major Enterprise Funds

Higher Education Fund – Accounts for the operations of State colleges and universities and State technical colleges.

State Health Benefit Plan (SHBP) – Administers self-insured program of health benefits for the employees of units of government of the State, units of county government and local education agencies located within the State.

Unemployment Compensation Fund – Accounts for the collection of employers' unemployment insurance tax and the payment of unemployment insurance benefits.



Notes to the Financial Statements For the Fiscal Year Ended June 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Additionally, the State reports the following fund types:

Governmental Funds

Special Revenue Funds – Account for specific revenue sources that are legally restricted to expenditures for specific purposes. The State’s special revenue funds represent the blended component units that conduct general governmental functions, along with activities related to the National Opioid Settlement Fund and Transportation Investment Act.

Debt Service Funds – Account for the payment of principal and interest on general long-term debt. The General Obligation Debt Sinking Fund, which is a legally mandated fund responsible for fulfilling annual debt service requirements on all general obligation debt, is included in this fund type, as is the SRTA Debt Service Fund.

Proprietary Funds

Enterprise Funds – Account for those activities for which fees are charged to external users for goods or services. These funds are also used when the activity is financed with debt that is secured by a pledge of the net revenues from fees and charges.

The State’s nonmajor enterprise funds are Georgia Higher Education Facilities Authority, State Employees' Assurance Department and State Road and Tollway Authority.

Internal Service Funds – Account for the financing of goods or services provided by one department or agency to other State departments or agencies, or to other governmental entities, on a cost-reimbursement basis. The predominant participant in internal service fund activity is the primary government. The activities accounted for in the State’s internal service funds include risk management, prison industries, property management, technology, and personnel administration.

Fiduciary Funds

Pension and Other Employee Benefit Trust Funds – Account for the retirement systems and plans administered by Employees’ Retirement System of Georgia, TRS, and for pension plans administered on behalf of a variety of local government officials and employees. These funds also include those used to report the accumulation of resources for, and payment of other postemployment benefits.

Investment Trust Funds – Account for the external portions of government-sponsored investment pools, including Georgia Fund 1 and Georgia Fund 1 Prime.

Private Purpose Trust Funds – Report resources of all other trust arrangements in which principal and income benefit individuals, private organizations, or other governments. The Auctioneers Education, Research and Recovery Fund, Real Estate Education, Research and Recovery Fund, Subsequent Injury Trust Fund and Tuition Guaranty Trust Fund are reported in this category.

Custodial Funds – Reports fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria. ARPA NEU for Local Governments, Child Support Recovery Program, Detainees’ Accounts, Flexible Benefits Program, Insurance Premium Tax Collections for Local Governments Fund, Revenue Tax Collections for Local Governments Fund, Survivor Benefit Fund, Student Financial Aid and Support Fund, External Investment Pool, and other miscellaneous custodial funds are reported in this category.



Notes to the Financial Statements For the Fiscal Year Ended June 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position/Fund Balances

Cash and Cash Equivalents

Cash and cash equivalents include currency on hand and demand deposits with banks and other financial institutions and short-term, highly liquid investments with maturity dates within three months of the date acquired, such as certificates of deposit, money market certificates and repurchase agreements. Cash and cash equivalents also include the holdings of the Board of Regents short-term fund reported in Proprietary Funds.

Investments

Investments include financial instruments with terms in excess of three months from the date of purchase, certain other securities held for the production of revenue, and land and other real estate held as investments by endowments. Investments are presented at fair value. Changes in the fair value of land and other real estate held as investments by endowments are reported as investment income.

Pooled Investments with State Treasury

The Office of the State Treasurer (OST) manages the Local Government Investment Pool (LGIP) Trust. The LGIP Trust consists of four offerings: Georgia Fund 1 ("GF1"), Georgia Fund 1 Prime ("GF1 Prime"), Georgia Fund 1 Plus ("GF1 Plus") and Georgia Extended Asset Pool Plus ("GEAP Plus"), and the LGIP Trust Reserve. For cash flow purposes, amounts reported in the Pooled Investments with State Treasury are considered cash equivalents.

All offerings except for Georgia Fund 1 Prime generally value investments as follows:

- All investments except repurchase agreements, non-negotiable certificates of deposit ("CD"), direct-issued commercial paper, and other such nonparticipating investments are priced at fair value.
- Per GASB 31, repurchase agreements, non-negotiable CD's, direct-issued commercial paper, and other such nonparticipating investments are carried at cost because they are nonparticipating contracts that do not capture interest rate changes in their value.

Georgia Fund 1 Prime carries all investments at amortized cost.

Security transactions are accounted for on a trade date basis which means that the purchases and sales of securities are recorded on the day the trade takes place with a corresponding payable or receivable.

External Investment Pools

The State Depository Board may permit any department, board, bureau or other agency to invest funds collected directly by such organization in short-term time deposit agreements, provided that the interest income of those funds is remitted to the State Treasurer as revenues of the State. As a matter of general practice, however, demand funds of any department, board, bureau or other agency in excess of current operating expenses are required to be deposited with the State Treasurer for the purpose of pooled investment per Official Code of Georgia (OCGA) §50-17-63. Such cash is managed primarily in pooled investment funds to maximize interest earnings. The pooled investment funds "Georgia Fund 1, and "Georgia Fund 1 Prime" are also available on a voluntary basis to



Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

organizations outside of the reporting entity. The funds in the local government investment pool may be consolidated with State funds under control of the State Treasurer for investment purposes, per OCGA § 36-83-8.

Georgia Fund 1 – The (GF1 or the Primary Liquidity Portfolio's) primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal. It is managed as a stable Net Asset Value (NAV) pool. The Pool operates and reports to participants on an amortized cost basis. The income, gains and losses, net of administration fees of the pool are allocated to participants monthly on the ratio of the participant's share of the total funds in the pool based on the participant's average daily balance. This method differs from the fair value method used to value investments in these financial statements because the amortized cost method is not designed to distribute to participants all unrealized gains and losses in the fair values of the pool's investments. Per the Governmental Accounting Standards Board ("GASB") 79, to qualify for the use of amortized cost accounting for financial reporting purposes, an investment pool must meet all the criteria listed in GASB 79. GF1 is managed as a stable NAV pool but does not comply with all the requirements listed in GASB 79; therefore, the investments of the pool are reported at fair value at fiscal year end.

Georgia Fund 1 Plus – (GF1 Plus) was established on July 1, 2016, and initially funded through redemptions in GF1. It is managed to maintain a stable Net Asset Value (NAV) of \$1.00. For financial reporting purposes, the pool is reported at fair value. GF1 Plus was established as an additional LGIP investment option for the state and state agencies, looking to benefit from higher yields available by adding credit exposure.

Georgia Fund 1 Prime - (GF1 Prime) is a new offering under the LGIP Trust in FY24. GF1 Prime offers participants the potential to earn higher yields from the risk of exposure to credit investments. GF1 Prime is intended for local participant's strategic funds that have longer time horizons than that of typical operational funds. GF1 Prime investments are managed by a Fund Manager with full oversight by the Office of the State Treasurer. The fund started with an initial investment of \$500 million on December 4, 2024

GF1 Prime is an LGIP Offering under the LGIP Trust. GF1 Prime is managed by the Fund Manager to maintain a stable NAV of \$.100 and is rated AAmmf by Fitch Ratings. GF1 Prime is available for use by Georgia local governments, authorities, and approved state entities. GF1 Prime may provide a higher investment yield than GF1, due to the inclusion of investment grade credit securities. Due to the risk of exposure from credit investments, GF1 Prime is intended for participants' strategic cash (and not operating or restricted bond funds). As a conservative and liquid investment option for strategic cash, GF1 Prime seeks to minimize the risk of principal loss while offering daily liquidity, a stable NAV, and a competitive rate of return. The State Depository Board (the Board) has authorized the State Treasurer to work with an approved Fund Manager to manage GF1 Prime servicing and investments. OST will oversee servicing and investments by this entity to ensure compliance with investment policies, GF1 Prime Investment Guidelines, and accomplishment of investment performance expectations. The Board has selected a Fund Manager to provide LGIP servicing and investment services for GF1 Prime. Due to the inclusion of credit investment instruments in GF1 Prime, mandatory training will be required for certain staff of participant entities in the fund. GF1 Prime is managed to comply with the requirements listed in GASB No. 79, and the investments of the offering are reported at amortized cost.

Georgia Extended Asset Pool Plus – (GEAP Plus) was established in July of FY19. GEAP Plus is comprised of individual Target Maturity Portfolios (TMPs). As of June 30, 2024, the five TMP maturities ranged from three months to two years. Each TMP is independent from all other TMPs, they are managed to provide principal and income upon maturity consistent with maintaining preservation of principal if held to



Notes to the Financial Statements For the Fiscal Year Ended June 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

maturity. The participant account values and yields are determined by using the amortized cost valuation method. Securities are initially valued at cost.

Thereafter any discounts are accreted, and any premiums are amortized to maturity, regardless of the impact of changes in interest rates on the market value of securities. All earned interest is reinvested within the respective TMP and paid at maturity. For financial reporting purposes, the individual TMP's are reported at fair value at fiscal year end.

Other Investments

The State's Unemployment Compensation Fund monies are required by the Social Security Act to be invested in the U.S. Department of Treasury, Bureau of Public Debt Unemployment Trust Fund (BPDUTF), which is not registered with the Securities and Exchange Commission. The fair value of the position in the BPDUTF is the same as the value of the BPDUTF shares.

Receivables

Receivables in the State's governmental funds pertain primarily to the accrual of taxes, as well as to federal grants and to revenues related to charges for services. Receivables in all other funds have arisen in the ordinary course of business. Receivables are recorded, net of an allowance for uncollectible accounts, when either the asset or revenue recognition criteria (See Note 1-D) have been met. Receivables from the federal government are reasonably assured; an allowance for uncollectible accounts is not typically established for federal receivables. In the governmental fund financial statements, the portion considered "available" is recorded as revenue; the remainder is recorded as a deferred inflow of resources.

Inventories and Prepaid Items

Inventories of supplies and materials are determined by physical count and/or perpetual inventory records and are valued at cost, weighted average cost, moving average cost, or lower of weighted average cost or market, using the first-in/first-out (FIFO) method, depending on the individual organization's preference. The costs of governmental fund inventories are recorded as expenditures when consumed rather than when purchased for larger agencies and agencies with material inventories. Other agencies may use either the purchase or consumption method.

Prepaid items include payments made to vendors and local government organizations for services that will benefit periods beyond the fiscal year-end. Also, the employer's portion of health insurance benefits applicable to coverage effective after the fiscal year-end is recorded as a prepaid item.

The fund balance of governmental funds is reported as nonspendable for inventories and prepaid items to indicate that these amounts do not represent expendable available financial resources.

Restricted Assets

Certain cash and cash equivalents, investments, and other assets are classified as restricted assets on the Balance Sheet and/or Statement of Net Position because their use is limited by applicable bond covenants, escrow arrangements or other regulations.

Capital Assets

Capital assets of governmental funds are recorded as expenditures at the time of purchase and capitalized in the governmental activities column of the government-wide Statement of Net Position. Capital assets of the State's



Notes to the Financial Statements For the Fiscal Year Ended June 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

proprietary funds and component units are capitalized in the fund in which they are utilized. Capital assets are stated at historical cost or, in some instances, estimated historical cost. Estimation methods include using historical sources to determine the cost of similar assets at the time of acquisition and indexing where the historical cost of an asset is estimated by taking the current cost of a similar asset and dividing it by an index figure which adjusts for inflation. Donated capital assets are stated at acquisition value at the time of donation and disposals are removed at recorded cost. Infrastructure and intangible assets, as defined by the State’s policy, acquired after June 30, 1980, are reported.

All acquisitions in the following asset categories are capitalized regardless of cost:

- Land and non-depreciable land improvements
- Bridges and roadways included in the State highway system
- Works of art and collections, acquired or donated (unless held for financial gain)

Amounts for other asset categories are capitalized when the cost or value equals or exceeds the following thresholds. Items acquired through capital or donations are subject to these capitalization thresholds, using the classifications most closely related to the leased or donated assets.

Asset Category	Threshold
Infrastructure other than bridges and roadways in State highway system	\$ 1,000,000
Software	\$ 1,000,000
Intangible assets, other than software	\$ 100,000
Buildings and building improvements	\$ 100,000
Improvements other than buildings	\$ 100,000
Library collections – capitalize all if collection equals or exceeds	\$ 100,000
Machinery and equipment	\$ 5,000

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives is not capitalized. The State holds certain assets such as works of art, historical documents, and artifacts that have not been capitalized or depreciated because either they are held for financial gain or they are protected and preserved for exhibition, education, or research and are considered to have inexhaustible useful lives. Major outlays for construction of bridges and roadways in the State highway system are capitalized as projects are constructed. All other major construction projects are capitalized when projects are completed. Interest incurred during construction is not capitalized in governmental funds.

Capital assets are depreciated over their useful lives using the straight-line depreciation method. The government-wide, proprietary fund and component unit financial statements report depreciation expense.



Notes to the Financial Statements For the Fiscal Year Ended June 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital assets without indefinite or inexhaustible useful lives are generally amortized or depreciated on the straight-line basis over the following useful lives:

Infrastructure	10-100 years
Buildings and building improvements	5-60 years
Improvements other than buildings	15-50 years
Machinery and equipment	3-20 years
Software	3-10 years
Intangible assets, other than software	20 years
Library collections	10 years
Works of art and collections	5-40 years

Deferred Outflows of Resources

In addition to assets, the government-wide and fund financial statements will sometimes report a separate section of deferred outflows of resources. This separate financial statement element represents a consumption of net assets or fund balance that applies to future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

Local Education Agencies Payables

Local Education Agencies Payables are comprised of balances due to the local school districts related to federal and state grants and also includes the accrual for teacher's salary for the portion that is earned as of year-end, but not paid until the following fiscal year.

Policy Claims and Uninsured Liabilities

Policy claims liabilities are for insurance claims incurred prior to the reporting date and are based on actuarial estimates; however, policy claims liabilities for Unemployment Insurance are for claims filed as of the reporting date. See Note 18 (Risk Management) for additional information about policy claims liabilities.

Compensated Absences

The compensated absences liability is accrued for the estimated value of leave payments (e.g., for vacation, holiday deferrals, FLSA compensatory time, etc.) using pay rates in effect at the balance sheet date.

Full-time employees earn annual leave ranging from 10 to 14 hours each month depending upon the employee's length of continuous State service with a maximum accumulation of 360 hours. Employees are paid for unused accumulated annual leave upon retirement or termination of employment. Funds are provided in the appropriation of funds each fiscal year to cover the cost of annual leave of terminated or retired employees.

Employees earn 10 hours of sick leave each month with a maximum accumulation of 720 hours. Sick leave does not vest with the employee. There is no liability for accumulated sick leave because the State has no obligation to pay sick leave upon termination or retirement of employment. Unused accumulated sick leave is forfeited upon retirement or termination of employment. However, certain employees who retire with 120 days or more of forfeited annual and sick leave are entitled to additional service credit in ERS. No liability is recorded for rights to receive sick pay benefits.



Notes to the Financial Statements For the Fiscal Year Ended June 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Overtime for non-exempt employees is governed by the provisions of the Fair Labor Standards Act (FLSA). Overtime worked by non-exempt employees will normally be credited as FLSA compensatory time at a rate of one and one-half hours of compensatory time for each hour of overtime worked. Employees receive pay for overtime in lieu of FLSA compensatory time as provided in statewide policy or upon exceeding the accumulation limits of FLSA compensatory time and upon separation from employment.

Long-term Obligations

Long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities column or business-type activities column on the government-wide Statement of Net Position and on the proprietary fund Statement of Net Position in the fund financial statements. Bond discounts and premiums are deferred and amortized over the life of the bonds using a method that approximates the effective interest method or the straight-line method. Bonds payable are reported net of the unamortized bond premium or discount. Bond issuance costs are recognized during the current period.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Principal and interest payments on long-term debt usually should be reported as expenditures under the modified accrual basis of accounting when due. When notes and loans payables become due and payable the liabilities are recorded in the fund from which payment will be made. When bonds or notes are a direct obligation and/or expected to be repaid from proprietary resources, they are recorded as a liability of the proprietary fund at face value.

The *Tax Reform Act of 1986* requires governmental organizations issuing tax-exempt bonds to refund to the U.S. Treasury, interest earnings on bond proceeds in excess of the yield on those bonds. Governmental organizations must comply with arbitrage rebate requirements in order for their bonds to maintain tax-exempt status. Organizations are required to remit arbitrage rebate payments for non-purpose interest to the federal government at least once every five years over the life of the bonds. Arbitrage liability, if applicable, is treated as an expense in the government-wide statements when the liability is recognized. In the fund financial statements, governmental funds report arbitrage (other debt service) expenditures when the liability is due.

Pollution remediation obligations are recorded when the State 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 the cleanup, calculated using the "expected cash flows" measurement technique.

Intangible Right-To-Use Assets

The State has both leases under which it is obligated as a lessee and leases for which it is a lessor. The State leases certain academic spaces, administrative offices, and equipment under lease agreements. 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.

An intangible right-to-use asset represents the State's right to use an underlying asset for the lease term. Lease obligations represent the State's liability to make lease payments arising from lease agreements. Intangible right-to-use assets and lease obligations are recognized based on the present value of lease payments over the lease term,



Notes to the Financial Statements For the Fiscal Year Ended June 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

where the initial term exceeds twelve months. Residual value guarantees and the value of an option to extend or terminate a lease 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 obligation. Intangible right-to-use assets are amortized using a straight-line basis over the shorter of the lease term or useful life of the underlying asset.

The State is a lessor for non-cancelable leases of land and land improvements, buildings, and equipment. 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.

At the commencement of a lease, the State initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivables are reduced by the principal portion of lease payments received. The deferred inflow of resources for deferred lease receipts is initially measured as the initial amount of the lease receivable, adjusted for lease payments made at or before the lease commencement date, less certain costs paid to or reimbursed to the lessee.

Key estimates and judgments include how the State determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts:

- The State uses its estimated incremental borrowing rate as the discount rate for leases, unless specifically identified in the lease.
- The lease terms include the non-cancelable periods of the leases. Lease receipts included in the measurement of the lease receivables are composed of fixed payments the State will receive over the lease term.
- The State monitors changes in circumstances that would require a remeasurement of its leases, and will remeasure the lease receivables and deferred inflows of resources if certain changes occur that are expected to significantly affect the amounts of the lease receivables.

Governmental funds recognize periodic payments on leases as expenditures in the period incurred. State organizations reported as governmental funds are also recording other financing sources and capital outlay expenditures for the net present value of the minimum lease payments. This applies in the initial year of the lease term only. Principal amounts of lease payments due within 12 months are recorded as a current liability. As a lessor, governmental funds should report a lease receivable and deferred inflow of resources at inception of the lease and periodic lease payments are recorded as revenue and a reduction to the lease receivable.

Proprietary funds, fiduciary funds, component units using the accrual basis, and the government-wide financial statements are reporting capital assets as well as long and short-term payables on the statement of net position. Therefore, for leases, an intangible right-to-use asset and lease obligation are recorded at inception of the lease and periodic lease payments are recorded as interest expense and a reduction to the lease obligation. Additionally, amortization expense related to the leased intangible right-to-use asset are recorded.

The State 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 State capitalizes SBITA items greater than \$100,000 over the subscription term and the initial term exceeds 12 months. A SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction.



Notes to the Financial Statements For the Fiscal Year Ended June 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred Inflows of Resources

In addition to liabilities, the government-wide and fund financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets or fund balance that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Net Position

The difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources is “Net Position” on the government-wide, proprietary fund and fiduciary fund financial statements.

Net position is reported as net investment in capital assets, restricted or unrestricted. “Net Investment in Capital Assets” consists of capital assets and intangible right-to-use assets, net of accumulated amortization/depreciation and reduced by outstanding balances for bonds, notes and other debt that are attributed to the acquisition, construction or improvement of those assets. In addition, deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of capital assets or related debt are included in Net Investment in Capital Assets. If there are significant unspent related debt proceeds or deferred inflows of resources at the end of the reporting period, the portion of the debt or deferred inflows of resources attributable to the unspent amount are not included.

Restricted net position results when constraints placed on net position use are either externally imposed by creditors, grantors, contributors, and the like, or imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position consists of net position that does not meet the definition of the two preceding categories may be designated, indicating it is not available for general operations. Such designations have internally imposed constraints on resources, but can be removed or modified.

When both restricted and unrestricted net position are available for use, it is the State’s policy to first utilize federal funds available from restricted net position. Other funds not otherwise remitted to the State Treasury, which may be available from restricted or unrestricted net position should be utilized next, prior to the use of State funds.

Fund Balances

Generally, fund balance represents the difference between the assets, deferred outflows of resources, liabilities and deferred inflows of resources under the current financial resources measurement focus of accounting. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows:

Nonspendable – Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted into cash) or (b) legally or contractually required to be maintained intact, such as inventory, prepaid items, and the principal in a permanent fund.

Restricted – Fund balances are reported as restricted when there are limitations imposed on their use either through constitutional provisions or enabling legislation adopted by the State or through the external restrictions imposed by creditors, grantors or laws or regulations of other governments.



Notes to the Financial Statements For the Fiscal Year Ended June 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Committed – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal actions of both the Governor and the General Assembly. The Georgia Legislature and Governor represent the State’s highest level of decision-making authority. Formal action consists of legislation passed by both the House and Senate and signed by the Governor and is required to establish, modify or rescind a limitation.

Assigned – Fund balances are reported as assigned when amounts are constrained by the State’s intent that they be used for specific purposes, but they are neither restricted nor committed. Assignments may be made under statutory authority of management of the reporting organizations in the State.

Unassigned – The residual amount of fund balance is reported as unassigned for balances that do not meet the above constraints. The government reports positive unassigned fund balance only in the general fund. Negative unassigned fund balances may be reported in all funds.

As with net position, when both restricted and unrestricted (committed, assigned, unassigned) fund balances are available for use, it is the State’s policy to first utilize federal funds available from restricted fund balance. Other funds not otherwise remitted to the State Treasury, which may be available from restricted, committed or assigned fund balance should be utilized next, prior to the use of State funds when expenditures are incurred for purposes for which amounts in any of those funding sources could be used. Within unrestricted fund balance, after the above consideration of funding source, the State’s policy is that committed amounts generally should be reduced first, followed by assigned amounts and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Interfund Activity and Balances

Equally offsetting asset and liability accounts (due from/to other funds) are used to account for amounts owed to a particular fund by another fund for obligations on goods sold or services rendered.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements with the exception of activities between governmental activities and business-type activities. In the fund financial statements, transfers represent flows of assets without equivalent flows of assets in return or requirements for repayment.

In addition, transfers are recorded when a fund receiving revenue provides it to the fund which expends the resources. Transfers of balances between funds are made to accomplish various provisions of law.

Interfund payables and receivables have been eliminated from the Statement of Net Position except for amounts due between governmental and business-type activities. These amounts are reported as internal balances on the Statement of Net Position.



Notes to the Financial Statements For the Fiscal Year Ended June 30, 2024

NOTE 2 - CHANGES IN FINANCIAL ACCOUNTING AND REPORTING

A. Implementation of New Accounting Standards

In fiscal year 2024, the State implemented the following GASB Statements:

Statement No. 99, *Omnibus 2022*, The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

Statement No.100, *Accounting Changes and Error Corrections, an amendment of GASB Statement No. 62* the objective of this Statement is 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.

B. Change in Financial Reporting Entity

AU Health System, Inc. (AUHS) transitioned operations to Wellstar MCG Health, Inc. (Wellstar). Under the Member Substitution Agreement, Wellstar became the sole corporate member of AUHS, while AUHS retained three affiliates: AU Medical Center, Roosevelt Warm Springs Rehabilitation and Specialty Hospitals, and AU Medical Associates. As a result of this transition, it was determined AUHS and its entities no longer met criteria for inclusion as a discretely presented component unit of Augusta University. The effect of this determination led to a decrease of \$217.5 million in the beginning net position of discretely presented component unit. This balance corresponds to the net position of the AUHS operations.

Georgia Higher Education Assistance Corporation (GHEAC) was abolished and assets, liabilities and obligations transferred to Georgia Student Finance Authority (GSFA) as of June 30th, 2024, per H.B. 319. As both of these entities are presented as Nonmajor Component Units, the \$27.4 million net position transfer from GHEAC to GSFA does not have an impact to Nonmajor Component Units in total.

Georgia Tech Research Corporation met the requirements to become a major discretely present component unit during fiscal year 2024. This reclassification resulted in an increase in net position to Georgia Tech Research Corporation of \$161.5 million and a decrease in net position of \$161.5 million to Nonmajor Component Units.

C. Correction of Prior Year Errors

The Department of Community Health (DCH) had a correction of prior year errors of accruals for receivables and expenditures related the Managed Care Organization (MCO) rate adjustments to the Federal agency that oversees Medicaid, the Centers for Medicare and Medicaid Services (CMS). This adjustment primarily included a \$1.7 billion adjustment to benefits payable and a \$1.2 billion adjustment to receivables (net). This correction resulted in an increase of \$291.4 million in beginning fund balance for General Fund and net position of Governmental Activities.



Notes to the Financial Statements For the Fiscal Year Ended June 30, 2024

NOTE 3 - FUND EQUITY RECLASSIFICATIONS AND RESTATEMENTS

Reclassifications and Restatements consisted of the following (amounts in thousands):

	6/30/2023 As Previously Reported	Change in Financial Reporting Entity	Correction of Prior Year Errors	6/30/2023 (Restated)
Government Wide				
Governmental Activities	\$ 44,868,650	\$ —	\$ 291,455	\$ 45,160,105
Business-type Activities	6,874,901	—	—	6,874,901
Total Primary Government	\$ 51,743,551	\$ —	\$ 291,455	\$ 52,035,006
Governmental Funds				
Major Funds:				
General Fund	\$ 25,768,485	\$ —	\$ 291,455	\$ 26,059,940
General Obligation Bond Projects Fund	1,989,939	—	—	1,989,939
Nonmajor Funds	1,371,700	—	—	1,371,700
Total Governmental Funds	\$ 29,130,124	\$ —	\$ 291,455	\$ 29,421,579
Proprietary Funds				
Major Funds:				
Higher Education Fund	\$ 4,316,028	\$ —	\$ —	\$ 4,316,028
State Health Benefit Plan	928,928	—	—	928,928
Unemployment Compensation Fund	1,722,001	—	—	1,722,001
Internal Service Funds	1,009,528	—	—	1,009,528
Nonmajor Funds	245,919	—	—	245,919
Total Proprietary Funds	\$ 8,222,404	\$ —	\$ —	\$ 8,222,404
Fiduciary Funds				
Pension and Other Employee Benefit Trust Funds	\$ 121,172,540	\$ —	\$ —	\$ 121,172,540
Investment Trust Funds	17,044,194	—	—	17,044,194
Private Purpose Trust Funds	317,875	—	—	317,875
Custodial Funds				
Custodial	445,575	—	—	445,575
External Investment Pool	75,237	—	—	75,237
Total Fiduciary Funds	\$ 139,055,421	\$ —	\$ —	\$ 139,055,421
Discretely Presented Component Units				
Major Funds:				
Augusta University Health Systems, Incorporated	\$ 217,497	\$ (217,497)	\$ —	\$ —
Georgia Environmental Finance Authority	2,928,985	—	—	2,928,985
Geo. L. Smith II Georgia World Congress Center	1,166,553	—	—	1,166,553
Georgia Housing and Finance Authority	265,403	—	—	265,403
Georgia Lottery Corporation	(9,390)	—	—	(9,390)
Georgia Ports Authority	2,695,333	—	—	2,695,333
Georgia Tech Foundation, Incorporated	2,522,883	—	—	2,522,883
Georgia Tech Research Corporation	—	161,476	—	161,476
Nonmajor Component Units	5,039,508	(161,476)	—	4,878,032
Total Discretely Presented Component Units	\$ 14,826,772	\$ (217,497)	\$ —	\$ 14,609,275



Notes to the Financial Statements For the Fiscal Year Ended June 30, 2024

NOTE 4 - FUND BALANCE AND NET POSITION

A. Fund Balances

The specific purposes of the governmental funds fund balances, classified as other than unassigned, at June 30, 2024 are as follows (amounts in thousands):

	General Fund	General Obligation Bond Projects Fund	Nonmajor Governmental Funds	Total
Nonspendable Fund Balance				
Inventories and Prepaid Amounts	\$ 32,615	\$ —	\$ 2	\$ 32,617
Restricted Fund Balance				
Capital Projects	\$ —	\$ 2,551,798	\$ —	\$ 2,551,798
Guaranteed Revenue Debt				
Common Reserve Fund	25,335	—	—	25,335
Emission Regulation	5,159	—	—	5,159
Healthcare Facility Regulation	27,987	—	—	27,987
Indigent Care Trust Fund	10,737	—	—	10,737
LOGO Program	10,971	—	—	10,971
Lottery For Education	2,151,266	—	—	2,151,266
Opioid	—	—	237,371	237,371
Roads and Bridges (Motor Fuel Tax Funds)	3,990,526	—	473,303	4,463,829
Roadside Enhancement and Beautification Fund	5,779	—	—	5,779
Unclaimed Property	45,250	—	—	45,250
Underground Storage Tank Trust Fund	121,298	—	—	121,298
Unissued Debt/Debt Service	49,426	—	4,851	54,277
Utility Location, Planning and Coordination of Transportation Projects	20,228	—	—	20,228
Food Stamp Recoveries	431	—	—	431
Brain & Spinal Injury Trust Fund	3,051	—	—	3,051
Victims of Violent Crime Emergency Fund	12,659	—	—	12,659
Health and Welfare				
Behavioral Health	5,478	—	—	5,478
Community Health	24,843	—	—	24,843
Human Services	45,127	—	—	45,127
Public Health	33,679	—	—	33,679
Transportation	259,209	—	673,696	932,905
Public Safety	55,435	—	—	55,435
Economic Development and Assistance	16,676	—	—	16,676
Culture and Recreation	92,224	—	—	92,224
Other	3,292	158,833	—	162,125
Total Restricted Fund Balance	\$ 7,016,066	\$ 2,710,631	\$ 1,389,221	\$ 11,115,918
Committed Fund Balance				
Administrative Services State Purchasing	\$ 42,675	\$ —	\$ —	\$ 42,675
Billeting Funding	1,234	—	—	1,234
Georgia Blindness Prevention Program	1,735	—	—	1,735
Other	352	—	—	352
Total Committed Fund Balance	\$ 45,996	\$ —	\$ —	\$ 45,996
Assigned Fund Balance				
General Government	\$ 229,149	\$ 612,336	\$ 1,398	\$ 842,883
Education	21,489	—	—	21,489
Health and Welfare	676,338	—	—	676,338
Transportation	1,432,977	—	92,166	1,525,143
Public Safety	203,237	—	—	203,237
Economic Development and Assistance	21,615	—	—	21,615
Culture and Recreation	34,665	—	—	34,665
Conservation	2,810	—	—	2,810
Total Assigned Fund Balance	\$ 2,622,280	\$ 612,336	\$ 93,564	\$ 3,328,180



Notes to the Financial Statements For the Fiscal Year Ended June 30, 2024

NOTE 4 - NET POSITION AND FUND BALANCES (continued)

B. Restricted Net Position

The State's net position restricted by enabling legislation represents resources which a party external to a government, such as citizens, public interest groups, or the judiciary, can compel the government to use only for the purpose specified by the legislation. The government-wide Statement of Net Position reports \$14.0 billion of restricted net position.

C. Deficit Net Position

The business-type activities of the State ended the year with an unrestricted net position deficit of \$5.1 billion, which is primarily due to the recognition of net pension and OPEB liabilities, as well as various debt related items. Items of note regarding this deficit balance are as follows:

- GASB 68, as related to pensions, required the State to recognize its proportionate share of the net pension liability of the pension plans applicable to said standard. As of June 30, 2024, the liability resulted in a \$3.5 billion impact to unrestricted net position.
- GASB 75, as related to OPEB, required the State to recognize its proportional share of the net OPEB liability of the OPEB plans applicable to said standard. As of June 30, 2024, the liability resulted in a \$4.4 billion impact to unrestricted net position.
- The State Road and Tollway Authority's deficit of \$174.1 million in unrestricted net position of business-type activities is primarily a result of \$367.4 million in outstanding balance for the Series 2021AB Guaranteed Revenue Bonds. Secured in July 2021, this financing provided defeasance of previous balances for the I-75 Northwest Corridor project TIFIA loan and the I-75S express lanes transportation revenue bonds, along with providing funding for ongoing capital needs for the authority.
- The unrestricted deficit balance of the primary government however has been adjusted for the governmental activities outstanding debt balances related to capital assets reported in business-type activities in the amount of \$3.4 billion, which is reflected in net investment in capital assets.



Notes to the Financial Statements For the Fiscal Year Ended June 30, 2024

NOTE 5 - DEPOSITS AND INVESTMENTS

Cash and cash equivalents and investments as of June 30, 2024 are classified in the accompanying financial statements as follows (amounts in thousands):

	Primary Government and Fiduciary Funds	Component Units	Total
Primary Government			
Cash and Cash Equivalents	\$ 4,699,868	\$ 1,040,422	\$ 5,740,290
Pooled Investments with State Treasury	31,230,954	3,175,604	34,406,558
Investments	5,106,612	1,608,688	6,715,300
Restricted Assets			
Cash and Cash Equivalents	2,499,750	603,478	3,103,228
Pooled Investments with State Treasury	462,008	836,408	1,298,416
Investments	773,408	5,109,093	5,882,501
Fiduciary Funds			
Cash and Cash Equivalents	4,363,679	—	4,363,679
Pooled Investments with State Treasury	21,336,629	—	21,336,629
Investments	130,735,832	—	130,735,832
Total Cash and Investments	\$ 201,208,740	\$ 12,373,693	\$ 213,582,433

Cash on hand, deposits and investments as of June 30, 2024 consist of the following (amounts in thousands):

	Primary Government and Fiduciary Funds	Component Units	Total
Cash on Hand	\$ 597	\$ 999	\$ 1,596
Deposits with Financial Institutions (Note 5A)	7,628,131	1,296,609	8,924,740
Investments (Note 5B)	138,770,015	6,967,214	145,737,229
Pooled Investments with State Treasury (Note 5D)	53,029,593	4,012,012	57,041,605
Unemployment Compensation Funds with U.S. Treasury	1,877,263	—	1,877,263
Assets Held at the Board of Regents on Behalf of Other Organizations	(96,859)	96,859	—
Total Cash and Investments	\$ 201,208,740	\$ 12,373,693	\$ 213,582,433

A. Deposits

Deposits include certificates of deposit and demand deposit accounts. The State Depository Board (Board) has authority to determine collateral requirements for State demand deposit accounts. Beginning in October 2008, in response to the U.S. financial crisis, the Board required all uninsured State deposits to be fully collateralized until September 2012. Its investment policy was amended to permit the Office of the State Treasurer (OST) to diversify its portfolio to include investments in deposit agreements that are with highly rated U.S. banks classified to be low or very low risk, as measured by the OST counterparty risk assessment model.



Notes to the Financial Statements For the Fiscal Year Ended June 30, 2024

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

The Board permits OST to invest in deposit agreements in approved banks as an alternative to purchasing commercial paper and corporate notes issued by highly rated U.S. banks because of the clear preference of all depositor claims, insured and uninsured, over general creditors. OST has been advised that there is a clear and significant difference in favor of deposits over commercial paper in the event of insolvency or liquidation of a U.S. bank thus, OST gives preference to interest-bearing demand deposits due to both a preference in safety of capital and daily liquidity. For any single financial institution, investments deposit agreements, in approved banks that are not collateralized or secured as described below, together with purchases of commercial paper, cannot exceed 5% of total portfolio assets invested by OST.

Other than the deposit agreements referenced above, State demand deposits, time deposits and other certificates of deposit must be secured by eligible collateral, a Federal Home Loan Bank letter of credit, or a surety bond approved by the Board. There are currently no issuers of surety bonds that have been approved by the Board. Eligible collateral includes any one or more of the following securities as enumerated in OCGA § 50-17-59:

- 1) Bonds, bills, certificates of indebtedness, notes or other direct obligations of the United States or of the State.
- 2) Bonds, bills, certificates of indebtedness, notes or other obligations of the counties or municipalities of the State.
- 3) Bonds of any public authority created by the laws of the State, providing that the statute that created the authority authorized the use of the bonds for this purpose, the bonds have been duly validated and they are not in default.
- 4) Industrial revenue bonds and bonds of development authorities created by the laws of the State, for which bonds have been duly validated and they are not in default.
- 5) Bonds, bills, certificates of indebtedness, notes or other obligations of a subsidiary corporation of the U.S. Government, which are fully guaranteed, both as to principal and interest and debt obligations issued, or securities guaranteed 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 Corporation and the Federal National Mortgage Association.

The Board is authorized in OCGA § 50-17-58 to allow agencies of the State the option of exempting demand deposits from the collateral requirements. Currently, the Board has only authorized OST to waive collateral on special accounts approved by the Board, as referenced above, in accordance with its investment policy. The Board requires all other State demand deposits, time deposits and certificates of deposits to be collateralized in an amount equal to and not less than 110% of any deposit not insured by the FDIC. In addition, the Board instituted a requirement to limit total State deposits at any State depository to not exceed 100% of the depository's equity capital. The Board may temporarily increase the total State deposit limit at any State depository to 125% of equity capital to allow for fluctuation in demand deposit balances. Credit unions are not authorized to serve as State depositories.



Notes to the Financial Statements For the Fiscal Year Ended June 30, 2024

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

Custodial Credit Risk – Deposits

The custodial credit risk for deposits is the risk that, in the event of a bank failure, the State's deposits may not be recovered. The OST Investment Policy specifies safety of capital as the first priority in investing funds and liquidity as the second priority, followed by investment return and diversification. In adherence to these objectives, OST maintains balances in deposit agreements in approved banks for investment unless commercial paper issued by those financial institutions offers a risk-adjusted advantage. OST closely monitors the credit of U.S. banks having deposit agreements.

Beginning in 2018, the Board implemented the 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 State Treasurer 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 State Treasurer 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 participants in the SDP are considered to be fully insured.

At June 30, 2024, bank balances of the primary government and its component units' deposits not included in the SDP totaled \$5.8 billion. It includes balances reported in fiduciary funds other than Pension and Other Employee Benefit Trust Funds as these balances are not separable from the holdings of the primary government. Of these bank balances, \$388.6 million were exposed to custodial credit risk as follows (amounts in thousands):

	Primary Government and Fiduciary Funds	Component Units	Total
Uninsured and uncollateralized	\$ 101,554	\$ 103,213	\$ 204,767
Uninsured and collateralized with securities held by the pledging financial institutions	814	26,586	27,400
Uninsured and collateralized with securities held by the pledging institutions' trust departments or agents, but not in the State's name	60,971	95,515	156,486
Total deposits exposed to custodial credit risk	\$ 163,339	\$ 225,314	\$ 388,653

The carrying amounts of deposits of certain higher education foundations which utilize FASB standards were \$412.7 million. These deposits are not included in the balances reflected above. Total SDP balance for the primary government and its component units' is \$1.2 billion.



Notes to the Financial Statements For the Fiscal Year Ended June 30, 2024

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

B. Investments

Investment Policies

Primary Government

The predominant portions of the primary government's investments are managed by OST and the University System of Georgia (USG). OST's and USG's investment policies are therefore presented as the investment policies of the primary government.

The State Depository Board has adopted two investment policies to govern State investments:

- 1) The Investment Policy for the Office of the State Treasurer (OST Investment Policy) dictates investment of assets managed by OST.
- 2) The Investment Policy for Approved State Investment Accounts (Investment Policy for Approved Agency Accounts) governs investments managed by organizations other than OST.

OST Investment Policy

OST is the only organization approved by the Board to invest funds pursuant to the OST Investment policy. The State Treasurer shall invest all funds with the degree of judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment. OST is to invest all funds prudently, considering first, the probable safety of capital and then probable income, while meeting daily cash flow requirements and conforming to all statutes governing the investment of public funds.

OST is authorized to invest in securities and other investments as permitted in OCGA § 36-83-2, § 36-83-4, § 50-5A-7, § 50-17-2, § 50-17-27 and § 50-17-63. Authorized investments are subject to certain restrictions pursuant to the OST Investment Policy and specific guidelines for the individual portfolios managed by OST. Authorized investments and related restrictions and guidelines are described below:

- a) Repurchase agreements – Repurchase agreements and reverse repurchase agreements may be transacted with authorized institutions that are rated investment grade by one or more nationally recognized rating agency or are determined by the Treasurer to have adequate capital and liquidity, with maximum exposure per institution determined by the Treasurer and adjusted as needed due to the financial condition of such institutions, the size of the OST investment portfolios, and in accordance with the OST counterparty risk assessment model. Repurchase agreements must be collateralized by obligations of the United States and its subsidiary corporations and instrumentalities or entities sanctioned or authorized by the United States government or other securities authorized for investment by the Treasurer in subsection (b) of Code of Section 50-17-63. Collateral comprised of obligations of the United States and its subsidiary corporations and instrumentalities or entities sanctioned or authorized by the United States government must have a market value of at least 102% of the investment and other eligible collateral must have a market value of 105% of the investment. Collateral must be held by a third party custodian approved by the Treasurer and marked-to-market daily. Exceptions to the requirements for third party custody of collateral or collateral requirements may be approved by the Treasurer for authorized institutions if necessary on occasion. All counterparties, and exceptions to



Notes to the Financial Statements For the Fiscal Year Ended June 30, 2024

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

custody and collateral requirements shall be reported by the Treasurer to the State Depository Board. All reverse repurchase agreements shall be approved in advance by the Treasurer.

- b) Certificates of deposit (CD's) – The maximum term of CD's shall not exceed five years. OST shall not place funds in non-negotiable CD's at any depository if such placement of funds will result in total state deposits at such depository in excess of 100% of total equity capital. Provided, however, that the Treasurer may authorize placement of funds in CD's at a depository if such placement of funds will result in total state deposits not to exceed 125% of total equity capital on an as needed basis to allow for fluctuations in demand deposit balances. All CD's must be fully insured by the FDIC or secured by collateral permitted by statute. Surety bonds acceptable as security for CD's shall require approval by the State Depository Board with such credit constraints or limitations it determines. Pledged securities shall be held by a third party custodian approved by OST. Pledged securities shall be marked-to-market at least monthly with depositories required to initially pledge to OST, and thereafter maintain upon notification or any shortfall, collateral having a market value equal to 110% of CD's or be secured through the Georgia multibank pledging pool program (Secure Deposit Program) with "Required Collateral" as defined therein.
- c) Commercial paper (CP) – CP issued by domestic corporations carrying ratings no lower than P-1 by Moody's Investors Service and A-1 by Standard & Poor's Corporation, in an amount, including the balance of any bank deposit held for investment purposes described in (d) (4), below, that does not exceed 5% of portfolio assets for any single issuer.
- d) Bank deposits held for investment purposes (formerly referred to as negotiated investment deposit agreements). – Deposit agreements with banks that are (1) secured by collateral permitted by statute, held by a third party custodian, marked-to-market daily, and having a market value equal to or exceeding 110% of the deposit; (2) secured through the Georgia multibank pledging pool program (Secure Deposit Program) with "Required Collateral" as defined therein; (3) fully secured by a letter-of-credit issued by a Federal Home Loan Bank; (4) fully secured by a surety bond issued by a financial institution approved by the State Depository Board; (5) fully insured by the FDIC; or, (6) subject to funds being available upon demand, with U.S. banks carrying ratings no lower than P-2 by Moody's Investors Service or A-2 by Standard & Poor's Corporation, are determined by the Treasurer to have adequate capital, with maximum exposure per institution determined by the Treasurer and adjusted as needed due to the financial condition of such institutions, the size of the OST investment portfolios, and in accordance with the OST counterparty risk assessment model in an amount, including any CP issued by the respective financial institution held for investment by OST, that does not exceed 5% of portfolio assets for any single institution.
- e) Prime bankers acceptances – Bankers acceptances must carry the highest rating assigned to such investments by a nationally recognized rating agency.
- f) Obligations issued by this state or its agencies or other political subdivisions of this state. Such investments, if meeting statutory investment requirements, may be approved for investment by the Treasurer with the requirement that they are of high credit quality and are reported to the State Depository Board.
- g) Obligations of corporations – Obligations of domestic corporations including notes, bonds, negotiable CD's, and other marketable securities must be rated investment grade or higher by a nationally recognized rating agency.



Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2024

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

- h) Obligations issued by the government of any foreign country – Direct obligations of the government of any foreign country must be rated A or higher by a nationally recognized rating agency.
- i) International Bank for Reconstruction and Development or the International Financial Corporation – Obligations issued, assumed, or guaranteed by the International Bank for Reconstruction and Development or the International Financial Corporation must be rated A or higher by nationally recognized rating agency.
- j) Georgia Fund 1 (GF1), Georgia Fund 1 Prime (GF1 Prime), Georgia Fund 1 Plus (GF1 Plus), Georgia Extended Asset Pool Plus (GEAP Plus), and any other funds comprising the local government investment pool in amounts necessary for prudent diversification, liquidity, and investment income.
- k) Asset-backed securities – Pursuant to OCGA § 50-5A-7(b), asset-backed securities rated AAA, having broad liquidity reflecting at least \$350 million of outstanding issuance and issued by an underlying credit rated A3/A or higher by Standard and Poor's Corporation or Moody's Investor Service.
- l) Commercial mortgage-backed securities – Pursuant to OCGA § 50-5A-7(b), commercial mortgage-backed securities rated AAA by Standard and Poor's Corporation or Moody's Investors Service.
- m) Such other limitations as determined by the Treasurer to be necessary for the preservation of principal, liquidity, or marketability of any of the portfolios, including allowing investment in any single issuer of CP as described in (c) above or bank deposits held for investment purposes as described in (d) above to temporarily exceed 5% for a period not to exceed 10 business days to allow for efficient investment of accounts experiencing significant fluctuation of balances.

Investment Policy for Approved Agency Accounts

The OST Investment Policy does not authorize organizations other than OST to invest funds. OCGA § 50-17-63(a) requires all demand funds held by any State organization to be deposited in accounts at State depositories approved by the Board. In the alternative, with prior approval of the Board, a state entity may be permitted to invest in time deposits, other permitted investments and any interest income from the invested funds must be remitted to the Treasurer as revenues of the State unless specific statutes provide otherwise. Therefore, the Board adopted the Investment Policy for Approved State Agency Investment Accounts to govern investment activity in accounts approved by the Board other than investments managed or overseen by OST or “excluded entities”. These “excluded entities” include, but are not limited to, the Georgia Higher Education Savings Plan, USG, the Employees’ Retirement System (ERS), Teachers Retirement System of Georgia (TRS), and the Georgia Lottery Corporation. Only organizations that are approved by the Board to establish and maintain investment accounts may rely on the Investment Policy for Approved Agency Accounts to invest funds. As of June 30, 2024, no State organizations had received Board approval to establish investment accounts governed by the Investment Policy for Approved Agencies.

Board of Regents Investment Policies

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 SEC 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.



Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2024

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

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 Board of Regents' pooled investment fund options are described below:

- 1) Short-Term Fund - The Short-Term Fund is available to both University System of Georgia institutions and their affiliated organizations. The Fund provides a current return and stability of principal while affording a means of overnight liquidity for projected cash needs. Investments are in securities allowed under OCGA § 50-17-59 and § 50-17-63. The average maturities of investments in this fund will typically range between daily and four years, and the fund will typically have an overall average duration of 9 months to 1 year. The overall character of the portfolio is of Agency quality, possessing a minimal degree of financial risk. The market value of the Short Term Fund at June 30, 2024 was \$699.5 million, of which 100% was invested in debt securities. The Effective Duration of the Fund is 1.08 years.
- 2) 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 OCGA § 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 Legal Fund at June 30, 2024 was \$15.8 million, of which 100% is invested in debt securities. The Effective Duration of the Fund is 3.65 years.
- 3) Balanced Income Fund - The Balanced Income Fund is available to both University System of Georgia institutions and their affiliated organizations. The Fund is designed to be a vehicle to invest funds that are not subject to the state regulations concerning investing in equities. This pool is appropriate for investing longer term funds that require a more conservative investment strategy. Permitted investments in the fund are domestic US equities, domestic investment grade fixed income, and cash equivalents. The equity allocation shall range between 20% and 40%, with a target of 30% of the total portfolio. The fixed income (bond) portion of the portfolio shall range between 60% and 80%, with a target of 70% 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 Balanced Income Fund at June 30, 2024 was \$226.9 million, of which 63% is invested in debt securities. The Effective Duration of the Fund is 4.50 years.
- 4) Total Return Fund - The Total Return Fund is available to both University System of Georgia institutions and their affiliated organizations. The Fund is another pool designed to be a vehicle to invest funds that are not subject to state regulations concerning investing in equities. This pool offers greater overall equity exposure and is appropriate for investing longer term funds such as endowments. Permitted investments in the fund are domestic US equities, domestic investment grade fixed income, and cash equivalents. The equity allocation shall range between 60% and 80%, with a target of 70% of the total portfolio. The fixed income (bond) portion of the portfolio shall range between 20% and 40%, with a target of 30% of the total portfolio. Cash reserves and excess income are invested at all times in the highest quality par stable (A1,



Notes to the Financial Statements For the Fiscal Year Ended June 30, 2024

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

P1) institutional money market mutual funds, or other high quality short term instruments. The market value of the Total Return Fund at June 30, 2024 was \$25.5 million, of which 31% is invested in debt securities. The Effective Duration of the Fund is 5.11 years.

- 5) 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 Diversified Fund at June 30, 2024 was \$275.8 million, of which 26% is invested in debt securities. The Effective Duration of the Fund is 5.06 years.
- 6) Diversified Fund for Foundations - The Diversified Fund for Foundations is available only to University System of Georgia affiliated organizations. Like the Diversified Fund, the fund is designed to provide improved return characteristics with reduced volatility through greater diversification and is appropriate for investing longer term funds such as endowments. Investments in the fund may include domestic, international and emerging market equities, domestic and global investment grade and non-investment grade fixed income and liquid alternative investments. The equity allocation shall range between 40% and 75% of the portfolio, with a target of 65% of the total portfolio. The fixed income (bond) portion of the portfolio shall range between 10% and 40% of the portfolio, with a target of 20% of the total portfolio. The alternatives portion of the portfolio shall range between 0% and 30% of the portfolio, with a target of 15% of the total portfolio. Cash reserves and invested income are invested at all times in the highest quality par stable (A1, P1) institutional money market funds, or other high quality short term instruments. The market value of the Diversified Fund for Foundations at June 30, 2024 was \$84.4 million, of which 21% is invested in debt securities. The Effective Duration of the Fund is 4.27 years.

Fiduciary Funds – Pension and Other Employee Benefit Trust Funds

In accordance with OCGA § 47-20-83, Public Retirement Systems may invest in the following:

- 1) U.S. or Canadian corporations or their obligations with limits as to the corporations' size and credit rating.
- 2) Repurchase and reverse repurchase agreements for direct obligations of the U.S. Government and for obligations unconditionally guaranteed by agencies.
- 3) FDIC insured cash assets or deposits.
- 4) Bonds, notes, warrants, loans or other debt issued or guaranteed by the U.S. Government.
- 5) Taxable bonds, notes, warrants or other securities issued and guaranteed by any state, the District of Columbia, Canada or any province in Canada.
- 6) Bonds, debentures or other securities issued or insured or guaranteed by an agency, authority, unit, or corporate body created by the U.S. Government.
- 7) Investment grade collateralized mortgage obligations.



Notes to the Financial Statements For the Fiscal Year Ended June 30, 2024

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

- 8) Obligations issued, assumed or guaranteed by the International Bank for Reconstruction and Development or the International Financial Corporation.
- 9) Bonds, debentures, notes and other evidence of indebtedness issued, assumed, or guaranteed by any solvent institution existing under the laws of the U.S. or of Canada, or any state or province thereof, which are not in default and are secured to a certain level.
- 10) Secured and unsecured obligations issued by any solvent institution existing under the laws of the U.S. or of Canada, or any state or province thereof, bearing interest at a fixed rate, with mandatory principal and interest due at a specified time with additional limits.
- 11) Equipment trust obligations or interests in transportation equipment, wholly or in part within the U.S., and the right to receive determinate portions or related income.
- 12) Loans that are secured by pledge or securities eligible for investment.
- 13) Purchase money mortgages or like securities received upon the sale or exchange of real property acquired.
- 14) Secured mortgages or mortgage participation, pass-through, conventional pass-through, trust certificate, or other similar securities with restrictions.
- 15) Land and buildings on such land used or acquired for use as a fund's office for the convenient transaction of its own business with restrictions.
- 16) Real property and equipment acquired under various circumstances.
- 17) Shares of mutual funds registered with Securities and Exchange Commission.
- 18) Commingled funds and collective investment funds maintained by state chartered banks or trust companies.

In addition, large retirement systems have restrictions as to the concentration of investments in corporations and equities and additional stipulations exist related to decreases in a fund's asset value. The retirement systems have additional restrictions on the acquisition of securities of companies with activities in the Iran petroleum energy sector. A list of scrutinized companies with activities in the Iran petroleum energy sector has been compiled and is annually updated. This list is utilized to identify and potentially divest the retirement systems of such holdings.

In accordance with OCGA § 47-20-87, certain eligible large retirement systems (excluding the Teachers Retirement System of Georgia) are authorized to invest in alternative investments such as privately placed investment pools that include investments such as leveraged buyout funds, mezzanine funds, workout funds, debt funds, venture capital funds, merchant banking funds, funds of funds and secondary funds. In addition, these retirement systems are authorized to invest in private placements and other private investments such as leveraged buyouts, venture capital investment, equity investments such as preferred and common stock, warrants, options, private investments in public securities, recapitalizations, privatizations, mezzanine debt investments, distressed debt and equity investments, convertible securities, receivables, debt and equity derivative instruments, etc. The amount invested by an eligible large retirement system in alternative investments may not in the aggregate exceed 5% of the eligible large retirement system's assets at any time.



Notes to the Financial Statements For the Fiscal Year Ended June 30, 2024

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

Other Postemployment Benefits (OPEB)

In May of 2018, the State created an investment policy for state and school OPEB trust funds. The policy requires at least 25% of funds to be invested at State Treasury and be subject to OST policy. The remaining funds are invested by ERS in publicly traded equities permitted in accordance with OCGA § 47-20-84.

Component Units

Component units follow applicable investing criteria as specifically authorized by statute or by the component unit's governing authority. Certain higher education foundations utilize FASB standards. Balances for those component units as of June 30, 2024, are as follows (amounts in thousands):

	Fair Value
Bond Securities	\$ 233,485
Certain split-interest investments	2,087
Commodity funds	5,661
Funds	27
Corporate Debt-Domestic	31,624
Derivatives	(7,272)
Equity Securities-Domestic	613,368
Equity Securities-International	308,498
Hedge fund limited partnerships	361,729
Hedge Funds	769,945
Money Market Mutual Funds	481,599
Mutual Funds Debt	337,619
Mutual Funds Equities Domestic	413,514
Mutual Funds Equities International	391,439
Natural Resources	146,716
Private Equities	1,112,071
Private Equity limited partnerships	310,857
Real asset limited partnerships	61,705
Real asset mutual funds	63
Real Estate Investment Trusts	57,699
Real Estate Investments	170,094
Repurchase Agreements	1,179
US Agencies Obligations-Explicitly Guaranteed	21,934
US Agencies Obligations-Implicitly Guaranteed	15,801
US Treasuries Obligations	24,170
Venture capital-equity funds	24,256
Other	38
	<u>5,889,906</u>
GA Fund 1 (BOR FASB)	5,138
Total Investments	<u><u>\$ 5,895,044</u></u>

The component unit disclosures that follow do not include these balances, with the exception of the fair value measurement tables.



Notes to the Financial Statements For the Fiscal Year Ended June 30, 2024

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

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.

Primary Government

OST's policy for management of interest rate risk attempts to match investments with expected cash requirements. However, certificates of deposit may not have a term exceeding five years. The State Treasurer may establish duration or maturity limitations for other investments.

USG's policy for managing interest rate risk attempts to match investments with expected cash requirements.

The following table provides information about the primary government's exposure to interest rate risk. It includes balances reported in fiduciary funds other than Pension and Other Employee Benefit Trust Funds as these balances are not separable from the holdings of the primary government (amounts in thousands):

	Total Fair Value	Maturity Period				More than 10 Years
		Less than 3 Months	4 - 12 Months	1 - 5 Years	6 - 10 Years	
Asset-Backed Securities						
Domestic	\$ 1	\$ —	\$ —	\$ —	\$ —	\$ 1
Bank Deposits Held for Investment Purposes	(943,000)	(943,000)	—	—	—	—
Certificate of Deposit	32,000	—	32,000	—	—	—
Corporate Debt						
Domestic	290,698	27,369	111,065	151,653	583	28
International Government Obligations	6	—	—	—	—	6
Money Market Mutual Funds	299,716	299,716	—	—	—	—
Mortgage-Backed Securities	6	—	—	—	—	6
Municipal Bonds	896	40	—	601	148	107
Mutual Funds - Debt*	75,218	639	955	17,115	28,771	27,738
Repurchase Agreements	2,060,037	2,060,037	—	—	—	—
U.S. Agency Obligations - Explicitly Guaranteed	233,984	172,934	575	27,040	1,118	32,317
U.S. Agency Obligations	2,128,545	122,445	876,908	1,094,112	13,552	21,528
U.S. Treasury Obligations	2,965,153	1,593,176	1,194,397	177,580	—	—
Total Debt Securities	7,143,260	\$ 3,333,356	\$ 2,215,900	\$ 1,468,101	\$ 44,172	\$ 81,731
Equity Mutual Funds						
Domestic	228,437	—	—	—	—	—
International	758	—	—	—	—	—
Equity Securities						
Domestic	72,202	—	—	—	—	—
International	986	—	—	—	—	—
Pooled Investments	80,468	—	—	—	—	—
Real Estate Held for Investments	6,378	—	—	—	—	—
Real Estate Investment Trust	568	—	—	—	—	—
Other	67	—	—	—	—	—
Total Investments	\$ 7,533,124					

*Maturity Period is weighted average maturity.



Notes to the Financial Statements For the Fiscal Year Ended June 30, 2024

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

Fiduciary Funds – Pension and Other Employee Benefit Trust Funds Administered by the Employees’ and Teachers Retirement Systems

The Boards of the Employees’ and Teachers Retirement Systems have elected to manage interest rate risk of these pension and other employee benefit trust funds using the effective duration method. This method is widely used in the management of fixed income portfolios and quantifies to a much greater degree the sensitivity to interest rate changes when analyzing a bond portfolio with call options, prepayment provisions, and any other cash flows. Effective duration makes assumptions regarding the most likely timing and amounts of variable cash flows and is best utilized to gauge the effect of a change in interest rates on the fair value of a portfolio. It is believed that the reporting of effective duration found in the table below quantifies to the fullest extent possible the interest rate risk of the funds’ fixed income assets (amounts in thousands):

	Total Fair Value	Effective Duration (Years)
Corporate and Other Bonds	\$ 7,654,496	4.3
International Obligations:		
Corporate	465,639	2.5
U.S. Treasury Obligations	20,628,823	5.1
Total Debt Securities	28,748,958	
Commingled Funds	3,047,460	
Common Stock		
Domestic	72,108,741	
International	20,292,430	
Mutual Funds - Equity	9,702	
Private Equity	1,471,313	
Real Estate Investments	15,862	
Total Investments	\$ 125,694,466	



Notes to the Financial Statements For the Fiscal Year Ended June 30, 2024

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

Fiduciary Funds – Pension and Other Employee Benefit Trust Funds Administered by Other than the Employees’ and Teachers Retirement Systems

The Public Retirement System Investment Authority Law does not address specific policies for managing interest rate risk. The following table provides information about interest rate risks associated with these pension and other employee benefit trust funds’ investments (amounts in thousands):

	Total Fair Value	Maturity Period				
		Less than 3 Months	4 - 12 Months	1 - 5 Years	6 - 10 Years	More than 10 Years
Asset-backed Securities						
Domestic	\$ 28,541	\$ —	\$ 200	\$ 11,195	\$ 4,513	\$ 12,633
Corporate Debt						
Domestic	250,893	1,395	19,100	121,685	45,676	63,037
International	11,932	603	1,517	6,781	701	2,330
Commingled Funds	21,823	—	—	21,823	—	—
Guaranteed Investment Contracts	273	—	—	—	—	273
International Government Obligations	202	—	202	—	—	—
Money Market Mutual Funds	138,712	138,712	—	—	—	—
Mortgage-backed Securities	78,959	—	—	404	1,493	77,062
Municipal Bonds	3,615	—	355	2,021	—	1,239
Mutual Funds - Debt*	27,888	—	—	14,680	1,014	12,194
U.S. Agency Obligations-Explicitly Guaranteed	3,703	—	1	7	—	3,695
U.S. Agency Obligations	141,985	—	89	207	343	141,346
U.S. Treasury Obligations	150,620	2,834	3,004	56,721	22,169	65,892
Total Debt Securities	859,146	\$ 143,544	\$ 24,468	\$ 235,524	\$ 75,909	\$ 379,701
Commingled Funds	353,539					
Equity Mutual Funds						
Domestic	122,121					
International	18,314					
Equity Securities						
Domestic	3,419,977					
International	353,617					
Exchange Traded Funds-Domestic	32,765					
Exchange Traded Funds-International	53					
Pooled Investments	223,806					
Private Equity	144,295					
Real Estate Investment Trust	14,546					
Other	243					
Total Investments	\$ 5,542,422					

*Maturity period is weighted average maturity.



Notes to the Financial Statements For the Fiscal Year Ended June 30, 2024

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

Component Units

The component units follow the applicable investing criteria specifically authorized by statute or by the component unit's governing authority.

The component units' exposure to interest rate risk is presented below (amounts in thousands):

	Total Fair Value	Maturity Period				More than 10 Years
		Less than 3 Months	4 - 12 Months	1 - 5 Years	6 - 10 Years	
Certificate of Deposits	\$ 2,202	\$ —	\$ 1,712	\$ 490	\$ —	\$ —
Corporate Debt		—	—	—	—	—
Domestic	91,081	2,788	20,737	51,325	14,606	1,625
International	438	—	—	438	—	—
Global Credit Opportunities II Fund	11,197	—	—	11,197	—	—
Insurance Contracts	24,456	—	—	—	—	24,456
International Government Obligations	1,853	300	981	322	187	63
Investment Agreements	9,170	—	—	2,354	6,816	—
Money Market Mutual Funds	158,925	143,973	7,531	7,421	—	—
Mortgage-Backed Securities	51,942	—	5	1,708	2,670	47,559
Municipal Bonds	259	—	—	187	—	72
Mutual Funds - Debt*	63,282	820	1,761	3,037	24,821	32,843
Non-purpose investments	70,373	—	70,373	—	—	—
Obsidian Funds	2,390	—	—	2,390	—	—
Repurchase Agreements	49,258	43,493	—	5,765	—	—
Strategic Income Opportunities Funds	65,251	—	—	65,251	—	—
U.S. Agency Obligations - Explicitly Guaranteed	4,480	3,749	15	698	18	—
U.S. Agency Obligations	148,557	20,036	54,694	61,408	11,070	1,349
U.S. Treasury Obligations	191,277	5,207	47,112	72,738	39,915	26,305
Total Debt Securities	946,391	\$ 220,366	\$ 204,921	\$ 286,729	\$ 100,103	\$ 134,272
Equity Mutual Funds						
Domestic	87,026					
International	5,256					
Equity Securities						
Domestic	1,343					
International	387					
Exchange Traded Funds	12,978					
Commodity Funds	3,567					
Hedge Funds	2					
Private Equities	—					
U.S. Treasury Obligations	15,000					
Venture Capital	219					
Total Investments	\$ 1,072,169					

* Maturity Period is weighted average maturity.



Notes to the Financial Statements For the Fiscal Year Ended June 30, 2024

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations to the holder of the investment. The credit risk tables presented on the following pages have been prepared using Standard and Poor's Corporation ratings scales.

Primary Government

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 its 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 University System of Georgia's policy for managing credit risk is contained in the investment policy guidelines for the various pooled investment funds:

- 1) In the Short-Term Fund and Legal Fund, all debt issues must be eligible investments under OCGA § 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 Balanced Income Fund, Total Return Fund, and 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) In the Diversified Fund for Foundations, fixed income investments include investment grade and high yield domestic bonds, dollar-and non-dollar denominated global bonds, and emerging market bonds. 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+.



Notes to the Financial Statements For the Fiscal Year Ended June 30, 2024

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

The exposure of the primary government's debt securities to credit risk is indicated below (amounts in thousands):

	Total Fair Value	AAA	AA	A	BBB	BB	CCC	D	Not Rated
Certificate of Deposit	\$ 32,000	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	32,000
Corporate Debt									
Domestic	290,697	—	14,951	274,967	683	—	—	—	96
International Government Obligations	6	—	—	—	—	—	—	—	6
Money Market Mutual Funds	299,716	106,006	73,967	—	—	—	—	—	119,743
Mortgage-Backed Securities	7	—	—	—	—	—	1	3	3
Municipal Bonds	896	68	544	269	15	—	—	—	—
Mutual Funds - Debt	75,219	505	76	—	—	19	—	—	74,619
Repurchase Agreements	2,060,037	10,037	—	—	—	—	—	—	2,050,000
U.S. Agency Obligations	2,128,545	456,649	1,671,896	—	—	—	—	—	—
Total Credit Risk-Investments	4,887,123	\$ 573,265	\$ 1,761,434	\$ 275,236	\$ 698	\$ 19	\$ 1	\$ 3	\$ 2,276,467
Bank Deposit Held for Investment Purposes	(943,000)								
U.S. Agency Obligations Explicitly Guaranteed	233,984								
U.S. Treasury Obligations	2,965,153								
Total Debt Securities	\$ 7,143,260								



Notes to the Financial Statements For the Fiscal Year Ended June 30, 2024

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

Fiduciary Funds – Pension and Other Employee Benefit Trust Funds

The credit risk of pension and other employee benefit trust funds is managed by restricting investments to those authorized by the Public Retirement System Investment Authority Law as previously described. The Boards of individual funds may elect to implement more restrictive policies. The pension and other employee benefit trust funds' debt securities exposure to credit risk is indicated below (amounts in thousands):

	Total										Not
	Fair Value	AAA	AA	A	BBB	BB	B	CCC	CC	D	Rated
Asset-backed Securities											
Domestic	\$ 28,542	\$ 12,464	\$ 1,142	\$ 2,554	\$ 3,842	\$ 83	\$ 10	\$ 158	\$ 1	\$ 192	\$ 8,096
Corporate Debt											
Domestic	7,905,388	1,220,141	4,109,190	1,923,768	646,615	758	—	—	—	—	4,916
International	477,571	—	465,639	2,641	8,571	—	—	—	—	—	720
Guaranteed Investment Contracts	273	—	—	—	—	—	—	—	—	—	273
International Government Obligations	202	—	—	202	—	—	—	—	—	—	—
Money Market Mutual Funds	138,711	4,224	—	—	—	—	—	—	—	—	134,487
Mortgage-backed Securities	78,960	30,684	13,434	2,610	1,052	870	150	189	101	186	29,684
Municipal Bonds	3,614	936	213	2,465	—	—	—	—	—	—	—
Mutual Funds - Debt	27,889	—	—	—	—	—	—	—	—	—	27,889
U.S. Agency Obligations	141,985	—	—	—	—	—	—	—	—	—	141,985
Total Credit Risk - Investments	8,803,135	\$1,268,449	\$4,589,618	\$1,934,240	\$ 660,080	\$1,711	\$160	\$ 347	\$ 102	\$ 378	\$348,050
Commingled Funds	21,824										
U.S. Agency Obligations											
Explicitly Guaranteed	3,703										
U.S. Treasury Obligations	20,779,442										
Total Debt Securities	\$29,608,104										



Notes to the Financial Statements For the Fiscal Year Ended June 30, 2024

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

Component Units

The component units follow the applicable investing criteria specifically authorized by statute or by the component unit's governing authority. The exposure of the component units' debt securities to credit risk is indicated below (amounts in thousands):

	Total							Not
	Fair Value	AAA	AA	A	BBB	BB		Rated
Certificate of Deposits	\$ 2,202	\$ —	\$ —	\$ —	\$ 245	\$ —		\$ 1,957
Corporate Debt								
Domestic	91,080	3,452	22,574	49,201	13,924	111		1,818
International	438	—	—	—	—	—		438
Global Credit Opportunities II Fund	11,197	—	—	—	—	—		11,197
Insurance Contracts	24,456	24,456	—	—	—	—		—
International Government								
Obligations	1,853	—	99	1,560	67	127		—
Investment Agreements	9,170	—	—	—	—	—		9,170
Money Market Mutual Funds	158,925	157,898	—	—	—	—		1,027
Mortgage-Backed Securities	51,943	7,646	19,667	143	244	—		24,243
Municipal Bonds	258	93	157	8	—	—		—
Mutual Funds - Debt	63,282	—	18,032	986	—	11,385		32,879
Non-purpose investments	70,375	—	—	—	—	—		70,375
Obsidian Funds	2,390	—	—	—	—	—		2,390
Repurchase Agreements	49,258	5,765	—	—	—	—		43,493
Strategic Income								
Opportunities Funds	65,251	—	—	—	—	—		65,251
U.S. Agency Obligations	148,556	127,495	9,079	7,178	—	—		4,804
Total Credit Risk - Investments	750,634	\$ 326,805	\$ 69,608	\$ 59,076	\$ 14,480	\$ 11,623		\$ 269,042
U.S. Treasury Obligations	206,277							
U.S. Agency Obligations Explicitly Guaranteed	4,480							
Total Debt Securities	\$ 961,391							

Custodial Credit Risk - Investments

Custodial credit risk for investments is the risk that, in the event of the failure of a counterparty to a transaction, the value of the investment or collateral securities in possession of a third party custodian may not be fully recovered by the State.

Primary Government

OST's policy for managing custodial credit risk for investments is:

- 1) OST has appointed a federally regulated banking institution, State Street, as its custodian. State Street performs its duties to the standards of a professional custodian.
- 2) All securities transactions are settled on a delivery versus payment basis through an approved depository institution such as the Federal Reserve or the Depository Trust Company.



Notes to the Financial Statements For the Fiscal Year Ended June 30, 2024

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

- 3) Repurchase agreements are collateralized by obligations of the United States and its subsidiary corporations and instrumentalities or entities sanctioned or authorized by the United States government or other securities authorized by the Treasurer in subsection (b) of Code Section 50-17-63 in accordance with the State Depository Board policy.
- 4) OST has retained an independent firm to serve as its liquidation agent in the event of a counterparty default.

The University System of Georgia's policy for managing custodial credit risk for investment is:

- 1) The University System has appointed a federally regulated banking institution as custodian. The custodian performs its duties to the standards of a professional custodian and is liable to the University System of Georgia for claims, losses, liabilities and expenses arising from its failure to exercise ordinary care, its willful misconduct, or its failure to otherwise act in accordance with the contract.
- 2) All securities transactions are to be settled on a delivery vs. payment basis through an approved depository institution such as the Depository Trust Company or the Federal Reserve.
- 3) Repurchase agreements are to be collateralized by United States Treasury securities at 102% of the market value of the investment at all times.

At June 30, 2024, \$17.0 million was uninsured and held by the investment's counterparty's trust department or agent, but not in the USG's name.

Fiduciary Funds – Pension and Other Employee Benefit Trust Funds

The custodial credit risk of pension and other employee benefit trust funds is managed by restricting investments to those authorized by the Public Retirement System Investment Authority Law described above. At June 30, 2024, \$0.5 million of the pension and other employee benefit trust funds' investments were uninsured, unregistered and held by the counterparty or the counterparty's trust department, but not in the State's name.

Component Units

The component units follow the applicable investing criteria specifically authorized by statute or by the component unit's governing authority.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the State's investment in a single issuer.

Primary Government

To manage concentration risk, the OST Investment Policy requires diversification of investments to reduce overall portfolio risks while maintaining market rates of return. Investments in each portfolio shall be diversified to mitigate risk of loss from an over-concentration in a specific issuer, counterparty or depository. The State Treasurer establishes Investment Guidelines for each investment portfolio to assure that prudent diversification and adequate liquidity is maintained. OST utilizes a counterparty risk assessment model to determine maximum exposure to each approved financial institution.



Notes to the Financial Statements For the Fiscal Year Ended June 30, 2024

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

The University System's policy for managing concentration requires diversification of investments to reduce overall portfolio risk while maintaining market rates of return.

At June 30, 2024, for the USG business-type activity investments, approximately 8.01%, 7.87%, and 6.46% of investments were investments in Federal National Mortgage Assoc. notes and pools, Federal Home Loan Mortgage Corporation Pool, and Federal Home Loan Bank, respectively.

At June 30, 2024, approximately 25.35% of the primary government's total investments were investments in securities of U.S. agencies not explicitly guaranteed by the U.S. Government.

Fiduciary Funds – Pension, Other Employee Benefit Trust Funds and Custodial Funds

The concentration of credit risk policy of pension limits investments to no more than 5% of total net investments in any one issuer of corporate bonds. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this requirement. At June 30, 2024, with the exception of the USG items listed below, no more than 5% of the pension's total investments were investments in any single issuer other than the U.S. Government or its agencies.

At June 30, 2024, approximately 8.01%, 7.87% and 6.46% of Board of Regents pooled investments were invested in Federal National Mortgage Assoc. notes and pools, and Federal Home Loan Mortgage Corporation notes and pools, and Federal Home Loan Bank, respectively.

Approximately 16.48% of the Early Retirement Plan Fiduciary Fund investments were invested in Invesco S&P Equal Weight ETF.

Approximately 8.82% and 7.88% of the Deferred Compensation Fiduciary Fund investments were invested in TIAA Traditional Non Ben Responsiv and TIAA Real Estate, respectively.

Information related to Other Postemployment Benefit trust funds (OPEB) disclosures is included in the LGIP Trust Fund Financial Statement report issued by OST. For concentration of credit risk, refer to the report published on OST's website www.ost.georgia.gov. For the remaining funds invested by ERS, concentration of credit risk policy of OPEB limits investments to no more than 5% of total net investments in any one issuer of corporate bonds.

Component Units

The component units follow the applicable investing criteria specifically authorized by statute or by the component unit's governing authority. At June 30, 2024, no more than 5% of the component units total investments were investments in any single issuer other than the U.S. Government or its agencies.



Notes to the Financial Statements For the Fiscal Year Ended June 30, 2024

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

C. Fair Value Measurements

In accordance with GASB Statement No. 72 (GASB 72), some investments are measured using inputs divided into three fair value hierarchies:

- Level 1: Unadjusted quoted prices for identical assets or liabilities in active markets that a government can access at the measurement date.
- Level 2: Inputs, other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly.
- Level 3: Unobservable inputs for an asset or liability.

Fixed-income securities use price evaluations; other investments are exempt from GASB 72's disclosure requirement because they are not reported at fair value, but instead valued using cost based measures.

In general, investments were valued using the following techniques:

- Equity securities classified in Level 1 are valued using prices quoted in active markets for those securities. Equity securities classified in Level 2 are valued using prices quoted for similar instruments in active markets. Equity securities classified in Level 3 are valued using third party valuations not currently observable in the market.
- Debt securities classified in Level 1 are valued using prices quoted in active market. Debt securities classified in Level 2 are valued using either a bid evaluation or a matrix pricing technique. Bid evaluations may include market quotations, yields, maturities, call features and ratings. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. These securities have non-proprietary information that are readily available to market participants, from multiple independent sources, which are known to be actively involved in the market. Debt securities classified in Level 3 are not currently observable in the market.
- Mutual funds and commingled funds classified in Level 1 are valued using prices quoted in active markets for those investments types. Mutual funds and commingled funds classified in Level 2 are valued using prices quoted for similar instruments in active markets.
- Investments classified in Level 3 include real estate funds that invest primarily in U.S. commercial real estate. The fair values of the investment in this category have been estimated using the net asset value of the University System of Georgia's (USG) 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. 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.



Notes to the Financial Statements For the Fiscal Year Ended June 30, 2024

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

Primary Government

The following table provides information about the primary government's investments in regards to GASB 72 (amounts in thousands):

Investments by fair value levels	Total	Level 1	Level 2	Level 3	Net Asset Value
Asset-backed Securities					
Domestic	\$ 1	\$ 1	\$ —	\$ —	\$ —
Corporate Debt					
Domestic	290,697	96	290,601	—	—
Equity Mutual Fund					
Domestic	228,437	228,437	—	—	—
International	758	758	—	—	—
Equity Securities					
Domestic	72,202	72,202	—	—	—
International	986	767	219	—	—
International Government Obligations	6	6	—	—	—
Money Market Mutual Funds	299,716	299,716	—	—	—
Municipal Bonds	896	896	—	—	—
Mutual Funds - Debt	75,218	75,218	—	—	—
Mortgage Backed Securities	7	7	—	—	—
Real Estate Held for Investment Purposes	6,378	—	—	—	6,378
Real Estate Investment Trusts	568	189	—	—	379
US Agencies Obligations-Explicitly Guaranteed	233,984	—	233,984	—	—
US Agencies Obligations	2,128,545	1,570	2,126,975	—	—
U.S. Treasury Obligations	2,965,153	2,498,643	466,510	—	—
Other	67	67	—	—	—
	6,303,619	\$ 3,178,573	\$ 3,118,289	\$ —	\$ 6,757
Reconciling Items:					
Bank Deposits Held for Investment Purposes	(943,000)				
Pooled Investments	80,468				
Repurchase Agreements	2,060,037				
Certificate of Deposit	32,000				
Total Investments	\$ 7,533,124				



Notes to the Financial Statements For the Fiscal Year Ended June 30, 2024

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

Fiduciary Funds

The following table provides information about the fiduciary investments in regards to GASB 72 (amounts in thousands):

Investments by fair value levels	Total	Level 1	Level 2	Level 3	Net Asset Value
Asset-backed Securities					
Domestic	\$ 28,541	\$ —	\$ 28,541	\$ —	\$ —
Commingled Funds	3,069,283	104,740	2,964,543	—	—
Commingled Funds - Equity	353,539	353,539	—	—	—
Corporate Debt					
Domestic	7,905,388	—	7,905,388	—	—
International	477,571	—	477,571	—	—
Equity Securities					
Domestic	75,528,718	75,528,718	—	—	—
International	20,646,047	20,421,796	224,251	—	—
Exchange Traded Funds - Equity	32,765	32,765	—	—	—
Exchange traded funds - International	53	53	—	—	—
Guaranteed Investment Contracts	273	—	—	273	—
International Government Obligations	202	—	202	—	—
Money Market Mutual Funds	138,712	6,324	132,388	—	—
Mortgage Backed Securities	78,960	—	78,960	—	—
Municipal bonds	3,615	—	3,615	—	—
Mutual Funds-Debt	27,889	27,889	—	—	—
Mutual Fund Equities					
Domestic	131,823	131,823	—	—	—
International	18,314	18,314	—	—	—
Private Equities	1,615,608	—	—	—	1,615,608
Real Estate Investment Trusts	14,546	14,546	—	—	—
U.S. Agencies Obligations					
Explicitly Guaranteed	1,517	—	1,517	—	—
U.S. Agency Obligations	144,171	—	144,171	—	—
U.S. Treasury Obligations	20,779,442	20,687,273	92,169	—	—
Other	243	—	—	—	243
	130,997,220	\$ 117,327,780	\$ 12,053,316	\$ 273	\$ 1,615,851
Reconciling Items:					
Real Estate Investments	15,862				
Pooled Investments	223,806				
Total Investments	\$ 131,236,888				



Notes to the Financial Statements For the Fiscal Year Ended June 30, 2024

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

Component Units

The following table provides information about the component unit investments in regards to GASB 72 (amounts in thousands):

Investments by fair value levels	Total	Level 1	Level 2	Level 3	Net Asset Value
Bond Securities	\$ 233,485	\$ 211,426	\$ 22,059	\$ —	\$ —
Certain split-interest investments	2,087	—	—	2,087	—
Certificate of Deposits	2,202	2,202	—	—	—
Commodity funds	9,228	3,567	5,661	—	—
Corporate Debt			—	—	—
Domestic	122,704	80,754	40,923	—	1,027
International	438	—	—	—	438
Derivatives	(7,272)	(7,272)	—	—	—
Equity Securities					
Domestic	614,711	613,937	—	—	774
International	308,885	308,498	—	—	387
Exchange Traded Funds-Equity	12,978	12,978	—	—	—
Global Credit Opportunities II Fund	11,197	—	—	11,197	—
Hedge funds	769,947	—	—	—	769,947
Hedge fund limited partnerships	361,729	—	—	—	361,729
Insurance Contracts	24,456	—	—	—	24,456
International Government Obligations	1,853	1,853	—	—	—
Investment Agreements	9,170	—	—	9,170	—
Money Market Mutual Funds	640,524	623,231	89	—	17,204
Municipal Obligations	259	72	187	—	—
Mutual Bond Funds	400,901	345,868	41,449	—	13,584
Mutual Fund Equities					
Domestic	500,540	492,020	628	—	7,892
International	396,695	297,634	—	—	99,061
Mortgage Backed Securities	51,943	51,943	—	—	—
Natural Resources	146,716	—	—	4,186	142,530
Non Purpose Investments	70,375	—	70,375	—	—
Obsidian Funds	2,390	—	—	2,390	—
Private Equities	1,112,071	—	—	—	1,112,071
Private Equity limited partnerships	310,857	—	—	—	310,857
Real asset limited partnerships	61,705	—	—	—	61,705
Real asset mutual funds	63	63	—	—	—
Real Estate Held for Investment Purposes	170,094	2,598	—	79,893	87,603
Real Estate Investment Trusts	57,699	51,966	—	—	5,733
Strategic Income Opportunity fund	65,251	59,208	—	6,043	—
US Agencies Obligations-Explicitly Guaranteed	26,414	13,872	12,542	—	—
US Agencies Obligations	164,357	139,991	24,366	—	—
U.S. Treasury Obligations	230,446	54,591	175,855	—	—
Venture Capital	219	—	202	—	17
Venture capital-equity funds	24,256	—	—	—	24,256
Other Pooled/Managed funds	27	—	—	—	27
Other	38	—	—	38	—
	6,911,638	\$ 3,361,000	\$ 394,336	\$ 115,004	\$ 3,041,298
Repurchase Agreements	50,437				
	6,962,075				
GA Fund I (BOR_ FASB)	5,138				
Total Investments	\$ 6,967,213				



Notes to the Financial Statements For the Fiscal Year Ended June 30, 2024

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely impact the fair value of an investment.

Fiduciary Funds – Pension and Other Employee Benefit Trust Funds

The State's currency risk exposures, or exchange rate risks, primarily reside within the retirement system's international equity investment holdings. The retirement systems' foreign exchange risk management policy is to minimize risk and protect the investments from negative impact by hedging foreign currency exposures with foreign exchange instruments when market conditions and circumstances are deemed appropriate.

As of June 30, 2024, the State's exposure to foreign currency risk in U.S. Dollars are highlighted in the tables below (amounts in thousands):

(Table on next page)



Notes to the Financial Statements For the Fiscal Year Ended June 30, 2024

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

International Investment Securities at Fair Value as of June 30, 2024

Currency	Employees' Retirement System of Georgia				Teachers Retirement System of Georgia			
	Cash & Cash Equivalents	Equities	Fixed Income	Total	Cash & Cash Equivalents	Equities	Fixed Income	Total
Australian Dollar	\$ —	\$ 63,036	\$ —	\$ 63,036	\$ —	\$ 315,392	\$ —	\$ 315,392
Brazilian Real	—	18,857	—	18,857	—	93,627	—	93,627
British Pound	—	136,548	—	136,548	—	693,683	—	693,683
Canadian Dollar	—	62,626	—	62,626	—	317,012	—	317,012
Chilean Peso	—	2,652	—	2,652	—	13,487	—	13,487
Columbian Peso	—	1,151	—	1,151	—	5,386	—	5,386
Czech Koruna	—	2,131	—	2,131	—	10,305	—	10,305
Danish Krone	—	95,130	—	95,130	—	482,993	—	482,993
Euro	—	466,905	—	466,905	—	2,372,511	—	2,372,511
Hungarian Forint	—	2,491	—	2,491	—	12,680	—	12,680
Indian Rupee	48	118,325	—	118,373	245	588,969	—	589,214
Indonesian Rupiah	—	6,405	—	6,405	—	31,960	—	31,960
Israeli Shekel	—	4,296	—	4,296	—	22,257	—	22,257
Japanese Yen	—	205,229	—	205,229	—	1,030,124	—	1,030,124
Malaysian Ringgit	—	9,203	—	9,203	—	47,059	—	47,059
Mexican Peso	—	7,181	—	7,181	—	35,319	—	35,319
New Zealand Dollar	—	1,750	—	1,750	—	8,394	—	8,394
Norwegian Krone	—	3,634	—	3,634	—	17,229	—	17,229
Philippine Peso	6	3,470	—	3,476	30	17,915	—	17,945
Polish Zloty	—	6,725	—	6,725	—	33,356	—	33,356
Qatari Riyal	—	3,747	—	3,747	—	18,502	—	18,502
Singapore Dollar	—	21,810	—	21,810	—	111,975	—	111,975
South African Rand	—	13,291	—	13,291	—	66,060	—	66,060
South Korean Won	—	105,720	—	105,720	—	531,135	—	531,135
Swedish Krona	—	60,849	—	60,849	—	307,157	—	307,157
Swiss Franc	—	44,853	—	44,853	—	226,783	—	226,783
Taiwan Dollar	—	58,289	—	58,289	—	287,505	—	287,505
Thai Baht	—	9,435	—	9,435	—	47,145	—	47,145
UAE Dirham	—	9,655	—	9,655	—	47,730	—	47,730
Total Holdings subject to Foreign Currency Risk	54	1,545,394	—	1,545,448	275	7,793,650	—	7,793,925
Investment Securities payable in U.S. Dollars	—	1,797,582	93,128	1,890,710	—	9,153,898	372,511	9,526,409
Total International Investment Securities - at Fair Value	<u>\$ 54</u>	<u>\$ 3,342,976</u>	<u>\$ 93,128</u>	<u>\$ 3,436,158</u>	<u>\$ 275</u>	<u>\$ 16,947,548</u>	<u>\$ 372,511</u>	<u>\$ 17,320,334</u>



Notes to the Financial Statements For the Fiscal Year Ended June 30, 2024

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

Other Pension and Employee Benefit Trust Funds

Currency	Cash & Cash Equivalents	Equities	Fixed Income	Total
Australian Dollar	\$ 1	\$ 1,242,051	\$ —	\$ 1,242,052
British Pound	166,915	20,222,642	—	20,389,557
Canadian Dollar	10,848	3,614,041	—	3,624,889
Euro	74,831	3,876,273	—	3,951,104
Japanese Yen	5,561	663,122	—	668,683
Mexican Peso	1	—	—	1
Norwegian Krone	—	569,077	—	569,077
South Korean Won	—	319,537	—	319,537
Swedish Krona	1	—	—	1
Swiss Franc	2	—	—	2
Total Holdings subject to Foreign Currency Risk	258,160	30,506,743	—	30,764,903
Investment Securities payable in U.S. Dollars	—	10,054,827	2,433,377	12,488,204
Total International Investment Securities - at Fair Value	<u>\$ 258,160</u>	<u>\$ 40,561,570</u>	<u>\$ 2,433,377</u>	<u>\$ 43,253,107</u>

D. Pooled Investments with State Treasury

As of the end of the year, the state operates four local government investment offerings managed by OST and is comprised of GF1, GF1 Prime, GF1 Plus, and GEAP Plus. The pools invest funds of the State and funds of other governmental entities. The local government investment pools jointly maintain a reserve consisting of members' administrative fees. This reserve can be used to stabilize the investment pools and to fund the administrative expenses for managing the pools. Separate reports on the State's investment pools are issued. Refer to the OST website www.ost.georgia.gov for additional information on the GF 1, GF1 Prime, GF 1 Plus, and GEAP Plus pools.



Notes to the Financial Statements For the Fiscal Year Ended June 30, 2024

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

E. Securities Lending Program

The State is presently involved in securities lending programs with major brokerage firms. The State lends equity and fixed income securities for varying terms and receives a fee based on the loaned securities' value. During a loan, the State continues to receive dividends and interest as the owner of the loaned securities.

Fiduciary Funds – Pension and Other Employee Benefit Trust Funds

In the pension and other employee benefit trust funds' securities lending agreements, the brokerage firms pledge collateral securities consisting of U.S. Government and agency securities, mortgage-backed securities issued by a U.S. Government agency, and U.S. corporate bonds. The collateral value must be equal to at least 102% to 109% of the loaned securities value, depending on the type of collateral security.

Securities loaned totaled \$8.7 billion at June 30, 2024, and the collateral value was equal to 103.7%. The loaned securities are in the accompanying note disclosures based on the custodial arrangements for the collateral securities. Loaned securities are included in the accompanying Statement of Net Position because the State maintains ownership. The related collateral securities are not recorded as assets on the Statement of Fiduciary Net Position, and a corresponding liability is not recorded, since the State does not pledge or trade the collateral securities. In accordance with the criteria set forth in GASB Statement No. 28, *Accounting and Financial Reporting for Securities Lending Transactions*, the State is deemed not to have the ability to pledge or sell collateral securities, since the State's lending contracts do not address whether the lender can pledge or sell the collateral securities without a borrower default. The State has not previously demonstrated that ability, and there are no indications of the State's ability to pledge or sell collateral securities.

F. Other Investments

The State's Unemployment Compensation Fund monies are required by the Social Security Act to be invested in the U.S. Department of Treasury, Bureau of Public Debt Unemployment Trust Fund (BPDUTF), which is not registered with the SEC. The fair value of the position in the BPDUTF is the same as the value of the BPDUTF shares.

The Commissioner of the Department of Agriculture is directed by statute to require dealers in certain agricultural products and livestock to make and deliver to the Department a surety or cash bond to secure the faithful accounting for and payment to producers of the proceeds of agricultural products or livestock handled or sold by the dealer. Cash bonds are required to designate the Department as trustee of the funds and may take the form of certificates of deposit, letters of credit, money orders or cashiers' checks. At June 30, 2024, the Department held surety bonds in the amount of \$49.2 million, and cash bonds in the amount of \$16.9 million. These bonds are not recorded on the Statement of Net Position.

Securities are held by the Commissioner of Insurance pursuant to statutes that require licensed insurance companies to deposit securities prior to issuance of a certificate of authority to transact insurance. These securities remain in the name of the licensed insurance company as long as the company has a pending claim in the State or until a proper order of a court of competent jurisdiction has been issued to the receiver, conservator, rehabilitation, or liquidator of the insurer or to any other properly designated official or officials who succeed to the management and control of the insurer's assets. The purchase and redemption of such securities are allowed as long as the required levels of deposits are maintained. At June 30, 2024, securities valued at \$195.2 million were held by the Department of Insurance. These securities are not recorded on the Balance Sheet.



Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2024

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

Statutes require that surety bonds be provided for State public works contracts. The Department of Transportation holds surety bonds in the amount of \$7.1 billion for construction performance to ensure proper completion and complete performance of construction contracts, and \$7.7 billion for construction payment to ensure that payments are made by the general contractor to all subcontractors. These bonds are not recorded on the Statement of Net Position.

The Georgia State Financing and Investment Commission (GSFIC) State Construction Manual policies require that surety bonds be provided for payment and performance of all State projects of \$0.1 million or more. The Department of Corrections holds surety bonds in the amount of \$91.9 million for construction performance to ensure proper completion and complete performance of construction contracts. These bonds are not recorded on the Statement of Net Position.

For any organization that elects to assume the liability for unemployment compensation payments in lieu of making contributions to the Unemployment Compensation Fund, the Commissioner of the Department of Labor is authorized by statute to require such organization to execute and file with the Commissioner a cash deposit or surety bond. Cash deposits are held on behalf of such organizations in the Department's name, and are reported as custodial funds. At June 30, 2024, the Department held surety bonds in the amount of \$74.8 million, and cash bonds in the amount of \$3.4 million. These bonds are not recorded on the Statement of Net Position.

Department of Defense Surety Bonds are required of all freight carriers in order to transport military freight. They are mandated by a wing of the military called the Surface Deployment and Distribution Command (SDDC). The bond amount is based on the size of the company and how many states they serve. Department of Defense holds surety bonds in the amount of \$42.4 million for freight carriers transporting military freight.



Notes to the Financial Statements For the Fiscal Year Ended June 30, 2024

NOTE 6 - DERIVATIVE INSTRUMENTS

Derivative Instruments are utilized by some of the higher education foundations (reported as component units) and consist primarily of interest rate swap agreements. Certain foundations (component units) have elected to apply FASB provisions and therefore the disclosure information for these foundations is presented separately. Details of the long term liabilities associated with the interest rate swap derivatives are within *Note 10 – Long-term Liabilities*.

Component Units – GASB Organizations

No derivative instruments reported in the fiscal year 2024 and 2023 financial statements for higher education foundations reported as component units reporting under GASB provisions.

Component Units – FASB Organizations Interest Rate Swaps

The fair value balances and notional amounts of hedging derivative investments outstanding as reported in the fiscal year 2024 and 2023 financial statements for higher education foundations reported as component units reporting under FASB provisions are as follows (amounts in thousands):

	Change in Fair Value		Fair Value at 06/30/24		
	Classification	Amount	Classification	Amount	Notional
Component unit activities - FASB					
Cash flow hedges:					
The University of Georgia Foundation	Investment Revenue	\$ 127	Debt	\$ (347)	\$ 3,462
	Investment Revenue	112	Debt	548	8,875
				<u>\$ 201</u>	

	Change in Fair Value		Fair Value at 06/30/23		
	Classification	Amount	Classification	Amount	Notional
Component unit activities - FASB					
Cash flow hedges:					
The University of Georgia Foundation	Investment Revenue	\$ 329	Debt	\$ (474)	\$ 3,626
	Investment Revenue	481	Debt	435	9,315
				<u>\$ (39)</u>	

The University of Georgia Foundation (UGAF)

The Foundation has an outstanding interest rate swap agreement effectively converting the interest rate exposure on the \$6.2 million note payable from variable to a 5.95% fixed rate over the term of the note payable. During November 2017, the Foundation modified and extended the agreement which included a fixed rate fee payment of \$0.3 million. As of June 30, 2024 and 2023, the total notional amount of the swap was \$3.5 and \$3.6 million, respectively. As of June 30, 2024 and 2023, the fair value of this interest rate swap was a liability of \$0.3 and \$0.5 million, respectively. The Foundation recorded a related unrealized gain of \$0.1 million and \$0.3 million for the years ended June 30, 2024 and 2023, respectively.

The Foundation has an outstanding interest rate swap agreement effectively converting the interest rate exposure on the \$12.5 million note payable from variable to a 3.37% fixed rate over the term of the note payable. As of June 30, 2024 and 2023, the total notional amount of the swap was \$8.9 and \$9.3 million, respectively. As of June 30, 2024 and 2023, the fair value of this interest rate swap was an asset of \$0.5 and \$0.4 million, respectively. The



Notes to the Financial Statements For the Fiscal Year Ended June 30, 2024

NOTE 6 - DERIVATIVE INSTRUMENTS (continued)

Foundation recorded a related unrealized gain of \$0.1 and \$0.5 million for the years ended June 30, 2024 and 2023, respectively.

Component Unit - FASB Organizations Derivative Investments

	Change in Fair Value		Fair Value at 06/30/24		
	Classification	Amount	Classification	Amount	Notional
Component unit activities - FASB					
Georgia Tech Foundation, Inc.	Investment Revenue	\$ (15,270)	Investment	\$ (7,272)	\$ 90,276
				<u>\$ (7,272)</u>	

	Change in Fair Value		Fair Value at 06/30/23		
	Classification	Amount	Classification	Amount	Notional
Component unit activities - FASB					
Georgia Tech Foundation, Inc.	Investment Revenue	\$ 30,421	Investment	\$ 7,998	\$ 205,217
	Investment Revenue	1,298	Investment	—	—
				<u>\$ 7,998</u>	

Amounts in the table are in thousands.

Georgia Tech Foundation, Inc.

The Foundation directly invests in derivatives associated with market risk. The purpose of these investment derivatives is to gain additional exposure to U.S. and foreign fixed income and equity markets.

Futures and forward contracts obligate the buyer to purchase an asset (and the seller to sell an asset), such as a physical commodity or financial instrument, at a predetermined future price.

The Foundation recognized net realized/unrealized gains and losses on direct positions in Equity Index Futures derivatives of \$26.1 and \$53.4 million, in 2024 and 2023 respectively. As of June 30, 2024, the Foundation held direct positions in derivatives as shown in the following table (amounts in thousands):

Investment	Fair Value at 06/30/24	Notional Exposure
Equity Index Futures	\$ (7,272)	\$ 90,276
Total	<u>\$ (7,272)</u>	<u>\$ 90,276</u>

State of Georgia

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2024

NOTE 7 - RECEIVABLES

Receivables at June 30, 2024, consisted of the following (amounts in thousands):

	Taxes	Notes and Loans Primary Government Component Unit	Notes and Loans External	Leases from Primary Government Component Unit	Leases from External
Governmental Activities					
General Fund	\$ 5,951,579	\$ —	\$ —	\$ —	\$ 911,746
Nonmajor Governmental Funds	—	—	29,014	—	—
Total - Governmental Funds	5,951,579	—	29,014	—	911,746
Government-wide adjustments:					
Internal Service Funds	—	—	—	—	27,294
Total - Governmental Activities	\$ 5,951,579	\$ —	\$ 29,014	\$ —	\$ 939,040
Business-type Activities					
Higher Education Fund	\$ —	\$ —	\$ 21,219	\$ 3,425	\$ —
State Health Benefit Plan	—	—	—	—	—
Unemployment Compensation Fund	—	—	—	—	—
Georgia Access Fund	—	—	—	—	—
Georgia Higher Education Facilities Authority	—	—	—	—	—
State Road and Tollway Authority	—	—	—	—	—
Government-wide adjustments:					
Other	—	—	—	—	—
Total - Business-type Activities	\$ —	\$ —	\$ 21,219	\$ 3,425	\$ —
Component Units					
Unrestricted:					
Georgia Environmental Finance Authority	\$ —	\$ —	\$ 1,933,057	\$ —	\$ —
Georgia Geo. L. Smith II	—	—	—	—	—
World Congress Center Authority	1,190	—	—	—	78,205
Georgia Housing and Finance Authority	—	—	2,006,261	—	—
Georgia Lottery Corporation	—	—	—	—	4,568
Georgia Ports Authority	—	—	—	—	275,853
Georgia Tech Foundation, Incorporated	—	72,413	985	—	—
Georgia Tech Research Corporation	—	—	—	95,254	—
Nonmajor Component Units	1,870	1,962,209	381,594	5,483	240,785
Total Unrestricted Government-wide	3,060	2,034,622	4,321,897	100,737	599,411
Restricted:					
Georgia Geo. L. Smith II	—	—	—	—	—
World Congress Center Authority	—	—	—	—	—
Georgia Tech Foundation, Incorporated	—	—	—	—	—
Nonmajor Component Units	—	—	—	—	—
Total - Restricted	—	—	—	—	—
Total - Component Units (Government-wide)	\$ 3,060	\$ 2,034,622	\$ 4,321,897	\$ 100,737	\$ 599,411



Other	Inter-governmental Receivables	Gross Receivables	Allowance for Uncollectibles	Total Receivables (Net)
\$ 1,735,204	\$ 2,661,431	\$ 11,259,960	\$ (2,725,844)	\$ 8,534,116
661,116	2,867	692,997	—	692,997
2,396,320	2,664,298	11,952,957	(2,725,844)	9,227,113
109,595	453	137,342	(914)	136,428
\$ 2,505,915	\$ 2,664,751	\$ 12,090,299	\$ (2,726,758)	\$ 9,363,541
\$ 352,520	\$ 165,163	\$ 542,327	\$ (59,831)	\$ 482,496
113,429	—	113,429	(24,661)	88,768
409,240	392	409,632	(11,703)	397,929
17,717	—	17,717	—	17,717
280	—	280	—	280
3,315	3	3,318	—	3,318
62	—	62	—	62
\$ 896,563	\$ 165,558	\$ 1,086,765	\$ (96,195)	\$ 990,570
\$ 22,446	\$ 6,569	\$ 1,962,072	\$ —	\$ 1,962,072
4,548	—	83,943	—	83,943
9,630	—	2,015,891	(9,236)	2,006,655
221,925	—	226,493	(1,171)	225,322
95,890	—	371,743	(6,940)	364,803
39,058	—	112,456	(4,850)	107,606
276,998	—	372,252	(2,693)	369,559
234,465	68,606	2,895,012	(50,786)	2,844,226
904,960	75,175	8,039,862	(75,676)	7,964,186
20,705	—	20,705	(1,839)	18,866
130,023	—	130,023	—	130,023
167,107	—	167,107	(4,721)	162,386
317,835	—	317,835	(6,560)	311,275
\$ 1,222,795	\$ 75,175	\$ 8,357,697	\$ (82,236)	\$ 8,275,461



Notes to the Financial Statements For the Fiscal Year Ended June 30, 2024

NOTE 8 - INTERFUND BALANCES AND TRANSFERS

A. Due To/From Other Funds

Due To/From Other Funds at June 30, 2024, consist of the following (amounts in thousands):

	Due From Other Funds							Total Due To Other Funds
	General Fund	Nonmajor Governmental Fund	Higher Education Funds	State Health Benefit Plan	Nonmajor Enterprise Funds	Internal Service Funds	Fiduciary Funds	
Due To Other Funds								
General Fund	\$ —	\$ 101,385	\$ —	\$ —	\$ —	\$ 414,928	\$ —	\$ 516,313
General Obligation Bond Projects Fund	2,135	—	70,487	—	—	—	—	72,622
Nonmajor Governmental Funds	76,392	—	—	—	—	—	—	76,392
Higher Education Fund	—	—	—	—	—	187,579	—	187,579
Fiduciary Funds	—	—	—	—	62	1	378	441
Total Due From Other Funds	\$ 78,527	\$ 101,385	\$ 70,487	\$ —	\$ 62	\$ 602,508	\$ 378	\$ 853,347

Interfund receivables and payables result from billings for goods/services provided between funds.



**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2024**

NOTE 8 - INTERFUND BALANCES AND TRANSFERS (continued)

B. Interfund Transfers

Interfund transfers at June 30, 2024, consist of the following (amounts in thousands):

	Transfers In								
	Governmental Funds			Proprietary Funds					
	General Obligation Bond Projects Fund	Nonmajor Governmental Funds	Higher Education Fund	State Health Benefits Plan	Nonmajor Enterprise Funds	Internal Service Funds	Fiduciary Funds	Total Transfers Out	
Transfers Out:									
General Fund	\$ —	\$ 1,652,024	\$ 1,489,604	\$3,830,928	\$ 4,076	\$ 41	\$409,010	\$ 529,613	\$7,915,296
General Obligation Bond Projects Fund	371,774	—	43,340	—	—	—	—	—	415,114
Nonmajor Governmental Funds	133,604	—	—	—	—	—	—	—	133,604
Higher Education Fund	10,126	89,121	—	—	—	—	—	—	99,247
Unemployment Compensation Fund	3,591	—	—	—	—	—	—	—	3,591
Nonmajor Enterprise Funds	—	—	63	—	—	—	—	—	63
Internal Service Funds	8,153	—	—	—	—	—	—	—	8,153
Fiduciary Funds	—	—	—	—	—	—	6,585	—	6,585
Total Transfers In	<u>\$527,248</u>	<u>\$ 1,741,145</u>	<u>\$ 1,533,007</u>	<u>\$3,830,928</u>	<u>\$ 4,076</u>	<u>\$ 41</u>	<u>\$415,595</u>	<u>\$ 529,613</u>	<u>\$8,581,653</u>

Transfers are used to move revenues from the fund that statutes require to collect them to the fund that statutes require to expend them and to move unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.



Notes to the Financial Statements For the Fiscal Year Ended June 30, 2024

NOTE 9 - CAPITAL ASSETS AND INTANGIBLE RIGHT-TO-USE ASSETS

A. Primary Government

Capital Asset activity for the fiscal year-ended June 30, 2024, was as follows (amounts in thousands):

	Balance 7/1/2023 (Restated - Note 3)	Increases	Decreases	Balance 6/30/2024
Governmental Activities				
Capital Assets Not Being Depreciated:				
Land	\$ 5,385,060	\$ 303,440	\$ (844)	\$ 5,687,656
Works of Art and Collections	1,421	—	—	1,421
Intangibles - Other Than Software	143,382	11,323	—	154,705
Construction in Progress	5,371,984	3,685,701	(3,080,660)	5,977,025
Total Capital Assets, Not Being Depreciated	10,901,847	4,000,464	(3,081,504)	11,820,807
Capital Assets Being Depreciated:				
Infrastructure	37,486,876	1,612,563	(33,452)	39,065,987
Buildings and Building Improvements	4,763,756	236,576	(48,889)	4,951,443
Improvements Other Than Buildings	234,888	16,234	—	251,122
Intangibles - Other than Software	2,321	1,023	(1,644)	1,700
Machinery and Equipment	1,575,634	183,356	(62,943)	1,696,047
Software	685,687	17,837	(824)	702,700
Total Capital Assets Being Depreciated	44,749,162	2,067,589	(147,752)	46,668,999
Less Accumulated Depreciation For:				
Infrastructure	23,266,588	859,973	(16,546)	24,110,015
Buildings and Building Improvements	2,351,305	103,847	(7,447)	2,447,705
Improvements Other Than Buildings	81,101	7,034	—	88,135
Intangibles - Other Than Software	1,775	416	(1,644)	547
Machinery and Equipment	1,130,314	75,906	(47,283)	1,158,937
Software	466,395	42,703	(2,138)	506,960
Total Accumulated Depreciation	27,297,478	1,089,879	(75,058)	28,312,299
Total Capital Assets, Being Depreciated, Net	17,451,684	977,710	(72,694)	18,356,700
Capital Assets, Net	\$ 28,353,531	\$ 4,978,174	\$ (3,154,198)	\$ 30,177,507



Notes to the Financial Statements For the Fiscal Year Ended June 30, 2024

NOTE 9 - CAPITAL ASSETS (continued)

Intangible Right-To-Use Assets (amounts in thousands):

	Balance 7/1/2023 (Restated - Note 3)	Increases	Decreases	Balance 6/30/2024
Governmental Activities				
Right-to-use Assets Not Being Amortized:				
Software Development-In-Progress	\$ 10,821	\$ 19,657	\$ (2,463)	\$ 28,015
Right-to-use Assets Being Amortized:				
Land	221	77	(78)	220
Buildings and Building Improvements	898,297	80,048	(16,875)	961,470
Machinery and Equipment	173,759	3,045	(1,208)	175,596
Subscription Based IT Arrangements (SBITAs)	240,378	180,826	(70,419)	350,785
Total Leased Assets Being Amortized	<u>1,312,655</u>	<u>263,996</u>	<u>(88,580)</u>	<u>1,488,071</u>
Less Accumulated Amortization For:				
Land	7	56	—	63
Buildings and Building Improvements	169,483	99,738	(14,674)	254,547
Machinery and Equipment	53,080	27,961	(1,145)	79,896
Subscription Based IT Arrangements (SBITAs)	59,492	106,400	(6,311)	159,581
Total Accumulated Amortization	<u>282,062</u>	<u>234,155</u>	<u>(22,130)</u>	<u>494,087</u>
Total Intangible Assets, Being Amortized, Net	<u>1,030,593</u>	<u>29,841</u>	<u>(66,450)</u>	<u>993,984</u>
Intangible Right-to-use Assets, Net	<u>\$ 1,041,414</u>	<u>\$ 49,498</u>	<u>\$ (68,913)</u>	<u>\$ 1,021,999</u>
Total Governmental Activities Capital Assets and Intangible Right-to-use Assets, Net	<u>\$ 29,394,945</u>	<u>\$ 5,027,672</u>	<u>\$ (3,223,111)</u>	<u>\$ 31,199,506</u>



Notes to the Financial Statements For the Fiscal Year Ended June 30, 2024

NOTE 9 - CAPITAL ASSETS (continued)

	Balance 7/1/2023 (Restated - Note 3)	Increases	Decreases	Balance 6/30/2024
Business-type Activities				
Capital Assets Not Being Depreciated:				
Land	\$ 518,343	\$ 20,518	\$ (120)	\$ 538,741
Works of Art and Collections	59,874	912	(104)	60,682
Construction in Progress	351,753	403,422	(309,073)	446,102
Total Capital Assets, Not Being Depreciated	929,970	424,852	(309,297)	1,045,525
Capital Assets Being Depreciated:				
Infrastructure	439,129	10,733	(133)	449,729
Buildings and Building Improvements	16,005,459	526,510	(21,762)	16,510,207
Improvements Other Than Buildings	501,856	65,788	(1,266)	566,378
Machinery and Equipment	2,593,027	270,966	(96,745)	2,767,248
Software	191,276	1,350	—	192,626
Library Collections	1,071,150	33,495	(11,025)	1,093,620
Works of Art and Collections	3,955	163	—	4,118
Total Capital Assets Being Depreciated	20,805,852	909,005	(130,931)	21,583,926
Less Accumulated Depreciation For:				
Infrastructure	211,493	18,447	(102)	229,838
Buildings and Building Improvements	6,216,582	397,083	(10,720)	6,602,945
Improvements Other Than Buildings	254,591	20,982	—	275,573
Machinery and Equipment	1,914,779	172,528	(90,460)	1,996,847
Software	126,061	15,141	—	141,202
Library Collections	912,127	32,996	(11,011)	934,112
Works of Art and Collections	1,163	69	—	1,232
Total Accumulated Depreciation	9,636,796	657,246	(112,293)	10,181,749
Total Capital Assets, Being Depreciated, Net	11,169,056	251,759	(18,638)	11,402,177
Capital Assets, Net	\$ 12,099,026	\$ 676,611	\$ (327,935)	\$ 12,447,702



Notes to the Financial Statements For the Fiscal Year Ended June 30, 2024

NOTE 9 - CAPITAL ASSETS (continued)

Intangible Right-To-Use Assets (amounts in thousands):

	Balance 7/1/2023 (Restated - Note 3)	Increases	Decreases	Balance 6/30/2024
Business-type Activities				
Right-to-use Assets Not Being Amortized:				
Software Development- in- progress	\$ —	\$ 1,694	\$ (578)	\$ 1,116
Right-to-use Assets Being Amortized:				
Land	2,647	2,158	(2,647)	2,158
Infrastructure	6,586	25	(123)	6,488
Buildings and Building Improvements	561,009	91,814	(32,924)	619,899
Improvements Other Than Buildings	10,001	—	—	10,001
Machinery and Equipment	19,917	6,812	(3,549)	23,180
Subscription Based IT Arrangements (SBITAs)	127,833	34,717	(2,887)	159,663
Total Leased Assets Being Amortized:	727,993	135,526	(42,130)	821,389
Less Accumulated Amortization For:				
Land	535	264	(9)	790
Infrastructure	1,058	1,069	(82)	2,045
Buildings and Building Improvements	113,247	64,507	(3,115)	174,639
Improvements Other Than Buildings	13,163	723	(11,525)	2,361
Machinery and Equipment	9,618	4,765	(3,066)	11,317
Subscription Based IT Arrangements (SBITAs)	25,956	38,941	(1,298)	63,599
Total Accumulated Amortization	163,577	110,269	(19,095)	254,751
Total Intangible Assets, Being Amortized, Net	564,416	25,257	(23,035)	566,638
Intangible Right-to-use Assets, Net	564,416	26,951	(23,613)	567,754
Total Business-type Activities Capital Assets and Intangible Right-to-use Assets, Net	\$ 12,663,442	\$ 703,562	\$ (351,548)	\$ 13,015,456



Notes to the Financial Statements For the Fiscal Year Ended June 30, 2024

NOTE 9 - CAPITAL ASSETS (continued)

Current period depreciation/amortization expense was charged to functions of the primary government as follows (amounts in thousands):

Governmental Activities	
General Government	\$ 72,106
Education	17,898
Health and Welfare	101,384
Transportation	902,150
Public Safety	87,160
Economic Development	32,250
Culture and Recreation	30,065
Conservation	5,088
Internal Service Funds	
(Depreciation on capital assets held by the State's internal service funds are charged to the various functions based on their usage of assets)	75,933
Depreciation/Amortization Expense - Governmental Activities	\$ 1,324,034



Notes to the Financial Statements For the Fiscal Year Ended June 30, 2024

NOTE 9 - CAPITAL ASSETS (continued)

B. Component Units

Capital Asset activity for the fiscal year-ended June 30, 2024, was as follows (amounts in thousands):

	Balance July 1, 2023 (Restated - Note 3)	Increases	Decreases	Balance June 30, 2024
Component Units				
Capital Assets Not Being Depreciated:				
Land	\$ 431,829	\$ 17,816	\$ (2,971)	\$ 446,674
Works of Art and Collections	1,670	—	—	1,670
Construction in Progress	1,436,427	538,436	(1,039,899)	934,964
Total Capital Assets, Not Being Depreciated	<u>1,869,926</u>	<u>556,252</u>	<u>(1,042,870)</u>	<u>1,383,308</u>
Capital Assets Being Depreciated:				
Infrastructure	450,362	143,619	(39,360)	554,621
Buildings and Building Improvements	3,000,908	469,147	(36,774)	3,433,281
Improvements Other Than Buildings	809,476	314,834	(30,668)	1,093,642
Machinery and Equipment	1,145,781	313,143	(50,367)	1,408,557
Software	8,326	297	—	8,623
Library Collections	5,033	91	(11)	5,113
Works of Art and Collections	71	—	—	71
Total Capital Assets Being Depreciated	<u>5,419,957</u>	<u>1,241,131</u>	<u>(157,180)</u>	<u>6,503,908</u>
Less Accumulated Depreciation For:				
Infrastructure	225,831	21,594	(36,008)	211,417
Buildings and Building Improvements	1,069,567	78,128	(21,283)	1,126,412
Improvements Other Than Buildings	422,424	48,917	(21,590)	449,751
Machinery and Equipment	643,758	74,868	(54,507)	664,119
Software	1,701	5,054	—	6,755
Library Collections	4,228	186	(11)	4,403
Works of Art and Collections	30	2	—	32
Total Accumulated Depreciation	<u>2,367,539</u>	<u>228,749</u>	<u>(133,399)</u>	<u>2,462,889</u>
Total Capital Assets, Being Depreciated, Net	<u>3,052,418</u>	<u>1,012,382</u>	<u>(23,781)</u>	<u>4,041,019</u>
Component Units Capital Assets, Net*	<u>\$ 4,922,344</u>	<u>\$ 1,568,634</u>	<u>\$ (1,066,651)</u>	<u>\$ 5,424,327</u>

*Certain higher education foundations and other similar organizations utilize FASB standards.



Notes to the Financial Statements For the Fiscal Year Ended June 30, 2024

NOTE 9 - CAPITAL ASSETS (continued)

As of June 30, 2024, the capital assets balances of FASB organizations are as follows (amounts in thousands):

Capital Assets Not Being Depreciated:	
Land	\$ 143,284
Works of Art and Collections	7,319
Construction in Progress	72,041
Total Capital Assets, Not Being Depreciated	<u>222,644</u>
Capital Assets Being Depreciated	
Infrastructure	6,825
Buildings and Building Improvements	366,044
Improvements Other Than Buildings	19,892
Machinery and Equipment	36,452
Software	3,357
Total Capital Assets Being Depreciated	<u>432,570</u>
Less: Accumulated Depreciation	<u>198,234</u>
Total Capital Assets, Being Depreciated, Net	<u>234,336</u>
Capital Assets, Net (FASB presentation)	<u>456,980</u>
Total Capital Assets, Net - All Component Units	<u><u>\$ 5,881,307</u></u>



Notes to the Financial Statements For the Fiscal Year Ended June 30, 2024

NOTE 9 - CAPITAL ASSETS (continued)

Intangible Right-To-Use Assets (amounts in thousands):

	Balance July 1, 2023 (Restated - Note 3)	Increases	Decreases	Balance June 30, 2024
Component Units				
Right-to use Assets Not Being Amortized:				
Software Development- in- progress	\$ —	\$ 126	\$ —	\$ 126
Right-to use Assets Being Amortized:				
Land	1,184	5,117	(2,072)	4,229
Buildings and Building Improvements	223,021	20,752	(1,627)	242,146
Machinery and Equipment	32,573	2,435	(6,199)	28,809
Subscription Based IT Arrangements (SBITAs)	8,072	6,759	(2,323)	12,508
Total Leased Assets Being Amortized	<u>264,850</u>	<u>35,063</u>	<u>(12,221)</u>	<u>287,692</u>
Less Accumulated Amortization:				
Land	—	1,711	(794)	917
Buildings and Building Improvements	48,348	31,466	(3,460)	76,354
Machinery and Equipment	21,836	7,707	(6,333)	23,210
Subscription Based IT Arrangements (SBITAs)	2,274	3,716	(1,171)	4,819
Total Accumulated Amortization	<u>72,458</u>	<u>44,600</u>	<u>(11,758)</u>	<u>105,300</u>
Right-to-use Assets, Being Amortized, Net	<u>192,392</u>	<u>(9,537)</u>	<u>(463)</u>	<u>182,392</u>
Intangible Right-to-use Assets, Net*	<u>\$ 192,392</u>	<u>\$ (9,411)</u>	<u>\$ (463)</u>	<u>\$ 182,518</u>



Notes to the Financial Statements For the Fiscal Year Ended June 30, 2024

NOTE 9 - CAPITAL ASSETS (continued)

Intangible Right-To-Use Assets (amounts in thousands):

Right-to use Assets Being Amortized:

Land	\$ 1,760
Buildings and Building Improvements	70,460
Improvements Other Than Buildings	10,748
Machinery and Equipment	<u>107</u>
Total Leased Assets Being Amortized	83,075
Less: Accumulated Amortization	<u>14,123</u>
Total Right-to use Assets, Being Amortized, Net	<u>68,952</u>
Intangible Right-to-use Assets, Net (FASB presentation)	<u>68,952</u>
Intangible Right-to-use Assets, Net - All Component Units	<u>251,470</u>
Total Component Units Capital Assets and Intangible Right-to-use Assets, Net	<u>\$ 6,132,777</u>



Notes to the Financial Statements For the Fiscal Year Ended June 30, 2024

NOTE 10 - LONG-TERM LIABILITIES

A. Changes in Long-term Liabilities

Primary Government

Changes in long-term liabilities for the fiscal year ended June 30, 2024, are as follows (amounts in thousands):

	Balance 7/1/2023	Additions	Reductions	Balance 6/30/2024	Current Portion (Amounts Due Within One Year)
Governmental Activities					
General Obligation Bonds Payable	\$ 9,537,610	\$ 880,880	\$ (1,191,985)	\$ 9,226,505	\$ 864,600
Revenue Bonds Payable	19,265	—	(19,265)	—	—
GARVEE Bonds Payable	414,845	—	(39,715)	375,130	41,685
Net Unamortized Premiums:					
General Obligation Bonds	1,011,682	72,071	(91,509)	992,244	—
Revenue Bonds	357	—	(357)	—	—
GARVEE Bonds	80,467	—	(15,411)	65,056	—
Total Bonds Payable	11,064,226	952,951	(1,358,242)	10,658,935	906,285
Notes and Loans Payable - Direct Borrowings	43,889	—	(3,571)	40,318	3,763
Lease Obligations	863,899	106,535	(153,161)	817,273	111,235
Subscription Obligations	163,369	130,744	(116,425)	177,688	68,975
Compensated Absences Payable	394,633	219,298	(236,346)	377,585	213,921
Arbitrage	7,455	46,791	—	54,246	—
Total Governmental Activities	\$ 12,537,471	\$ 1,456,319	\$ (1,867,745)	\$ 12,126,045	\$ 1,304,179
Business-type Activities					
Revenue Bonds Payable	\$ 531,365	\$ —	\$ (6,785)	\$ 524,580	\$ 7,125
Net Unamortized Premiums:					
Revenue Bonds	68,046	—	(4,096)	63,950	—
Total Bonds Payable	599,411	—	(10,881)	588,530	7,125
Notes and Loans Payable	2,418,322	18,457	(153,839)	2,282,940	122,319
Lease Obligations	474,867	98,709	(84,563)	489,013	65,334
Subscription Obligations	84,900	27,814	(37,971)	74,743	32,752
Compensated Absences Payable	327,117	249,192	(232,529)	343,780	219,134
Total Business-type Activities	\$ 3,904,617	\$ 394,172	\$ (519,783)	\$ 3,779,006	\$ 446,664

Other long-term liabilities of Governmental Activities, such as pension, other post-employment benefits (OPEB) and compensated absences, are typically liquidated by the general fund.

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for these funds are included as part of the above total for governmental activities. The following long-term liabilities of internal service funds were included in the above balance as of June 30, 2024: Lease obligations of \$109.8 million, subscription obligations of \$24.8 million, and compensated absences of \$13.1 million. Of these amounts, \$29.7 million, \$8.8 million, and \$3.1 million, respectively, are due within one year. In general, the lease obligations, subscription obligations and compensated absences of the governmental activities are liquidated by the general fund.



Notes to the Financial Statements For the Fiscal Year Ended June 30, 2024

NOTE 10 - LONG-TERM LIABILITIES (continued)

Component Units

Changes in long-term liabilities for the fiscal year ended June 30, 2024, are as follows (amounts in thousands):

Component Units	Balance	Additions	Reductions	Balance	Current Portion
	7/1/2023			6/30/2024	(Amounts Due
	(Restated - Note 3)				Within One Year)
Revenue Bonds Payable	\$ 4,138,337	\$ 166,835	\$ (168,644)	\$ 4,136,528	\$ 127,568
Mortgage Bonds Payable	1,456,400	59,035	—	1,515,435	42,545
Net Unamortized Premiums/(Discounts):					
Revenue Bonds	333,667	13,464	(27,364)	319,767	—
Mortgage Bonds	9,265	—	(1,273)	7,992	—
Total Bonds Payable	5,937,669	239,334	(197,281)	5,979,722	170,113
Notes and Loans Payable	310,966	11,386	(66,658)	255,694	37,945
Net Unamortized Discounts	(1,191)	—	154	(1,037)	—
Lease Obligations	243,296	53,873	(32,869)	264,300	35,210
Subscription Obligations	5,143	4,913	(3,055)	7,001	2,690
Compensated Absences Payable	18,462	14,130	(13,771)	18,821	7,983
Grand Prizes Payable	166,461	21,051	(20,974)	166,538	22,255
Derivative Instruments Payable	39	—	(240)	(201)	—
Other Liabilities	1,353	1,412	(388)	2,377	—
Total Component Units	\$ 6,682,198	\$ 346,099	\$ (335,082)	\$ 6,693,215	\$ 276,196

B. Bonds and Notes Payable

At June 30, 2024, bonds and notes payable currently outstanding are as follows (amounts in thousands):

	Interest Rates	Maturing Through Year	Original Issue Amount	Outstanding Amount
Governmental Activities				
General Obligation Bonds				
General Government	0.26% - 5.15%	2043	\$ 11,235,170	\$ 7,735,735
General Government - Refunding	1.50% - 5.00%	2033	2,436,025	1,490,770
Revenue Bonds				
GARVEE Bonds	4.00% - 5.00%	2032	548,010	375,130
Notes and Loans Payable	2.57% - 4.83%	2034	63,276	40,318
Business-type Activities				
Revenue Bonds				
Georgia Higher Education Facilities Authority	2.00% - 5.00%	2041	\$ 191,605	\$ 157,200
Transportation Projects	1.70% - 4.00%	2052	367,380	367,380
Notes and Loans Payable	0.00% - 7.56%	2052	3,285,798	2,282,940



**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2024**

NOTE 10 - LONG-TERM LIABILITIES (continued)

<u>Component Units</u>	<u>Interest Rates</u>	<u>Maturing Through Year</u>	<u>Original Issue Amount</u>	<u>Outstanding Amount</u>
Revenue Bonds				
Higher Education Foundations	0.71% - 5.50%	2056	\$ 2,847,780	\$ 2,239,110
Georgia Tech Foundation, Inc.	1.76% - 6.66%	2052	396,185	294,030
Geo. L. Smith, II Georgia World Congress Center Authority	2.38% - 5.00%	2054	439,595	439,595
Georgia Ports Authority	4.00% - 5.25%	2052	1,182,655	1,160,875
Other Revenue Bonds	5.28%	2028	10,000	2,918
Mortgage Bonds				
Georgia Housing and Financing Authority	0.15% - 5.25%	2054	2,349,940	1,515,435
Notes and Loans Payable				
Higher Education Foundations	0.45% - 6.88%	2042	277,082	163,721
Georgia Tech Foundation	3.00% - 6.10%	2029	54,152	36,010
Geo. L. Smith, II Georgia World Congress Center Authority	4.50%	2045	46,158	43,063
Other Notes and Loans Payable	0.13% - 1.57%	2043	26,853	12,900

C. General Obligation Bonds

Primary Government

The State issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities and equipment. On July 12, 2023, the State issued general obligation bonds, (Series 2023A and 2023B), totaling \$621.3 million to provide funds for various capital outlay projects of the State, for county and independent school systems through the Department of Education, for county and local libraries through the Board of Regents, and to provide loans through the Georgia Environmental Finance Authority (GEFA) to local governments and local government entities for water and sewerage facilities. General obligation bonds are direct obligations of the State to which the full faith and credit of the State are pledged.

Bonds Authorized but Unissued

Authorized but unissued general obligation bonds as of June 30, 2024, are as follows (amounts in thousands):

<u>Purpose</u>	<u>Authorized Unissued Debt</u>
K-12 Education	\$ 353,910
Higher Education	6,455
Economic Development	22,775
Public Safety	1,300
Total	\$ 384,440



Notes to the Financial Statements For the Fiscal Year Ended June 30, 2024

NOTE 10 - LONG-TERM LIABILITIES (continued)

Defeasance and Refunding of General Obligation Bonds

On July 12, 2023, the State issued Series 2023C general obligation refunding bonds totaling \$259.5 million to refund a total of \$276.1 million from two (2) different series of general obligation bonds with interest rates ranging from 4.00% to 5.00%. The difference between the cash flows required to service the old debt and the cash flows required to service the new debt and complete the refunding transactions is \$21.4 million. This amount is being netted against the new debt and amortized over the remaining life of the refunding debt. In addition, the refunding transaction produced an economic gain of \$18.3 million.

As of June 30, 2024, the State had no outstanding advance refunded bonds.

Early Retirement of Debt

From interest earnings available for the advance retirement of debt and from forfeited project proceeds, the State made purchases of various series of State of Georgia General Obligation Bonds in the secondary market with a par value of approximately \$41.2 million. The early retirements of the bonds will save the State over \$57.5 million in future principal and interest appropriations. Since July 1, 2000 the early retirement program has saved the State over \$1.2 billion in future principal and interest appropriations.

D. Revenue Bonds

Governmental Activities

SRTA has issued Federal Highway Grant Anticipation Revenue Bonds and Federal Highway Reimbursement Revenue Bonds (GARVEE) of \$548.0 million. The bond proceeds will be used for the purpose of providing funds for approved public transportation projects. All GARVEE bonds are pledged and payable solely from grant and reimbursement revenues received from the Federal Highway Administration. These bonds do not constitute a pledge of the faith and credit of SRTA or the State. The outstanding principal amount as of June 30, 2024 is \$375.1 million.

Business-type Activities

On July 1, 2021 SRTA issued Managed Lane System State of Georgia Guaranteed Revenue bonds series 2021A and 2021B in the amounts of \$330.1 million and \$37.2 million. The bonds were issued for the purposes of 1) to repay in-full the remaining debt on the TIFIA loan related to the I-75 Northwest Corridor Express Lanes project; 2) defeasance of outstanding I-75 South Toll Revenue Bonds; 3) pay the costs of certain tolling infrastructure related to the existing managed lane system; 4) pay the costs of certain tolling infrastructure related to certain future tolling facilities planned in the State's Major Mobility Investment Program; 5) to fund capitalized interest on the 2021A Bonds; and 6) to pay a portion of the costs of issuance of the bonds. The Series 2021A bonds mature on July 15, 2051 and the Series 2021B bonds mature on July 15, 2034. While these bonds are secured by the net toll revenue derived from the operation of the Managed Lane System, the State of Georgia has guaranteed the full payment of the bonds and the interest thereon in accordance with the Constitution of the State of Georgia and has reserved \$25.3 million in the State of Georgia Guaranteed Revenue Debt Common Reserve Fund that is on deposit at OST. As of June 30, 2024, the outstanding principal balance for both was \$367.4 million.

Georgia Higher Education Facilities Authority (GHEFA) has issued revenue bonds for the purpose of acquiring, constructing and equipping several projects on college campuses throughout the State. The bonds are secured solely



Notes to the Financial Statements For the Fiscal Year Ended June 30, 2024

NOTE 10 - LONG-TERM LIABILITIES (continued)

by the related security deed and related assignment of contract documents. As of June 30, 2024, the outstanding principal for these revenue bonds is \$157.2 million.

Component Units

Higher Education Foundations have issued various revenue bonds to finance the costs of acquiring, renovating, constructing and equipping various facilities located on the campuses of the University System of Georgia. The bond issues have interest rates ranging from 0.71% to 5.50% with maturity dates through fiscal year 2056. As of June 30, 2024, the outstanding principal for these revenue bonds was \$2.2 billion. These bonds are secured by lease arrangements for these various facilities with the Board of Regents.

In March 2021, the Geo. L. Smith II Georgia World Congress Center Authority (GWCC) issued revenue bonds in the amounts of \$439.6 million. The proceeds of the bonds, together with the original issue premiums and other amounts contributed by GWCC, will be used to finance the construction of a convention center hotel, provide funds to make the interest payments on the bonds until the hotel opening, and to pay the costs of issuing the bonds. The bonds are special limited obligations of GWCC payable solely from and secured by a pledge of and lien on all operating revenues derived by GWCC from the operation of the convention center hotel, remaining after the payment of expenses to operate the convention center hotel. These revenues are pledged to secure the bonds until such time that all outstanding principal has been satisfied on the bonds. The bonds bear interest at rates ranging from 2.38% to 5.00% and interest is due semiannually beginning on July 1, 2021, until maturity on January 1, 2054. As of June 30, 2024 the outstanding principal was \$439.6 million.

Georgia Tech Foundation, Inc. has issued various revenue bonds to finance the costs of acquiring, renovating, constructing and equipping various facilities located on the campus of The Georgia Institute of Technology. The bond issues have interest rates ranging from 1.76% to 6.66% with maturity dates through fiscal year 2052. As of June 30, 2024, the outstanding principal for these revenue bonds was \$294.0 million. These bonds are secured by lease arrangements for these various facilities with the Board of Regents.

In July 2021, Georgia Ports Authority issued the Series 2021 revenue bonds in the amount of \$427.0 million. The proceeds of which are to be used to finance various capital improvement projects and to pay the costs of issuance of the Series 2021 bonds. The interest rate on the bonds is 4.00% to 5.00% with a maturity in 2052. In August 2022, the Authority issued the Series 2022 revenue bonds in the amount of \$755.6 million; proceeds of which are to be used to finance various capital improvement projects and to pay the costs of issuance of the Series 2022 bonds. The interest rate on the bonds is 4.00% – 5.25% with a maturity in 2052. Bonds payable at June 30, 2024 is \$1.2 billion. These bonds are secured by Georgia Ports Authority operating revenues.

Other component units had revenue bonds payable outstanding at June 30, 2024, of \$2.9 million as detailed below (amounts in thousands):

	<u>Amount</u>
Lake Lanier Island Development Authority	<u>\$ 2,918</u>



Notes to the Financial Statements For the Fiscal Year Ended June 30, 2024

NOTE 10 - LONG-TERM LIABILITIES (continued)

E. Mortgage Bonds

Component Units

Mortgage bonds outstanding of \$1.5 billion at June 30, 2024, were issued by the Georgia Housing and Finance Authority for financing the purchase of single-family mortgage loans for eligible persons and families of low and moderate income within the State. The bonds are secured by certain assets, which include mortgage loans purchased and certain cash and cash equivalents and investment securities in mortgage bond accounts, and any interest earned thereon.

F. Notes and Loans Payable

Governmental Activities

Notes and loans payable for direct borrowings in governmental activities as of June 30, 2024, were \$40.3 million.

Energy Performance Contracts for the Department of Economic Development, the Department of Corrections and the Department of Natural Resources, attributed \$21.2 million, \$16.4 million, and \$2.7 million, respectively. These contracts contain provisions related to events of default. Significant to these provisions, an event of default occurs when: (a) the Primary Government fails to pay any payment of purchase price or other payment required to be paid when due, (b) the Primary Government has a breach in any material respect of the contract or failure of the Primary Government to observe or perform contract covenants for a period of 30 days after written notice, or (c) initiation by or against the Primary Government of a proceeding under any federal or state bankruptcy or insolvency seeking relief under such laws. Upon the occurrence of any event of default, the seller shall have the right to proceed by court action to enforce performance by the Primary Government of the applicable contract covenants or to recover for the the breach. The Primary Government would be responsible for attorney fees and expenses incurred by seller.

Business-type Activities

Notes and loans payable for business-type activities as of June 30, 2024, were as follows (amounts in thousands):

	<u>Amount</u>
Financing Lease Agreements	
- Payable to Component Units	\$ 2,041,840
Financing Lease Agreements	
- Payable to External Sources	<u>236,977</u>
University System of Georgia	
- Financing Lease Agreements Total	2,278,817
University System of Georgia	
- Energy Performance Contracts	4,123
Total	<u><u>\$ 2,282,940</u></u>



Notes to the Financial Statements For the Fiscal Year Ended June 30, 2024

NOTE 10 - LONG-TERM LIABILITIES (continued)

Financing Lease Agreements

The University System of Georgia 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 System of Georgia. In addition, these agreements shall terminate if the State does not provide adequate funding, but that is considered a remote possibility. The University System of Georgia's outstanding principal related to financing lease agreements for fiscal year 2024 was \$2.3 billion. Interest rates for these notes payable range from 0.00% to 7.56%. The discretely presented foundations have the corresponding receivable for these amounts, which are presented as Notes and Loans Receivables – Primary Government in *Note 7 – Receivables*.

Component Units

Notes and loans payable for component units as of June 30, 2024, were as follows (amounts in thousands):

	<u>Amount</u>
Higher Education Foundations	\$ 163,721
Georgia Tech Foundation, Inc.	36,010
Geo. L. Smith II World Congress Center Authority	43,063
Lake Lanier Islands Development Authority	6,229
Jekyll Island Development Authority	5,371
Pioneer RESA	988
Griffin RESA	<u>312</u>
Total	<u><u>\$ 255,694</u></u>

Higher Education Foundations Notes and Loans

The Georgia Tech Athletic Association has an unsecured revolving line of credit in the amount of \$12.0 million with a regional bank. The line of credit is due on demand, but if no demand for payment is made, the line matures on January 31, 2025. Accrued interest is due on the 1st day of each month. The interest rate on the line of credit is equal to the sum of the daily BSBY rate plus 45 basis points, or 5.84% for 2024. There was a \$12.0 million balance outstanding on the line of credit at June 30, 2024.

As of June 30, 2024 Georgia Tech Athletic Association has an unsecured note payable with interest payable quarterly at a fixed rate of 1.55% and a note payable with equipment as collateral with a fixed rate of 1.98%. The outstanding balance of both notes as of June 30, 2024 was \$6.2 million.

During the year ended June 30, 2013, the Medical College of Georgia Foundation, Inc. entered into a non-revolving secured draw loan not to exceed \$3.0 million with a financial institution to provide financing to obtain land located around Augusta University. The note was modified on May 27, 2020 to lower the interest rate to 3.50% and raise the maximum draw amount to \$12.0 million. The note is collateralized by various real property owned by Resurgens Properties, LLC funded by the draw note. In December 2021, the Medical College of Georgia



Notes to the Financial Statements For the Fiscal Year Ended June 30, 2024

NOTE 10 - LONG-TERM LIABILITIES (continued)

Foundation, Inc. modified the aforementioned note which extended the maturity date to December 28, 2023 and lowered the interest rate to 3.25%. In May 2024, the note was modified to extend maturity to May 20, 2026. The outstanding balance at June 30, 2024 was \$10.5 million.

In October 2021, the Medical College of Georgia Foundation, Inc. entered into a commercial note agreement for \$5.0 million (the "Bridge Loan") with a financial institution to provide financing for the HUB project. The Bridge Loan is collateralized by a \$5.0 million deposit account and bears an interest rate equal to the index plus 0.60% per annum. The Bridge Loan matures on October 12, 2024. At June 30, 2024, the interest rate was 5.92% and the outstanding note balance was \$3.5 million.

During 2007, the University of Georgia Foundation signed a 10 year \$ 6.2 million promissory loan agreement with a bank. During November 2017, the University of Georgia Foundation amended the agreement and made a one-time principal payment of 0.8 million, extending the maturity date of the remaining outstanding balance to November 1, 2032. Interest is charged at the bank's 30-day London InterBank Offered Rate (LIBOR) plus 32.5 basis points; such rate was 5.78% at June 30, 2024. Principal and interest are payable monthly. The outstanding balance at June 30, 2024 was \$3.5 million.

During October 2014, the University of Georgia Foundation entered into a series of transactions, as follows: (1) The University of Georgia Foundation entered into a tax-exempt financing project with the Washington D.C. District Council for \$12.5 million involving tax-exempt bonds, which expire on November 1, 2039 and accrue interest at a per annum rate equal to 75.00% of the sum of one-month LIBOR plus 1.60% payable monthly; (2) The University of Georgia Foundation entered into a loan agreement with a bank in which the University of Georgia Foundation fully repaid its obligation under the newly acquired tax-exempt bonds in exchange for a promissory loan relating to the same principal. The promissory loan agreement expires on November 1, 2039 and includes certain debt covenants and restrictions. Interest on the promissory loan agreement is charged at 75.00% of the sum of one-month LIBOR plus 1.60%; such rate was 5.29% at June 30, 2024. Principal and interest on the promissory loan agreement are payable quarterly. The outstanding balance at June 30, 2024 was \$8.9 million.

In November 2018, the Real Estate Foundation, a blended component unit with the University of Georgia Research Foundation, Inc., entered into a \$25.0 million revolving credit agreement with a bank, for a five-year term to expire on November 30, 2028. Borrowings under the revolving credit agreement bear interest at the bank's One Month Term Secured Overnight Financing Rate plus 0.85%. At June 30, 2024, the rate applicable to the borrowings was 6.19%. The outstanding balance at June 30, 2024 was \$14.4 million.

In September 2018, the University System of Georgia Foundation, Inc. and Affiliates refinanced a Bond Anticipation Note (BAN) with five individual, 19-year low-interest fixed rate notes payable with the USDA. The real estate on which the facilities are constructed will be leased to University System of Georgia Real Estate Foundation IV, LLC by the Board of Regents pursuant to a ground lease for minimal rent. The USDA notes payable will all mature on September 20, 2037, with a fixed interest rate of 2.75%, and are payable annually. The outstanding balance at June 30, 2024 was \$31.8 million.

In November 2019, the University System of Georgia Foundation, Inc. and Affiliates refinanced a BAN with four individual, 22 year low-interest fixed rate notes payable with the USDA. The real estate on which the facilities are constructed will be leased to University System of Georgia Real Estate Foundation V, LLC by the Board of Regents pursuant to a ground lease for minimal rent. The USDA notes payable will all mature on November 2041, with a fixed interest rate of 3.00%, and are payable annually. The outstanding balance at June 30, 2024 was \$30.7 million.



Notes to the Financial Statements For the Fiscal Year Ended June 30, 2024

NOTE 10 - LONG-TERM LIABILITIES (continued)

The Georgia Advanced Technology Ventures, Inc. and Subsidiaries have an unsecured notes payable maturing in December 2034 with an interest rate of 6.03%. The outstanding balance as of June 30, 2024 was \$1.1 million.

The Georgia Advanced Technology Ventures, Inc. and Subsidiaries has an agreement to purchase multiple floors of the Centergy One Building on Fifth Street in Atlanta. The agreement ends at different dates by floor, three floors end in August 2033 and two floors in December 2034. The interest rate for all floors is 5.00%. The outstanding balance as of June 30, 2024 was \$40.6 million.

In addition to the notes and loans discussed in the previous paragraphs, as of June 30, 2024, an additional \$0.7 million in notes was held by various higher education foundations.

Other Component Units Notes and Loans

The Georgia Tech Foundation, Inc has two lines of credit in the name of the Foundation collectively totaling to \$50.0 million. Interest is calculated using the SOFR rate. This resulted in an average effective interest rate of 6.10% at June 30, 2024. As of June 30, 2024, the outstanding balance on the note was \$10.2 million.

In September 2018, the Georgia Tech Foundation, Inc. entered into a loan agreement with a bank, borrowing \$25.1 million initially and may borrow an additional \$4.1 million increasing the loan to \$29.2 million. The loan was refinanced in 2022 with a new effective interest rate of 3.00% as of June 30, 2024 and a maturity in August 2028. As of June 30, 2024, the outstanding balance on the loan was \$25.8 million.

On May 15, 2020, the Georgia Geo. L. Smith World Congress Center Authority entered into a non-recourse note purchase agreement with Northwestern Mutual. Under this agreement, the Georgia Geo. L. Smith World Congress Center Authority received \$46.2 million in cash and will pay interest at a rate of 4.50% due semi-annually through fiscal year 2045. The liability is a direct borrowing and the Mercedes Benz Stadium license agreement payments were used as collateral. The outstanding balance as of June 30, 2024 was \$43.1 million.

In addition to the notes and loans discussed in the previous paragraphs, as of June 30, 2024, an additional \$12.9 million in notes were held by other component units of the State; of which \$5.4 million are currently in the drawdown period and do not have a debt to maturity schedule.

G. Interest Rate Swaps

As a means of interest rate management, various higher education foundations have entered into interest rate swap agreements. For further details on these agreements, please refer to *Note 6 - Derivative Instruments*.

H. 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.



Notes to the Financial Statements For the Fiscal Year Ended June 30, 2024

NOTE 10 - LONG-TERM LIABILITIES (continued)

Governmental Activities

Department of Natural Resources

Department of Natural Resources has recorded liabilities totaling \$104.6 million at June 30, 2024 for pollution remediation primarily related to sites included in the hazardous site inventory, Superfund sites where only operations and maintenance remains, and site containing underground storage tanks that are enrolled for remediation coverage in the Georgia Underground Storage Tank Program. The liabilities were determined by previous experience. Pollution remediation liability activity in fiscal year 2024 was as follows (amounts in thousands):

<u>7/1/2023</u>	<u>Additions</u>	<u>Reductions</u>	<u>6/30/2024</u>	Current Portion (Amounts Due Within One Year)
\$ 92,655	\$ 35,945	\$ 24,004	\$ 104,596	\$ —



Notes to the Financial Statements For the Fiscal Year Ended June 30, 2024

NOTE 10 - LONG-TERM LIABILITIES (continued)

I. Lease and Subscription Obligations

For information on lease and subscription obligations see *Note 11 - Leases and Subscriptions*.

J. Debt Service Requirements

Annual debt service requirements to maturity for general obligation bonds, revenue bonds, GARVEE bonds, mortgage bonds, and notes and loans payable are as follows (amounts in thousands):

Primary Government

Year	Governmental Activities					
	General Obligation Bonds		GARVEE Bonds		Notes and Loans Payable - Direct Borrowings	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 864,600	\$ 364,340	\$ 41,685	\$ 18,757	\$ 3,763	\$ 1,539
2026	812,125	327,949	43,770	16,672	3,876	1,398
2027	777,710	294,564	45,955	14,484	4,063	1,250
2028	722,440	261,415	48,250	12,186	4,242	1,096
2029	718,850	229,777	50,665	9,774	4,485	932
2030-2034	2,829,860	753,151	144,805	14,716	19,889	1,939
2035-2039	1,805,385	281,789	—	—	—	—
2040-2044	695,535	47,795	—	—	—	—
Total	\$ 9,226,505	\$ 2,560,780	\$ 375,130	\$ 86,589	\$ 40,318	\$ 8,154

Year	Business-type Activities					
	Revenue Bonds		Notes and Loans Payable - Financing Lease Agreements		Notes and Loans Payable - Other	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 7,125	\$ 19,425	\$ 121,703	\$ 96,524	\$ 616	\$ 103
2026	7,480	19,068	126,335	91,283	632	86
2027	7,780	18,761	132,149	85,413	648	69
2028	8,115	18,437	137,405	79,642	665	52
2029	8,480	18,067	143,389	73,486	683	34
2030-2034	79,195	83,087	683,328	279,825	879	17
2035-2039	132,025	63,481	596,902	146,307	—	—
2040-2044	96,355	39,219	216,376	43,702	—	—
2045-2049	105,815	19,936	84,869	16,591	—	—
2055-2059	72,210	3,292	36,361	2,556	—	—
Total	\$ 524,580	\$ 302,773	\$ 2,278,817	\$ 915,329	\$ 4,123	\$ 361



Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2024

NOTE 10 - LONG-TERM LIABILITIES (continued)

Component Units

Year	Higher Education Foundations		Georgia Tech Foundation		Geo. L. Smith, II Georgia World Congress Center Authority		Georgia Ports Authority	
	Revenue Bonds		Revenue Bonds		Revenue Bonds		Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 96,130	\$ 95,032	\$ 13,995	\$ 11,220	\$ —	\$ 19,106	\$ 16,770	\$ 52,841
2026	100,500	92,117	14,190	10,560	—	19,106	21,565	51,993
2027	108,945	87,391	14,730	9,867	7,240	19,106	22,640	50,905
2028	113,110	82,330	12,650	9,181	7,705	18,874	23,770	49,763
2029	121,580	77,539	13,415	8,490	8,200	18,622	24,960	48,563
2030-2034	607,130	304,037	45,370	32,647	49,330	88,438	144,825	222,615
2035-2039	556,810	174,071	10,910	27,845	64,110	76,142	184,700	182,525
2040-2044	293,460	76,610	15,360	25,233	79,980	60,269	231,500	135,693
2045-2049	156,720	35,951	40,870	20,886	99,505	40,739	286,770	80,196
2050-2054	76,190	9,039	112,540	4,622	123,525	16,725	203,375	16,608
2055-2059	8,535	506	—	—	—	—	—	—
Total	\$ 2,239,110	\$ 1,034,623	\$ 294,030	\$ 160,551	\$ 439,595	\$ 377,127	\$ 1,160,875	\$ 891,702

Year	Other Component Units		Higher Education Foundations		Georgia Tech Foundation		World Congress Center Authority	
	Revenue Bonds		Notes and Loans Payable		Notes and Loans Payable		Notes and Loans Payable	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 673	\$ 141	\$ 24,387	\$ 4,413	\$ 11,089	\$ 1,461	\$ 706	\$ 1,930
2026	710	105	19,064	4,114	926	733	792	1,898
2027	748	67	9,145	3,801	954	705	882	1,861
2028	787	25	9,418	3,471	983	676	978	1,820
2029	—	—	23,403	3,124	22,058	110	1,079	1,775
2030-2034	—	—	45,631	9,992	—	—	7,123	8,027
2035-2039	—	—	26,144	2,893	—	—	10,641	6,086
2040-2044	—	—	6,529	566	—	—	15,217	3,251
2045-2049	—	—	—	—	—	—	5,645	257
Total	\$ 2,918	\$ 338	\$ 163,721	\$ 32,374	\$ 36,010	\$ 3,685	\$ 43,063	\$ 26,905

Year	Other Component Units		Georgia Housing and Finance Authority	
	Notes and Loans Payable		Mortgage Bonds	
	Principal*	Interest	Principal	Interest
2025	\$ 1,763	\$ 37	\$ 42,545	\$ 51,065
2026	2,066	18	46,285	49,915
2027	639	5	46,265	48,639
2028	184	4	46,005	47,342
2029	185	3	48,015	45,997
2030-2034	927	15	244,435	208,159
2035-2039	934	8	302,550	165,227
2040-2044	831	1	351,095	106,173
2045-2049	—	—	298,660	48,573
2050-2054	—	—	89,580	5,514
Total	7,529	\$ 91	\$ 1,515,435	\$ 776,604
	5,371			
	\$ 12,900			

*Does not include note still in draw down phase.



Notes to the Financial Statements For the Fiscal Year Ended June 30, 2024

NOTE 11 - LEASES AND SUBSCRIPTIONS

The State leases land, office facilities, office and computer equipment, and other assets. The State 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 SBITAs are subject to appropriation from the General Assembly to continue the obligation. Other agreements generally contain provisions that, at the expiration date of the original term of the agreement, the State has the option of renewing the lease and/or subscription on a year-to-year basis. Leases and/or subscriptions renewed yearly for a specified time period, i.e. agreement expires at 12 months and must be renewed for the next year, do not meet the qualification as a lease or SBITA.

A. Lessee – Lease Obligations

Unless the lessor rate is known, the State's borrowing rate is used. Interest rates for 2024 ranged from 0.0005% - 21.00%.

The lease contracts, at times, include variable payments, residual value guarantees, or termination penalties that are not known or certain to be exercised at the time of the lease obligation valuation. For the fiscal year 2024, the State did not recognize any expense for lease variable payments related to payments based on performance and termination penalties for business-type activities. There were no residual value guarantees for the fiscal year.

For details of Intangible Right-To-Use Assets, see *Note 9 - Capital Assets and Intangible Right-to-use Assets*.

Note 10 - Long-Term Liabilities presents the ending balances of lease obligations in the aggregate. The breakdown of lease obligations by type as of June 30, 2024 are as follows:

Fiscal Year Ended June 30	Primary Government					
	Governmental Activities		Business-type Activities		Component Units	
	Balance	Current Portion of Balance	Balance	Current Portion of Balance	Balance	Current Portion of Balance
External	\$ 817,273	\$ 111,235	\$ 287,486	\$ 36,336	\$ 260,837	\$ 35,022
Due to Component Units	—	—	201,527	28,998	—	—
Due to Primary Government	—	—	—	—	3,463	188
Total:	\$ 817,273	\$ 111,235	\$ 489,013	\$ 65,334	\$ 264,300	\$ 35,210

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

(Table on next page)



Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2024

NOTE 11 - LEASES (continued)

Fiscal Year Ended June 30	Primary Government				Component Units	
	Governmental Activities		Business-type Activities			
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 111,235	\$ 15,165	\$ 65,334	\$ 12,858	\$ 35,210	\$ 114
2026	102,944	13,081	61,502	11,399	32,172	95
2027	84,682	11,128	58,896	11,016	28,977	77
2028	77,486	9,493	51,270	9,404	35,509	60
2029	67,476	7,894	48,346	8,077	23,560	46
2030-2034	212,611	24,127	176,405	20,991	82,220	61
2035-2039	120,480	8,301	17,331	6,315	24,234	—
2040-2044	39,113	1,209	6,184	2,033	2,288	—
2045-2049	136	96	2,646	358	76	—
2050-2054	170	82	117	196	54	—
2055-2059	209	65	109	237	—	—
2060-2064	236	48	102	281	—	—
2065-2069	255	26	95	327	—	—
2070-2074	240	7	88	378	—	—
2075-2079	—	—	82	432	—	—
2080-2084	—	—	76	492	—	—
2085-2089	—	—	71	556	—	—
2090-2094	—	—	66	626	—	—
2095-2099	—	—	61	703	—	—
2100-2104	—	—	57	787	—	—
2105-2109	—	—	53	878	—	—
2110-2114	—	—	50	79	—	—
2115-2119	—	—	46	1,090	—	—
2120-2124	—	—	26	711	—	—
Total Future Minimum Commitments	\$ 817,273	\$ 90,722	\$ 489,013	\$ 90,224	\$ 264,300	\$ 453



Notes to the Financial Statements For the Fiscal Year Ended June 30, 2024

NOTE 11 - LEASES (continued)

B. Lessor – Lease Receivable

The State leases property and equipment for use by others for terms varying from 1 to 70 years. There were no variable payments, residual value guarantees, or termination penalties reported for the fiscal year.

The entities whose principal ongoing operations consist of leasing assets to other entities include Georgia Building Authority, State Properties Commission, and Jekyll Island Authority. Minimum future revenues and rentals to be received under leases as of June 30, 2024 for the aforementioned entities are as follows (amounts in thousands):

Fiscal Year Ended June 30	Primary Government					
	Governmental Activities		Business-type Activities		Component Units	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 9,385	\$ 13,424	\$ —	\$ —	\$ 1,306	\$ 2,268
2026	7,394	13,244	—	—	1,277	2,231
2027	7,878	13,085	—	—	1,186	2,194
2028	6,976	12,934	—	—	1,153	2,158
2029	7,268	12,795	—	—	1,188	2,123
2030-2034	50,797	70,690	—	—	6,159	10,064
2035-2039	51,585	57,014	—	—	4,642	9,175
2040-2044	68,361	52,851	—	—	4,128	8,476
2045-2049	86,873	47,448	—	—	4,743	7,727
2050-2054	108,698	40,644	—	—	3,458	7,002
2055-2059	134,463	32,178	—	—	3,292	6,444
2060-2064	164,467	21,766	—	—	3,852	5,840
2065-2069	199,278	9,092	—	—	4,566	5,126
2070-2074	23,687	144	—	—	5,413	4,279
2075-2079	45	13	—	—	6,416	3,276
2080-2084	44	10	—	—	7,606	2,087
2085-2089	46	7	—	—	8,044	682
2090-2094	49	4	—	—	—	—
2095-2099	21	—	—	—	—	—
Total Minimum Revenues	\$ 927,315	\$ 397,343	\$ —	\$ —	\$ 68,429	\$ 81,152



Notes to the Financial Statements For the Fiscal Year Ended June 30, 2024

NOTE 11 - LEASES (continued)

C. Related Parties

Primary Government

University System of Georgia Foundations

During fiscal year 2024, various foundations that are not included in the government-wide financial statements have entered into transactions with institutions of the University System of Georgia. The University System of Georgia institutions have lease obligations to these foundations that are not included as component units in the amount of \$204.7 million as of June 30, 2024.

D. Subscription Obligations

Unless the vendor rate is known, the State's borrowing rate is used. Interest rates for 2024 ranged from 0.035% - 5.5%.

For the fiscal year 2024, the State recognized expense for lease variable payments related to payments based on performance and termination penalties of \$11.0 million for governmental activities.

For details of Subscription Based Intangible Right-To-Use Assets, refer to *Note 9 - Capital Assets and Intangible Right-to-use assets*.

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

Fiscal Year Ended June 30	Primary Government				Component Units	
	Governmental Activities		Business-type Activities			
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 68,975	\$ 4,020	\$ 32,752	\$ 1,612	\$ 2,690	\$ 4
2026	54,027	2,380	22,975	1,108	2,180	2
2027	41,138	1,139	14,175	615	1,288	—
2028	9,458	292	3,987	154	653	—
2029	4,090	65	348	19	190	—
2030-2034	—	—	506	24	—	—
Total Future Minimum Commitments	\$ 177,688	\$ 7,896	\$ 74,743	\$ 3,532	\$ 7,001	\$ 6



Notes to the Financial Statements For the Fiscal Year Ended June 30, 2024

NOTE 12 - ENDOWMENTS

The State's donor restricted endowment funds reside primarily within the higher education institutions. The funds are pooled at the individual member institution level, unless required to be separately invested by the donor. There is no state law that governs endowment spending; rather, for University System of Georgia member institution controlled, donor-restricted endowments, where the donor has not provided specific instructions, the Board of Regents permits the individual member institution to develop policies for authorizing and spending realized and unrealized endowment income and appreciation as they determine to be prudent. Current year net appreciation on endowment investments available for authorization for expenditure was \$27.0 million and is reflected as expendable restricted net position.

Changes in the endowment net position for the year ended June 30, 2024, are as follows (amounts in thousands):

Component Units	Without Donor Restriction	With Donor Restriction	Total
Endowment net position, July 1 (Restated)	\$ 390,773	\$ 3,880,509	\$ 4,271,282
Contributions	18,721	123,882	142,603
Net realized and unrealized gains	33,225	391,269	424,494
Appropriation of endowment assets for expenditure	(10,116)	(151,926)	(162,042)
Transfers to comply with donor intent	1,690	48	1,738
Other	298	4,457	4,755
Endowment net position, June 30	<u>\$ 434,591</u>	<u>\$ 4,248,239</u>	<u>\$ 4,682,830</u>



Notes to the Financial Statements For the Fiscal Year Ended June 30, 2024

NOTE 13 - SERVICE CONCESSION ARRANGEMENTS

A. Primary Government

In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, effective for fiscal years beginning after June 15, 2022. The objectives of this statement are to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements and to provide guidance for accounting and financial reporting for availability payment arrangements. Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, supersedes Statement No. 60, *Service Concession Arrangements*.

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

University System of Georgia

During fiscal year ended June 30, 2015, the Board of Regents of the University System of Georgia (BOR) entered into a Service Concession Arrangement (SCA) with Corvias Campus Living-USG, LLC (Corvias), whereby Corvias Campus Living-USG, LLC, manages, maintains and operates certain existing student housing resources on the campuses of nine institutions: Abraham Baldwin Agricultural College; Armstrong State University; Augusta University; College of Coastal Georgia; Columbus State University; Dalton State College; East Georgia State College; Georgia State University; and the University of North Georgia.

Pursuant to the contractual stipulations of this SCA, whereby the BOR and Corvias are the "parties" participating in this agreement, as of May 14, 2015, the institutions noted above transferred the housing resources covered by this SCA, along with associated lease obligations to the University System Office (USO) in fiscal year 2015 through special item transfer. In accordance with the SCA, in May 2015, Corvias provided \$311.6 million which the BOR used to retire the lease obligations transferred to the USO.

On February 23, 2018, the SCA contractual agreement with Corvias was amended. While performance measures and the operating agreement remain intact, the term of the agreement has changed. The SCA, which was originally for 65 years (780 months) to end in June 2080, will now end on June 30, 2055. This contract modification accelerates the amortization of the Deferred Inflows.

For the \$311.6 million that was originally received from Corvias Campus Living-USG, LLC, in fiscal year 2015, \$8.0 million was amortized at June 30, 2024, leaving a remaining Deferred Inflow of Resources balance of \$247.8 million at year end.

In addition to the existing student housing arrangement, Corvias designs and constructs authorized new housing projects that, once constructed, are similarly managed, maintained and operated on seven of the nine campuses with existing student housing resources. Two of these projects were completed in fiscal year 2016 and their fair market values were capitalized increasing Capital Assets by \$23.1 million. In fiscal year 2017, five additional housing projects were completed and their fair market values were capitalized increasing Capital Assets by \$154.4 million. A deferred inflow of resources was recorded as the offset to the Capital Asset additions. The deferred inflows associated with these projects are being amortized over the remaining life of the SCA in accordance with the term revision noted above. At June 30, 2024, the University System Office amortized \$4.6 million of Deferred Inflows related to these seven projects, leaving a remaining Deferred Inflow of Resources balance of \$143.7 million at year end.



Notes to the Financial Statements For the Fiscal Year Ended June 30, 2024

NOTE 13 - SERVICE CONCESSION ARRANGEMENTS (continued)

Also, as part of this SCA, and beginning in fiscal year 2016, the USO receives \$8.0 million in Ground Rent and \$500,000 in Supplemental Capital Repair and Replacement funds each year for the next ten years, with each amount escalating by 3% annually. The USO recorded accounts receivable and deferred inflow of resources in the amount of \$73.2 million representing the present value of this revenue stream based on the agreement terms and will amortize the deferred inflows over a ten-year period. The rate applied to the measurement of the receivable of the installment payments was 5.3%. For the year ended June 30, 2024, the University System Office amortized \$6.8 million and recognized \$4.0 million in associated interest income, leaving a Deferred Inflow balance of \$6.7 million as of June 30, 2024.

The USO also receives retained services funds each year as a percentage of gross revenues for that year. For the fiscal year ended June 30, 2024, the University System Office received \$10.8 million in retained services revenue.

The USO has no reportable future obligation for these services.

Augusta State University

On August 29, 2023, Augusta University entered into a 40-year agreement with Wellstar MCG Health Inc. (Wellstar). Under this agreement, Wellstar will deliver health services as a public service at the hospitals and facilities owned by the University. The agreement grants Wellstar control and ultimate authority over the University's healthcare facilities, including operations and management of clinical services and programs.

As part of the same agreement, Wellstar committed to investing \$797 million to fund the construction, completion and opening of the Columbia County Hospital, Medical Office Building and Surgery Center, integrate the Wellstar Epic electronic medical records system at the University's hospital, and to support the Augusta Campus through capital improvements and deferred maintenance.

Under the Second Amended and Restated Master Lease Agreement between the Board of Regents/Augusta University (Lessor) and AU Medical Center, Inc. (Lessee) the University agrees to lease approximately 51.37 acres of land situated in the City of Augusta, Richmond County, Georgia, located on or about the campus of Augusta University. The lease term is 40 years, beginning in August 2023 and ending in August 2063, with an option to renew for an additional 40 years. The lease will terminate if the Master Affiliation Agreement is terminated, and will automatically renew if the Master Affiliation Agreement renewed. The Lessee agrees to pay the University \$10 dollars per year as "Rent", which is due within 10 days after the last day of Lessee's fiscal year for the duration of the lease.

In accordance with the Amended and Restated Lease Agreement between Board of Regents/Augusta University (Lessor) and Wellstar MCG Health, Inc., (Lessee) the University agrees to lease approximately 22.334 acres of land in Meriwether County, Georgia near the Warm Springs Roosevelt Rehabilitation and Specialities Hospital. The lease term is 40 years, beginning August 2023 to August 2063, with an option to renew for an additional 40 years. The lease will terminate if the Master Affiliation Agreement is terminated, and will automatically renew if the Master Affiliation Agreement renewed. The Lessee agrees to pay the University \$10 dollars per year as "Rent", which is due within 10 days after the last day of Lessee's fiscal year for the duration of the lease.

On April 18, 2023, the Board of Regents/Augusta University entered into a Electronic Health Record system (EHR) agreement with AU Health System, Inc., whereby \$105 million was appropriated by Georgia Legislature and an additional \$10 million contribution from the University. These funds are designated for the installation and implementation of a new Electronic Health Record (EHR) System to be deployed across AUHS affiliated



Notes to the Financial Statements For the Fiscal Year Ended June 30, 2024

NOTE 13 - SERVICE CONCESSION ARRANGEMENTS (continued)

organizations, patient care facilities and clinics and clinical ambulatory sites. In fiscal year 2023, the University encumbered \$115 million to be payable to AUHS for this EHR system.

On August 29, 2023, the Board of Regents/Augusta University signed a Master Affiliation Agreement with Wellstar. As part of this agreement, the parties acknowledge Wellstar has adopted the EPIC EHR system for all sites. Wellstar will ensure that no later than the third anniversary of the transition date, Wellstar MCG Health, Inc. and all its affiliates will be fully integrated into the Wellstar Epic System with funding for the installation and implementation is provided for by EHR System agreement.

For the fiscal year 2024, there were not any variable or other payments, such as residual value guarantees or termination penalties, received for the fiscal year ended June 30, 2024. Additionally, Wellstar has committed to initiating annual Variable Mission Support Payments from September 2024 onwards, which will be overseen by an Escrow Agent. These payments are calculated based on Wellstar's operating margin. Wellstar will deposit these funds into this escrow account, where they will remain for a six-year period, with no disbursements to the University until the end of this term. Both parties, AU and Wellstar, must jointly instruct the Escrow Agent to release the funds prior to the 6th anniversary.

Kennesaw State University

At June 30, 2024, Kennesaw State University (KSU) was a participant in four Public-Private Partnerships.

1. In August 2001, KSU entered into an agreement with Kennesaw State University Foundation, Inc. (KSUF) whereby KSUF will operate and collect revenues for housing operations from students. KSUF is required to operate the residence hall ("University Place") in accordance with a contractual agreement between the two parties. Under the terms of the agreement, the University received no funds upfront from KSUF, but will take full ownership of the residence hall at the end of the operating agreement in August 2037.
2. In August 2003, KSU entered into an agreement with KSUF whereby KSUF will operate and collect revenues for housing operations from students. KSUF is required to operate the housing ("University Village") in accordance with a contractual agreement between the parties. Under the terms of the agreement, the University received no funds upfront from KSUF, but will take full ownership of the housing at the end of the operating agreement in July 2036.
3. In August 2007, KSU entered into an agreement with KSUF whereby KSUF will operate and collect revenues for housing operations from students. KSUF is required to operate the housing ("University Suites") in accordance with a contractual agreement between the parties. Under the terms of the agreement, the University received no funds upfront from KSUF, but will take full ownership of the housing at the end of the operating agreement in September 2038.
4. In August 2020, the KSU entered into an agreement with KSUF to simplify the student experience for KSUF-owned housing (University Place, University Village, and University Suites). Under this agreement, KSU is responsible for providing property management services on behalf of KSUF in a fiduciary capacity for billing and the collection of housing charges.
5. In July 2017, KSU entered into a lease agreement with a food service provider whereby the vendor will operate a restaurant in accordance with a contractual agreement between the two parties. Under the terms of the agreement, the University received no funds upfront, but will take full ownership of the equipment and lease improvements at the end of the operating agreement in June 2027.



Notes to the Financial Statements For the Fiscal Year Ended June 30, 2024

NOTE 13 - SERVICE CONCESSION ARRANGEMENTS (continued)

For fiscal year 2020, the KSU increased beginning deferred inflows by \$3.5 million related to the re-evaluation of SCA with the KSUF. The agreement terms were revised which reduced annual and accumulated amortization.

At June 30, 2024, the KSU reports the three housing residences and one retail space as capital assets with a net carrying value of \$43.6 million. For fiscal year 2024, the KSU reported a remaining deferred inflows of resources of \$43.6 million and amortized revenue of \$3.4 million.

For fiscal year 2024, KSU received variable payments related to revenue sharing arrangements, based on performance of the operator and/or the usage of the underlying public-private partnership asset in the amount of \$0.2 million.

Georgia Gwinnett College

On July 1, 2020, the College entered into an agreement with Aladdin Food Management Services, LLC whereby Aladdin will operate food services operations. The agreement is renewable for each year for ten years. Under the terms of the contract, Aladdin committed a lump sum upfront payment of \$1.3 million to the College to pay off the prior capital investment with Aramark Education Services, LLC.

The amortized revenue recorded related to the lump sum payment in fiscal year 2024 was \$0.1 million and the remaining deferred inflow was \$0.8 million.

Georgia College and State University

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

Under the terms of the contract Sodexo committed \$3.3 million to be used toward locations construction and Food Services refreshes, each year that the Agreement remains in effect. In fiscal year 2023, the committed amount was recorded in an accounts receivable and deferred inflow until construction and refresh is complete. During fiscal year 2024, accounts receivable decreased while construction work in progress increased. Upon completion, it was determined that the total work did not meet capitalization thresholds, resulting in the removal of both the construction work in progress and the deferred inflow.

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

Under the terms of the contract Barnes and Noble pay \$6,100 per month for space within the Campus Theater building and a guaranteed minimum yearly payment of \$0.3 million to be paid in monthly pro rata installments. The guaranteed monthly payment shall be amended each year to reflect 90% of the payments to GCSU of the prior contract year. The amortized revenue recorded related to the payment in fiscal year 2024 was \$0.2 million and the remaining deferred inflow was \$0.

There were not any variable or other payments, such as residual value guarantees or termination penalties, received for the fiscal year ended June 30, 2024.



Notes to the Financial Statements For the Fiscal Year Ended June 30, 2024

NOTE 13 - SERVICE CONCESSION ARRANGEMENTS (continued)

Valdosta State University

In May, 2016, the institution entered into an agreement with Aramark Education Services, LLC (Aramark), whereby Aramark will operate food services operations from service participants. The agreement is renewable for each year for ten years.

Under terms of the original agreement Aramark also committed \$4.7 million in dining facility renovations. The amortized revenue recorded in fiscal year 2024 for the remaining construction commitment was \$0.6 million leaving deferred inflow balance of \$0.8 million.

In October, 2021, the institution entered into an agreement with Barnes & Noble College (BNC), whereby BNC will operate the bookstore from service participants. The agreement is renewable for every year for five years.

Under the terms of the original contract BNC committed to up to \$20,000 to renovate facilities with an additional \$84,000 investment for operating systems. The amortized revenue recorded in fiscal year 2024 for the remaining commitment was \$29,619 leaving deferred inflow balance of \$66,642.

There were not any variable or other payments, such as residual value guarantees or termination penalties, received from either partnership for the fiscal year ended June 30, 2024.



Notes to the Financial Statements For the Fiscal Year Ended June 30, 2024

NOTE 14 - DEFERRED INFLOWS AND OUTFLOWS

Deferred Outflows and Inflows of Resources reported on the Statement of Net Position as of June 30, 2024, consisted of the following (amounts in thousands):

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Deferred Outflows of Resources				
Deferred Amount on Refundings of Bonded Debt	\$ 71,451	\$ 59,839	\$ 131,290	\$ 24,435
Deferred Outflows Relating to Other Postemployment Benefits:				
Difference between expected and actual experience	10,211	137,653	147,864	4,578
Change of assumptions	112,153	281,763	393,916	17,369
Net difference between projected and actual earnings on OPEB plan investments	36,515	17,855	54,370	546
Change in proportion	50,969	4,407	55,376	7,228
State contribution subsequent to measurement date	361,954	143,201	505,155	5,296
Deferred Outflows Relating to Pensions:				
Difference between expected and actual experience	99,821	247,880	347,701	11,506
Change of assumptions	289,693	505,195	794,888	21,222
Net difference between projected and actual earnings on pension plan investments	296,443	350,966	647,409	31,700
Change in proportion	54,890	133,107	187,997	4,191
State contribution subsequent to the measurement date	867,877	554,272	1,422,149	44,099
Total Deferred Outflows of Resources	\$ 2,251,977	\$ 2,436,138	\$ 4,688,115	\$ 172,170
Deferred Inflows of Resources				
Deferred Amount on Refundings of Bonded Debt	\$ —	\$ 55,463	\$ 55,463	\$ —
Deferred Service Concession Arrangement Receipts	—	443,351	443,351	—
Deferred Inflows Relating to Other Postemployment Benefits:				
Difference between expected and actual experience	236,784	57,411	294,195	30,242
Change of assumptions	1,037	1,730,052	1,731,089	18,988
Net difference between projected and actual earnings on OPEB plan investments	—	—	—	63
Change in proportion	55,626	2,802	58,428	15,108
Deferred Inflows Relating to Pensions:				
Difference between expected and actual experience	44,168	20,613	64,781	833
Change of assumptions	8,877	—	8,877	1,537
Net difference between projected and actual earnings on pension plan investments	—	2,752	2,752	—
Change in proportion	73,260	127,245	200,505	10,923
Other Deferred Revenue	19,757	4,943	24,700	14,906
Leases	879,766	25,351	905,117	687,938
Total Deferred Inflows of Resources	\$ 1,319,275	\$ 2,469,983	\$ 3,789,258	\$ 780,538



Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2024

NOTE 14 - DEFERRED INFLOWS AND OUTFLOWS (continued)

Of the \$2.3 billion of deferred outflows of resources reported in the governmental activities, \$571.8 million represent deferred outflows related to other postemployment benefits, of which \$8.1 million are reported in the internal service funds and \$1.6 billion represent deferred outflows relating to pensions, of which \$18.3 million are reported in the internal service funds. The remaining \$71.5 million represent deferred amounts on refundings of bonded debt.

Of the \$1.3 billion of deferred inflows of resources reported in the governmental activities, \$293.4 million represents deferred inflows related to other postemployment benefits, of which \$3.7 million are reported in the internal service funds and \$126.3 million represents deferred inflows relating to pensions, of which \$1.2 million are reported in the internal service funds, and \$879.8 million is related to leases. Additionally, the U.S. Department of Justice settled an agreement with the Volkswagen Corporation in which an Environmental Mitigation Trust was established. The State has \$19.3 million in unavailable revenues to fund future eligible mitigation actions.

Deferred outflows reported in business-type activities include \$2.4 billion which represent \$584.9 million relating to other postemployment benefits, \$1.8 billion which represent deferred outflows relating to pensions and \$59.8 million, which represent deferred amounts on refundings of bonded debt.

Of the \$2.5 billion of deferred inflows of resources reported in the business-type activities, \$1.8 billion represent deferred inflows relating to other postemployment benefits, \$150.6 million represent deferred inflows relating to pensions, \$443.4 million represent deferred service concession arrangement receipts described in *Note 13 - Service Concession Arrangements*, \$55.5 million represent deferred amounts on refundings of bonded debt, \$25.4 million is related to leases, and \$4.9 million represents grant funds received before the period when those resources are permitted to be used.

Of the \$172.2 million of deferred outflows of resources reported in the component units, \$35.0 million represent deferred outflows relating to other postemployment benefits, \$112.7 million represent deferred outflows relating to pensions and \$24.4 million represent deferred amounts on refundings of bonded debt.

Of the \$780.5 million of deferred inflows of resources reported in the component units, \$64.4 million represent deferred inflows relating to other postemployment benefits, \$13.3 million represent deferred inflows relating to pensions, \$687.9 million is related to leases, and \$14.9 million represent grants funds received before the period when those resources are permitted to be used.

Under the modified accrual basis of accounting, governmental funds reported \$3.7 billion in deferred inflows of resources, of which \$854.9 million is related to leases, and \$2.8 billion is for unavailable revenues, which consisted primarily of taxes and interest received more than 30 days after close of the current fiscal year.



Notes to the Financial Statements For the Fiscal Year Ended June 30, 2024

NOTE 15 - RETIREMENT SYSTEMS

The State administers various retirement plans. The State is the plan sponsor (Plan) of these plans and in many cases the participating employer (Employer). The notes to the financial statements and required supplementary information that follow are presented from the perspective of the State as Plan sponsor and the State as Employer. In addition, the State is the only entity with a statutory requirement to contribute on behalf of the employer directly to many of these Plans creating a situation defined as a Non-employer Contributing Entity in a Special Funding Situation (SFS).

The State's significant retirement plans are:

- Teachers Retirement System of Georgia (TRS) (www.trsga.com)
- Employees' Retirement System (ERS), which is part of the Employees' Retirement System of Georgia (the System) (www.ers.ga.gov)

Each of these systems issue separate publicly available financial reports that include the applicable financial statements and required supplementary information. 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.

There are other retirement plans deemed to be not significant, which are presented in the Fiduciary Funds section of this report, but are not included in the notes to the financial statements and required supplementary information, as follows:

- Plans included in the System (www.ers.ga.gov):
 - Public School Employees Retirement System
 - Georgia Judicial Retirement System
 - Legislative Retirement System
 - Georgia Military Pension Fund
- Peace Officers' Annuity and Benefit Fund (www.poab.georgia.gov)
- Georgia Firefighters' Pension Fund (www.gfpf.org)
- Plans of the Georgia Ports Authority (www.gaports.com)
 - Retirement Plan for Employees of Georgia Ports Authority
 - Georgia Ports Authority Supplemental Retirement Plan
- Augusta University Early Retirement Pension Plan (www.usg.edu/regents)
- Magistrates Retirement Fund of Georgia (www.mrf.georgia.gov)
- Judges of the Probate Courts Retirement Fund of Georgia (www.jpc.georgia.gov)
- Superior Court Clerks' Retirement Fund of Georgia (www.scc.georgia.gov)
- Sheriffs' Retirement Fund of Georgia (www.georgiasheriffs.org)

In addition, the State administers the Regents Retirement Plan, which is an optional retirement plan for certain university employees. (www.usg.edu/regents)

A. Basis of Accounting

Retirement plan financial statements are prepared on the accrual basis of accounting. Contributions from the employers and members are recognized as additions when due, pursuant to formal commitments, as well as statutory or contractual requirements. Retirement benefits and refund payments are recognized as deductions when due and payable. The retirement plans' fiduciary net positions have been determined on the same basis as they are reported by the various plans.



Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2024

NOTE 15 - RETIREMENT SYSTEMS (continued)

B. Investments

Investments are reported at fair value and net asset value (NAV) as a practical expedient to fair value. Securities traded on a national or international exchange are valued at the last reported sales price.

For the fiscal year ended June 30, 2024, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense for the System, is represented below, along with the TRS plan.

<u>Pension Plans</u>	<u>Net Annual Money-Weighted Rate</u>
ERS	13.60 %
Teacher's Retirement System	11.55 %

For all plans mentioned above, the money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

ERS and TRS have investment policies regarding the allocation of invested assets.

The ERS and TRS policies are established on a cost basis in compliance with Georgia Statute. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through each pension plan.

The following table summarizes the adopted asset allocation policy by plan at June 30, 2024:

<u>Asset Class</u>	<u>Target Allocation</u>	
	<u>ERS</u>	<u>TRS</u>
Fixed Income	25% - 45%	25% - 45%
Equities	55% - 75%	55% - 75%
Alternative Investments	0% - 5%	0% - 5%
Total	<u>100.0 %</u>	<u>100.0 %</u>

C. Defined Benefit Plans Descriptions and Funding Policies

Employees' Retirement System of Georgia (The System)

The System is comprised of individual retirement systems and plans covering substantially all employees of the State except for teachers and other employees covered by TRS. The System is administrated by a Board of Trustees that is comprised of active and retired members, ex-officio state employees, and appointees by the Governor.



Notes to the Financial Statements For the Fiscal Year Ended June 30, 2024

NOTE 15 - RETIREMENT SYSTEMS (continued)

Employees' Retirement System (ERS)

Plan Description: One of the plans within the System, also titled ERS, is a cost-sharing multiple-employer defined benefit pension plan that was established by the Georgia General Assembly during the 1949 Legislative Session for the purpose of providing retirement allowances for employees of the State and its political subdivisions. ERS is directed by a Board of Trustees and has the powers and privileges of a corporation. ERS acts pursuant to statutory direction and guidelines, which may be amended prospectively for new hires but for existing members and beneficiaries may be amended in some aspects only subject to potential application of certain constitutional restraints against impairment of contract.

Benefits Provided: The benefit structure of ERS is established by the Board of Trustees under statutory guidelines. Unless the employee elects otherwise, an employee who currently maintains membership with ERS based upon State employment that started prior to July 1, 1982, is an "old plan" member subject to the 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 the modified plan provisions. Effective January 1, 2009, newly hired State employees, as well as rehired State employees who did not maintain eligibility for the "old" or "new" plan, are members of the Georgia State Employees' Pension and Savings Plan (GSEPS). Members of the GSEPS plan may also participate in the GSEPS 401(k) defined contribution component described below. ERS members hired prior to January 1, 2009, also have the option to irrevocably change their membership to the GSEPS plan.

Under the old plan, 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 a formula adopted by the Board of Trustees for such purpose. The formula considers the monthly average of the member's highest 24 consecutive calendar months of salary, the number of years of creditable service, the applicable benefit factor, and the member's age at retirement. Postretirement cost-of-living adjustments may 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 contribution rates are set by law. 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 State is required to contribute at a specified percentage of active member payroll established by the Board of Trustees and determined annually in accordance with an actuarial valuation and minimum funding standards as provided by law. These State contributions are not at any time refundable to the member or his/her beneficiary.



Notes to the Financial Statements For the Fiscal Year Ended June 30, 2024

NOTE 15 - RETIREMENT SYSTEMS (continued)

Employer and nonemployer contributions required, as a percentage of covered payroll, for fiscal year 2024 were based on the June 30, 2021 actuarial valuation as follows:

<u>Plan Segment</u>	<u>Contribution Rate 2024</u>
Old Plan*	29.35 %
New Plan	29.35 %
GSEPS	25.51 %

* 4.75% of which was paid by the State on behalf of old plan members.

The State makes contributions to ERS on behalf of certain non-State employers as follows: Pursuant to The Official Code of Georgia Annotated OCGA § 47-2-292 (a) the Department of Revenue receives an annual appropriation from the Georgia General Assembly to be used to fund the employer contributions for certain local county tax commissioners and employees. Pursuant to OCGA § 47-2-290(a) the Council of State Courts (CSC) and the Prosecuting Attorneys' Council (PAC) receive annual appropriations from the Georgia General Assembly for employer contributions of certain local employees in State Courts.

Members become vested after 10 years of service. Upon termination of employment, member contributions with accumulated interest are refundable upon request by the member. However, if an otherwise vested member terminates and withdraws his/her member contributions, the member forfeits all rights to retirement benefits.

Teachers Retirement System of Georgia (TRS)

Plan Description: TRS is a cost-sharing multiple-employer defined benefit plan created in 1943 by an act of the Georgia General Assembly to provide retirement benefits for qualifying employees in educational service. A Board of Trustees comprised of two appointees by the Board, two ex-officio State employees, five appointees by the Governor, and one appointee of the Board of Regents is ultimately responsible for the administration of TRS. All teachers in the state public schools, the University System of Georgia (except those professors and principal administrators electing to participate in an optional retirement plan), and certain other designated employees in educational-related work are eligible for membership.

Benefits Provided: TRS provides service retirement, disability retirement, and survivor's benefits. Title 47 of the OCGA assigns the authority to establish and amend the provisions of TRS to the State Legislature. A member 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. A member is eligible for early retirement after 25 years of creditable service.

Normal retirement (pension) benefits paid to members are equal to 2% of the average of the member's two highest paid consecutive years of service, multiplied by the number of years of creditable service up to 40 years. Early retirement benefits are reduced by the lesser of one-twelfth of 7% for each month the member is below age 60 or by 7% for each year or fraction thereof by which the member has less than 30 years of service. It is also assumed that certain cost-of-living adjustments, based on the Consumer Price Index, may be made in future years. Retirement benefits are payable monthly for life. A member may elect to receive a partial lump-sum distribution in addition to a reduced monthly retirement benefit. Options are available for distribution of the member's monthly pension, at a reduced rate, to a designated beneficiary on the member's death. Death, disability, and spousal benefits are also available.



**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2024**

NOTE 15 - RETIREMENT SYSTEMS (continued)

Contributions: TRS is funded by member, employer and nonemployer contributing entity (Nonemployer) contributions as adopted and amended by the Board of Trustees. Members become fully vested after 10 years of service. If a member terminates with less than 10 years of service, no vesting of employer contributions occurs, but the member’s contributions may be refunded with interest. Member contributions are limited by State law to not less than 5% or more than 6% of a member’s earnable compensation.

The State makes contributions to TRS on behalf of certain non-State employers as follows: Pursuant to OCGA § 47-3-63, the employer contributions for certain full-time public school support personnel are funded on behalf of the employers by the State of Georgia.

Member contributions as adopted by the Board of Trustees for fiscal year 2024 were 6% of covered payroll. Employer and Nonemployer contributions required for fiscal year 2024 were 19.98% of annual salary as required by the June 30, 2021, actuarial valuation.

D. Defined Benefit Plans Membership and Participating Employers

The following table summarizes the participating membership and participating employers at June 30, 2024:

Plan Membership	ERS	TRS
Inactive plan members or beneficiaries currently receiving benefits	55,298	151,881
Inactive plan members entitled to but not yet receiving benefits	75,586	16,072
Inactive plan members not entitled to benefits	—	127,321
Active plan members	56,833	240,562
Total	187,717	535,836
 Number of Employers	 374	 328

These counts treat each legal entity in the State reporting entity as one employer.



Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2024

NOTE 15 - RETIREMENT SYSTEMS (continued)

E. Defined Benefit Plans Net Pension Liability/(Asset) of Participating Employers and Nonemployer Contributing Entities

The following schedule is presented from the perspective of the State as the sponsor of the various Plans and summarizes the components of the Net Pension Liability of the participating employers and nonemployer contributing entities, as of June 30, 2024, by Plan (amounts in thousands):

<u>Components of the Net Pension Liability</u>	<u>ERS</u>	<u>TRS</u>
Total Pension Liability	\$ 21,183,792	\$ 131,308,611
Plan Fiduciary Net Position	16,681,931	106,174,001
Employers' and non-employer contributing entity's net pension liability	<u>\$ 4,501,861</u>	<u>\$ 25,134,610</u>
Plan fiduciary net position as a percentage of the total pension liability	78.75 %	80.86 %

F. Defined Benefit Plans Actuarial Methods and Assumptions

Actuarial Valuation Date

The total pension liability at June 30, 2024 is based upon the June 30, 2023 actuarial valuation for ERS and TRS using generally accepted actuarial procedures/techniques.

Actuarial Assumptions

The total pension liability, as of June 30, 2024, for each plan was determined by an actuarial valuation date indicated in the table below using the following actuarial assumptions, applied to all periods included in the measurement:

(Chart on next page)



Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2024

NOTE 15 - RETIREMENT SYSTEMS (continued)

Actuarial Assumptions

Plan	Valuation date	Inflation	Salary increases	Investment rate of return ¹	Cost of Living Adjustment	Mortality	Actuarial experience study
ERS	6/30/2023	2.50%	3.00% - 6.75%*	7.00%	1.05% annually	The Pub-2010 General Employee Table, with no adjustments, projected generationally with the MP-2019 scale is used for both males and females while in active service. Post-retirement mortality rates for 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 for both males and females 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 two years for both males and females and adjusted 106% and 105% respectively).	7/1/2014-6/30/2019
TRS	6/30/2023	2.50%	3.00% - 8.75%*	6.90%	1.5% 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 (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 (set forward one year and adjusted 106%) with the MP-2019 Projected scale applied generationally. The rates of improvement were reduced by 20% for all years prior to ultimate rate. The Pub-2010 Teachers Headcount Weighted Below Median Employee mortality table (set forward one year and adjusted 106%) was used for death prior to retirement. Future improvement in mortality rates was assumed using the MP-2019 projection scale generationally. Rates of improvement were reduced by 20% for all years prior to the ultimate rate.	7/1/2013-6/30/2018

¹Investment rate of return is net of pension plan investment expense, including inflation.

*Includes respective inflation assumptions.

The actuarial assumptions used in the valuations are based on the results of the most recent actuarial experience studies dates noted in the table, with the exception of the investment rate of return and the annual rate of inflation for the ERS and TRS plans, and the payroll growth rate assumption for TRS.



Notes to the Financial Statements For the Fiscal Year Ended June 30, 2024

NOTE 15 - RETIREMENT SYSTEMS (continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on 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.

Summarized by plan in the table below are the target asset allocation and best estimates of arithmetic real rates of return for each major asset class for ERS and TRS plans.

Asset Class	Target Allocation			
	ERS		TRS	
	Target allocation	Long-term expected real rate of return*	Target allocation	Long-term expected real rate of return*
Fixed Income	30.0 %	1.5%	30.0 %	1.5%
Domestic large equities	46.4 %	9.1 %	46.4 %	9.1 %
Domestic small equities	1.1 %	13.0 %	1.1 %	13.0 %
International developed market equities	13.6 %	9.1 %	13.6 %	9.1 %
International emerging market equities	3.9 %	11.1 %	3.9 %	11.1 %
Alternatives	5.0 %	10.6 %	5.0 %	10.6 %
Total	100.0 %		100.0 %	

* Rates shown are net of the 2.50% assumed rate of inflation .

Discount Rate

The discount rate used to measure the total pension liability for ERS and TRS, as of June 30, 2024, was 7.00% and 6.90%, respectively. The projection of cash flows used by each plan to determine the discount rate was assumed that plan member contributions will be made at the current contribution rate and that employer and nonemployer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, each 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.



Notes to the Financial Statements For the Fiscal Year Ended June 30, 2024

NOTE 15 - RETIREMENT SYSTEMS (continued)

Sensitivity of the Participating Employers and Nonemployer Contributing Entities NPL to Changes in the Discount Rate

The following schedule is presented from the perspective of the State as the sponsor of the various Plans and summarizes the NPL of the employer and nonemployer contributing entities, as of June 30, 2024. The NPL is calculated using the determined discount rate as well as what the NPL 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 by the Plan (amounts in thousands):

Sensitivity of the Plan Participating Employer and Nonemployer Contributing Entities Net Pension Liability to Changes in the Discount Rate

	1% Decrease	Current Rate	1% Increase
	(6.00%)	(7.00%)	(8.00%)
ERS's Net Pension Liability	\$ 6,782,597	\$ 4,501,861	\$ 2,583,767
	(5.90%)	(6.90%)	(7.90%)
TRS's Net Pension Liability	\$ 43,261,695	\$ 25,134,610	\$ 10,337,360



Notes to the Financial Statements For the Fiscal Year Ended June 30, 2024

NOTE 15 - RETIREMENT SYSTEMS (continued)

The following information is from the perspective of the State as the employer.

G. State's Proportionate Share of Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The State reported a liability as the Employer for its proportionate share of the NPL associated with the plans listed below. In addition, the State reported a liability for its proportionate share of the NPL as a result of its statutory requirement to contribute to certain plans. These contributions were made by the State as the Non-employer Contributing Entity in a Special Funding Situation.

The following schedule is presented from the perspective of the State as the Employer and/or non-employer contributing entity and details the proportionate share of the pension amounts for each plan as of June 30, 2024 is as follows (amounts in thousands):

Aggregate Pension Amounts - All Plans		
	Primary Government	Component Units
Pension liabilities	\$ 10,929,899	\$ 284,789
Pension assets	\$ 72,692	\$ —
Deferred outflows of resources related to pensions	\$ 3,400,144	\$ 112,717
Deferred inflows of resources related to pensions	\$ 276,915	\$ 13,293
Pension expense/expenditures	\$ 2,451,502	\$ 60,516



Notes to the Financial Statements For the Fiscal Year Ended June 30, 2024

NOTE 15 - RETIREMENT SYSTEMS (continued)

The information below includes all significant plans and funds administered by the State of Georgia.

The NPL for each plan was measured as of June 30, 2023. The total pension liability/asset used to calculate the NPL for each plan was based on an actuarial valuation as of June 30, 2022 for ERS and TRS.

Employees' Retirement System

State's Proportionate Share of Net Pension Liability and Pension Expense

Primary Government: At June 30, 2024, the State reported a liability of \$5.3 billion, for its proportionate share of the net pension liability. 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, with standard roll-forward techniques performed to update the total pension liability to June 30, 2023. The State's proportion of the net pension liability was based on contributions to ERS during the fiscal year ended June 30, 2023. At June 30, 2023, the State's proportion for the ERS plan as Employer was 88.197093% which was a decrease of 0.130635% from its proportion measured as of June 30, 2022. For the year ended June 30, 2024, the State recognized pension expense of \$1.3 billion.

At June 30, 2024, the State reported a liability of \$73.6 million, for its proportionate share of the net pension liability, based on contributions to ERS during the fiscal year ended June 30, 2023, for certain Local County Tax Commissioners and the CSC and PAC employees in certain counties. At June 30, 2023, the State's proportion was 1.233590% for certain Local County Tax Commissioners and the CSC and PAC employees in certain counties. For the year ended June 30, 2024, the State recognized expense of \$12.8 million.

Component Units: At June 30, 2024, the State reported a liability of \$82.2 million, for its proportionate share of the net pension liability. 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, with standard roll-forward techniques performed to update the total pension liability to June 30, 2023. The State's proportion of the net pension liability was based on contributions to ERS during the fiscal year ended June 30, 2023. At June 30, 2023, the State's proportion for the ERS plan as Employer was 1.378105%, which was an increase of 0.033127% from its proportion measured as of June 30, 2022. For the year ended June 30, 2024, the State recognized pension expense of \$20.9 million.



Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2024

NOTE 15 - RETIREMENT SYSTEMS (continued)

State's Proportionate Share of Deferred Outflows/Inflows of Resources

At June 30, 2024, the State reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (amounts in thousands):

	Primary Government				Component Units	
	State as Employer		State as Nonemployer Contributing Entity		State as Employer	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 79,923	\$ 12,329	\$ 1,118	\$ 172	\$ 1,249	\$ 192
Changes of assumptions	202,457	—	2,832	—	3,163	—
Net difference between projected and actual earnings on pension plan investments	214,335	—	2,998	—	3,349	—
Changes in proportion and differences between State contributions and proportionate share of contributions	55,333	60,552	140	4,696	1,676	632
State contributions subsequent to the measurement date	765,281	—	9,370	—	11,848	—
Total	\$ 1,317,329	\$ 72,881	\$ 16,458	\$ 4,868	\$ 21,285	\$ 824

Primary Government: State contributions as employer and nonemployer subsequent to the measurement date of \$765.3 million and \$9.4 million are reported as deferred outflows of resources and will be recognized as a reduction of the NPL in the year ended June 30, 2025.

Component Units: State contributions as employer subsequent to the measurement date of \$11.8 million are reported as deferred outflows of resources and will be recognized as a reduction of the NPL in the year ended June 30, 2025.



Notes to the Financial Statements For the Fiscal Year Ended June 30, 2024

NOTE 15 - RETIREMENT SYSTEMS (continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (amounts in thousands):

Year ended June 30:	Primary Government		Component Units
	State as Employer	State as Nonemployer Contributing Entity	State as Employer
2025	\$ 217,008	\$ (799)	\$ 4,364
2026	(68,145)	(1,602)	(913)
2027	428,312	5,991	6,692
2028	(98,008)	(1,370)	(1,531)
2029	—	—	—
Thereafter	—	—	—

Teachers Retirement System of Georgia

State's Proportionate Share of Net Pension Liability and Pension Expense

Primary Government: At June 30, 2024, the State reported a liability of \$4.9 billion, for its proportionate share of the net pension liability. 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, with standard roll-forward techniques performed to update the total pension liability to June 30, 2023. The State's proportion of the net pension liability was based on contributions to TRS during the fiscal year ended June 30, 2023. At June 30, 2023, the State's proportion for the TRS plan as Employer was 16.443405%, which was an increase of 0.546448% from its proportion measured as of June 30, 2022. For the year ended June 30, 2024, the State recognized pension expense of \$949.7 million.

At June 30, 2024, the State reported a liability of \$55.9 million, for its proportionate share of the net pension liability, based on contributions to TRS during the fiscal year ended June 30, 2023. At June 30, 2023, the State's proportion was 0.189499% for certain full-time public school support personnel. For the year ended June 30, 2024, the State recognized expense of \$9.4 million.

Component Units: At June 30, 2024, the State reported a liability of \$150.5 million, for its proportionate share of the net pension liability. 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, with standard roll-forward techniques performed to update the total pension liability to June 30, 2023. The State's proportion of the net pension liability was based on contributions to TRS during the fiscal year ended June 30, 2023. At June 30, 2023, the State's proportion for the TRS plan as Employer was 0.509591%, which was a decrease of 0.030349% from its proportion measured as of June 30, 2022. For the year ended June 30, 2024, the State recognized pension expense of \$20.5 million.



Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2024

NOTE 15 - RETIREMENT SYSTEMS (continued)

State's Proportionate Share of Deferred Outflows/Inflows of Resources

At June 30, 2024, the State reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (amounts in thousands):

	Primary Government				Component Units	
	State as Employer		State as Nonemployer Contributing Entity		State as Employer	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 246,476	\$ 20,070	\$ 2,841	\$ 231	\$ 7,640	\$ 622
Changes of assumptions	499,365	—	5,756	—	15,478	—
Net difference between projected and actual earnings on pension plan investments	341,390	—	3,935	—	10,582	—
Changes in proportion and differences between State contributions and proportionate share of contributions	127,515	127,536	2,662	5,371	2,515	10,291
State contributions subsequent to the measurement date	507,208	—	5,908	—	14,379	—
Total	\$ 1,721,954	\$ 147,606	\$ 21,102	\$ 5,602	\$ 50,594	\$ 10,913

Primary Government: State contributions as employer and nonemployer subsequent to the measurement date of \$507.2 million and \$5.9 million are reported as deferred outflows of resources and will be recognized as a reduction of the NPL in the year ended June 30, 2025.

Component Units: State contributions as employer subsequent to the measurement date of \$14.4 million are reported as deferred outflows of resources and will be recognized as a reduction of the NPL in the year ended June 30, 2025.



Notes to the Financial Statements For the Fiscal Year Ended June 30, 2024

NOTE 15 - RETIREMENT SYSTEMS (continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (amounts in thousands):

Year ended June 30:	Primary Government		Component Units
	State as Employer	State as Nonemployer Contributing Entity	State as Employer
2025	\$ 298,715	\$ 2,723	\$ 7,427
2026	199,768	1,538	3,686
2027	676,371	6,976	18,565
2028	(107,714)	(1,644)	(4,376)
2029	—	—	—
Thereafter	—	—	—

H. Actuarial Methods and Assumptions (GASB 68)

The total pension liability, as of June 30, 2023, for each plan was determined by an actuarial valuation date indicated in the table below using the following actuarial assumptions, applied to all periods included in the measurement:

(Chart on next page)



Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2024

NOTE 15 - RETIREMENT SYSTEMS (continued)

Actuarial Assumptions

Plan	Valuation date	Inflation	Salary increases	Investment rate of return ¹	Cost of Living Adjustment	Mortality	Actuarial experience study
ERS	6/30/2022	2.50%	3.00% - 6.75%*	7.00%	1.05% annually	The Pub-2010 General Employee Table, with no adjustments, projected generationally with the MP-2019 scale is used for both males and females while in active service. 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 two years for both males and females and adjusted 106% and 105% respectively).	7/1/2014-6/30/2019
TRS	6/30/2022	2.50%	3.00% - 8.75%*	6.90%	1.5% 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 (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 (set forward one year and adjusted 106%) with the MP-2019 Projected scale applied generationally. The rates of improvement were reduced by 20% for all years prior to ultimate rate. The Pub-2010 Teachers Headcount Weighted Below Median Employee mortality table (set forward one year and adjusted 106%) was used for death prior to retirement. Future improvement in mortality rates was assumed using the MP-2019 projection scale generationally. Rates of improvement were reduced by 20% for all years prior to the ultimate rate.	7/1/2013-6/30/2018

¹Investment rate of return is net of pension plan investment expense, including inflation.

*Includes respective inflation assumptions.

Long-Term Expected Rate of Return

The long-term expected rate of return on 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.



Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2024

NOTE 15 - RETIREMENT SYSTEMS (continued)

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized by plan in the table below:

Asset Class	Target Allocation			
	ERS		TRS	
	Target allocation	Long-term expected real rate of return*	Target allocation	Long-term expected real rate of return*
Fixed Income	30.0 %	0.9%	30.0 %	0.9%
Domestic large equities	46.3 %	9.4 %	46.3 %	9.4 %
Domestic small equities	1.2 %	13.4 %	1.2 %	13.4 %
International developed market equities	12.3 %	9.4 %	12.3 %	9.4 %
International emerging market equities	5.2 %	11.4 %	5.2 %	11.4 %
Alternatives	5.0 %	10.5 %	5.0 %	10.5 %
Total	<u>100.0 %</u>		<u>100.0 %</u>	

* Rates shown are net of the 2.50% assumed rate of inflation.

Discount Rate

The discount rate used for ERS to measure the total pension liability, as of June 30, 2023, was 7.00%. The discount rate used for TRS to measure the total pension liability was 6.90%. The projection of cash flows used by each plan to determine the discount rate was assumed that plan member contributions will be made at the current contribution rate and that employer and non-employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, each 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.



Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2024

NOTE 15 - RETIREMENT SYSTEMS (continued)

The following schedule is presented from the perspective of the State as the employer and non-employer contributing entity and details the State’s proportionate share of the Net Pension Liability (NPL)/Net Pension Asset (NPA), as of June 30, 2023. The NPL is calculated using the discount rate detailed below, as well as what the State’s proportionate share of the NPL 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 (amounts in thousands):

	Sensitivity of the Net Pension Liability/Asset to Changes in the Discount Rate					
	Primary Government			Component Units		
	1% Decrease	Current Discount Rate	1% Increase	1% Decrease	Current Discount Rate	1% Increase
	(6.00%)	(7.00%)	(8.00%)	(6.00%)	(7.00%)	(8.00%)
ERS's Net Pension Liability	\$ 7,219,843	\$ 5,261,476	\$ 3,613,449	\$ 112,812	\$ 82,212	\$ 56,461
SFS	100,982	73,591	50,540	—	—	—
Total ERS Net Pension Liability	<u>\$ 7,320,825</u>	<u>\$ 5,335,067</u>	<u>\$ 3,663,989</u>	<u>\$ 112,812</u>	<u>\$ 82,212</u>	<u>\$ 56,461</u>
	(5.90%)	(6.90%)	(7.90%)	(5.90%)	(6.90%)	(7.90%)
TRS's Net Pension Liability/(Asset)	\$ 7,676,003	\$ 4,853,937	\$ 2,550,907	\$ 237,884	\$ 150,453	\$ 79,054
SFS	88,461	55,948	29,397	—	—	—
Total TRS's Net Pension Liability/(Asset)	<u>\$ 7,764,464</u>	<u>\$ 4,909,885</u>	<u>\$ 2,580,304</u>	<u>\$ 237,884</u>	<u>\$ 150,453</u>	<u>\$ 79,054</u>

I. Defined Contribution Plans

GSEPS 401(k) Component of ERS Plan

In addition to the ERS defined benefit pension described above, GSEPS members may also participate in the Peach State Reserves 401(k) defined contribution plan and receive an employer matching contribution. The 401(k) plan is administered by the System and was established by the Georgia Employee Benefit Plan Council in accordance with State law and Section 401(k) of the IRC. The GSEPS segment of the 401(k) plan was established by State law effective January 1, 2009. Plan provisions and contribution requirements specific to GSEPS can be amended by State law. Other general 401(k) plan provisions can be amended by the ERS Board of Trustees as required by changes in federal tax law or for administrative purposes. The State was not required to make significant contributions to the 401(k) plan prior to GSEPS because most members under other segments of the plan either were not State employees or were not eligible to receive an employer match on their contributions.



Notes to the Financial Statements For the Fiscal Year Ended June 30, 2024

NOTE 15 - RETIREMENT SYSTEMS (continued)

The GSEPS plan includes automatic enrollment in the 401(k) plan at a contribution rate of 5% of salary unless the participating member elects otherwise. The member may change such level of participation at any time. In addition, the member may make such additional contributions as he or she desires, subject to limitations imposed by federal law. During the 2022 Legislative Session, the Georgia General Assembly approved a change to the GSEPS 401(k) employer match structure. The new structure increased the match and added a years of service component. Starting July 1, 2022, the employer match is dollar per dollar, up to 5% of pay, and GSEPS members with at least 6 years of service who are contributing a minimum of 5%, will get an additional half percent Employer match for every full year of service in excess of five years, up to a maximum match of 9%.

GSEPS employer contributions are subject to a vesting schedule, which determines eligibility to receive all or a portion of the employer contribution balance at the time of any distribution from the account after separation from all State service. Vesting is determined based on the table below:

Less than 1 year	0%
1 year	20%
2 years	40%
3 years	60%
4 years	80%
5 or more years	100%

Employee contributions and earnings thereon are 100% vested at all times. The 401(k) plan also allows participants to roll over amounts from other qualified plans to their respective account in the 401(k) plan on approval of the 401(k) plan administrator. Such rollovers are 100% vested at the time of transfer. Participant contributions are invested according to the participant's investment election. If the participant does not make an election, investments are automatically defaulted to a Lifecycle fund based on the participant's date of birth.

The participants may receive the value of their vested accounts upon attaining age 59.5, qualifying financial hardship, or 30 days after retirement or other termination of service (employer contribution balances are only eligible for distribution upon separation from service). Upon the death of a participant, his or her beneficiary shall be entitled to the vested value of his or her accounts. Employees who die while actively employed and eligible for 401(k) employer matching contributions become fully vested in employer contributions upon death. Distributions are made in installments or in a lump sum.

There were 82,339 plan members and 457 participating employers in the plan at June 30, 2024. For the fiscal year ended June 30, 2024, the State's employer and employee GSEPS contributions were \$101.8 million and \$110.1 million, respectively. Additionally, the State made contributions of \$0.2 million on behalf of employers that are not in the reporting entity. Employer contributions may be partially funded from non-vested contributions that were forfeited by employees.



Notes to the Financial Statements For the Fiscal Year Ended June 30, 2024

NOTE 15 - RETIREMENT SYSTEMS (continued)

Regents Retirement Plan

The Regents Retirement Plan, a single-employer defined contribution plan, is an optional retirement plan established by the Georgia General Assembly in OCGA § 47-21-1. It is administered and may be amended by the Board of Regents of the University System of Georgia (Board of Regents). A participant in the plan is an “eligible university system employee” defined as a faculty member or all exempt full and partial benefit eligible employees as designated by the regulations of the Board. Under the 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. The approved vendors have separately issued financial reports that may be obtained through their respective corporate offices.

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.

The institutions of the University System of Georgia make monthly employer contributions for the Regents Retirement Plan at rates determined by the Board of Regents in accordance with State statute and as advised by their independent actuary. For the fiscal year ended June 30, 2024, the employer contribution was 9.24% of the participating employee's earned compensation, and employees contributed 6.00% of their earned compensation. Amounts attributable to all plan contributions are fully vested and non-forfeitable at all times. For the fiscal year ended June 30, 2024, employer and employee contributions were \$157.8 million and \$103.2 million, respectively.



Notes to the Financial Statements For the Fiscal Year Ended June 30, 2024

NOTE 16 - POSTEMPLOYMENT BENEFITS - MULTI-EMPLOYER PLANS

The State administers various multiple-employer other postemployment benefit (OPEB) plans. The State is the plan sponsor (Plan) of these plans and in many cases the participating employer (Employer). The notes to the financial statements and required supplementary information that follow are presented from the perspective of the State as Plan sponsor and the State as Employer.

The State's multiple-employer OPEB plans are:

- Plans Administered by Department of Community Health (DCH):
 - Georgia State Employees Post-employment Health Benefit Fund (State OPEB Fund)
 - Georgia School Personnel Post-employment Health Benefit Fund (School OPEB Fund)
- State Employees' Assurance Department (SEAD-OPEB Plan), which is administered by Employees' Retirement System (ERS) (www.ers.ga.gov):

The financial statements for the State OPEB Fund, School OPEB Fund, and SEAD-OPEB Plan are presented in the Fiduciary Funds section of this report. The SEAD-OPEB Plan issues separate publicly available financial reports that include the applicable financial statements and required supplementary information.

A. Basis of Accounting

The financial statements of these plans are prepared using the economic resources measurement focus and accrual basis of accounting. Contributions from employers and members are recognized in the period in which they are due. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. The OPEB plan's fiduciary net positions have been determined on the same basis as they are reported by the various plans.

B. Investments

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price.

For the fiscal year ended June 30, 2024, the annual money-weighted rate of return on OPEB plan investments, net of OPEB plan investment expense are represented below:

<u>OPEB Plans</u>	<u>Net Annual Money-Weighted Rate</u>
State OPEB Fund	19.17 %
School OPEB Fund	19.13 %
SEAD-OPEB Plan	13.60 %

For all plans mentioned above the money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. These three plans have investment policies regarding the allocation of invested assets, established on a cost basis in compliance with Georgia Statute. Plan assets are managed on a total return basis with a short-term objective of stability of principal while allowing for liquidity and a long-term objective of achieving and maintaining a fully funded status for the benefits provided through each OPEB plan.



**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2024**

NOTE 16 - POSTEMPLOYMENT BENEFITS - MULTI-EMPLOYER PLANS (continued)

The following table summarizes the adopted asset allocation policy by plan at June 30, 2024:

Asset Class	Target Allocation		
	State OPEB	School OPEB	SEAD-OPEB
Fixed Income	30 %	30 %	25% - 45%
Equities	70 %	70 %	55% - 75%
Alternative Investments	— %	— %	0% - 5%
Total	100.0 %	100.0 %	100.0 %

C. Plans Descriptions and Funding Policies

State OPEB Fund and School OPEB Fund

Plan Description: The State OPEB Fund and School OPEB Fund are cost-sharing multiple-employer defined benefit postemployment healthcare plans and are reported as employee benefit trust funds. The Funds are administered by a Board of Community Health (Board) that is comprised of nine members, including two former State of Georgia employees and seven industry professionals. The OCGA § 45-18-25 and § 20-2-875, for the State and School OPEB funds respectively, assigns the authority to establish and amend the benefit provisions of the group health plans, including benefits for retirees to the Board.

Benefits Provided: The State OPEB Fund provides postemployment health benefits (including benefits to qualified beneficiaries of eligible former employees) due under the group health plan for employees of State organizations (including technical colleges) and other entities authorized by law to contract with DCH for inclusion in the plan. Retiree medical eligibility is attained when an employee retires, and is immediately eligible to draw a retirement annuity from one of the State's retirement plans. If elected, dependent coverage starts on the same day as retiree coverage. It also pays administrative expenses of the fund. By law, no other use of the assets of the State OPEB Fund is permitted. The plan designs offered for the 2024 plan year include various plan options. For Medicare-eligible members there are Medicare Advantage plan options (UnitedHealthcare and Blue Cross and Blue Shield of Georgia) Standard and Premium Plans. Alternatively, for non-Medicare eligible members the plan options include Health Reimbursement Arrangement Plan Options (Blue Cross and Blue Shield of Georgia Gold, Silver, Bronze), Health Maintenance Organization Plan Options (Blue Cross and Blue Shield of Georgia, Kaiser Permanente, and UnitedHealthcare), and a High Deductible Health Plan Option (UnitedHealthcare).

The School OPEB Fund provides postemployment health benefits (including benefits for qualified beneficiaries of eligible former employees) due under the group health plan for public school teachers, including librarians, other certified employees of public schools, regional educational service agencies, and non-certified public school employees. Retiree medical eligibility is attained when an employee retires, and is immediately eligible to draw a retirement annuity from one of the State's retirement plans. If elected, dependent coverage starts on the same day as retiree coverage. It also pays administrative expenses of the fund. By law, no other use of the assets of the School OPEB Fund is permitted. The plan designs offered for the 2024 plan year include various plan options, which are the same options offered for the State OPEB fund as described in the previous paragraph.



Notes to the Financial Statements For the Fiscal Year Ended June 30, 2024

NOTE 16 - POSTEMPLOYMENT BENEFITS - MULTI-EMPLOYER PLANS (continued)

Contributions: The State OPEB Fund and School OPEB Fund are currently funded on a pay-as-you-go basis. That is, annual costs of providing benefits will be financed in the same year as claims occur, with historically, no significant assets accumulating, as would occur in an advance funding strategy.

Additional contributions, totaling \$283.4 million, were voluntarily made in fiscal year 2024 for financing future costs associated with the State OPEB liability.

The contribution requirements of plan members and participating employers are established by the Board in accordance with the 2024 Appropriations Act and may be amended by the Board. Contributions of plan members or beneficiaries receiving benefits vary based on plan election, dependent coverage, and Medicare eligibility and election. As of January 1, 2012, for members with fewer than five years of service, contributions also vary based on years of service. As of January 1, 2012, on average, members with five years or more of service pay approximately 25% of the cost of health insurance coverage. In accordance with the Board resolution dated December 8, 2011, for members with fewer than five years of service as of January 1, 2012, the State provides a premium subsidy in retirement that ranges from 0% for fewer than 10 years of service to 75% (but no greater than the subsidy percentage offered to active employees) for 30 or more years of service. The subsidy for eligible dependents ranges from 0% to 55% (but no greater than the subsidy percentage offered to dependents of active employees minus 20%). No subsidy is available to Medicare eligible members not enrolled in a Medicare Advantage Option. The Board sets all member premiums by resolution and in accordance with the law and applicable revenue and expense projections. Any subsidy policy adopted by the Board may be changed at any time by Board resolution and does not constitute a contract or promise of any amount of subsidy.

The combined required employer contribution rates established by the Board for the active and retiree plans for the fiscal years ended June 30, 2024, were as follows:

Combined Active and State OPEB Fund Contribution Rates as a Percentage of Covered Payroll

State organizations, including technical colleges, and certain other eligible participating employers:

July 2023 - June 2024	29.454%	for August 2023 - July 2024 coverage
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Combined Active and School OPEB Fund Contribution Rates per Member per Month

Certificated teachers, librarians, regional educational service agencies, certain other eligible participating employers:

July 2023 to June 2024	\$1,580.00	for August 2023 - July 2024 coverage
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Library employees:

July to December 2023 and January - June 2024	\$843.00 and \$1,093.00	for August 2023 - January 2024 coverage and February - July 2024 coverage
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Non-certificated school personnel:

July to December 2023 and January - June 2024	\$945.00 and \$1,195.00	for August 2023 - January 2024 coverage and February - July 2024 coverage
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Notes to the Financial Statements For the Fiscal Year Ended June 30, 2024

NOTE 16 - POSTEMPLOYMENT BENEFITS - MULTI-EMPLOYER PLANS (continued)

SEAD-OPEB Plan

Plan Description: The SEAD-OPEB Plan is a cost-sharing multiple-employer defined benefit other postemployment plan created by the 2007 Georgia General Assembly to provide term life insurance to eligible members of the ERS, Georgia Judicial Retirement System (JRS), and Legislative Retirement System (LRS). The SEAD-OPEB Plan provides benefits for retired and vested inactive members. Effective July 1, 2009, no newly hired members of any State public retirement system are eligible for term life insurance under the SEAD-OPEB Plan. The SEAD-OPEB Plan is administered by the SEAD Board that is comprised of six members, the State Auditor, State Treasurer, Department of Administrative Services Commissioner, Labor Commissioner, and two members appointed by the Governor. Pursuant to Title 47 of the OCGA, benefit provisions of the plan was established and can be amended by State statute.

Benefits Provided: The SEAD-OPEB Plan provides postemployment insurance coverage on a monthly, renewable term basis, with no return premiums or cash value available to be earned. The amount of insurance for a retiree with creditable service prior to April 1, 1964, is the full amount of insurance in effect on the date of retirement. The amount of insurance for a service retiree with no creditable service prior to April 1, 1964, is 70% of the amount of insurance in effect at age 60 or at termination, if earlier. Life insurance proceeds are paid in lump sum to the beneficiary upon death of the retiree. The net position represents the excess accumulation of investment income and premiums over benefit payments and expenses and is held as a reserve for payment of death benefits under existing policies. Administrative costs for the plan are determined based on the plan's share of overhead costs to accumulate and invest funds, actuarial services, and to process benefit payments to beneficiaries. Administrative fees are financed from the assets of the plan.

Contributions: Contributions by plan members are established by the SEAD Board, up to the maximum allowed by statute (not to exceed 0.5% of earnable compensation). The SEAD Board establishes employer contribution rates, such rates which, when added to members' contributions, shall not exceed 1% of earnable compensation. There were no employer contributions required for fiscal year ended June 30, 2024. Contributions were based on actuarial valuations, and for fiscal year 2024 were as follows:

	SEAD-OPEB Plan
	<u>Percentage</u>
Member Rates:	
ERS Old Plan	0.45 %
Less: Offset Paid by Employer	<u>(0.22%)</u>
Net ERS Old Plan	0.23 %
ERS New Plan, JRS, and LRS	0.23 %
 Employer Rates/Amounts	 0.00 %



**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2024**

NOTE 16 - POSTEMPLOYMENT BENEFITS - MULTI-EMPLOYER PLANS (continued)

D. Plan Membership and Participating Employers

The following table summarizes the participating membership and participating employers at June 30, 2024:

**Participating Membership by Plan
June 30, 2024**

<u>Plan Membership</u>	<u>State OPEB Fund</u>	<u>School OPEB Fund</u>	<u>SEAD-OPEB Plan</u>
Inactive plan members or beneficiaries currently receiving benefits	37,050	92,515	44,007
Inactive plan members entitled to but not yet receiving benefits	—	—	1,063
Active plan members	45,714	178,518	14,246
Total	82,764	271,033	59,316
Open to New Members (Yes/No)	Yes	Yes	No
Number of Employers	182	256	385

These counts treat each legal entity in the State reporting entity as one employer.

E. Net OPEB Liability/(Asset)

For defined benefit OPEB plans that are administered through trusts that meet the specified criteria, GASB 74 requires the net OPEB liability to be measured as the total OPEB liability, less the amount of the OPEB plan's fiduciary net position. The total OPEB liability is actuarially determined. The following schedule is presented from the perspective of the State as the sponsor of the various Plans and summarizes the components of the Net OPEB Liability (NOL)/ Net OPEB Asset (NOA), as of June 30, 2024, by Plan (amounts in thousands):

<u>Components of the Net OPEB Liability/(Asset)</u>	<u>State OPEB Fund</u>	<u>School OPEB Fund</u>	<u>SEAD-OPEB Plan</u>
Total OPEB Liability	\$ 2,454,728	\$ 12,238,549	\$ 1,017,833
Plan Fiduciary Net Position	2,706,806	842,210	1,579,095
Net OPEB liability/(asset)	<u>\$ (252,078)</u>	<u>\$ 11,396,339</u>	<u>\$ (561,262)</u>
Plan fiduciary net position as a percentage of the total OPEB liability	110.27 %	6.88 %	155.14 %



Notes to the Financial Statements For the Fiscal Year Ended June 30, 2024

NOTE 16 - POSTEMPLOYMENT BENEFITS - MULTI-EMPLOYER PLANS (continued)

F. Actuarial Methods and Assumptions

For the State OPEB fund and School OPEB fund, the impacts of the Affordable Care Act (ACA) and the Inflation Reduction Act (IRA) was addressed in the valuations. Review of the information currently available did not identify any specific provisions of the legislation that are anticipated to directly impact results at this time other than plan design features and fees currently mandated by the ACA and incorporated in the plan designs, which are included in the current baseline claim costs, and the anticipation of potential changes to Medicare due to the IRA, which are included in our trend assumption. Continued monitoring of the impact on the Plan's liability due to this and other legislation, if applicable, will be required. Additionally, the impact of the COVID-19 pandemic was considered in this valuation; however, no changes were incorporated at this time due to the level of uncertainty regarding the impact on both plan costs and contribution levels going forward. Continued monitoring of the COVID-19 impact on the Plan's liability will also be required.

For the SEAD-OPEB Plan, the annual actuarial valuations providing the measures to assess funding progress will utilize the actuarial methods and assumptions last adopted by the SEAD Board based upon the advice and recommendations of the actuary. The SEAD Board will periodically have actuarial projections of the valuation results performed to assess the current and expected future progress towards the overall funding goals of the Plan.

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

Actuarial Valuation Date

The total OPEB liability at June 30, 2024, is based upon the June 30, 2023 actuarial valuation for State OPEB Fund, School OPEB Fund and the SEAD-OPEB Plan, using generally accepted actuarial procedures/techniques.

Actuarial Assumptions

The total OPEB liability, as of June 30, 2024, for each plan was determined by an actuarial valuation date indicated in the table below using the following actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date:

(Chart on next page)



Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2024

NOTE 16 - POSTEMPLOYMENT BENEFITS - MULTI-EMPLOYER PLANS (continued)

	Actuarial Assumptions		
	State OPEB Fund	School OPEB Fund	SEAD-OPEB Plan
Valuation date	6/30/2023	6/30/2023	6/30/2023
Inflation	2.50%	2.50%	2.50%
Salary increases	3.00% - 6.75%*	3.00% - 8.75%*	3.00% - 6.75%*
Long-term expected rate of return ¹	7.00%	7.00%	7.00%
Initial Healthcare Cost Trend			
Pre-Medicare Eligible	6.50%	6.50%	N/A
Medicare Eligible	5.00%	5.00%	N/A
Ultimate Trend Rate			
Pre-Medicare Eligible	4.50%	4.50%	N/A
Medicare Eligible	4.50%	4.50%	N/A
Year Ultimate Trend is Reached			
Pre-Medicare Eligible	2029	2029	N/A
Medicare Eligible	2023	2023	N/A
Mortality	<p>For Teachers Retirement System (TRS): The Pub-2010 Teachers Headcount Weighted Below Median Employee mortality table with ages set forward one year and adjusted 106% was 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. Postretirement 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.</p> <p>For Public School Employees Retirement System (PSERS): Pre-retirement mortality rates were based on the Pub-2010 Below-Median General Employee Mortality Table, with no adjustment, with the MP-2019 Projection scale applied generationally. Post-retirement mortality rates for service retirements were based on the Pub-2010 General Healthy Below-Median Annuitant Mortality Table (ages set forward two years and adjusted 101% for males and 103% for females) with the MP-2019 Projection scale applied generationally. Postretirement mortality rates for disability retirements were based on the Pub-2010 General Disabled Mortality Table (ages set back three years for males and adjusted 103% for males and 106% for females) with the MP-2019 Projection scale applied generationally. Postretirement mortality rates for disability retirements were based on the Pub-2010 General Disabled Mortality Table (ages set back three years for males, and adjusted 103% and 106% for males and females, respectively); beneficiaries - General Contingent Survivor Mortality Table (ages set forward two years and adjusted 106% for males and 105% for females) with the MP-2019 Projection scale applied generationally.</p>		<p>The Pub-2010 General Employee Table, with no adjustments, projected generationally with the MP-2019 scale is used for both males and females while in active service. Post-retirement mortality rates for were based on the Pub-2010 Family of Tables, with the MP-2019 projection scale and further adjustments, as follows: service retirees - General Healthy Annuitant 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 two years for both males and females and adjusted 106% and 105% respectively).</p>
Actuarial experience study	7/1/2014 - 6/30/2019	7/1/2013 - 6/30/2018	7/1/2014 - 6/30/2019

¹ Long-term expected rate of return is net of investment expense, including inflation

*Includes respective inflation assumption.



Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2024

NOTE 16 - POSTEMPLOYMENT BENEFITS - MULTI-EMPLOYER PLANS (continued)

The actuarial assumptions used in the valuations, for the State and School OPEB funds, are based on the results of the most recent actuarial experience studies which covered the five year period ending June 30, 2019, and June 30, 2018, respectively. Various assumptions and methods have been revised to reflect the results of the TRS experience study for the five-year period ending June 30, 2018. With the exception of the assumed annual rate of inflation which was changed from 2.75% to 2.50% effective with the June 30, 2018 valuation, for School OPEB funds. The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2023 valuation for the State and School OPEB funds were based on a review of recent plan experience done concurrently with the June 30, 2023 valuation.

The actuarial assumptions used in the valuation for the SEAD-OPEB Plan were based on the results of an actuarial experience study, which covered the five year period ending June 30, 2019. The assumed investment rate of return was lowered from 7.30% to 7.00%, and the assumed annual rate of inflation from 2.75% to 2.50% in the experience study.

Long-Term Expected Rate of Return

For all plans, the long-term expected rate of return on OPEB plan investments were determined using a log-normal distribution analysis, in which 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.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized by plan in the table below:

Asset Class	Target Allocation					
	State-OPEB Fund		School-OPEB Fund		SEAD-OPEB Plan	
	Target allocation	Long-term expected real rate of return*	Target allocation	Long-term expected real rate of return*	Target allocation	Long-term expected real rate of return*
Fixed Income	30.0 %	2.6%	30.0 %	2.6%	30.0 %	1.5%
Domestic large equities	70.0 %	9.1 %	70.0 %	9.1 %	46.4 %	9.1 %
Domestic small equities	—	—	—	—	1.1 %	13.0 %
International developed market equities	—	—	—	—	13.6 %	9.1 %
International emerging market equities	—	—	—	—	3.9 %	11.1 %
Alternatives	—	—	—	—	5.0 %	10.6 %
Total	100.0 %		100.0 %		100.0 %	

* Rates shown are net of the respective assumed rates of inflation.



**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2024**

NOTE 16 - POSTEMPLOYMENT BENEFITS - MULTI-EMPLOYER PLANS (continued)

Discount Rate

In order to measure the total OPEB liability, as of June 30, 2024, for the State OPEB fund, a single equivalent rate of 7.00% was used as the discount rate, the same as last year's rate. The projection of cash flows used to determine the discount rate assumed that contributions from members and from the employer will be made at the current level as averaged over the last five years, adjusted for annual projected changes in headcount. Based on those assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on investments was applied to all periods of projected benefit payments to determine the total OPEB liability. Projected future benefit payments for all current plan members were projected through 2123.

In order to measure the total OPEB liability for the School OPEB, a single equivalent interest rate of 3.98% was used as the discount rate, as compared with last year's rate of 3.68%. This is comprised mainly of the yield or index rate for 20 year tax-exempt general obligation bonds with an average rating of AA or higher (3.93% per the Municipal Bond Index Rate). The projection of cash flows used to determine the discount rate assumed that contributions from members and from the employer will be made at the current level as averaged over the last five years, adjusted for annual projected changes in headcount. Projected future benefit payments for all current plan members were projected through 2123.

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

Sensitivity of the Net OPEB Liability/(Asset) to Changes in the Discount Rate

The following schedule summarizes the NOL/(NOA) of the employers, as of June 30, 2024. The NOL/(NOA) is calculated using the determined discount rate as well as what the NOL/(NOA) 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 by the Plan (amounts in thousands):

Sensitivity of the Plan Participating Employer Contributing Entities Net OPEB Liability/(Asset) to Changes in the Discount Rate

	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
	(6.00%)	(7.00%)	(8.00%)
State's Net OPEB Liability	<u>\$ (16,713)</u>	<u>\$ (252,078)</u>	<u>\$ (454,620)</u>
	(2.98%)	(3.98%)	(4.98%)
School's Net OPEB Liability	<u>\$ 12,893,474</u>	<u>\$ 11,396,339</u>	<u>\$ 10,133,781</u>
	(6.00%)	(7.00%)	(8.00%)
SEAD-OPEB Plan's Net OPEB (Asset)	<u>\$ (429,845)</u>	<u>\$ (561,262)</u>	<u>\$ (669,239)</u>



Notes to the Financial Statements For the Fiscal Year Ended June 30, 2024

NOTE 16 - POSTEMPLOYMENT BENEFITS - MULTI-EMPLOYER PLANS (continued)

Sensitivity of the Net OPEB Liability/(Asset) to Changes in the Healthcare Cost Trends

The following schedule summarizes the NOL/(NOA) of the employers, as of June 30, 2024. The NOL/(NOA) is calculated using the determined healthcare cost trends as well as what the NOL/(NOA) would be if it were calculated using healthcare cost trends that are 1-percentage-point lower or 1-percentage-point higher than the current rate by the Plan (amounts in thousands):

Sensitivity of the Plan Participating Employer Contributing Entities Net OPEB Liability/(Asset) to Changes in Healthcare Cost Trends

	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
State's Net OPEB Liability	<u>\$ (487,096)</u>	<u>\$ (252,078)</u>	<u>\$ 24,154</u>
School's Net OPEB Liability	<u>\$ 9,847,087</u>	<u>\$ 11,396,339</u>	<u>\$ 13,300,190</u>
SEAD-OPEB Plan's Net (Asset)	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>



Notes to the Financial Statements For the Fiscal Year Ended June 30, 2024

NOTE 16 - POSTEMPLOYMENT BENEFITS - MULTI-EMPLOYER PLANS (continued)

The following information is from the perspective of the State as the employer.

G. State's Proportionate Share of OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The State reported a liability as the Employer for its proportionate share of the NOL associated with the plans listed below.

The following schedule is presented from the perspective of the State as the Employer details the proportionate share of the OPEB amounts for each plan as of June 30, 2024 is as follows (amounts in thousands):

Aggregate OPEB Amounts - All Plans

	<u>Primary Government</u>	<u>Component Units</u>
OPEB liabilities	\$ 259,789	\$ 63,776
OPEB assets	\$ 394,332	\$ 4,749
Deferred outflows of resources related to OPEBs	\$ 646,288	\$ 24,499
Deferred inflows of resources related to OPEBs	\$ 329,534	\$ 41,841
OPEB expense/expenditures	\$ (178,505)	\$ (1,542)

The information below includes all multi-employer plans and funds administered by the State of Georgia.

The NOL/NOA for each plan was measured as of June 30, 2023. The total OPEB liability/asset used to calculate the NOL/NOA for each plan was based on an actuarial valuation as of June 30, 2022 for State, School, and SEAD.

State OPEB Fund

State's Proportionate Share of Net OPEB Liability and OPEB Expense

Primary Government: At June 30, 2024, the State reported a liability of \$259.8 million for its proportionate share of net OPEB liability. The net OPEB liability was measured as of June 30, 2023. The total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation as of June 30, 2022, with standard roll-forward techniques performed to update the total OPEB liability to June 30, 2023. The State's proportion of the net OPEB liability was based on the State's proportion of the prior year contributions received by the OPEB plan relative to the contributions for all participants in the plan. At June 30, 2023, the State's proportion for the State plan as employer was 91.654857%, which was a decrease of 0.286834% from its proportion measured as of June 30, 2022. For the year ended June 30, 2024, the State recognized OPEB expense of \$(157.9) million.



Notes to the Financial Statements For the Fiscal Year Ended June 30, 2024

NOTE 16 - POSTEMPLOYMENT BENEFITS - MULTI-EMPLOYER PLANS (continued)

Component Units: At June 30, 2024, the State reported a liability of \$0.7 million, for its proportionate share of net OPEB liability. The net OPEB liability was measured as of June 30, 2023. The total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation as of June 30, 2022, with standard roll-forward techniques performed to update the total OPEB liability to June 30, 2023. The State's proportion of the net OPEB liability was based on the State's proportion of the prior year contributions received by the OPEB plan relative to the contributions for all participants in the plan. At June 30, 2023, the State's proportion for the State plan as Employer was 0.252442%, which was an increase of 0.075150% from its proportion measured as of June 30, 2022. For the year ended June 30, 2024, the State recognized OPEB expense of \$(0.4) million.

State's Proportionate Share of Deferred Outflows/Inflows of Resources

At June 30, 2024, the State reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources (amounts in thousands):

	Primary Government		Component Units	
	State as Employer		State as Employer	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 8,925	\$ 269,924	\$ 25	\$ 743
Changes of assumptions	127,849	1,182	352	3
Net difference between projected and actual earnings on OPEB plan investments	18,651	—	51	—
Changes in proportion and differences between State contributions and proportionate share of contributions	51,846	54,984	528	112
State contributions subsequent to the measurement date	411,655	—	1,174	—
Total	\$ 618,926	\$ 326,090	\$ 2,130	\$ 858

Primary Government: State contributions as employer subsequent to the measurement date of \$411.7 million are reported as deferred outflows of resources and will be recognized as a reduction of the NOL in the year ended June 30, 2025.



Notes to the Financial Statements For the Fiscal Year Ended June 30, 2024

NOTE 16 - POSTEMPLOYMENT BENEFITS - MULTI-EMPLOYER PLANS (continued)

Component Units: State contributions as employer subsequent to the measurement date of \$1.2 million are reported as deferred outflows of resources and will be recognized as a reduction of the NOL in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows (amounts in thousands):

Year ended June 30:	Primary Government	Component Units
	State as Employer	State as Employer
2025	\$ (121,590)	\$ (289)
2026	(21,857)	55
2027	44,456	263
2028	(19,828)	69
2029	—	—
Thereafter	—	—

School OPEB Fund

State's Proportionate Share of Net OPEB Liability and OPEB Expense

Component Units: At June 30, 2024, the State reported a liability of \$63.1 million, for its proportionate share of net OPEB liability. The net OPEB liability was measured as of June 30, 2023. The total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation as of June 30, 2022, with standard roll-forward techniques performed to update the total OPEB liability to June 30, 2023. The State's proportion of the net OPEB liability was based on the State's proportion of the prior year contributions received by the OPEB plan relative to the contributions for all participants in the plan. At June 30, 2023, the State's proportion for the School plan as Employer was 0.575708% which was a decrease of 0.060137% from its proportion measured as of June 30, 2022. For the year ended June 30, 2024, the State recognized OPEB expense of \$(0.9) million.



Notes to the Financial Statements For the Fiscal Year Ended June 30, 2024

NOTE 16 - POSTEMPLOYMENT BENEFITS - MULTI-EMPLOYER PLANS (continued)

State's Proportionate Share of Deferred Outflows/Inflows of Resources

At June 30, 2024, the State reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources (amounts in thousands):

	Component Units	
	State as Employer	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,838	\$ 18,111
Changes of assumptions	11,457	7,875
Net difference between projected and actual earnings on OPEB plan investments	38	—
Changes in proportion and differences between State contributions and proportionate share of contributions	6,639	14,979
State contributions subsequent to the measurement date	2,049	—
Total	\$ 22,021	\$ 40,965

Component Units: State contributions as employer subsequent to the measurement date of \$2.0 million are reported as deferred outflows of resources and will be recognized as a reduction of the NOL in the year ended June 30, 2025.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows (amounts in thousands):

Year ended June 30:	Component Units
	State as Employer
2025	(5,208)
2026	(4,634)
2027	(6,261)
2028	(3,789)
2029	(1,014)
Thereafter	(87)

State Employees' Assurance Department (SEAD-OPEB Plan)

State's Proportionate Share of Net OPEB Asset and OPEB Expense

Primary Government: At June 30, 2024, the State reported an asset of \$394.3 million, for its proportionate share of net OPEB asset. The net OPEB asset was measured as of June 30, 2023. The total OPEB asset used to calculate the net OPEB asset was based on an actuarial valuation as of June 30, 2022, with standard roll-forward techniques performed to update the total OPEB asset to June 30, 2023. The State's proportion of the net OPEB asset was based



Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2024

NOTE 16 - POSTEMPLOYMENT BENEFITS - MULTI-EMPLOYER PLANS (continued)

on the State's proportion of the prior year payroll of SEAD members. At June 30, 2023, the State's proportion for the SEAD plan as Employer was 89.416780%, which was a decrease of 0.046975% from its proportion measured as of June 30, 2022. For the year ended June 30, 2024, the State recognized OPEB expense of \$(20.6) million.

Component Units: At June 30, 2024, the State reported an asset of \$4.7 million, for its proportionate share of net OPEB asset. The net OPEB asset was measured as of June 30, 2023. The total OPEB asset used to calculate the net OPEB asset was based on an actuarial valuation as of June 30, 2022, with standard roll-forward techniques performed to update the total OPEB asset to June 30, 2023. The State's proportion of the net OPEB asset was based on the State's proportion of the prior year payroll of SEAD members. At June 30, 2023, the State's proportion for the SEAD plan as Employer was 1.083005%, which was a decrease of 0.024709% from its proportion measured as of June 30, 2022. For the year ended June 30, 2024, the State recognized OPEB expense of \$(0.3) million.

State's Proportionate Share of Deferred Outflows/Inflows of Resources

At June 30, 2024, the State reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources (amounts in thousands):

	Primary Government		Component Units	
	State as Employer		State as Employer	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,519	\$ —	\$ 30	\$ —
Changes of assumptions	—	—	—	—
Net difference between projected and actual earnings on OPEB plan investments	21,313	—	257	—
Changes in proportion and differences between State contributions and proportionate share of contributions	3,530	3,444	61	18
State contributions subsequent to the measurement date	—	—	—	—
Total	\$ 27,362	\$ 3,444	\$ 348	\$ 18

There were no State contributions as employer subsequent to the measurement date.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows (amounts in thousands):

Year ended June 30:	Primary Government	Component Units
	State as Employer	State as Employer
2025	\$ (502)	\$ 38
2026	(7,270)	(88)
2027	41,523	503
2028	(9,833)	(123)
2029	—	—
Thereafter	—	—



Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2024

NOTE 16 - POSTEMPLOYMENT BENEFITS - MULTI-EMPLOYER PLANS (continued)

H. Actuarial Methods and Assumptions (GASB 75)

The total OPEB liability for each plan was determined by an actuarial valuation date indicated in the table below using the following actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date:

Actuarial Assumptions

	State OPEB Fund	School OPEB Fund	SEAD-OPEB Plan
Valuation date	6/30/2022	6/30/2022	6/30/2022
Inflation	2.50%	2.50%	2.50%
Salary increases	3.00% - 6.75%*	3.00% - 8.75%*	3.00% - 6.75%*
Long-term expected rate of return ¹	7.00%	7.00%	7.00%
Initial Healthcare Cost Trend	7.00%	7.00%	N/A
Ultimate Trend Rate	4.00%	4.50%	N/A
Year Ultimate Trend is Reached	2032	2032	N/A
Mortality	Pre-retirement mortality rates were based on the Pub-2010 General Employee Mortality Table, with no adjustment, with the MP-2019 Projection scale applied generationally. Post-retirement mortality rates for service retirements were based on the Pub-2010 General Healthy Annuitant Mortality Table (ages set forward one year and adjusted 105% for males and 108% for females) with the MP-2019 Projection scale applied generationally. Post-retirement mortality rates for disability retirements were based on the Pub-2010 General Disabled Mortality Table (ages set back three years for males and adjusted 103% for males and 106% for females) with the MP-2019 Projection scale applied generationally. Post-retirement mortality rates for beneficiaries were based on the Pub-2010 General Contingent Survivor Mortality Table (ages set forward two years and adjusted 106% for males and 105% for females) with the MP-2019 Projection scale applied generationally.	For TRS: 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. Postretirement 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% was 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. Public School Employees Retirement System (PSERS): Pre-retirement mortality rates were based on the Pub-2010 Below-Median General Employee Mortality Table, with no adjustment, with the MP-2019 Projection scale applied generationally. Post-retirement mortality rates for service retirements were based on the Pub-2010 General Healthy Below-Median Annuitant Mortality Table (ages set forward two years and adjusted 101% for males and 103% for females) with the MP-2019 Projection scale applied generationally. Postretirement mortality rates for disability retirements were based on the Pub-2010 General Disabled Mortality Table (ages set back three years for males and adjusted 103% for males and 106% for females) with the MP-2019 Projection scale applied generationally. Post-retirement mortality rates for beneficiaries were based on the Pub-2010 General Below-Median Contingent Survivor Mortality Table (ages set forward two years and adjusted 104% for males and 99% for females) with the MP-2019 Projection scale applied generationally.	The Pub-2010 General Employee Table, with no adjustments, projected generationally with the MP-2019 scale is used for both males and females while in active service. Post-retirement mortality rates for were based on the Pub-2010 Family of Tables, with the MP-2019 projection scale and further adjustments, as follows: service retirees - General Healthy Annuitant 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 two years for both males and females and adjusted 106% and 105% respectively).
Actuarial Experience Study	7/1/2014 - 6/30/2019	7/1/2013 - 6/30/2018	7/1/2014 - 6/30/2019

¹ Long-term expected rate of return is net of investment expense, including inflation

*Includes respective inflation assumption.



Notes to the Financial Statements For the Fiscal Year Ended June 30, 2024

NOTE 16 - POSTEMPLOYMENT BENEFITS - MULTI-EMPLOYER PLANS (continued)

The actuarial assumptions used in the valuations, for the State and School OPEB funds, are based on the results of the most recent actuarial experience studies, which covered the last five year period ending June 30, 2019, and June 30, 2018, respectively. Various assumptions and methods have been revised to reflect the results of the TRS experience study for the five-year period ending June 30, 2018. With the exception of the assumed annual rate of inflation which was changed from 2.75% to 2.50% effective with the June 30, 2018 valuation for School OPEB funds. The remaining actuarial assumptions (e.g. initial per capita costs, health care cost trends, rates of plan participation, rates of plan election, etc.) used in the June 30, 2022 valuation for the State and School OPEB funds were based on a review of the recent plan experience done concurrently with the June 30, 2022 valuation.

The actuarial assumptions used in the valuation for the SEAD-OPEB Plan were based on the results of an actuarial experience study, which covered the five year period ending June 30, 2019. Based on the funding policy adopted by the Board, the assumed investment rate of return was lowered from 7.30% to 7.00%. Also, the assumed annual rate of inflation was lowered from 2.75% to 2.50%.

Long-Term Expected Rate of Return

For all plans, the long-term expected rate of return on OPEB plan investments were determined using a log-normal distribution analysis, in which 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.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the table below:

Asset Class	Target Allocation					
	State-OPEB Fund		School-OPEB Fund		SEAD-OPEB Plan	
	Target allocation	Long-term expected real rate of return*	Target allocation	Long-term expected real rate of return*	Target allocation	Long-term expected real rate of return*
Fixed Income	30.0 %	1.5%	30.0 %	1.5%	30.0 %	0.9%
Domestic large equities	70.0 %	9.4 %	70.0 %	9.4 %	46.3 %	9.4 %
Domestic small equities	—	—	—	—	1.2 %	13.4 %
International developed market equities	—	—	—	—	12.3 %	9.4 %
International emerging market equities	—	—	—	—	5.2 %	11.4 %
Alternatives	—	—	—	—	5.0 %	10.5 %
Total	100.0 %		100.0 %		100.0 %	

* Rates shown are net of the respective assumed rates of inflation.



**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2024**

NOTE 16 - POSTEMPLOYMENT BENEFITS - MULTI-EMPLOYER PLANS (continued)

Discount Rate

In order to measure the total OPEB liability for the State OPEB, a single equivalent rate of 7.00% was used as the discount rate, the same as last year's rate. Based on those assumptions, the fiduciary net position was projected to be available to make all projected future benefit payment of current plan members. Therefore, the long-term expected rate of return on investments was applied to all periods of projected benefit payments to determine the total OPEB liability. Projected future benefit payments for all current plan members were projected through 2122.

In order to measure the total OPEB liability for the School OPEB, a single equivalent interest of 3.68% was used as the discount rate, as compared with the prior measurement period date rate of 3.57%. This is comprised mainly of the yield or index rate for 20 year tax-exempt general obligation municipal bonds with an average rating of AA or higher (3.65% per the Municipal Bond Index Rate). The projection of cash flows used to determine the discount rate assumed that contributions from members and from the employer will be made at the current level as averaged over the last five years, adjusted for annual projected changes in head count. Projected future benefit payments for all current plan members were projected through 2128.

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

Sensitivity of the State's proportionate share of the NOL/(NOA) to changes in the discount rate

The following schedule is presented from the perspective of the State as the employer details the State's proportionate share of the NOL/(NOA) calculated using the discount rate detailed below, as well as what the State's proportionate share of the NOL/(NOA) 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 (amounts in thousands):

Sensitivity of the Net OPEB Liability/(Asset) to Changes in the Discount Rate

	Primary Government			Component Units		
	1% Decrease	Current Rate	1% Increase	1% Decrease	Current Rate	1% Increase
	(6.00%)	(7.00%)	(8.00%)	(6.00%)	(7.00%)	(8.00%)
State's Net OPEB Liability	\$ 465,577	\$ 259,789	\$ 82,482	\$ 1,282	\$ 716	\$ 227
	(2.68%)	(3.68%)	(4.68%)	(2.68%)	(3.68%)	(4.68%)
School's Net OPEB Liability	\$ —	\$ —	\$ —	\$ 71,481	\$ 63,060	\$ 55,967
	(6.00%)	(7.00%)	(8.00%)	(6.00%)	(7.00%)	(8.00%)
SEAD Plan's Net OPEB (Asset)	\$ (277,995)	\$ (394,332)	\$ (489,808)	\$ (3,367)	\$ (4,749)	\$ (5,932)



Notes to the Financial Statements For the Fiscal Year Ended June 30, 2024

NOTE 16 - POSTEMPLOYMENT BENEFITS - MULTI-EMPLOYER PLANS (continued)

Sensitivity of the State's proportionate share of the NOL/(NOA) to changes in the Healthcare Cost Trends

The following schedule is presented from the perspective of the State as the employer details the State's proportionate share of the NOL/(NOA) calculated using the discount rate detailed below, as well as what the State's proportionate share of the NOL/(NOA) 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 (amounts in thousands):

Sensitivity of the Net OPEB Liability/(Asset) to Changes in the Healthcare Cost Trends

	Primary Government			Component Units		
	1% Decrease	Current Rate	1% Increase	1% Decrease	Current Rate	1% Increase
State's Net OPEB Liability	\$ 54,245	\$ 259,789	\$ 501,141	\$ 149	\$ 716	\$ 1,380
School's Net OPEB Liability	\$ —	\$ —	\$ —	\$ 54,318	\$ 63,060	\$ 73,837
SEAD Plan's Net OPEB (Asset)	N/A	N/A	N/A	N/A	N/A	N/A



Notes to the Financial Statements For the Fiscal Year Ended June 30, 2024

NOTE 17 - POSTEMPLOYMENT BENEFITS - SINGLE-EMPLOYER PLANS

The State administers various single-employer other postemployment benefit (OPEB) plans. The State is the plan sponsor (Plan) of these plans and in many cases the participating employer (Employer). The notes to the financial statements and required supplementary information that follow are presented from the perspective of the State as Plan sponsor and the State as Employer.

The State's significant single-employer OPEB plan is:

- Board of Regents Retiree Health Benefit Fund (Regents Plan), which is administered by the Board of Regents of the University System of Georgia (Board of Regents) (www.usg.edu/regents)

Each of these plans issue separate publicly available financial reports that include the applicable financial statements and required supplementary information.

There are other single-employer OPEB plans deemed to be not significant, in which the related OPEB activities are presented in the Component Unit financial statements of this report. However, these other plans are not included in the notes to the financial statements and required supplementary information, as follows:

- Georgia Ports Authority Retiree Medical and Dental Plan (www.gaports.com)
- Georgia World Congress Center Authority Post-Employment Health Benefit Plan (www.gwcca.org)
- Georgia Public Telecommunications Commission Post-Employment Health Benefits Plan (www.gpb.org)

A. Basis of Accounting

The financial statements of this plan are prepared using the economic resources measurement focus and accrual basis of accounting. Contributions from the employer are recognized in the period in which they are due. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. The OPEB plan's fiduciary net position has been determined on the same basis as reported by the plan.

B. Investments

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price.

For the fiscal year ended June 30, 2024, the annual money-weighted rate of return on OPEB plan investments, net of OPEB plan investment expense, for the Regents Plan was 7.72%.

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. The Regents Plan has an investment policy regarding the allocation of invested assets. The assets are invested in the Board of Regents' Balanced Income pooled investment fund, which is not subject to state regulations concerning investments. Plan assets are managed on a total return basis with a short-term objective of achieving the highest quality per stable and a long-term objective of a more conservative investment strategy.



**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2024**

NOTE 17 - POSTEMPLOYMENT BENEFITS - SINGLE-EMPLOYER PLANS (continued)

The following table summarizes the adopted asset allocation policy by plan at June 30, 2024:

<u>Asset Class</u>	<u>Target Allocation</u>
Fixed Income	70.0 %
Equities	30.0 %
Total	100.0 %

C. Plan Description and Funding Policy

Regents Plan

Plan Description: The Regents Plan is a single-employer, defined benefit, postemployment healthcare plan administered by the University System Office, an organizational unit of the University System of Georgia (USG). The Regents Plan was authorized pursuant to OCGA § 47-21-21 for the purpose of accumulating funds necessary to meet employer costs of retiree postemployment health insurance benefits. The Plan is administered by the Board of Regents that is comprised of 19 members, all appointed by the Governor (five from state-at-large and one from each of the State's 14 congressional districts). Benefit provisions of the plans were established and can be amended by the Board of Regents.

Benefits Provided: Pursuant to the general powers conferred by 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, Consumer Choice HSA plan (Blue Cross and Blue Shield of Georgia), and the Comprehensive Care plan (Blue Cross and Blue Shield of Georgia). The USG also 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.

Contributions: The contribution requirements of plan members and the employer are established and may be amended by the Board of Regents. The Regents 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 of Regents designation. Organizational units of the USG pay 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 of Regents 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 year of service, which ranges from 0% to 100%. 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 ended June 30, 2024, the USG contributed approximately \$93.5 million to the plan for current premiums or claims.



Notes to the Financial Statements For the Fiscal Year Ended June 30, 2024

NOTE 17 - POSTEMPLOYMENT BENEFITS - SINGLE-EMPLOYER PLANS (continued)

D. Plan Membership and Participating Employers

The following table summarizes the participating membership and participating employers, for the Regents Plan at June 30, 2024:

Plan Membership	June 30, 2024	June 30, 2023
Inactive plan members or beneficiaries currently receiving benefits	21,974	22,083
Inactive plan members entitled to but not yet receiving benefits	—	—
Active plan members	47,934	46,902
Total	69,908	68,985
Open to New Members (Yes/No)	Yes	Yes
Number of Employers	1	1

This count treats each legal entity in the State reporting entity as one employer.

E. Net OPEB Liability of Participating Employers

Net OPEB Liability

For defined benefit OPEB plans that are administered through trusts that meet the specified criteria, GASB 74 requires the net OPEB liability to be measured as the total OPEB liability, less the amount of the OPEB plan's fiduciary net position. The total OPEB liability is actuarially determined. The following schedule is presented from the perspective of the State as the sponsor of the Regents Plan and summarizes the components of the Net OPEB Liability (NOL) of the employer, as of June 30, 2024 (amounts in thousands):

Components of the Net OPEB Liability	
Total OPEB Liability	\$ 3,128,725
Plan Fiduciary Net Position	225,053
Net OPEB liability	\$ 2,903,672

Plan fiduciary net position as a percentage of the total OPEB liability 7.19 %



**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2024**

NOTE 17 - POSTEMPLOYMENT BENEFITS - SINGLE-EMPLOYER PLANS (continued)

F. Actuarial Methods and Assumptions

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

Actuarial Valuation Date

The total OPEB liability at June 30, 2024, is based upon May 1, 2024 actuarial valuation for the Regents Plan, using generally accepted actuarial procedures/techniques. Update procedures were used to roll forward the total OPEB liability to June 30, 2024.

Actuarial Assumptions

The total OPEB liability for the Regents Plan was determined by an actuarial valuation date indicated in the table below using the following actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date:

Valuation date	May 1, 2024
Inflation	2.30%
Salary increases	3.75%
Long-term expected rate of return ¹	6.02%
Initial Healthcare Cost Trend	
Pre-Medicare Eligible	8.70%
Medicare Eligible	2.00%
Ultimate Trend Rate	
Pre-Medicare Eligible	4.50%
Medicare Eligible	2.00%
Year Ultimate Trend is Reached	
Pre-Medicare Eligible	2035
Medicare Eligible	2024
Mortality	Pub-2010 for Teachers headcount weighted projected with scale MP-2021.
Actuarial experience study	
Economic and demographic assumptions	5/1/2018-5/1/2023
Disability and Salary Increases assumptions	7/1/2013 - 6/30/2018

¹ Long-term expected rate of return is net of investment expense, including inflation



Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2024

NOTE 17 - POSTEMPLOYMENT BENEFITS - SINGLE-EMPLOYER PLANS (continued)

The economic and demographic assumptions are based on the results of the most recent actuarial experience study over the Plan, which covered a five-year period ending May 1, 2023, with the exception of the disability and salary increase assumption. These actuarial 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.

Long-Term Expected Rate of Return

For the Regents Plan, the long-term expected rate of return on OPEB plan investments were determined using a building-block method in which 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.

The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table below:

<u>Asset Class</u>	<u>Target allocation</u>	<u>Long-term expected real rate of return*</u>
Fixed Income	70.0 %	2.42 %
Equity Allocation	30.0 %	4.41 %
Total	<u>100.0 %</u>	3.64 %

* Rates shown are net of the 2.30% assumed rate inflation.

Discount Rate

In order to measure the total OPEB liability for the Regents Plan, as of June 30, 2024, a single equivalent yield or index rate of 3.96% was used as the discount rate, as compared with last year's single equivalent yield or index rate of 3.69%. This is comprised mainly of the yield or index rate for 20-year tax-exempt general obligation municipal bonds with an average rating of AA or higher (3.93% per the Bond Buyers Index). Assumed contributions are based on the contribution policy, and projected total contributions are the pay as you go costs of the plan. The current contribution policy is not designed to pre-fund the plan, and the unfunded liability is not expected to be paid off at any point in the future. Projected future benefit payments for all current plan members were projected through 2122.



Notes to the Financial Statements For the Fiscal Year Ended June 30, 2024

NOTE 17 - POSTEMPLOYMENT BENEFITS - SINGLE-EMPLOYER PLANS (continued)

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

The following schedule summarizes the NOL, as of June 30, 2024, of the employer. The NOL is calculated using the determined discount rate as well as what the NOL 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 by the Regents Plan (amounts in thousands):

Sensitivity of the Plan Participating Employer Contributing Entities Net OPEB Liability to Changes in the Discount Rate			
	1% Decrease	Current Rate	1% Increase
Regents OPEB Liability	2.96%	3.96%	4.96%
	\$ 3,359,849	\$ 2,903,672	\$ 2,530,318

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trends

The following schedule summarizes the NOL of the employer, as of June 30, 2024. The NOL is calculated using the determined healthcare cost trends as well as what the NOL would be if it were calculated using healthcare cost trends that are 1-percentage-point lower or 1-percentage-point higher than the current rate by the Regents Plan (amounts in thousands):

Sensitivity of the Plan Participating Employer Contributing Entities Net OPEB Liability to Changes in Healthcare Cost Trends			
	1% Decrease	Current Rate	1% Increase
Regents OPEB Liability	\$ 2,553,816	\$ 2,903,672	\$ 3,337,184



Notes to the Financial Statements For the Fiscal Year Ended June 30, 2024

NOTE 17 - POSTEMPLOYMENT BENEFITS - SINGLE-EMPLOYER PLANS (continued)

The following information is from the perspective of the State as the employer.

G. State's Proportionate Share of OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The State reported a liability as the Employer for its proportionate share of the NOL associated with the plans listed below.

The following schedule is presented from the perspective of the State as the Employer details the proportionate share of the OPEB amounts for each plan as of June 30, 2024 is as follows (amounts in thousands):

Aggregate OPEB Amounts - All Plans

	Primary Government	Component Units
OPEB liabilities	\$ 3,177,347	\$ 30,666
Deferred outflows of resources related to OPEBs	\$ 510,395	\$ 10,518
Deferred inflows of resources related to OPEBs	\$ 1,754,179	\$ 22,560
OPEB expense/expenditures	\$ (265,389)	\$ (1,823)

The information below includes all significant plans and funds administered by the State of Georgia.

The NOL for the Regents Plan was measured as of June 30, 2023. The total OPEB liability used to calculate the NOL was based on an actuarial valuation as of May 1, 2023.

Regents Plan

State's Proportionate Share of Net OPEB Liability and OPEB Expense

Primary Government: At June 30, 2024, the State reported a net OPEB liability of \$3.2 billion, for the Regents Plan. 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, with standard roll-forward techniques performed to update the total OPEB liability to June 30, 2023. The net OPEB liability was based on contributions during the fiscal year ended June 30, 2023. For the year ended June 30, 2024, the State recognized OPEB expense of \$(265.4) million.



Notes to the Financial Statements For the Fiscal Year Ended June 30, 2024

NOTE 17 - POSTEMPLOYMENT BENEFITS - SINGLE-EMPLOYER PLANS (continued)

State's Proportionate Share of Deferred Outflows/Inflows of Resources

At June 30, 2024, the State reported deferred outflows of resources and deferred inflows of resources related to the Regents Plan from the following sources (amounts in thousands):

	Primary Government	
	State as Employer	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 136,420	\$ 24,272
Changes of assumptions	266,067	1,729,907
Net difference between projected and actual earnings on OPEB plan investments	14,407	—
State contributions subsequent to the measurement date	93,501	—
Total	\$ 510,395	\$ 1,754,179

Primary Government: State contributions as Employer subsequent to the measurement date of \$93.5 million are reported as deferred outflows of resources and will be recognized as a reduction of the NOL in the year ended June 30, 2025.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows (amounts in thousands):

Year ended June 30:	Primary Government	
	State as Employer	
2025	\$	(415,303)
2026		(409,728)
2027		(323,883)
2028		(165,608)
2029		(22,763)
Thereafter		—



Notes to the Financial Statements For the Fiscal Year Ended June 30, 2024

NOTE 17 - POSTEMPLOYMENT BENEFITS - SINGLE-EMPLOYER PLANS (continued)

Changes in the Net OPEB Liability

For single-employer, defined benefit OPEB plans that are administered through trusts that meet the specified criteria, GASB 75 requires a schedule of the changes in the net OPEB liability, for the current reporting period. The following schedule is presented from the perspective of the State as the Employer of the Regents Plan and summarizes the changes the Net OPEB Liability (NOL) of the employer (amounts in thousands):

Total OPEB liability:	
Service cost	\$ 93,224
Interest	149,263
Benefit changes	(83,073)
Differences between expected and actual experience	27,213
Changes of assumptions	(862,908)
Benefit payments/refunds	(100,862)
Net change in total OPEB liability	(777,143)
Total OPEB liability-beginning	4,173,225
Total OPEB liability-ending (a)	3,396,082
Plan fiduciary net position:	
Contributions-employer	101,485
Net investment income	7,604
Benefit payments/refunds	(100,862)
Administrative expense	(1,396)
Net change in plan fiduciary net position	6,831
Plan fiduciary net position-beginning	211,904
Plan fiduciary net position-ending (b)	218,735
Net OPEB liability-ending (a)-(b)	\$ 3,177,347

H. Actuarial Methods and Assumptions (GASB 75)

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

Actuarial Valuation Date

The total OPEB liability at June 30, 2023, is based upon the actuarial valuation for May 1, 2023 for the Regents Plan, using generally accepted actuarial procedures/techniques. Update procedures were used to roll forward the total OPEB liability to June 30, 2023.



Notes to the Financial Statements For the Fiscal Year Ended June 30, 2024

NOTE 17 - POSTEMPLOYMENT BENEFITS - SINGLE-EMPLOYER PLANS (continued)

Actuarial Assumptions

The total OPEB liability for the Regents Plan was determined by an actuarial valuation date indicated in the table below using the following actuarial assumptions:

Valuation date	5/1/2023
Inflation	2.30%
Salary increases	3.75%
Long-term expected rate of return ¹	5.40%
Initial Healthcare Cost Trend	
Pre-Medicare Eligible	7.70%
Medicare Eligible	2.00%
Ultimate Trend Rate	
Pre-Medicare Eligible	4.50%
Medicare Eligible	2.00%
Year Ultimate Trend is Reached	
Pre-Medicare Eligible	2034
Medicare Eligible	2023
Mortality	Healthy: Pub-2010 for Teacher headcount weighted project with scale MP-2021
Actuarial experience study	
Economic and demographic assumptions	7/1/2016 - 6/30/2019
All other assumptions	7/1/2013 - 6/30/2018

¹ Long-term expected rate of return is net of investment expense, including inflation

The 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. All other assumptions are based on the results of the most recent actuarial experience study of the Teacher's Retirement System of Georgia, which covered the five year period ending June 30, 2018.

Long-Term Expected Rate of Return

For the Regents Plan, the long-term expected rate of return on OPEB plan investments was determined using a building-block method, in which 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.



Notes to the Financial Statements For the Fiscal Year Ended June 30, 2024

NOTE 17 - POSTEMPLOYMENT BENEFITS - SINGLE-EMPLOYER PLANS (continued)

The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table below:

Asset Class	Target allocation	Long-term expected real expected rate of return*
Fixed Income	70%	1.63 %
Equity Allocation	30%	4.52 %
Total	100.0 %	3.03 %

* Rates shown are net of the 2.30% assumed rate of inflation.

Discount Rate

In order to measure the total OPEB liability for the Regents Plan, as of June 30, 2023, a single equivalent yield or index rate of 3.69% was used as the discount rate, as compared with last year's yield or index rate of 3.54%. This is comprised mainly of the yield or index rate for 20-year tax-exempt general obligation municipal bonds with an average rating of AA or higher (3.65% per the Bond Buyers Index). Assumed contributions are based on the contribution policy, and projected total contributions are the pay as you go costs of the plan. The current contribution policy is not designed to pre-fund the plan, and the unfunded liability is not expected to be paid off at any point in the future. Projected future benefit payments for all current plan members were projected through 2120.

Sensitivity of the State's proportionate share of the NOL to changes in the Discount Rate

The following schedule is presented from the perspective of the State as the Employer and details the State's proportionate share of the NOL, as of June 30, 2023. The NOL was calculated using the discount rate detailed below, as well as what the State's proportionate share of the NOL 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 (amounts in thousands):

Sensitivity of the Employer Net OPEB Liability to Changes in the Discount Rate			
	1% Decrease	Current Rate	1% Increase
	(2.69%)	(3.69%)	(4.69%)
Regents Net OPEB Liability	\$ 3,691,038	\$ 3,177,347	\$ 2,759,951

Sensitivity of the State's proportionate share of the NOL to changes in Healthcare Cost Trends

The following schedule is presented from the perspective of the State as the Employer and details the State's proportionate share of the NOL, as of June 30, 2023. The NOL was calculated using the healthcare cost trends detailed below, as well as what the State's proportionate share of the NOL 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 rate (amounts in thousands):

Sensitivity of the Employer Net OPEB Liability to Changes in the Health Care Cost Trends			
	1% Decrease	Current Rate	1% Increase
Regents Net OPEB Liability	\$ 2,787,337	\$ 3,177,347	\$ 3,661,817



Notes to the Financial Statements For the Fiscal Year Ended June 30, 2024

NOTE 18 - RISK MANAGEMENT

A. Public Entity Risk Pool

The Department of Community Health (DCH) administers the State Health Benefit Plan (SHBP) for the State. Under OCGA § 45-18-2, the DCH Board has the authority to establish a health insurance plan; provide rules and regulations; and general provisions of the plan. The plan is comprised of three health insurance plans: (1) a plan primarily for State employees OCGA § 45-18-2, (2) a plan for teachers OCGA § 20-2-881, and (3) a plan for non-certificated public school employees OCGA § 20-2-911. The SHBP acts as the plan administrator for approximately 450 organizations (state, county and local educational agencies) and provides health coverage to more than 0.6 million employees, teachers, retirees and their dependents. All employees become members of the plan unless coverage is rejected or waived. An employee may withdraw from the plan if they become eligible for coverage under the aged program of the Social Security Administration OCGA § 45-18-17. SHBP accepts all of the risk of insuring its employees.

SHBP is accounted for on the accrual basis. Claim liabilities are based on estimates for claims that have been incurred, but not reported. Liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Estimates of liabilities for incurred, (both reported and unreported) but unpaid are actuarially determined based on estimates of the ultimate cost of settling claims, using past experience adjusted for current trends and any other factors that would modify past experience. Because actual claim liabilities depend on such factors as inflation, changes in legal doctrines and damage awards, the process used in computing claim liabilities may not result in an exact amount. Claim liabilities are evaluated periodically to take into consideration recently settled claims, the frequency of claims and other economic and social factors.

SHBP's general objectives as required under Georgia Compensation Rules & Regulations OCGA § 111-4-1 are to collect enrollment information from covered employer groups, collect health premiums and employer contributions, and provide management and planning of health benefits.

DCH utilizes third party administrators to process Medicaid, PeachCare, and State employee health benefit claims. Agreements between individual administrators and DCH are for the processing of specific claim types. If an administrator was unable to continue processing claims for DCH under such an agreement, the DCH's ability to adjudicate such claims in the short-term could be threatened.

The following table provides information about the changes in the reported claims liabilities for the past two years (amounts in thousands):

(Table on next page)



**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2024**

NOTE 18 - RISK MANAGEMENT (continued)

	Public Entity Risk Pool	
	Fiscal Year Ended 6/30/2024	Fiscal Year Ended 6/30/2023
Unpaid Claims and Claim Adjustments July 1	\$ 358,847	\$ 367,522
Incurring claims and claim adjustment expenses:		
Provision for insured events of the current fiscal year	4,088,451	3,537,498
Decrease in provision for insured events of the prior fiscal year	(306,701)	(376,077)
Total incurred claims and claim adjustment expenses	3,781,750	3,161,421
Payments:		
Claims and claim adjustment attributable to insured events of the current year	(3,652,129)	(3,189,420)
Claims and claim adjustment attributable to insured events of the prior year	(39,203)	19,324
Total Payments	(3,691,332)	(3,170,096)
Total Unpaid Claims and Claim Adjustments June 30	\$ 449,265	\$ 358,847

B. Board of Regents Employee Health Benefits Plan

The University System of Georgia (USG) maintains a program of health benefits for its employees and retirees. This plan is funded jointly through premiums paid by participants covered under the plan and employer contributions paid by the Board of Regents (BOR) and its organizational units. A self-insured program of professional liability for its employees was established by the BOR of the USG under powers authorized by the OCGA § 45-9-1. All units of the USG share the risk of loss for claims of the plan.

The following table represents changes in the balances of claims liabilities for the past two years (amounts in thousands):

	Board of Regents Employee Health Benefits Plan	
	Fiscal Year Ended 6/30/2024	Fiscal Year Ended 6/30/2023
Unpaid Claims and Claim Adjustments July 1	\$ 49,093	\$ 42,820
Current Year Claims and Changes in Estimates	494,703	472,466
Claims Payments	(491,031)	(466,193)
Unpaid Claims and Claim Adjustments June 30	\$ 52,765	\$ 49,093



Notes to the Financial Statements For the Fiscal Year Ended June 30, 2024

NOTE 18 - RISK MANAGEMENT (continued)

C. Other Risk Management

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

The BOR 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.

Charges by the workers' compensation risk management fund and the liability insurance risk management fund to other funds have failed to recover the full cost of claims over a reasonable period of time. Therefore, the unadjusted deficit at June 30, 2024, of \$669.8 million both for workers' compensation and liability was charged back to the contributing funds. Expenditures of \$391.8 million are reported in the General Fund, and expenses of \$187.6 million are reported in the Higher Education Fund (enterprise fund) relating to this charge-back.

The following table represents changes in the balances of claims liabilities for the past two years (amounts in thousands):

	Risk Management Fund	
	Fiscal Year Ended	Fiscal Year Ended
	6/30/2024	6/30/2023
Unpaid Claims and Claim Adjustments July 1 (restated)	\$ 984,240	\$ 1,072,307
Current Year Claims and Changes in Estimates	135,948	166,164
Claims Payments	(199,303)	(254,231)
Unpaid Claims and Claim Adjustments June 30	\$ 920,885	\$ 984,240



Notes to the Financial Statements For the Fiscal Year Ended June 30, 2024

NOTE 19 - TAX ABATEMENT

As of June 30, 2024, the State had four tax abatement programs, the Mega Project Tax Credit, the Tourism Development Act, and Projects that were designated as a Competitive Project of Regional Significance. However, given the limited number of recipients under each of these programs, the State is legally prohibited from disclosing detailed information relating to the tax abatement programs and amounts abated. The fourth tax abatement program is the Georgia Entertainment Industry Investment Act and additional information is provided below.

Mega Project Tax Credit

The Mega Project Tax Credit provides tax abatements to encourage job creation under Official Code of Georgia OCGA § 48-7-40.24. This abatement is obtained through application by the business enterprise and certification by a panel composed of the commissioner of Community Affairs, the commissioner of Economic Development, and the director of the Office of Planning and Budget. In order to receive the tax abatements projects must create a certain level of new full-time employee jobs with average wages above a percentage of average wage projects within the county, and meet other requirements. The tax abatement equals \$5,250 per new eligible full-time employee job for five years beginning with the year in which such job is created through year five after such creation; provided, however, that where the amount of such credit exceeds a business enterprise's liability for such taxes in a taxable year, the excess may be taken as a credit against such business enterprise's quarterly or monthly tax payment. Additionally, there are various recapture provisions such as forfeiting the right to the claim or a percentage of the credit, with allowances for relief from recapture based on certain major events.

Tourism Development Act

The Tourism Development Act provides tax abatements to encourage the creation of tourism attractions or expansion of existing tourism attractions under OCGA § 48-8-270. This abatement is obtained through the discretion of the commissioner of Economic Development and the commissioner of Community Affairs, in consideration of the execution of the agreement and subject to the approved company's compliance with the terms of the agreement. The term of the agreement granting the tax abatement (sales and use tax refund for new projects or an incremental sales and use tax refund for expansions of existing tourism attractions) is ten years, commencing on the date the tourism attraction opens for business and begins to collect sales and use taxes or for an expansion, the date construction is complete. Additionally, there are various recapture provisions if an approved company fails to abide by the terms of the agreement, such as voiding of the agreement and all sales and use tax proceeds that were refunded shall become immediately due and payable back to the State.

Competitive Project of Regional Significance

The Competitive Project of Regional Significance designation provides tax abatements to a business enterprise whose location or expansion of some or all of the operations in this state would have a significant regional impact under OCGA § 48-8-3(93)(D). This abatement is obtained in accordance with the regulations promulgated by the commissioner of Economic Development. The tax abatement indicates that sales and use taxes levied by or imposed by the State shall not apply to sales of personal property used for and in the construction of these designated projects.

Legal Prohibition

The State is legally prohibited from providing more detailed information relating to these three tax abatement programs and amounts abated. The restrictions relating to reporting of confidential income tax information and other tax types are generally covered under OCGA § 48-7-60 and § 48-2-15, respectively.



Notes to the Financial Statements For the Fiscal Year Ended June 30, 2024

NOTE 19 - TAX ABATEMENT

Georgia Entertainment Industry Investment Act

The Georgia Entertainment Industry Investment Act provides tax abatements to encourage the production of certain projects (such as feature films; television films, pilots or series; televised specials; televised commercials; and music videos) under OCGA § 48-7-40.26. This abatement is obtained through an application and certification process with the Department of Economic Development and the Department of Revenue. An audit is required prior to utilization or transfer, of any earned Georgia film tax credit that exceeds \$2.5 million in 2021, \$1.25 million in 2022, and for any credit amount thereafter. As of January 1, 2023, all projects are required to go through a mandatory audit.

The Georgia Entertainment Industry Investment Act provides for a transferable tax credit equal to 20 percent of the based investment in this state and an additional tax credit equal to 10 percent of such base investment if the qualified production activity includes a qualified Georgia promotion.

The gross amount of revenue estimated to be abated as of June 30, 2024, as a result of Georgia Entertainment Industry Investment Act tax abatement agreements, is estimated to be \$767.9 million. There are no commitments other than to reduce taxes and there are no provisions for recapturing abated taxes.



Notes to the Financial Statements For the Fiscal Year Ended June 30, 2024

NOTE 20 - LITIGATION, CONTINGENCIES, AND COMMITMENTS

A. Grants and Contracts

The amounts received or receivable from grantor agencies are subject to audit and review by grantor agencies, principally the federal government. This could result in a request for reimbursement by the grantor agency for any expenditures which are disallowed under grant terms.

B. Litigation and Contingencies

The State is a defendant in various legal proceedings pertaining to matters incidental to the performance of routine governmental operations. The ultimate disposition of these proceedings is not presently determinable. However, it is not believed that the ultimate disposition of these proceedings would have a material adverse effect on the financial condition of the State. The following are significant active litigation, claims and assessments involving the State:

Primary Government

CSX Transportation v. David M. Curry, Commissioner, Georgia Department of Revenue, Ga. Tax Tribunal Docket Nos. 1622264, 1645680, 1733834, 1914964, and 2229506. CSX filed multiple appeals of constructive denials of refunds for sales and use tax imposed on diesel fuel starting in 2013. Department of Revenue (DOR) did not act on the refund claims due to the pendency of litigation on a comparable issue in the U.S. Supreme Court against the state of Alabama. The issue is whether the sales and use tax imposed on diesel fuel purchased by rail carriers violates Section 306 of the Railroad Revitalization and Regulatory Reform Act of 1976 (the "4-R Act"), prohibiting discriminatory treatment of rail carriers. CSX contends that the application of a four percent (4%) sales tax rate to its purchase of diesel fuel violates Section 306 of the 4-R Act because motor carriers are subject to state and local taxes but are exempt from the first three percent (3%) of the four percent (4%) sales tax rate under O.C.G.A. § 48-8-31, and because interstate water carriers are exempt from sales and use tax under O.C.G.A. § 48-8-3(17). The total of the sales and use tax refunds claimed by CSX for tax periods October 2010 through July 2019 is approximately \$65.0 million. The Georgia Tax Tribunal cases were stayed pending the outcome of litigation in Alabama, *CSX Trans., Inc. v. Alabama Dept. of Revenue*, Case No. 17-11705-G. The Eleventh Circuit ruled in *CSX Trans., Inc. v. Ala. Dept. of Revenue*, 888 F.3d 1163 (11th Cir. 2018) that Alabama's sales and use tax did not discriminate against railroads when compared to motor carriers but did discriminate against railroads when compared to water carriers. Alabama and CSX filed petitions for certiorari to the U.S. Supreme Court which denied the petitions on June 24, 2019. Therefore, the Eleventh Circuit's decision was affirmed, and the case was remanded to the District Court in Alabama to conclude proceedings. The District Court issued a final judgment in favor of CSX in Alabama in 2019 and a District Court ruled in favor of the smaller railroad carriers there in 2021 on the same grounds. Those District Court judgments were appealed to the Eleventh Circuit and are now pending. At this stage of litigation, it is impracticable to render an opinion about whether the likelihood of an unfavorable outcome is either "probable" or "remote"; however, the State believes it has meritorious defenses and is vigorously defending this action.

Savannah Convention Center Contract Dispute In 2018, the Georgia State Financing and Investment Commission (the "Commission") contracted with Clark Construction Group, LLC ("Clark Construction") to serve as the general contractor for an expansion of the Savannah Convention Center. The total estimated cost to complete the expansion project is approximately \$275.0 million. Clark Construction, however, seeks an additional amount of at least \$40.0 million due to claimed additional costs and delays associated with allegations of unforeseen circumstances, including a claim that an unforeseen boat slip was discovered that has made the contracted work both more costly and more time consuming. This allegedly unforeseen boat slip makes up the bulk of the claim, but the Commission denies that it was unforeseen. The Commission vigorously disputes both the size and nature of the claim.



Notes to the Financial Statements For the Fiscal Year Ended June 30, 2024

NOTE 20 - LITIGATION, CONTINGENCIES, AND COMMITMENTS (continued)

To date, there has been no threatened litigation or suit filed. Clark Construction and the Commission held multiple mediations and continue to have discussions to resolve this matter. At this stage of the dispute, it is impracticable to render an opinion about whether the likelihood of an unfavorable outcome is either “probable” or “remote”; however, the Commission believes it has meritorious defenses and is vigorously defending against this claim.

Cappelletti et al. v. Georgia Department of Community Affairs et al., civil action number 5:25-cv-0009-LGW (S.D. Ga.). The plaintiffs brought this purported class action challenging DCA’s mortgage assistance program as being unlawfully and unconstitutionally discriminatory. Plaintiffs claim that the program, which administered federal funds provided as part of Covid-19 relief efforts, discriminated against white and other non-socially-disadvantaged groups, by having broader qualification criteria for socially-disadvantaged groups. According to Plaintiffs, the program, which followed federal regulations and guidelines, violates Title VI of the Civil Rights Act of 1964 and other constitutional provisions. Plaintiffs have demanded the creation of a class action settlement pool in excess of \$81 million. Some or all of the claim are likely covered by the General Liability Agreement provided by the Department of Administrative Services.

To date, Plaintiffs have not perfected service on DCA. And while it is difficult to render an opinion about the likelihood of an unfavorable outcome, the State believes it has meritorious defenses that would either preclude liability or reduce liability substantially below Plaintiffs’ demands. The State intends to vigorously defend this litigation.

C. Guarantees and Financial Risk

Component Units

Georgia Housing Finance Authority (GHFA) has uninsured single-family mortgage loans of approximately \$52.8 million as of June 30, 2024. All of these loans are for home mortgages in the State of Georgia. Current economic conditions in Georgia have a direct impact on foreclosures and the higher rate of loss on foreclosed loans. If the economy declines, one impact of these conditions could be a decline in housing values and an increase in unemployment and underemployment. GHFA could incur a higher rate of foreclosure and a higher rate of loss on foreclosed loans as a result of the impact of their economic factors and the decline in the value of its underlying collateral on uninsured loans. If the economy declines and, as a result, GHFA could experience a dramatic increase in foreclosures, it is possible that the combination of such an increase combined with lower housing prices could result in increased losses of loan assets that could have adverse impacts on the GHFA's ability to repay its outstanding bonds.

D. Other Significant Commitments

Primary Government

Contractual Commitments

The Georgia Constitution permits State organizations to enter into contractual commitments provided they have funds available (statutory basis) at the time of the execution of the contract. At June 30, 2024, the fund balances of the primary government include encumbrances of \$11.9 billion (amounts in thousands):



Notes to the Financial Statements For the Fiscal Year Ended June 30, 2024

NOTE 20 - LITIGATION, CONTINGENCIES, AND COMMITMENTS (continued)

	<u>Encumbrances</u>
Function	
Conservation	\$ 6,137
Culture and Recreation	119,854
Economic Development and Assistance	194,954
Education	2,108,392
General Government	2,397,955
Health and Welfare	1,553,403
Public Safety	298,848
Transportation	5,285,195
	<hr/>
Total Investments	<u><u>\$ 11,964,738</u></u>



Notes to the Financial Statements For the Fiscal Year Ended June 30, 2024

NOTE 20 - LITIGATION, CONTINGENCIES, AND COMMITMENTS (continued)

Department of Revenue

As of June 30, 2024, the Department of Revenue had unclaimed film tax credits of approximately \$988.2 million.

University System of Georgia

The University System of Georgia (Higher Education Fund) had significant unearned outstanding construction or renovation contracts in the amount of \$80.9 million executed as of June 30, 2024. This amount is not reflected in the financial statements.

State Accounting Office

In fiscal year 2023, SAO entered into a contractual obligation with Workday for a period of 21 years to provide the ERP system software for the State of Georgia. As of June 30, 2024, the outstanding amount of the contractual obligation with Workday is \$161.1 million.

Employees' Retirement System

As of June 30, 2024, Employees' Retirement System (ERS) of Georgia committed to fund certain private equity partnerships for a total capital commitment of \$1.0 billion. Of this amount, \$352.7 million remained unfunded and is not recorded on the Combining Statement of Fiduciary Net Position - Pension and Other Employee Benefit Trust Funds - Defined Benefit Pension Plans.

Georgia Technology Authority

On February 24, 2024, Georgia Technology Authority (GTA) entered into an agreement with Capgemini to provide service integration processes and systems, including billing, service desk, service catalog and request management, risk and security management, among other services. This agreement is a three year contract for a total contract amount of \$66.0 million, and a remaining balance of \$56.5 million as of June 30, 2024.

On July 1, 2021, GTA entered into a \$378.0 million services contract with AT&T. This is a five year contract with three optional years, and has a remaining balance of \$228.0 million as of June 30, 2024.

State Road and Tollway Authority

State Road and Tollway Authority (SRTA) has contractual commitments on uncompleted contracts of \$606.3 million, of which, the most significant are for the I-20 East Interchange Reconstruction Project (\$420.8 million), the I-285 at SR 400 Interchange Reconstruction Project (\$57.8 million), SR 316 Bundle-1 Project (\$101.5 million) and the I-16 at I-95 Interchange and I-16 widening from I-95 to I-516 Reconstruction Project (\$26.3 million).



Notes to the Financial Statements For the Fiscal Year Ended June 30, 2024

NOTE 20 - LITIGATION, CONTINGENCIES, AND COMMITMENTS (continued)

Component Units

Contractual Commitments

Georgia Environmental Finance Authority

As of June 30, 2024, Georgia Environmental Finance Authority (GEFA) had commitments to fund projects, excluding the undisbursed portion of loans in process, totaling \$101.1 million.

Georgia Ports Authority

As of June 30, 2024, Georgia Ports Authority (GPA) had commitments for construction projects of approximately \$584.5 million.

University of Georgia Athletic Association

UGA Athletic Association authorized commitments for construction aggregated approximately \$130.0 million at June 30, 2024.



Notes to the Financial Statements For the Fiscal Year Ended June 30, 2024

NOTE 21 - SUBSEQUENT EVENTS

A. Primary Government

Office of the Governor

Hurricane Helene made landfall as a Category 4 when it struck Florida on September 26, 2024. It entered Georgia as a Category 2, weakening to a tropical storm, as it swept across the state from Valdosta to Augusta. Hurricane Helene caused widespread destruction to infrastructure, agriculture, timberland, and individuals, requiring an unprecedented level of emergency response from state agencies to assist those impacted. The Governor's proposed Amended FY 2025 budget included nearly \$615.0 million for initial response costs as shown below:

- \$50.0 million to address property liability impact to state agencies as covered by the Department of Administrative Services;
- \$150.0 million for the Governor's Emergency Fund to provide the state's share of disaster response expenses for emergency protective measures, debris removal, emergency housing, individual assistance, and other statewide emergency response needs;
- \$298.9 million for the Department of Transportation for debris removal, infrastructure repair, and sign replacement;
- \$115.8 million for the Capital Projects Fund to replace defeasance funds used for agriculture and timber industry financial assistance and debris removal and provide firefighting equipment and tractor replacement for the State Forestry Commission.

Department of Community Health

As of June 30, 2024, the Department of Community Health had pending Managed Care Organization (MCO) rate adjustments that had not yet been approved by the Centers for Medicare and Medicaid Services (CMS), resulting in a contingent liability and a corresponding contingent asset for potential payables and receivables. These adjustments were approved subsequent to year-end but prior to the issuance of the annual financial report. As a result, the financial impact of these adjustments will be recognized in the subsequent reporting period.

B. Component Units

Other Subsequent Events

State Road and Tollway Authority

The Georgia Department of Transportation (GDOT) announced on August 13, 2024, that SR 400 Peach Partners was selected to Design, Build, Finance, Operate, and Maintain (DBFOM) 16 miles of express lanes on SR 400. The total cost of the Design and Construction period is \$4.6 billion. Commercial Close for the SR 400 project occurred on November 13, 2024. Financial Close for the SR 400 project is expected to occur in August 2025. The Authority is the contract holder for the project and GDOT will serve as the Authority's agent. The DBFOM contract, otherwise known in the industry as Demand Risk, is a first in the State of Georgia and will have a 50-year contract term.

The Georgia Department of Transportation (GDOT) announced on August 13, 2024, that Legacy Infrastructure Partners, LLC was selected to Design, Build, and Finance the I285/I20 West Interchange project. The total cost of the contract is \$1.2 billion. Commercial Close for the I285/I20 West Interchange project occurred on October 10, 2024. Financial Close for the I285/I20 West Interchange project occurred in December 2024. The Authority is the contract holder for the project and GDOT will serve as the Authority's agent.



Notes to the Financial Statements For the Fiscal Year Ended June 30, 2024

NOTE 21 - SUBSEQUENT EVENTS (continued)

Georgia Housing and Finance Authority

The Georgia Housing and Finance Authority, closed on three bond deals after fiscal year closed for 2024:

- Bond deal series A and B closed on July 9, 2024, for \$134.8 million.
- Bond deal series C and D closed on October 24, 2024, for \$214.0 million.
- Bond deal series A and B closed on February 25, 2025 for \$244.4 million

University System of Georgia

Georgia Institute of Technology

In August 2024, the Board of Regents of the University System of Georgia entered into a rental agreement with Georgia Tech Facilities, Inc. (GTFI), a component unit, for the Curran Street Residence Hall. This residence hall will encompass approximately 191,000 square feet of space and will be constructed on approximately 2.5 acres on the campus of Georgia Tech. The residence hall will contain approximately 862 beds along with related student amenities. The 30-year lease will commence on the first day of the month after the certificate of occupancy is issued. The expected completion date for the project is Spring 2026. GTFI issued \$102.3 million in bonds in August 2024 to fund construction, which is in progress and expected to be completed in 2026. The total estimated rental payments over the lease term will be \$220.7 million and will include semi-annual payments for base rent and a repair and replacement contribution. The capital asset and finance lease liability will be recorded on the Institute's books once construction is complete, and the certificate of occupancy is issued.

In September 2018, the Board of Regents of the University System of Georgia (Board) approved the project for the third phase of Technology Square (Tech Square III) located on the blocks between Fifth Street, Spring Street, and West Peachtree Street. The project is funded from a combination of state funding, institutional funding, philanthropic donations, and Public Private Ventures (PPV) bond financing with an estimated project cost of \$240 million. Tech Square III will add more than 400,000 square feet of new space for research and collaboration. In May 2023, the Board adopted a resolution prepared by the Revenue Division of the Georgia Department of Law covering the issuance of 2023 General Obligation Bonds by the State of Georgia through the Georgia State Financing and Investment Commission (GSFIC) for use in funding projects for the University System of Georgia. The Institute was approved for \$30.6 million in Capital Project Bonds for the Tech Square III expansion. In November 2023, the Board authorized the execution of a rental agreement for Tech Square III between Georgia Tech Facilities, Inc. (GTFI), a component unit, as landlord and the Board as Tenant, for the period commencing on the first day of the month after GTFI obtains the certificate of occupancy and ending the following June 30 at a base rent not to exceed \$4.6 million per year, with options to renew annually for up to 29 consecutive one-year periods. GTFI issued \$54.1 million in bonds in January 2024 to fund construction, which is in progress and expected to be completed in 2026. The capital asset, finance lease liability, and capital gift will be recorded on the Institute's books once construction is complete and the certificate of occupancy is issued.

University of Georgia

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. and Subsidiaries, 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 \$16.0 million. Rental payments for the lease period will not begin until July 1, 2026. The total rental payments will be \$112.2 million over the lease term. In August 2024, UGAREF entered into a promissory note agreement to repay \$65.0 million 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.



Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2024

NOTE 21 - SUBSEQUENT EVENTS (continued)

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. and Subsidiaries, 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 \$7.1 million. Rental payments for the lease period will not begin until July 1, 2026. The total rental payments will be \$91.5 million over the lease term. UGAREF entered into a promissory note agreement to repay \$48 million 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.

Kennesaw State University

Kennesaw State University (KSU) entered into an agreement with Kennesaw State University Foundation, Inc. (KSUF) where KSUF would construct and equip a student housing facility. This new facility will be leased to KSU for a 30-year period through June 30, 2056, with lease payments totaling \$93.3 million. At the end of the lease, the ownership of the student housing facility will transfer to KSU. The commencement of the lease will occur in August 2026, after the substantial completion of the improvements are finalized.

The KSU Foundation (KSUF) acquired a 656-bed private student housing property adjacent to KSU's Sports Park and other KSU-owned property. The acquisition took place on December 27, 2024, utilizing a \$100.0 million line of credit to finance the acquisition until bonds were issued in March 2025. On March 30, 2025, \$101.2 million Series 2025A, B, C bonds were issued by the Public Finance Authority to replace the line of credit and finance the acquisition for a 30-year period ending June 15, 2055.

REQUIRED SUPPLEMENTARY INFORMATION



Required Supplementary Information

Budgetary Comparison Schedule

Budget Fund

For the Fiscal Year Ended June 30, 2024

(amounts in thousands)

	Original Appropriation	Amended Appropriation	Final Budget	Actual	Variance
Funds Available					
State Appropriation					
Ambulance Provider Fees	\$ 8,769	\$ 8,996	\$ 5,844	\$ 5,844	\$ —
Brain and Spinal Injury Trust Fund	1,914	1,914	1,914	1,914	—
Fireworks Trust Fund	3,145	3,145	3,145	3,145	—
Georgia Agriculture Trust Fund	2,128	2,128	2,128	2,128	—
Georgia Transit Trust Fund	23,597	23,597	23,597	23,597	—
Governor's Emergency Funds	—	—	22,062	22,129	(67)
Hazardous Waste Trust Fund	17,494	17,494	17,494	17,494	—
Hospital Provider Payment	385,573	407,945	401,061	401,061	—
Lottery Funds	1,514,645	1,511,932	1,511,932	1,511,932	—
Motor Fuel Funds	2,128,012	2,185,931	2,185,931	2,185,931	—
Nursing Home Provider Fees	152,685	155,667	128,552	128,552	—
Revenue Shortfall Reserve for K-12 Needs	—	359,445	359,445	359,445	—
Safe Harbor for Sexually Exploited Children Fund	200	200	200	237	(37)
State Children's Trust Fund	1,285	1,285	1,285	1,385	(100)
State General Funds	27,821,890	32,849,737	32,827,675	32,778,786	48,889
Solid Waste Trust Funds	7,667	7,667	7,667	7,667	—
Tobacco Settlement Funds	148,565	148,572	148,572	148,572	—
Transportation Trust Fund	202,325	202,325	202,325	202,325	—
Trauma Care Trust Fund	15,089	15,089	15,089	15,089	—
Wild Endowment Trust Fund	1,703	1,703	1,703	1,703	—
State Funds - Prior Year Carry-Over					
Brain and Spinal Injury Trust Fund - Prior Year	—	—	3,019	1,553	1,466
Governor's Emergency Funds - Prior Year	—	—	5,482	5,415	67
Hazardous Waste Trust Fund - Prior Year	—	—	—	3,653	(3,653)
Motor Fuel Funds - Prior Year	—	—	941,113	2,220,550	(1,279,437)
Safe Harbor Fund - Prior Year	—	—	488	488	—
State Children's Trust Fund - Prior Year	—	—	136	136	—
State General Funds - Prior Year	—	—	1,487,278	1,525,608	(38,330)
Solid Waste Trust Funds - Prior Year	—	—	2,500	2,891	(391)
Transportation Trust Fund - Prior Year	—	—	508	761	(253)
Trauma Care Trust Funds - Prior Year	—	—	4	4	—
Wild Endowment Trust Funds - Prior Year	—	—	—	1,728	(1,728)
Federal Funds					
CCDF Mandatory & Matching Funds	92,749	92,749	145,968	145,968	—
Child Care & Development Block Grant	227,917	227,917	358,285	357,879	406
Community Mental Health Services Block Grant	14,164	14,164	42,876	29,821	13,055
Community Services Block Grant	16,370	18,694	29,546	29,457	89
Federal Highway Administration - Highway Planning and Construction	1,428,041	1,499,458	2,056,668	1,999,206	57,462
Foster Care Title IV-E	82,669	81,759	97,442	97,175	267
Low-Income Home Energy Assistance	56,651	73,609	89,463	89,268	195
Maternal and Child Health Services Block Grant	16,977	16,975	18,505	17,425	1,080
Medical Assistance Program	9,330,379	9,372,446	11,454,993	11,153,043	301,950
Prevention and Treatment of Substance Abuse Block Grant	47,852	47,852	92,070	85,164	6,906
Preventive Health and Health Services Block Grant	2,207	3,127	6,287	3,903	2,384
Social Services Block Grant	52,316	52,655	46,881	43,814	3,067
State Children's Insurance Program	468,211	481,069	500,761	446,815	53,946
TANF Transfer to SSBG	928	1,263	2,324	2,324	—
Temporary Assistance for Needy Families Block Grant	347,847	368,254	408,508	368,119	40,389
Federal Funds Not Specifically Identified	5,741,112	6,084,216	8,421,820	7,719,567	702,253
Federal Funds-COVID-19					
Child Care & Development Block Grant - COVID-19	—	—	491,071	491,071	—
Low-Income Home Energy Assistance - COVID-19	—	—	14,807	14,806	1
Federal Funds Not Specifically Identified - COVID-19	—	8,932	2,757,559	2,613,763	143,796
American Recovery and Reinvestment Act of 2009					
Medical Assistance Program_ARRA	—	—	—	37	(37)
Federal Recovery Funds Not Specifically Identified_ARRA	16,847	16,847	31,757	28,024	3,733
Other Funds	10,988,309	11,364,148	17,991,763	18,462,963	(471,200)
Total Funds Available	61,368,232	67,730,906	85,367,503	85,781,335	(413,832)

(continued)



Required Supplementary Information

Budgetary Comparison Schedule

Budget Fund

For the Fiscal Year Ended June 30, 2024

(amounts in thousands)

	Original Appropriation	Amended Appropriation	Final Budget	Actual	Variance
Expenditures					
Georgia Senate	15,999	16,785	17,043	14,211	2,832
Georgia House of Representatives	24,410	25,001	25,767	23,542	2,225
Georgia General Assembly Joint Offices	18,292	19,090	21,470	16,743	4,727
Audits and Accounts, Department of	44,951	46,235	46,244	44,296	1,948
Appeals, Court of	27,570	27,690	27,838	27,835	3
Judicial Council	24,512	25,550	85,069	57,926	27,143
Juvenile Courts	9,569	9,774	9,774	9,213	561
Prosecuting Attorneys	118,395	118,309	147,658	142,143	5,515
Superior Courts	88,930	89,141	90,097	90,089	8
Supreme Court	20,132	20,243	20,945	21,394	(449)
Accounting Office, State	34,537	35,204	45,361	42,437	2,924
Administrative Services, Department of	264,547	679,753	734,695	489,385	245,310
Agriculture, Department of	73,320	77,378	97,227	95,045	2,182
Banking and Finance, Department of	14,267	14,420	14,445	14,437	8
Behavioral Health & Developmental Disabilities, Department of	1,675,868	1,745,632	1,941,741	1,894,648	47,093
Community Affairs, Department of	242,403	719,878	797,682	797,324	358
Community Health, Department of	19,788,411	19,910,656	27,060,276	21,880,596	5,179,680
Community Supervision, Department of	208,643	210,705	217,771	217,650	121
Corrections, Department of	1,343,263	1,450,618	1,540,558	1,526,654	13,904
Defense, Department of	128,863	111,377	181,108	118,924	62,184
Driver Services, Department of	83,618	92,867	98,919	97,408	1,511
Early Care and Learning, Bright from Start: Department of	982,474	1,021,215	1,690,931	1,686,673	4,258
Economic Development, Department of	41,710	72,105	79,175	75,632	3,543
Education, Department of	13,989,744	14,505,443	16,551,174	16,345,407	205,767
Employees' Retirement System	93,906	595,729	595,599	593,049	2,550
Forestry Commission, State	66,494	74,220	88,222	88,178	44
Governor, Office of the	90,938	102,959	925,044	909,861	15,183
Human Services, Department of	2,119,618	2,210,874	2,483,918	2,408,680	75,238
Insurance, Department of	222,185	372,849	1,008,338	851,028	157,310
Investigation, Georgia Bureau of	337,618	287,587	392,460	365,698	26,762
Juvenile Justice, Department of	367,377	373,068	388,113	380,193	7,920
Labor, Department of	53,617	56,961	152,346	152,304	42
Law, Department of	102,999	125,764	137,396	134,835	2,561
Natural Resources, Department of	343,763	367,443	542,354	500,570	41,784
Pardons and Paroles, State Board of	19,728	20,251	20,441	20,241	200
State Properties Commission	2,400	2,400	2,400	2,274	126
Public Defender Council, Georgia	112,576	113,567	142,330	136,662	5,668
Public Health, Department of	806,115	809,693	1,317,121	1,146,463	170,658
Public Safety, Department of	285,989	300,371	362,385	355,631	6,754
Public Service Commission	13,216	13,986	14,238	14,237	1
Regents, University System of Georgia	9,140,730	9,633,368	11,306,182	10,013,649	1,292,533
Revenue, Department of	220,851	225,390	1,179,075	1,068,737	110,338
Secretary of State	36,759	38,787	54,691	56,508	(1,817)
Student Finance Commission Georgia	1,213,531	1,210,593	1,208,757	1,101,666	107,091
Teachers' Retirement System	51,589	55,528	56,174	49,621	6,553
Technical College System of Georgia	1,153,216	1,242,084	1,288,411	1,105,734	182,677
Transportation, Department of	3,899,883	5,633,578	7,274,952	5,682,304	1,592,648
Veterans' Services, Department of	54,970	55,529	64,550	62,498	2,052
Workers' Compensation, State Board of	21,512	21,640	22,040	20,298	1,742
Georgia State Financing and Investment Commission	—	1,527,013	1,527,013	1,527,013	—
State of Georgia General Obligation Debt Sinking Fund	1,272,224	1,214,605	1,269,985	1,219,980	50,005
Total Expenditures	61,368,232	67,730,906	85,367,503	75,697,524	9,669,979
Excess of Funds Available over Expenditures	\$ —	\$ —	\$ —	\$10,083,811	\$ (10,083,811)



Required Supplementary Information

Budget to GAAP Reconciliation

For the Fiscal Year Ended June 30, 2024

(amounts in thousands)

	General Fund
Sources/Inflows of Resources	
Summary	
Actual amounts (budgetary basis) "Total Funds Available" from the budgetary comparison schedule	\$ 85,781,335
Differences - budget to GAAP	
<i>Perspective Differences:</i>	
Revenues of budgeted funds included in the Budget Fund, but removed from the General Fund for financial reporting purposes.	(13,063,177)
Revenues of nonbudgeted funds included within the State's reporting entity, and shown in the General Fund for financial reporting purposes.	36,090,792
State appropriations revenues are budgetary resources, but are netted with the State's treasury disbursements for GAAP purposes.	(37,818,254)
<i>Basis Differences:</i>	
Accrual of taxpayer assessed receivables and revenues.	(31,404)
Fund balance adjustments are not inflows of budgetary resources, but affect current year revenues for GAAP reporting purposes.	152,491
Prior Year Reserves Available for Expenditure are included in Funds Available, but are not revenues for GAAP reporting purposes.	(8,976,176)
Revenues from intrafund transactions are budgetary resources, but are not revenues for GAAP reporting purposes.	(801,462)
Revenues in the budget fund that do not provide current financial resources are not reported as revenue in the governmental funds.	(494,290)
Receivables and revenues accrued based on encumbrances reported for goods and services ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the goods and services are received for GAAP reporting.	1,952,203
Transfers from other funds are inflows of budgetary resources, but are not revenues for financial reporting purposes.	(266,668)
Revenue reported for nonbudgetary food stamp program and donated commodities.	3,549,804
Revenue reported for on-behalf payments related to pensions.	94,246
Other net accrued receivables and revenues.	(88,072)
Total Revenues (General Fund) as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds	\$ 66,081,368

(continued)



Required Supplementary Information

Budget to GAAP Reconciliation

For the Fiscal Year Ended June 30, 2023

(amounts in thousands)

	General Fund
Uses/Outflows of Resources	
Summary	
Actual amounts (budgetary basis) "Total Expenditures" from the budgetary comparison schedule	\$ 75,697,524
Differences - budget to GAAP	
<i>Perspective Differences:</i>	
Expenditures of Budgeted Funds for organizations not reported in the General Fund.	(16,998,928)
Expenditures of nonbudgeted Funds included within the State's reporting entity, and shown in the General Fund for financial reporting purposes.	(1,934,010)
<i>Basis Differences:</i>	
Accrual of teacher salaries not included in current budget year.	162,537
Acquisition of lease and subscription arrangements are not outflows of budgetary resources, but are recorded as current expenditures and other financing sources for GAAP reporting.	212,031
Change in expenditure accrual for nonbudgetary Medicaid claims.	(26,740)
Encumbrances for goods and services ordered but not received are reported as budgetary expenditures in the year the order is placed, but are reported as GAAP expenditures in the year the goods and services are received.	1,699,347
Expenditures from intrafund transactions are budgetary outflows, but are not expenditures for GAAP reporting purposes.	(801,462)
Expenditures reported for nonbudgetary food stamp program and donated commodities.	3,549,804
Expenditures reported for on-behalf payments related to pensions.	94,246
Fund balance adjustments are not outflows of budgetary resources, but affect current year expenditures for GAAP reporting purposes.	(53,909)
Transfers to other funds are outflows of budgetary resources, but are not expenditures for GAAP reporting purposes.	(3,014,076)
Other net accrued liabilities and expenditures.	50,829
Total Expenditures (General Fund) as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds	\$ 58,637,193



Required Supplementary Information

Notes to Required Supplementary Information

Budgetary Comparison

For the Fiscal Year Ended June 30, 2024

Budgetary Reporting

Budgetary Process

OCGA § 45-12-4 sets forth the process for the development and monitoring of an appropriated budget for the State. Not later than September 1 of each year, the head of each executive branch budget unit (e.g. agencies, departments, and commissions) must submit estimates of the financial requirements for the subsequent fiscal year to Office of Planning and Budget (OPB), which operates under the direction of the Governor. Budget estimates relative to the legislative and judicial branches of State government are provided to OPB for the purpose of estimating the total financial needs of the State but are not subject to revision or review by OPB.

The Governor, through the OPB, examines the estimates and may investigate and revise executive branch submissions as necessary. Upon the completion and revisions of the estimates, the Governor must prepare and submit a budget report to the General Assembly within five days of the date on which the General Assembly convenes. The Governor also possesses the responsibility and authority to establish the revenue estimate for the corresponding fiscal year.

The General Assembly, after adopting such modifications to the Governor's budget report as it deems necessary, enacts the General Appropriations Act for the subsequent fiscal year. Each General Appropriations Act enacted, along with amendments as are adopted, continues in force and effect for the next fiscal year after adoption. In accordance with the Georgia Constitution, Article III, Section IX, Paragraph IV, "The General Assembly shall not appropriate [State] funds for any given fiscal year which, in aggregate, exceed a sum equal to the amount of unappropriated surplus expected to have accrued in the state treasury at the beginning of the fiscal year together with an amount not greater than the total treasury receipts from existing revenue sources anticipated to be collected in the fiscal year, less refunds, as estimated in the budget report and amendments thereto." The Constitution also authorizes the passage of additional Supplementary Appropriation Acts, provided sufficient surplus is available or additional revenue measures have been enacted. Finally, the Governor may withhold allotments of funds to budget units in order to maintain this balance of revenues and expenditures. Compliance with this requirement is demonstrated in the Governor's budget report and the Appropriation Acts for each fiscal year.

To the extent that federal funds received by the State are changed by federal authority or exceed the amounts appropriated by the original or supplementary appropriations acts, such excess, changed or unanticipated funds are "continually appropriated;" that is, they are amended into departmental budgets when such events are known. Similarly, revenues generated by departments that may be retained for departmental operations ("other funds") are amended in as such funds are collected or anticipated.

Internal transfers within a budget unit are subject to the condition that no funds shall be transferred for the purpose of initiating a new program area which otherwise had received no appropriation of any funding source.

The Governor, through OPB, requires each budget unit, other than those of the legislative and judicial branches, to submit an annual operating budget based on the programs set forth in the Appropriations Act. Budget units submit periodic allotment requests, which must be approved in conjunction with quarterly work programs prior to release of appropriated funds. Further monitoring of budget unit activities is accomplished by review of expenditure reports, which are submitted quarterly to OPB.



Required Supplementary Information

Notes to Required Supplementary Information

Budgetary Comparison

For the Fiscal Year Ended June 30, 2024

The appropriated budget covers a majority of the organizations comprising the State's General Fund and includes appropriations for debt service. The budget also includes certain proprietary funds, the Higher Education Fund, and the administrative costs of operating certain public employee retirement systems.

Budget units of the State are responsible for budgetary control of their respective portion of the total State appropriated budget. The legal level of budgetary control is at the program level by funding source. Budgetary programs represent a discrete activity or activities or specific initiative for which funds are being appropriated and as defined in the accompanying purpose statement of the program in the appropriations act. Expenditures against that program must align with purpose of the appropriation as defined in the bill. Due to the complex nature of the State appropriated budget, a separate *Budgetary Compliance Report* is published each year to report on compliance at the legal level of budgetary control. This report can be found on website of the State Accounting Office at <https://sao.georgia.gov/swar/bcr>.

Budgetary Basis of Accounting

The annual budget of the State is prepared on the modified accrual basis utilizing encumbrance accounting with the following exceptions: federal and certain other revenues are accrued based on the unexecuted portion of long-term contracts; and intrafund transactions are disclosed as revenues and expenditures. Under encumbrance accounting, encumbrances are used to indicate the intent to purchase goods or services. Liabilities and expenditures are recorded upon issuance of completed purchase orders. Goods or services need not have been received for liabilities and expenditures to be recorded. All unencumbered annual appropriations lapse at fiscal year-end unless otherwise specified by constitutional or statutory provisions. Supplementary and amended appropriations may be enacted during the next legislative session by the same process used for original appropriations.

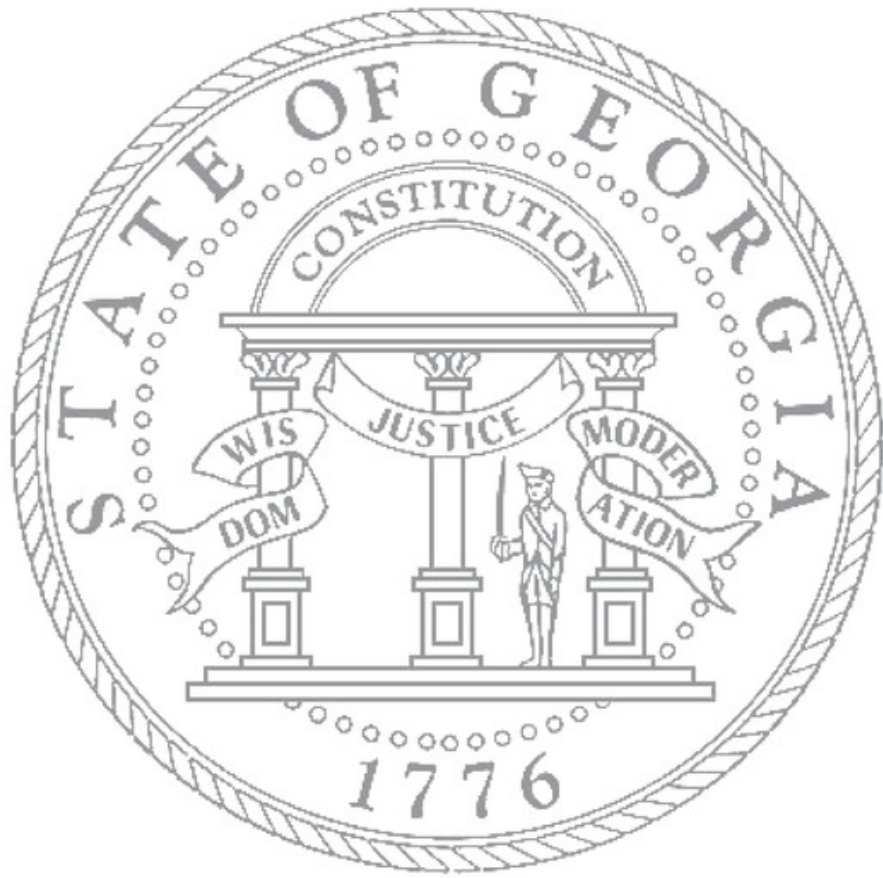
Budgetary Compliance Exceptions

Expenditures of State funds may not exceed the amount appropriated at the legal level of control as provided by the Constitution. For the year ended June 30, 2024, total State funds expenditures did not exceed appropriated amounts. While overall expenditures of the state funds did not exceed appropriations, budget units were unable to consistently demonstrate budgetary compliance at the "funding source within program" level as prescribed by 2024 Appropriations Act. For more information on budgetary exceptions, please refer to the *Budgetary Compliance Report* (BCR) issued under separate cover.

Budgetary Presentation

The accompanying Budgetary Comparison Schedule for the Budget Fund presents comparisons of the legally adopted budget with actual data prepared on the budgetary basis of accounting utilized by the State. The Budget Fund, a compilation of the budget units of the State, differs from the funds presented in the basic financial statements. The Budget-to-GAAP reconciliation immediately following the budgetary comparison schedule identifies the types and amounts of adjustments necessary to reconcile the Budget Fund with the General Fund as reported in accordance with generally accepted accounting principles.

Note, in the BCR the *Statements of Funds Available and Expenditures Compared to Budget By Program and Funding Source* displays budget (original, amended and final), the current year funds available, current year expenditures and variances to budget for each of the appropriated organizations. And the Statistical Schedules 4 and 5 in the BCR summarize the expenditures by agency (Statistical Schedule 4) and in total (Statistical Schedule 5), and these totals agree with the amounts presented in the RSI schedule above.





Required Supplementary Information

Public Entity Risk Pool

For the Fiscal Year Ended June 30, 2024

(amounts in thousands)

Claims Development Information

The table below illustrates how the State Health Benefit Plan's (SHBP) earned revenues and investment income compare to related costs of loss and other expenses assumed by the SHBP as of the end of the current fiscal year. The rows of the table are defined as follows: (1) This line shows the total of each fiscal year's earned contribution revenues and investment revenues. (2) This line shows each fiscal year's other operating costs of the fund including overhead and claims expense not allocable to individual claims. (3) This line shows the fund's incurred claims and allocated claim adjustment expenses (both paid and accrued) as originally reported at the end of the first year in which the event that triggered coverage under the contract occurred (policy year). (4) This section shows the cumulative net amounts paid as of the end of the policy year. (5) This section shows how current year's net incurred claims increased or decreased as of the end of the year. This annual reestimation results from new information received on known claims, reevaluation of existing information on known claims, as well as emergence of new claims not previously known. (6) This line compares the latest reestimated net incurred claims amount to the amount originally established (line 3) and shows whether this latest estimate of claims cost is greater or less than originally thought. As data for individual policy years mature, the correlation between original estimates and reestimated amounts is commonly used to evaluate the accuracy of net incurred claims currently recognized in less mature policy years.

(Table on next page)



Required Supplementary Information

Public Entity Risk Pool

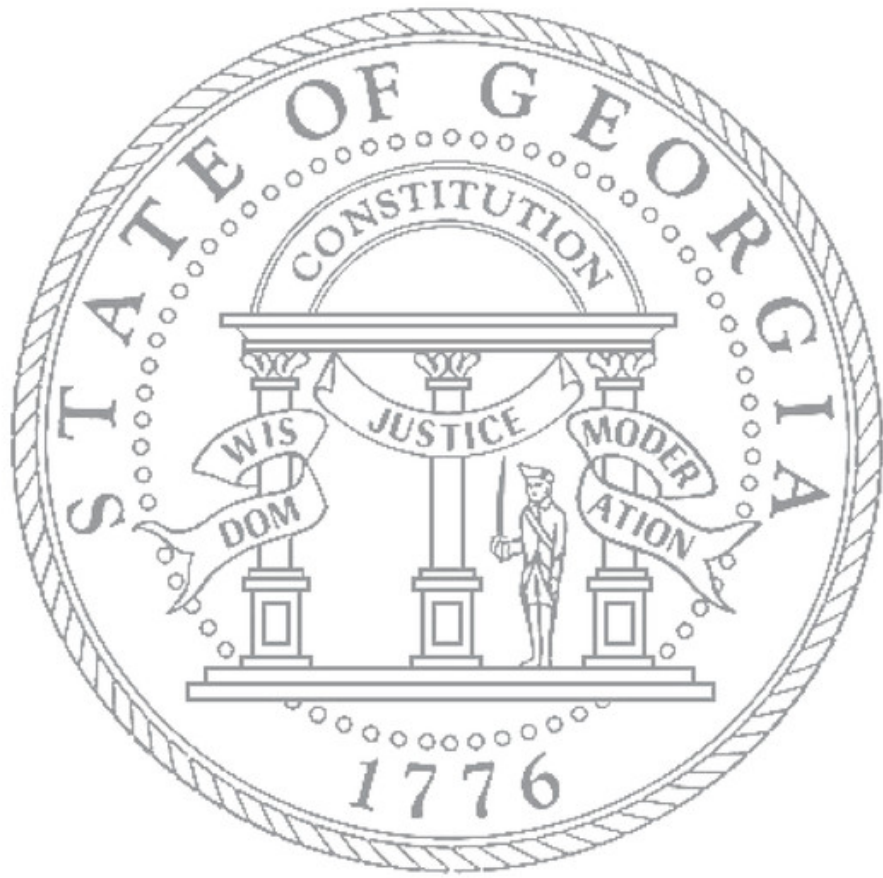
For the Fiscal Year Ended June 30, 2024

(amounts in thousands)

	Fiscal and Policy Year Ended				
	2024	2023	2022	2021	2020
(1) Required contribution and investment revenue earned (fiscal year)	\$ 4,099,553	\$ 3,501,696	\$ 3,104,205	\$ 3,080,118	\$ 2,837,988
(2) Unallocated expenses	126,575	119,332	123,120	116,308	120,588
(3) Estimated claims and expenses, end of policy year, net incurred	3,781,750	3,161,422	3,353,961	3,057,358	2,614,741
(4) Net paid (cumulative) as of:					
End of policy year	3,691,332	3,170,096	3,238,092	3,036,605	2,579,198
One year later		3,228,624	3,021,535	3,055,657	2,650,623
Two years later			3,021,535	3,055,657	2,650,623
Three years later				3,055,657	2,650,623
Four years later					2,650,623
Five years later					
Six years later					
Seven years later					
Eight years later					
Nine years later					
(5) Reestimated net incurred claims and expenses:					
End of policy year	3,781,750	3,161,422	3,353,963	3,057,357	2,614,741
One year later		3,239,350	3,031,780	3,059,475	2,650,939
Two years later			3,023,751	3,056,181	2,650,623
Three years later				3,055,657	2,650,623
Four years later					2,650,623
Five years later					
Six years later					
Seven years later					
Eight years later					
Nine years later					
(6) Increase (decrease) in estimated net incurred claims and expenses from the end of policy year	—	77,928	(330,210)	(1,701)	35,882



	2019	2018	2017	2016	2015
\$	2,545,692	\$ 2,975,710	\$ 2,193,674	\$ 2,124,039	\$ 2,365,612
	117,675	132,059	137,874	139,630	143,050
	2,495,517	2,269,151	2,158,188	2,013,443	1,882,588
	2,500,454	2,286,603	2,120,983	2,009,809	1,882,765
	2,454,871	2,340,034	2,151,121	1,915,972	1,871,509
	2,454,871	2,340,034	2,151,121	1,915,972	1,871,509
	2,454,871	2,340,034	2,151,121	1,915,972	1,871,509
	2,454,871	2,340,034	2,151,121	1,915,972	1,871,509
	2,454,871	2,340,034	2,151,121	1,915,972	1,871,509
		2,340,034	2,151,121	1,915,972	1,871,509
			2,151,121	1,915,972	1,871,509
				1,915,972	1,871,509
					1,871,509
	2,495,517	2,269,151	2,158,188	2,013,443	1,882,588
	2,458,806	2,340,850	2,150,162	1,915,823	1,871,599
	2,454,871	2,340,255	2,148,700	1,915,823	1,871,599
	2,454,871	2,340,034	2,148,678	1,915,846	1,871,599
	2,454,871	2,340,034	2,148,678	1,915,846	1,871,599
	2,454,871	2,340,034	2,148,678	1,915,846	1,871,599
		2,340,034	2,148,678	1,915,846	1,871,599
			2,148,678	1,915,846	1,871,599
				1,915,846	1,871,599
					1,871,599
	(40,646)	70,883	(9,510)	(97,597)	(10,989)



REQUIRED SUPPLEMENTARY INFORMATION -
PENSIONS





Required Supplementary Information

Schedules of Employers' and Nonemployers' Contributions

Defined Benefit Pension Plans

For the Last Ten Fiscal Years

(amounts in thousands)

	Year Ended	Actuarially determined contribution (a)	Contributions in relation to the actuarially determined contribution (b)	Contribution deficiency (excess) (a-b)	Covered payroll (c)	Contributions as a percentage of covered payroll (b/c)
Employees' Retirement System	6/30/2015	\$ 517,220	\$ 519,163	\$ (943)	\$ 2,353,225	22.06 %
	6/30/2016	595,124	595,566	(442)	2,390,457	24.91 %
	6/30/2017	624,623	625,281	(658)	2,565,918	24.37 %
	6/30/2018	650,073	652,167	(2,094)	2,635,896	24.74 %
	6/30/2019	649,209	649,209	—	2,615,491	24.82 %
	6/30/2020	643,857	643,857	—	2,614,856	24.62 %
	6/30/2021	615,967	615,967	—	2,480,422	24.83 %
	6/30/2022	619,723	619,723	—	2,577,449	24.04 %
	6/30/2023	878,158	878,158	—	2,914,453	30.13 %
	6/30/2024	889,582	1,389,582	(500,000)	3,169,172	43.85 %
Teachers Retirement System of Georgia	6/30/2015	\$ 1,406,706	\$ 1,406,706	\$ —	\$10,697,384	13.15 %
	6/30/2016	1,580,532	1,580,532	—	11,075,907	14.27 %
	6/30/2017	1,654,844	1,654,844	—	11,596,664	14.27 %
	6/30/2018	2,018,724	2,018,724	—	12,009,066	16.81 %
	6/30/2019	2,566,403	2,566,403	—	12,279,440	20.90 %
	6/30/2020	2,738,818	2,738,818	—	12,955,620	21.14 %
	6/30/2021	2,495,527	2,495,527	—	13,093,006	19.06 %
	6/30/2022	2,696,714	2,696,714	—	13,612,892	19.81 %
	6/30/2023	2,929,096	2,929,096	—	14,660,140	19.98 %
	6/30/2024	3,127,483	3,127,483	—	15,653,068	19.98 %

This data, except for annual covered payroll, was provided by each plan's actuary.

Schedule includes all significant plans and funds administered by the State of Georgia.

State of Georgia

Required Supplementary Information

Schedules of Employers' and Nonemployers' Net Pension Liability

Defined Benefit Pension Plans

For the Last Ten Fiscal Years

(amounts in thousands)

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Employees' Retirement System:				
Total pension liability	\$ 21,183,792	\$ 20,715,028	\$ 20,508,975	\$ 18,886,809
Plan fiduciary net position	16,681,931	14,749,438	13,830,510	16,547,905
Employers' and nonemployers' net pension liability	<u>\$ 4,501,861</u>	<u>\$ 5,965,590</u>	<u>\$ 6,678,465</u>	<u>\$ 2,338,904</u>
Plan fiduciary net position as a percentage of the total pension liability	78.75 %	71.20 %	67.44 %	87.62 %
Covered payroll	\$ 3,169,172	\$ 2,914,453	\$ 2,577,449	\$ 2,480,422
Employers' and nonemployers' net pension liability as a percentage of covered payroll	142.05 %	204.69 %	259.11 %	94.29 %
Teachers Retirement System:				
Total pension liability	\$ 131,308,611	\$ 124,515,490	\$ 119,594,792	\$ 110,991,021
Plan fiduciary net position	106,174,001	94,991,195	87,122,859	102,146,688
Employers' and nonemployers' net pension liability	<u>\$ 25,134,610</u>	<u>\$ 29,524,295</u>	<u>\$ 32,471,933</u>	<u>\$ 8,844,333</u>
Plan fiduciary net position as a percentage of the total pension liability	80.86 %	76.29 %	72.85 %	92.03 %
Covered payroll	\$ 15,653,068	\$ 14,660,140	\$ 13,612,892	\$ 13,093,006
Employers' and nonemployers' net pension liability as a percentage of covered payroll	160.57 %	201.39 %	238.54 %	67.55 %

Schedule includes all significant plans and funds administered by the State of Georgia.



<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 17,717,243	\$ 17,744,003	\$ 17,628,219	\$ 17,159,634	\$ 17,103,987	\$ 17,019,362
<u>13,502,286</u>	<u>13,617,472</u>	<u>13,517,186</u>	<u>13,098,299</u>	<u>12,373,567</u>	<u>12,967,964</u>
<u>\$ 4,214,957</u>	<u>\$ 4,126,531</u>	<u>\$ 4,111,033</u>	<u>\$ 4,061,335</u>	<u>\$ 4,730,420</u>	<u>\$ 4,051,398</u>
76.21 %	76.74 %	76.68 %	76.33 %	72.34 %	76.20 %
\$ 2,614,856	\$ 2,615,491	\$ 2,635,896	\$ 2,565,918	\$ 2,390,457	\$ 2,353,225
161.19 %	157.77 %	155.96 %	158.28 %	197.89 %	172.16 %
\$ 105,385,472	\$ 100,291,641	\$ 94,095,067	\$ 89,926,280	\$ 86,183,526	\$ 82,023,120
<u>81,161,558</u>	<u>78,788,937</u>	<u>75,532,925</u>	<u>71,340,972</u>	<u>65,552,411</u>	<u>66,799,111</u>
<u>\$ 24,223,914</u>	<u>\$ 21,502,704</u>	<u>\$ 18,562,142</u>	<u>\$ 18,585,308</u>	<u>\$ 20,631,115</u>	<u>\$ 15,224,009</u>
77.01 %	78.56 %	80.27 %	79.33 %	76.06 %	81.44 %
\$ 12,955,620	\$ 12,279,440	\$ 12,009,066	\$ 11,596,664	\$ 11,075,907	\$ 10,697,384
186.98 %	175.11 %	154.57 %	160.26 %	186.27 %	142.32 %

State of Georgia

Required Supplementary Information

Schedules of Changes in Employers' and Nonemployers' Net Pension Liability Defined Benefit Pension Plans For the Last Ten Fiscal Years

(amounts in thousands)

Employees' Retirement System:	2024	2023	2022	2021
Total pension liability:				
Service cost	\$ 164,143	\$ 151,351	\$ 142,949	\$ 129,500
Interest	1,397,294	1,383,312	1,269,224	1,240,748
Benefit changes	—	—	67,351	—
Differences between expected and actual experience	414,699	166,133	(107,167)	86,061
Changes of assumptions	—	—	1,759,895	1,154,636
Benefit payments	(1,500,601)	(1,489,058)	(1,502,904)	(1,434,775)
Refunds of contributions	(6,771)	(5,685)	(7,182)	(6,604)
Net change in total pension liability	468,764	206,053	1,622,166	1,169,566
Total pension liability-beginning	20,715,028	20,508,975	18,886,809	17,717,243
Total pension liability-ending (a)	21,183,792	20,715,028	20,508,975	18,886,809
Plan fiduciary net position:				
Contributions-employer	850,731	838,068	611,410	606,893
Contributions-nonemployer	9,307	10,499	8,313	9,048
Contributions-member	44,116	41,577	36,130	35,027
Administrative expense allotment	—	—	—	—
Net investment income	2,016,727	1,503,315	(1,855,596)	3,843,581
Benefit payments	(1,500,601)	(1,489,058)	(1,502,904)	(1,434,775)
Administrative expense	(10,570)	(9,389)	(7,576)	(7,587)
Refunds of contributions	(6,771)	(5,685)	(7,182)	(6,604)
Transfers from Other Funds*	529,554	29,601	10	36
Other**	—	—	—	—
Net change in plan fiduciary net position	1,932,493	918,928	(2,717,395)	3,045,619
Plan fiduciary net position-beginning	14,749,438	13,830,510	16,547,905	13,502,286
Plan fiduciary net position-ending (b)	16,681,931	14,749,438	13,830,510	16,547,905
Net pension liability-ending (a)-(b)	\$ 4,501,861	\$ 5,965,590	\$ 6,678,465	\$ 2,338,904
Teachers Retirement System of Georgia:				
Total pension liability:				
Service cost	\$ 2,123,205	\$ 1,966,543	\$ 1,742,643	\$ 1,734,145
Interest	8,373,427	8,043,425	7,837,074	7,440,942
Differences between expected and actual experience	2,619,452	957,570	(215,975)	1,934,042
Changes of assumptions	—	—	5,026,914	—
Benefit payments	(6,224,330)	(5,957,380)	(5,692,032)	(5,434,414)
Refunds of contributions	(98,633)	(89,460)	(94,853)	(69,166)
Net change in total pension liability	6,793,121	4,920,698	8,603,771	5,605,549
Total pension liability-beginning	124,515,490	119,594,792	110,991,021	105,385,472
Total pension liability-ending (a)	131,308,611	124,515,490	119,594,792	110,991,021
Plan fiduciary net position:				
Contributions - employer	3,121,515	2,923,500	2,691,212	2,490,267
Contributions-nonemployer	5,908	5,519	5,398	5,123
Contributions-member	968,016	911,542	853,376	817,090
Net investment income	13,434,752	10,097,824	(12,770,564)	23,192,761
Benefit payments	(6,224,330)	(5,957,380)	(5,692,032)	(5,434,414)
Administrative expense	(24,481)	(23,285)	(16,470)	(16,668)
Refunds of contributions	(98,633)	(89,460)	(94,853)	(69,166)
Transfers from Other Funds*	59	76	104	137
Other**	—	—	—	—
Net change in plan fiduciary net position	11,182,806	7,868,336	(15,023,829)	20,985,130
Plan fiduciary net position-beginning	94,991,195	87,122,859	102,146,688	81,161,558
Plan fiduciary net position-ending (b)	106,174,001	94,991,195	87,122,859	102,146,688
Net pension liability-ending (a)-(b)	\$ 25,134,610	\$ 29,524,295	\$ 32,471,933	\$ 8,844,333

Schedule includes all significant plans and funds administered by the State of Georgia.

*A change in reporting was implemented beginning with fiscal year June 30, 2021 to separately report internal transfer amounts.

**Pursuant to the requirements of GASB Statement 75, the fiscal year 2018 beginning Fiduciary Net Position was restated, to reflect the impact of recording the initial Deferred Outflows of Resources and the Net OPEB liabilities and OPEB asset. Also, pursuant to the requirements of GASB Statement 68, the fiscal year 2015 beginning Fiduciary Net Position was restated.



	2020	2019	2018	2017	2016	2015
\$	132,004	\$ 135,679	\$ 129,294	\$ 125,910	\$ 143,043	\$ 145,045
	1,240,887	1,233,882	1,233,689	1,230,175	1,225,650	1,227,846
	65,702	42,097	31,097	30,563	—	—
	25,736	155,573	180,655	72,315	(238)	(53,950)
	—	—	314,733	—	70,890	—
	(1,484,445)	(1,443,756)	(1,413,298)	(1,394,283)	(1,347,633)	(1,334,278)
	(6,644)	(7,691)	(7,585)	(9,033)	(7,087)	(7,450)
	(26,760)	115,784	468,585	55,647	84,625	(22,787)
	17,744,003	17,628,219	17,159,634	17,103,987	17,019,362	17,042,149
	17,717,243	17,744,003	17,628,219	17,159,634	17,103,987	17,019,362
	634,108	638,989	639,302	613,191	583,082	505,668
	9,749	10,220	12,865	12,080	12,484	12,495
	35,837	36,252	37,130	35,863	31,961	33,713
	10	10	10	10	10	10
	703,840	873,404	1,166,013	1,475,626	141,292	474,147
	(1,484,445)	(1,443,756)	(1,413,298)	(1,394,283)	(1,347,633)	(1,334,278)
	(7,641)	(7,142)	(8,056)	(8,732)	(8,506)	(7,872)
	(6,644)	(7,691)	(7,585)	(9,033)	(7,087)	(7,450)
	—	—	—	10	—	—
	—	—	(7,494)	—	—	—
	(115,186)	100,286	418,887	724,732	(594,397)	(323,567)
	13,617,472	13,517,186	13,098,299	12,373,567	12,967,964	13,291,531
	13,502,286	13,617,472	13,517,186	13,098,299	12,373,567	12,967,964
\$	4,214,957	\$ 4,126,531	\$ 4,111,033	\$ 4,061,335	\$ 4,730,420	\$ 4,051,398
\$	1,597,714	\$ 1,536,336	\$ 1,484,705	\$ 1,413,080	\$ 1,435,808	\$ 1,386,498
	7,080,133	6,868,617	6,565,372	6,293,611	5,990,178	5,779,597
	368,463	430,272	894,691	573,483	380,526	(165,785)
	1,316,780	2,388,357	—	—	662,047	—
	(5,192,283)	(4,950,465)	(4,699,920)	(4,461,124)	(4,228,819)	(3,996,879)
	(76,976)	(76,543)	(76,061)	(76,296)	(79,334)	(80,083)
	5,093,831	6,196,574	4,168,787	3,742,754	4,160,406	2,923,348
	100,291,641	94,095,067	89,926,280	86,183,526	82,023,120	79,099,772
	105,385,472	100,291,641	94,095,067	89,926,280	86,183,526	82,023,120
	2,732,925	2,560,810	2,014,088	1,648,411	1,572,624	1,399,668
	5,729	5,414	4,416	6,175	7,908	7,038
	800,864	759,474	745,574	716,233	685,626	661,835
	4,119,609	4,972,419	6,247,155	7,971,677	810,574	2,384,145
	(5,192,283)	(4,950,465)	(4,699,920)	(4,461,124)	(4,228,819)	(3,996,879)
	(17,411)	(15,276)	(15,865)	(16,773)	(15,281)	(14,996)
	(76,976)	(76,543)	(76,061)	(76,296)	(79,334)	(80,085)
	164	179	220	258	—	321
	—	—	(27,654)	—	—	(28,027)
	2,372,621	3,256,012	4,191,953	5,788,561	(1,246,702)	333,020
	78,788,937	75,532,925	71,340,972	65,552,411	66,799,113	66,466,091
	81,161,558	78,788,937	75,532,925	71,340,972	65,552,411	66,799,113
\$	24,223,914	\$ 21,502,704	\$ 18,562,142	\$ 18,585,308	\$ 20,631,115	\$ 15,224,007



Required Supplementary Information

Schedules of Investment Returns

Defined Benefit Pension Plans

For the Last Ten Fiscal Years

Annual money-weighted rate of return, net of investment expense

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Pooled Investment Fund (ERS):	13.60%	4.70%	(18.70%)	19.40%	(3.60%)	(1.80%)	0.60%	2.90%	(7.23%)	(5.32%)
Employees' Retirement System										
Teachers Retirement System of Georgia	11.55%	8.56%	(15.18%)	25.08%	2.91%	4.08%	5.05%	7.62%	(2.92%)	(0.45%)

Schedule includes all significant plans and funds administered by the State of Georgia.



Required Supplementary Information

Notes to Required Supplementary Information

Defined Benefit Pension Plans

Methods and Assumptions

For the Fiscal Year Ended June 30, 2024

Actuarial Methods and Assumptions - Plan Perspective:

This note provides information about changes of benefit terms, changes of assumptions, and methods and assumptions used in calculations of actuarially determined contributions.

Employees' Retirement System

Changes of benefit terms: A one-time 3% payment was granted to certain retirees and beneficiaries effective July 2016, and a one-time 3% payment was granted to certain retirees and beneficiaries effective July 2017. Two one-time 2% payments were granted to certain retirees and beneficiaries effective July 2018 and January 2019. Two one-time 3% payments were granted to certain retirees and beneficiaries effective July 2019 and January 2020. Two one-time 3% payments were granted to certain retirees and beneficiaries effective July 2021 and January 2022.

Changes of assumptions: On December 17, 2015, the Board adopted recommended changes to the economic and demographic assumptions utilized by the System. Primary among the changes were the updates to rates of mortality, retirement, disability, withdrawal, and salary increases. Subsequent to the June 30, 2016 actuarial valuation, ERS Board adopted a new funding policy. Because of this new funding policy, the assumed investment rate of return was reduced from 7.50% to 7.40% for the June 30, 2017 actuarial valuation. In addition, based on the ERS board's new funding policy, the assumed investment rate of return was further reduced by 0.10% from 7.40% to 7.30% as of the June 30, 2018 measurement date, and remained unchanged for June 30, 2019 and June 20, 2020. The assumed investment rate of return was further reduced by 0.10% from 7.30% to 7.20% as of the June 30, 2021 measurement date. 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-yr period ending June 30, 2019. Primary among the changes were the updates to mortality, retirement, withdrawal, and salary increases. This also included a change to the long-term assumed investment rate of return to 7.00%. Therefore, a change in assumptions due to the reduction in the assumed investment rate of return from 7.30% to 7.00%, are reflected, along with the assumptions changes due to the experience study, in the calculation of the June 30, 2021 ERS Total Pension Liability. On April 21, 2022, the Board adopted a new funding policy superseding and replacing the funding policy adopted March 15, 2018. This new funding policy, in part, provides that the Actuarial Accrued Liability and Normal Cost of the System will include a prefunded variable 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 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. Based on the funding policy, the assumed investment rate of return was reduced from 7.20% to 7.10% for the June 30, 2023 actuarial valuation.

Teachers Retirement System of Georgia

Changes of benefit terms: There were no changes in benefits terms that affect the measurement of the total pension liability since the prior measurement date.

Changes of assumptions: On November 18, 2015, the Board adopted recommended changes to the economic and demographic assumptions utilized by the System. Primary among the changes were the updates to rates of mortality, retirement, disability, withdrawal, and salary increases. Based on the funding policy adopted by the Board on May 15, 2019, the investment rate of return assumption was changed to 7.25%. In addition, the assumed rate of inflation



Required Supplementary Information
Notes to Required Supplementary Information
Defined Benefit Pension Plans
Methods and Assumptions
For the Fiscal Year Ended June 30, 2024

was changed to 2.50%. On May 13, 2020, the Board adopted recommended changes to the economic and demographic assumptions utilized by the System. Primary among the changes were the updates to rates of mortality, retirement, disability, and withdrawal. On May 11, 2022, the Board adopted recommended changes to the investment rate of return assumption from 7.25% to 6.90%, and the payroll growth assumption was changed from 3.00% to 2.50%.

Actuarial Methods and Assumptions - Plan Perspective:

Methods and assumptions used in calculations of actuarially determined contributions: The actuarially determined contribution rates in the schedules of employers' and non-employers' contributions are calculated as of June 30, one to three years prior to the end of the fiscal year in which contributions are reported. The following actuarial methods and assumptions were used to determine the most recent contribution rates in those schedules:

	ERS	TRS
Valuation date	June 30, 2021	June 30, 2021
Actuarial cost method	Entry age	Entry age
Amortization method	Level dollar, closed	Level percent of payroll, closed
Remaining amortization period	20.0 years	22.6 years
Asset valuation method	5-year smoothed fair	5-year smoothed fair
Inflation	2.50%	2.50%
Salary increases:	3.00 - 6.75%	3.00 - 8.75%, including inflation
Investment rate of return	7.20%, net of pension plan investment expense, including inflation	6.90%, net of pension plan investment expense, including inflation
Cost-of-living adjustment	1.05% annually	
Post-retirement benefit increases:		1.50%, semi-annually

Schedule includes all significant plans and funds administered by the State of Georgia.



State of Georgia

Required Supplementary Information Schedules of State's Contributions - As Employer Defined Benefit Pension Plans For the Last Ten Fiscal Years (amounts in thousands)

	2024	2023	2022	2021
Primary Government				
Employees' Retirement System:				
Statutorily required contribution	\$ 765,281	\$ 752,597	\$ 553,222	\$ 524,789
Contributions in relation to the statutorily required contribution	(765,281)	(752,597)	(553,222)	(524,789)
Contribution Deficiency (excess)	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
State's covered payroll	\$ 2,835,381	\$ 2,597,737	\$ 2,341,771	\$ 2,299,629
Contributions as a percentage of the covered payroll	26.99 %	28.97 %	23.62 %	22.82 %
Teachers Retirement System of Georgia:				
Statutorily required contribution	\$ 507,208	\$ 476,117	\$ 425,473	\$ 403,678
Contributions in relation to the statutorily required contribution	(507,208)	(476,117)	(425,473)	(403,678)
Contribution Deficiency (excess)	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
State's covered payroll	\$ 2,543,346	\$ 2,397,443	\$ 2,149,120	\$ 2,125,117
Contributions as a percentage of the covered payroll	19.94 %	19.86 %	19.80 %	19.00 %
Component Units				
Employees' Retirement System:				
Statutorily required contribution	\$ 11,848	\$ 11,740	\$ 8,188	\$ 8,004
Contributions in relation to the statutorily required contribution	(11,848)	(11,740)	(8,188)	(8,004)
Contribution Deficiency (excess)	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
State's covered payroll	\$ 45,133	\$ 41,227	\$ 35,926	\$ 34,178
Contributions as a percentage of the covered payroll	26.25 %	28.48 %	22.79 %	23.42 %
Teachers Retirement System of Georgia:				
Statutorily required contribution	\$ 14,379	\$ 14,839	\$ 14,458	\$ 14,031
Contributions in relation to the statutorily required contribution	(14,379)	(14,839)	(14,458)	(14,031)
Contribution Deficiency (excess)	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
State's covered payroll	\$ 72,075	\$ 74,338	\$ 73,103	\$ 73,640
Contributions as a percentage of the covered payroll	19.95 %	19.96 %	19.78 %	19.05 %

Schedule includes all significant plans and funds administered by the State of Georgia.



<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 578,020	\$ 578,876	\$ 582,189	\$ 554,976	\$ 505,411	\$ 440,602
(578,020)	(578,876)	(582,189)	(554,976)	(505,411)	(440,602)
<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
\$ 2,389,515	\$ 2,378,687	\$ 2,403,879	\$ 2,257,282	\$ 2,103,422	\$ 1,875,953
24.19 %	24.34 %	24.22 %	24.59 %	24.03 %	23.49 %
\$ 457,759	\$ 434,861	\$ 339,634	\$ 276,210	\$ 261,758	\$ 230,939
(457,759)	(434,861)	(339,634)	276,210	(261,758)	(230,939)
<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
\$ 2,169,964	\$ 2,075,231	\$ 2,016,415	\$ 1,934,055	\$ 1,832,311	\$ 1,756,586
21.10 %	20.95 %	16.84 %	14.28 %	14.29 %	13.15 %
\$ 9,324	\$ 9,369	\$ 9,184	\$ 9,576	\$ 9,425	\$ 8,304
(9,324)	(9,369)	(9,184)	(9,576)	(9,425)	(8,304)
<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
\$ 40,397	\$ 40,121	\$ 37,649	\$ 36,171	\$ 39,238	\$ 35,265
23.08 %	23.35 %	24.39 %	26.47 %	24.02 %	23.55 %
\$ 15,748	\$ 14,338	\$ 11,195	\$ 9,248	\$ 8,616	\$ 8,231
(15,748)	(14,338)	(11,195)	(9,248)	(8,616)	(8,231)
<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
\$ 74,484	\$ 68,606	\$ 66,582	\$ 64,715	\$ 63,339	\$ 62,558
21.14 %	20.90 %	16.81 %	14.29 %	13.60 %	13.16 %

State of Georgia

Required Supplementary Information

Schedules of State's Contributions - As Nonemployer Contributing Entity

Defined Benefit Pension Plans

For the Last Ten Fiscal Years

(amounts in thousands)

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Employees' Retirement System:				
Statutorily required contribution	\$ 9,370	\$ 10,445	\$ 8,586	\$ 8,931
Contributions in relation to the statutorily required contribution	(9,370)	(10,445)	(8,586)	(8,931)
Contribution Deficiency (excess)	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
Teachers Retirement System of Georgia:				
Statutorily required contribution	\$ 5,908	\$ 5,519	\$ 5,398	\$ 5,123
Contributions in relation to the statutorily required contribution	(5,908)	(5,519)	(5,398)	(5,123)
Contribution Deficiency (excess)	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

Schedule includes all significant plans and funds administered by the State of Georgia.



<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 9,840	\$ 10,404	\$ 10,781	\$ 11,967	\$ 12,138	\$ 11,174
<u>(9,840)</u>	<u>(10,404)</u>	<u>(10,781)</u>	<u>(11,967)</u>	<u>(12,138)</u>	<u>(11,174)</u>
<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
\$ 5,729	\$ 5,414	\$ 4,420	\$ 6,152	\$ 7,944	\$ 7,038
<u>(5,729)</u>	<u>(5,414)</u>	<u>(4,420)</u>	<u>(6,152)</u>	<u>(7,944)</u>	<u>(7,038)</u>
<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

State of Georgia

Required Supplementary Information

Schedules of State's Proportionate Share of the Net Pension Liability - As Employer Defined Benefit Pension Plans For the Last Ten Fiscal Years (amounts in thousands)

	2024	2023	2022	2021
Primary Government				
Employees' Retirement System:				
State's proportion of the net pension liability	88.197093 %	88.327728 %	88.744453 %	88.814112 %
State's proportionate share of the net pension liability	\$ 5,261,476	\$ 5,898,936	\$ 2,075,647	\$ 3,743,477
State's Covered payroll	\$ 2,597,737	\$ 2,341,771	\$ 2,299,629	\$ 2,389,515
State's proportionate share of the net pension liability as a percentage of its covered payroll	202.54 %	251.90 %	90.26 %	156.66 %
Plan fiduciary net position as a percentage of the total pension liability	71.20 %	67.44 %	87.62 %	76.21 %
Teachers Retirement System of Georgia:				
State's proportion of the net pension liability	16.443405 %	15.896957 %	16.325966 %	16.800653 %
State's proportionate share of the net pension liability	\$ 4,853,937	\$ 5,161,424	\$ 1,443,829	\$ 4,069,621
State's Covered payroll	\$ 2,397,443	\$ 2,149,120	\$ 2,125,117	\$ 2,169,964
State's proportionate share of the net pension liability as a percentage of its covered payroll	202.46 %	240.16 %	67.94 %	187.54 %
Plan fiduciary net position as a percentage of the total pension liability	76.29 %	72.85 %	92.03 %	77.01 %
Component Units				
Employees' Retirement System:				
State's proportion of the net pension liability	1.378105 %	1.344978 %	1.307751 %	1.490203 %
State's proportionate share of the net pension liability	\$ 82,212	\$ 89,823	\$ 30,587	\$ 62,811
State's Covered payroll	\$ 41,227	\$ 35,926	\$ 34,178	\$ 40,397
State's proportionate share of the net pension liability as a percentage of its covered payroll	199.41 %	250.02 %	89.49 %	155.48 %
Plan fiduciary net position as a percentage of the total pension liability	71.20 %	67.44 %	87.62 %	76.21 %
Teachers Retirement System of Georgia:				
State's proportion of the net pension liability	0.509591 %	0.539940 %	0.565710 %	0.577537 %
State's proportionate share of the net pension liability	\$ 150,453	\$ 175,329	\$ 50,033	\$ 139,902
State's Covered payroll	\$ 74,338	\$ 73,103	\$ 73,640	\$ 74,484
State's proportionate share of the net pension liability as a percentage of its covered payroll	202.39 %	239.84 %	67.94 %	187.83 %
Plan fiduciary net position as a percentage of the total pension liability	76.29 %	72.85 %	92.03 %	77.01 %

The amounts presented for each fiscal year were determined as of the prior fiscal year-end.

Schedule includes all significant plans and funds administered by the State of Georgia.



	2020		2019		2018		2017		2016		2015
	88.906000 %		88.948204 %		88.415594 %		87.798535 %		87.682412 %		87.266834 %
\$	3,667,433	\$	3,656,194	\$	3,590,854	\$	4,153,237	\$	3,552,363	\$	3,273,046
\$	2,378,687	\$	2,403,879	\$	2,257,282	\$	2,103,422	\$	1,875,953	\$	1,615,070
	154.18 %		152.10 %		159.08 %		197.45 %		189.36 %		202.66 %
	76.74 %		76.68 %		76.33 %		72.34 %		76.20 %		77.99 %
	17.045266 %		17.011357 %		16.885665 %		16.741530 %		16.687812 %		16.517474 %
\$	3,664,958	\$	3,157,367	\$	3,137,798	\$	3,453,291	\$	2,540,211	\$	2,086,629
\$	2,075,231	\$	2,016,415	\$	1,934,055	\$	1,832,311	\$	1,756,586	\$	1,683,292
	176.60 %		156.58 %		162.24 %		188.47 %		144.61 %		123.96 %
	78.56 %		80.27 %		79.33 %		76.06 %		81.44 %		84.03 %
	1.473466 %		1.369623 %		1.501635 %		1.639295 %		1.557127 %		1.543905 %
\$	60,803	\$	56,305	\$	60,985	\$	77,545	\$	63,085	\$	57,906
\$	40,121	\$	37,649	\$	36,171	\$	39,238	\$	35,265	\$	28,075
	151.55 %		149.55 %		168.60 %		197.63 %		178.89 %		206.25 %
	76.74 %		76.68 %		76.33 %		72.34 %		76.20 %		77.99 %
	0.562276 %		0.558992 %		0.564739 %		0.577541 %		0.564109 %		0.590520 %
\$	120,905	\$	103,761	\$	104,910	\$	119	\$	85,798	\$	74,604
\$	68,606	\$	66,582	\$	64,715	\$	63,339	\$	62,558	\$	60,180
	176.23 %		155.84 %		162.11 %		187.83 %		137.15 %		123.97 %
	78.56 %		80.27 %		79.33 %		76.06 %		81.44 %		84.03 %

State of Georgia

Required Supplementary Information

Schedules of State's Proportionate Share of the Net Pension Liability - As Nonemployer Contributing Entity Defined Benefit Pension Plans For the Last Ten Fiscal Years

(amounts in thousands)

	<u>2024</u>		<u>2023</u>		<u>2022</u>		<u>2021</u>
Employees' Retirement System:							
State's proportion of the net pension liability	1.233590 %		1.385222 %		1.510823 %		1.560184 %
State's proportionate share of the net pension liability	\$ 73,591	\$	92,512	\$	35,337	\$	65,761
Plan fiduciary net position as a percentage of the total pension liability	71.20 %		67.44 %		87.62 %		76.21 %
Teachers Retirement System of Georgia:							
State's proportion of the net pension liability (asset)	0.189499 %		0.201577 %		0.206584 %		0.210185 %
State's proportionate share of the net pension liability (asset)	\$ 55,948	\$	65,456	\$	18,271	\$	50,915
Plan fiduciary net position as a percentage of the total pension liability	76.29 %		72.85 %		92.03 %		77.01 %

The amounts presented for each fiscal year were determined as of the prior fiscal year-end.

Schedule includes all significant plans and funds administered by the State of Georgia.



2020	2019	2018	2017	2016	2015
1.633579 %	1.696518 %	1.891959 %	2.111751 %	2.225584 %	2.410713 %
\$ 67,410	\$ 69,744	\$ 76,839	\$ 99,895	\$ 90,167	\$ 90,417
76.74 %	76.68 %	76.33 %	72.34 %	76.20 %	77.99 %
0.212260 %	0.220738 %	0.375432 %	0.507487 %	0.507036 %	0.504588 %
\$ 45,642	\$ 40,974	\$ 69,775	\$ 104,700	\$ 77,191	\$ 63,748
78.56 %	80.27 %	79.33 %	76.06 %	81.44 %	84.03 %



Required Supplementary Information

Notes to Required Supplementary Information

Defined Benefit Pension Plans

Methods and Assumptions

For the Fiscal Year Ended June 30, 2024

Actuarial Methods and Assumptions - State as Employer Perspective:

This note provides information about changes of benefit terms, changes of assumptions, and methods and assumptions used in calculations of actuarially determined contributions.

Employees' Retirement System

Changes of benefit terms: A one-time 3% payment was granted to certain retirees and beneficiaries effective July 2016. A one-time 3% payment was granted to certain retirees and beneficiaries effective July 2017. Two one-time 2% payments were granted to certain retirees and beneficiaries effective July 2018 and January 2019. Two one-time payments were granted to certain retirees and beneficiaries effective July 2019 and January 2020. Two one-time 3% payments were granted to certain retirees and beneficiaries effective July 2021 and January 2022.

Changes of assumptions: On December 17, 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, and withdrawal. On March 15, 2018, the ERS Board adopted a new funding policy, and this policy was most recently amended on June 18, 2020. Because of this new funding policy, the assumed investment rate of return was reduced from 7.50% to 7.40% for June 30, 2017 actuarial valuation. In addition, based on the ERS Board's new funding policy, the assumed investment rate of return was further reduced from 7.40% to 7.30% as of June 30, 2018 measurement date. On December 17, 2020, the Board adopted recommended changes to the economic and demographic assumptions utilized by the System. Primary among the changes were the updates to mortality, retirement, withdrawal, and salary increases. This also included a change to the long-term assumed investment rate of return to 7.00%. These assumption changes are reflected in the calculation of the June 30, 2021 Total Pension Liability. On April 21, 2022, the Board adopted a new funding policy superseding and replacing this funding policy. This 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 of Georgia

Changes of benefit terms: There were no changes in benefits terms that affect the measurement of the total pension liability since the prior measurement date.

Changes of assumptions: 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. Effective with the June 30, 2018 valuation, the long-term assumed rate of return on assets (discount rate) was changed from 7.50% to 7.25%, and the assumed annual rate of inflation was changed from 2.75% to 2.50%. On May 13, 2020, the Board adopted recommended changes to the economic and demographic assumptions utilized by the System. Primary among the changes were the updates to rates of mortality, retirement, disability, and withdrawal. Effective with the June 21, 2021 valuation, the long-term assumed rate of return on assets (discount rate) was changed from 7.25% to 6.90%, and the payroll growth assumption was changed from 3.00% to 2.50%.



Required Supplementary Information

Notes to Required Supplementary Information

Defined Benefit Pension Plans

Methods and Assumptions

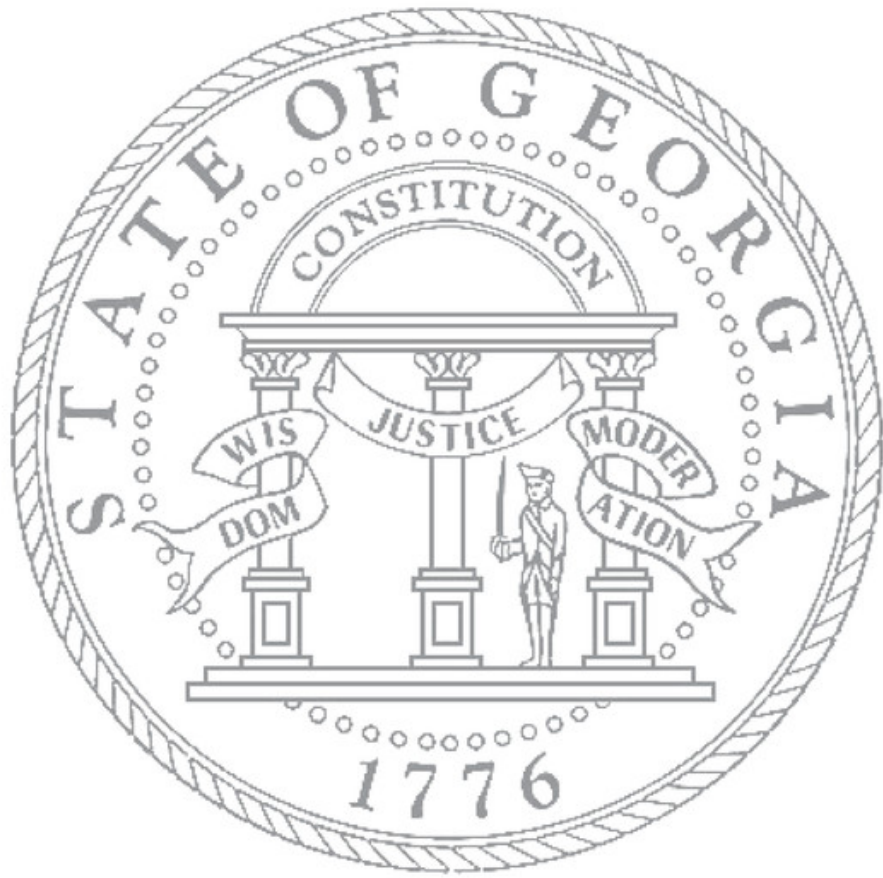
For the Fiscal Year Ended June 30, 2024

Actuarial Methods and Assumptions - State as Employer Perspective:

Methods and assumptions used in calculations of actuarially determined contributions: The actuarially determined contribution rates in the schedules of employers' and non-employers' contributions are calculated as of June 30, three years prior to the end of the fiscal year in which contributions are reported. The following actuarial methods and assumptions were used to determine the most recent contribution rates in those schedules:

	<u>ERS</u>	<u>TRS</u>
Valuation date	June 30, 2020	June 30, 2020
Actuarial cost method	Entry age	Entry age
Amortization method	Level dollar, closed	Level percent of payroll, closed
Remaining amortization period	19.0 years	24.2 years
Asset valuation method	5-year smoothed market	5-year smoothed fair
Inflation	2.50%	2.50%
Salary increases:	3.00 - 6.75%, including inflation	3.00 - 8.75%, including inflation
Investment rate of return	7.30%, net of pension plan investment expense, including inflation	7.25%, net of pension plan investment expense, including inflation
Post-Retirement Benefit Increases		1.50% semi-annually

Schedule includes all significant plans and funds administered by the State of Georgia



**REQUIRED SUPPLEMENTARY INFORMATION -
OTHER POSTEMPLOYMENT BENEFITS (OPEB)**



Required Supplementary Information
Schedule of Employers' Contributions
Multi-Employer and Single-Employer OPEB Plans
For the Last Ten Fiscal Years

(amounts in thousands)

	Year Ended	Actuarially Determined Contribution (a)	Contributions in Relation to the Actuarially Determined Contribution (b)	Contribution Deficiency/ (Excess) (a - b)	Covered Payroll	Contributions as a Percentage of Covered Payroll (b/c)
State OPEB ¹	6/30/2015	275,681	267,235	8,446	2,333,060	11.45 %
	6/30/2016	259,250	574,015	(314,765)	2,404,901	23.87 %
	6/30/2017	202,092	498,202	(296,110)	2,483,060	20.06 %
	6/30/2018	232,161	501,574	(269,413)	2,535,722	19.78 %
	6/30/2019	218,962	534,673	(315,711)	2,802,815	19.08 %
	6/30/2020	210,034	150,489	59,545	2,797,241	5.38 %
	6/30/2021	178,423	151,709	26,714	2,815,892	5.39 %
	6/30/2022	152,792	161,693	(8,901)	2,673,570	6.05 %
	6/30/2023	105,488	177,693	(72,205)	2,772,499	6.41 %
	6/30/2024	51,658	449,604	(397,946)	3,123,641	14.39 %
School OPEB ¹	6/30/2015	873,278	408,538	464,740	N/A	N/A
	6/30/2016	873,736	432,438	441,298	N/A	N/A
	6/30/2017	669,894	521,408	148,486	N/A	N/A
	6/30/2018	824,872	518,290	306,582	N/A	N/A
	6/30/2019	833,291	538,569	294,722	N/A	N/A
	6/30/2020	786,912	338,177	448,735	N/A	N/A
	6/30/2021	754,013	371,855	382,158	N/A	N/A
	6/30/2022	728,211	361,575	366,636	N/A	N/A
	6/30/2023	596,463	384,444	212,019	N/A	N/A
	6/30/2024	628,435	408,979	219,456	N/A	N/A

(continued)

¹ Refer to the "Notes to the Required Supplementary Information" (Plan Perspective) for additional information regarding OPEB funding.

Schedule includes all significant plans and funds administered by the State of Georgia.



Required Supplementary Information
Schedule of Employers' Contributions
Multi-Employer and Single-Employer OPEB Plans
For the Last Ten Fiscal Years

(amounts in thousands)

	Year Ended	Actuarially Determined Contribution (a)	Contributions in Relation to the Actuarially Determined Contribution (b)	Contribution Deficiency/ (Excess) (a - b)	Covered Payroll	Contributions as a Percentage of Covered Employee Payroll (b/c)
Regents Plan ^{2,4,5}	6/30/2015	442,359	129,823	312,536	2,608,757	4.98 %
	6/30/2016	295,192	111,814	183,378	3,087,013	3.62 %
	6/30/2017	349,859	99,584	250,275	3,122,694 ³	3.19 %
	6/30/2018	467,338	158,420	308,918	3,218,771	4.92 %
	6/30/2019	484,599	160,383	324,216	3,375,246	4.75 %
	6/30/2020	417,744	102,792	314,952	3,622,124	2.84 %
	6/30/2021	387,020	117,381	269,639	3,610,622	3.25 %
	6/30/2022	328,236	146,343	181,893	3,837,859	3.81 %
	6/30/2023	270,260	101,486	168,774	3,991,896	2.54 %
	6/30/2024	260,848	93,501	167,347	4,273,181	2.19 %
SEAD-OPEB ⁵	6/30/2015	—	—	—	N/A	N/A
	6/30/2016	—	—	—	N/A	N/A
	6/30/2017	—	—	—	N/A	N/A
	6/30/2018	—	—	—	N/A	N/A
	6/30/2019	—	—	—	N/A	N/A
	6/30/2020	—	—	—	N/A	N/A
	6/30/2021	—	—	—	N/A	N/A
	6/30/2022	—	—	—	N/A	N/A
	6/30/2023	—	—	—	N/A	N/A
	6/30/2024	—	—	—	N/A	N/A

² For purposes of GASB 75, the Regents plans present Covered-Employee Payroll.

³ June 30, 2017 covered employee payroll for the Board of Regents Retiree Health Benefit Plan was restated.

⁴ Refer to the "Notes to the Required Supplementary Information" (Plan Perspective) for additional information regarding OPEB funding.

⁵ This data, except for annual covered payroll, was provided by each plan's actuary.

Schedule includes all significant plans and funds administered by the State of Georgia.

State of Georgia

Required Supplementary Information

Schedule of Employers' Net OPEB Liability

Multi-Employer and Single-Employer OPEB Plans

For the Last Eight Fiscal Years

(amounts in thousands)

	2024	2023	2022	2021
State OPEB Fund:				
Total OPEB liability	\$ 2,454,728	\$ 2,314,185	\$ 2,250,451	\$ 2,213,298
Plan fiduciary net position	2,706,806	2,030,744	1,801,133	1,938,443
Employers' net OPEB liability	<u>\$ (252,078)</u>	<u>\$ 283,441</u>	<u>\$ 449,318</u>	<u>\$ 274,855</u>
Plan fiduciary net position as a percentage of the total OPEB liability	110.27 %	87.75 %	80.03 %	87.58 %
Covered payroll	\$ 3,123,641	\$ 2,772,499	\$ 2,673,570	\$ 2,815,892
Employers' net OPEB liability as a percentage of covered payroll	(8.07)%	10.22 %	16.81 %	9.76 %
School OPEB Fund:				
Total OPEB liability	\$ 12,238,549	\$ 11,658,704	\$ 10,554,743	\$ 11,539,870
Plan fiduciary net position	842,210	705,291	651,562	709,042
Employers' net OPEB liability	<u>\$ 11,396,339</u>	<u>\$ 10,953,413</u>	<u>\$ 9,903,181</u>	<u>\$ 10,830,828</u>
Plan fiduciary net position as a percentage of the total OPEB liability	6.88 %	6.05 %	6.17 %	6.14 %
Covered payroll	N/A	N/A	N/A	N/A
Employers' net OPEB liability as a percentage of covered payroll	N/A	N/A	N/A	N/A
SEAD-OPEB Plan:				
Total OPEB liability	\$ 1,017,833	\$ 991,143	\$ 966,698	\$ 950,995
Plan fiduciary net position	1,579,095	1,432,148	1,334,285	1,566,821
Employers' net OPEB (asset)	<u>\$ (561,262)</u>	<u>\$ (441,005)</u>	<u>\$ (367,587)</u>	<u>\$ (615,826)</u>
Plan fiduciary net position as a percentage of the total OPEB liability	155.14 %	144.49 %	138.03 %	164.76 %
Covered payroll	\$ 963,888	\$ 989,420	\$ 982,303	\$ 1,030,717
Employers' net OPEB (asset) as a percentage of covered payroll	(58.23)%	(44.57%)	(37.42%)	(59.75%)
Regents Plan:				
Total OPEB liability	\$ 3,128,725	\$ 3,396,082	\$ 4,173,225	\$ 5,228,380
Plan fiduciary net position	225,053	218,735	211,904	195,299
Employers' net OPEB liability	<u>\$ 2,903,672</u>	<u>\$ 3,177,347</u>	<u>\$ 3,961,321</u>	<u>\$ 5,033,081</u>
Plan fiduciary net position as a percentage of the total OPEB liability	7.19 %	6.44 %	5.08 %	3.74 %
Covered payroll*	\$ 4,273,181	\$ 3,991,896	\$ 3,837,859	\$ 3,610,622
Employers' net OPEB liability as a percentage of covered payroll	67.95 %	79.59 %	103.22 %	139.40 %

* June 30, 2017 covered employee payroll for the Board of Regents Retiree Health Benefit Plan was restated.

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

Schedule includes all significant plans and funds administered by the State of Georgia.



<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
\$ 2,792,919	\$ 2,858,521	\$ 3,817,453	\$ 4,929,142
<u>1,667,521</u>	<u>1,617,207</u>	<u>1,201,865</u>	<u>854,937</u>
<u>\$ 1,125,398</u>	<u>\$ 1,241,314</u>	<u>\$ 2,615,588</u>	<u>\$ 4,074,205</u>
59.71 %	56.57 %	31.48 %	17.34 %
\$ 2,797,241	\$ 2,802,815	\$ 2,535,722	\$ 2,483,060
40.23 %	44.29 %	103.15 %	164.08 %
\$ 15,298,688	\$ 12,867,274	\$ 13,092,956	\$ 14,279,644
<u>611,017</u>	<u>595,129</u>	<u>383,263</u>	<u>229,685</u>
<u>\$ 14,687,671</u>	<u>\$ 12,272,145</u>	<u>\$ 12,709,693</u>	<u>\$ 14,049,959</u>
3.99 %	4.63 %	2.93 %	1.61 %
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A
\$ 972,700	\$ 951,091	\$ 918,816	\$ 861,346
<u>1,256,718</u>	<u>1,233,856</u>	<u>1,189,462</u>	<u>1,121,251</u>
<u>\$ (284,018)</u>	<u>\$ (282,765)</u>	<u>\$ (270,646)</u>	<u>\$ (259,905)</u>
129.20 %	129.73 %	129.46 %	130.17 %
\$ 1,135,433	\$ 1,211,274	\$ 1,328,485	\$ 1,383,860
(25.01%)	(23.34%)	(20.37%)	(18.78%)
\$ 5,493,697	\$ 4,616,023	\$ 4,486,796	\$ 4,227,583
<u>159,978</u>	<u>144,455</u>	<u>76,045</u>	<u>7,857</u>
<u>\$ 5,333,719</u>	<u>\$ 4,471,568</u>	<u>\$ 4,410,751</u>	<u>\$ 4,219,726</u>
2.91 %	3.13 %	1.69 %	0.19 %
\$ 3,622,124	\$ 3,375,246	\$ 3,218,771	\$ 3,122,694
147.25 %	132.48 %	137.03 %	135.13 %

State of Georgia

Required Supplementary Information

Schedule of Changes in Employers' Net OPEB Liability

Multi-Employer and Single-Employer OPEB Plans

For the Last Eight Fiscal Years

(amounts in thousands)

	2024	2023	2022	2021
State OPEB Fund:				
Total OPEB liability:				
Service cost	\$ 34,477	\$ 31,683	\$ 32,412	\$ 40,439
Interest	156,226	150,839	149,226	191,884
Differences between expected and actual experience	82,857	(109,192)	18,509	(657,643)
Changes of assumptions	31,748	181,611	—	(4,268)
Benefit payments	(164,765)	(191,207)	(162,994)	(150,033)
Net change in total OPEB liability	140,543	63,734	37,153	(579,621)
Total OPEB liability-beginning	2,314,185	2,250,451	2,213,298	2,792,919
Total OPEB liability-ending (a)	2,454,728	2,314,185	2,250,451	2,213,298
Plan fiduciary net position:				
Contributions-employer	449,605	177,694	161,693	151,709
Net investment income	392,935	244,739	(134,599)	270,803
Benefit payments	(164,765)	(191,207)	(162,994)	(150,033)
Administrative expense	(1,713)	(1,615)	(1,410)	(1,557)
Net change in plan fiduciary net position	676,062	229,611	(137,310)	270,922
Plan fiduciary net position-beginning	2,030,744	1,801,133	1,938,443	1,667,521
Plan fiduciary net position-ending (b)	2,706,806	2,030,744	1,801,133	1,938,443
Net OPEB liability-ending (a)-(b)	\$ (252,078)	\$ 283,441	\$ 449,318	\$ 274,855
School OPEB Fund:				
Total OPEB liability:				
Service cost	\$ 407,198	\$ 375,176	\$ 499,105	\$ 639,070
Interest	421,455	369,360	249,845	335,549
Differences between expected and actual experience	377,604	(366,451)	471,309	(4,394,955)
Changes of assumptions	(214,195)	1,142,902	(1,838,827)	29,294
Benefit payments	(412,217)	(417,026)	(366,559)	(367,776)
Net change in total OPEB liability	579,845	1,103,961	(985,127)	(3,758,818)
Total OPEB liability-beginning	11,658,704	10,554,743	11,539,870	15,298,688
Total OPEB liability-ending (a)	12,238,549	11,658,704	10,554,743	11,539,870
Plan fiduciary net position:				
Contributions-employer	408,979	384,444	361,575	371,855
Net investment income	143,889	89,715	(49,305)	97,704
Benefit payments	(412,217)	(417,026)	(366,559)	(367,776)
Administrative expense	(3,732)	(3,404)	(3,191)	(3,758)
Net change in plan fiduciary net position	136,919	53,729	(57,480)	98,025
Plan fiduciary net position-beginning	705,291	651,562	709,042	611,017
Plan fiduciary net position-ending (b)	842,210	705,291	651,562	709,042
Net OPEB liability-ending (a)-(b)	\$ 11,396,339	\$ 10,953,413	\$ 9,903,181	\$ 10,830,828

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

Schedule includes all significant plans and funds administered by the State of Georgia



2020	2019	2018	2017
\$ 39,825	\$ 63,724	\$ 112,297	\$ 119,686
203,201	194,860	174,427	158,096
(185,261)	(371,757)	(267,124)	—
26,555	(676,765)	(963,394)	(383,932)
(149,922)	(168,993)	(167,896)	(162,145)
(65,602)	(958,931)	(1,111,690)	(268,295)
2,858,521	3,817,452	4,929,142	5,197,437
2,792,919	2,858,521	3,817,452	4,929,142
150,489	534,673	501,574	498,202
51,938	51,687	15,300	4,696
(149,922)	(168,993)	(167,896)	(162,145)
(2,191)	(2,025)	(2,052)	(2,077)
50,314	415,342	346,926	338,676
1,617,207	1,201,865	854,939	516,261
1,667,521	1,617,207	1,201,865	854,937
\$ 1,125,398	\$ 1,241,314	\$ 2,615,587	\$ 4,074,205

\$ 458,802	\$ 408,667	\$ 521,135	\$ 557,770
454,637	500,123	504,681	452,024
(619,357)	(1,298,677)	(341,373)	—
2,473,164	503,959	(1,506,313)	(1,262,291)
(335,832)	(339,754)	(364,818)	(383,556)
2,431,414	(225,682)	(1,186,688)	(636,053)
12,867,274	13,092,956	14,279,644	14,915,697
15,298,688	12,867,274	13,092,956	14,279,644
338,177	538,569	518,290	521,408
18,795	17,468	4,563	1,148
(335,832)	(339,754)	(364,818)	(383,556)
(5,252)	(4,417)	(4,457)	(4,727)
15,888	211,866	153,578	134,273
595,129	383,263	229,685	95,412
611,017	595,129	383,263	229,685
\$ 14,687,671	\$ 12,272,145	\$ 12,709,693	\$ 14,049,959

(continued)

State of Georgia

Required Supplementary Information

Schedule of Changes in Employers' Net OPEB Liability

Multi-Employer and Single-Employer OPEB Plans

For the Last Eight Fiscal Years

(amounts in thousands)

	2024	2023	2022	2021
SEAD-OPEB Plan:				
Total OPEB liability:				
Service cost	\$ 2,228	\$ 2,318	\$ 2,551	\$ 2,957
Interest	67,632	65,897	64,643	69,011
Differences between expected and actual experience	6,764	6,841	3,562	(2,342)
Changes of assumptions	—	—	—	(36,651)
Benefit payments	(49,934)	(50,611)	(55,053)	(54,680)
Net change in total OPEB liability	26,690	24,445	15,703	(21,705)
Total OPEB liability-beginning	991,143	966,698	950,995	972,700
Total OPEB liability-ending (a)	1,017,833	991,143	966,698	950,995
Plan fiduciary net position:				
Insurance premiums-member	2,533	2,624	2,641	2,817
Net investment income	195,255	146,685	(179,369)	362,663
Benefit payments	(49,934)	(50,611)	(55,053)	(54,680)
Administrative expense	(907)	(835)	(755)	(697)
Other	—	—	—	—
Net change in plan fiduciary net position	146,947	97,863	(232,536)	310,103
Plan fiduciary net position-beginning	1,432,148	1,334,285	1,566,821	1,256,718
Plan fiduciary net position-ending (b)	1,579,095	1,432,148	1,334,285	1,566,821
Net OPEB (asset)-ending (a)-(b)	<u>\$ (561,262)</u>	<u>\$ (441,005)</u>	<u>\$ (367,587)</u>	<u>\$ (615,826)</u>
Regents Plan:				
Total OPEB liability:				
Service cost	\$ 73,933	\$ 93,224	\$ 139,285	\$ 161,299
Interest	126,160	149,263	115,866	123,861
Benefit changes	—	(83,073)	—	—
Differences between expected and actual experience	4,085	27,213	(24,857)	89,218
Changes of assumptions	(368,522)	(862,908)	(1,179,498)	(538,325)
Benefit payments	(103,013)	(100,862)	(105,951)	(101,370)
Net change in total OPEB liability	(267,357)	(777,143)	(1,055,155)	(265,317)
Total OPEB liability-beginning	3,396,082	4,173,225	5,228,380	5,493,697
Total OPEB liability-ending (a)	3,128,725	3,396,082	4,173,225	5,228,380
Plan fiduciary net position:				
Contributions-employer	93,500	101,485	146,343	117,381
Net investment income	16,393	7,604	(22,284)	20,259
Benefit payments	(103,013)	(100,862)	(105,951)	(101,370)
Administrative expense	(562)	(1,396)	(1,503)	(949)
Net change in plan fiduciary net position	6,318	6,831	16,605	35,321
Plan fiduciary net position-beginning	218,735	211,904	195,299	159,978
Plan fiduciary net position-ending (b)	225,053	218,735	211,904	195,299
Net OPEB liability-ending (a)-(b)	<u>\$ 2,903,672</u>	<u>\$ 3,177,347</u>	<u>\$ 3,961,321</u>	<u>\$ 5,033,081</u>

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

Schedule includes all significant plans and funds administered by the State of Georgia.



2020	2019	2018	2017
\$ 3,237	\$ 3,617	\$ 3,695	\$ 3,959
67,796	65,708	63,242	61,076
(4,670)	366	4,697	—
—	—	22,085	—
(44,754)	(37,416)	(36,249)	(36,058)
21,609	32,275	57,470	28,977
951,091	918,816	861,346	832,369
972,700	951,091	918,816	861,346
3,088	3,328	3,599	3,793
65,248	79,193	101,542	125,550
(44,754)	(37,416)	(36,249)	(36,058)
(720)	(716)	(681)	(576)
—	5	—	1
22,862	44,394	68,211	92,710
1,233,856	1,189,462	1,121,251	1,028,541
1,256,718	1,233,856	1,189,462	1,121,251
\$ (284,018)	\$ (282,765)	\$ (270,646)	\$ (259,905)
\$ 226,810	\$ 217,648	\$ 236,917	\$ 211,513
167,864	180,173	158,223	124,612
(81,917)	(11,211)	—	—
94,948	(29,667)	264,729	123,090
564,180	(129,153)	(310,107)	(347,331)
(94,211)	(98,563)	(90,549)	(89,653)
877,674	129,227	259,213	22,231
4,616,023	4,486,796	4,227,583	4,205,352
5,493,697	4,616,023	4,486,796	4,227,583
102,792	160,383	158,420	99,584
7,528	7,126	802	72
(94,211)	(98,563)	(90,549)	(89,653)
(586)	(536)	(485)	(5,045)
15,523	68,410	68,188	4,958
144,455	76,045	7,857	2,899
159,978	144,455	76,045	7,857
\$ 5,333,719	\$ 4,471,568	\$ 4,410,751	\$ 4,219,726



Required Supplementary Information

Schedule of Investment Returns

Multi-Employer and Single-Employer OPEB Plans

For the Last Eight Fiscal Years

	Annual money-weighted rate of return, net of investment expense							
	2024	2023	2022	2021	2020	2019	2018	2017
State OPEB Fund	19.17%	13.56%	(6.94%)	16.23%	3.21%	3.85%	1.54%	0.74%
School OPEB Fund	19.13%	13.54%	(6.93%)	15.91%	3.16%	3.80%	1.57%	0.78%
SEAD-OPEB Plan	13.60%	4.70%	(18.70%)	19.40%	(3.60%)	(1.80%)	0.60%	2.90%
Regents Plan	7.72%	3.67%	(11.15%)	12.00%	5.27%	7.99%	2.85%	0.99%

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available. Schedule includes all significant plans and funds administered by the State of Georgia.



Required Supplementary Information

Notes to Required Supplementary Information

Methods and Assumptions

Multi-Employer and Single-Employer OPEB Plans

For the Fiscal Year Ended June 30, 2024

Actuarial Methods and Assumptions - Plan Perspective:

This note provides information about changes of benefit terms, changes of assumptions, and methods and assumptions used in calculations of the OPEB liability/asset and required contributions.

State OPEB Fund

Changes of benefit terms: There have been no changes in benefit terms.

Changes of assumptions:

- June 30, 2023 valuation: Medicare health care trend rates were updated
- June 30, 2022 valuation: The tobacco use assumption and aging factors were revised.
- June 30, 2020 valuation: Decremental assumptions were changed to reflect the ERS experience study.
- June 30, 2019 valuation: The inflation assumption was lowered from 2.75% to 2.5% in anticipation of the upcoming ERS Experience Study. Additionally, decremental assumptions were changed to reflect the TRS experience study. Approximately 6% of State OPEB employees are members of TRS.
- June 30, 2017 valuation: The participation assumption, tobacco use assumption and morbidity factors were revised. The June 30, 2017 actuarial valuation was revised, for various factors, including the methodology used to determine how employees and retirees were assigned to each of the OPEB Funds and anticipated participation percentages. Current and former employees of State organizations (including technical colleges, community service boards and public health departments) are now assigned to the State OPEB Fund based on their last employer payroll location; irrespective of retirement system affiliation. Additionally, there were changes the discount rate and an increase in the investment rate of return due to a longer term investment strategy.
- June 30, 2015 valuation: Decremental and underlying inflation assumptions were changed to reflect the Retirement Systems' experience studies.
- June 30, 2012 valuation: A data audit was performed and data collection procedures and assumptions were changed.

School OPEB Fund

Changes of benefit terms: There have been no changes in benefit terms.

Changes of assumptions:

- June 30, 2023 valuation: Medicare health care trend rates were updated.
- June 30, 2022 valuation: The tobacco use assumption and aging factors were revised.
- June 30, 2020 valuation: Decremental assumptions were changed to reflect the ERS experience study. Approximately 0.10% of employees are members of ERS.
- June 30, 2019 valuation: Decremental assumptions were changed to reflect the TRS experience study.
- June 30, 2018 valuation: The inflation assumption was lowered from 2.75% to 2.5%.
- June 30, 2017 valuation: The participation assumption, tobacco use assumption and morbidity factors were revised. The June 30, 2017 actuarial valuation was revised, for various factors, including the methodology used to determine how employees and retirees were assigned to each of the OPEB Funds and anticipated participation percentages. Current and former employees of State organizations (including technical colleges, community service boards and public health departments) are now assigned to the State OPEB Fund based on their last employer payroll location; irrespective of retirement system affiliation.



Required Supplementary Information

Notes to Required Supplementary Information

Methods and Assumptions

Multi-Employer and Single-Employer OPEB Plans

For the Fiscal Year Ended June 30, 2024

Additionally, there were changes the discount rate and an increase in the investment rate of return due to a longer term investment strategy.

- June 30, 2015 valuation: Incremental and underlying inflation assumptions were changed to reflect the Retirement Systems' experience studies.
- June 30, 2012 valuation: A data audit was performed and data collection procedures and assumptions were changed.

SEAD-OPEB Plan

Changes of benefit terms: There have been no changes in benefit terms.

Changes of assumptions:

- On December 17, 2020, the Board adopted recommended changes to the economic and demographic assumptions utilized by the Systems. Primary among the changes were the updates to rates of mortality, retirement, withdrawal, and salary increases. This also included a change to the long-term assumed investment rate of return to 7.00%. These assumption changes were first reflected in the calculations of the June 30, 2021 Total OPEB Liability.
- On March 15, 2018, the Board adopted a new funding policy. Because of this new funding policy, the assumed investment rate of return was reduced from 7.50% to 7.40% for June 30, 2017 actuarial valuation and further reduced from 7.40% to 7.30% for the June 30, 2018 actuarial valuation.

Regents Plan

Changes of benefit terms: There have been no changes in benefit terms.

Changes of assumptions:

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



Required Supplementary Information
Notes to Required Supplementary Information
Methods and Assumptions
Multi-Employer and Single-Employer OPEB Plans
For the Fiscal Year Ended June 30, 2024

Actuarial Methods and Assumptions - Plan Perspective:

Methods and assumptions used in calculations of actuarially determined contributions: The actuarially determined contribution rates in the schedule of employers' contributions are calculated as of June 30, three years prior to the end of the fiscal year in which contributions are reported for State, School, and SEAD-OPEB Plan, and as of June 30, 2023 for the Regents Plan. The following actuarial methods and assumptions were used to determine the most recent contribution rates in the schedule:

	State OPEB	School OPEB
Valuation date	June 30, 2021	June 30, 2021
Actuarial cost method	Projected unit credit	Projected unit credit
Amortization method	Level percent of pay, open	Level percent of pay, open
Remaining amortization period	30 years	30 years
Asset Valuation method	Market Value	Market Value
Inflation	2.50%	2.50%
Healthcare cost trend rate		
Pre-Medicare Eligible	6.50%	6.50%
Medicare Eligible	5.00%	5.00%
Ultimate Trend Rate		
Pre-Medicare Eligible	4.50%	4.50%
Medicare Eligible	4.50%	4.50%
Year of ultimate trend rate	2029 Pre-Medicare Eligible 2023 Medicare Eligible	2029 Pre-Medicare Eligible 2023 Medicare Eligible
Investment Rate of return*	7.00%	4.50%
	SEAD-OPEB Plan	Regents Plan
Valuation date	June 30, 2021	May 1, 2024
Actuarial cost method	Entry Age	Entry Age Normal
Amortization method	Level dollar, open	Closed amortization period for unfunded and subsequent actuarial gains/losses
Remaining amortization period	Infinite	
Asset Valuation method	Fair Value	Fair Value
Inflation	2.50%	2.30%
Salary Increases	3.00 - 6.75%	3.75%
Healthcare cost trend rate		
Pre-Medicare Eligible	N/A	8.70%
Medicare Eligible	N/A	2.00%
Ultimate Trend Rate		
Pre-Medicare Eligible	N/A	4.50%
Medicare Eligible	N/A	2.00%
Year of ultimate trend rate	N/A	2035 Pre-Medicare Eligible 2024 Medicare Eligible
Investment Rate of return*	7.20%	6.02%

* Includes respective rates of inflation, net of investment expense.

The State OPEB Fund, School OPEB Fund, and the Regents Plan are funded on a pay-as-you go basis, and not funded based on the actuarially determined contributions.

Schedule includes all significant plans and funds administered by the State of Georgia.

State of Georgia

Required Supplementary Information Schedules of State's Contributions - As Employer Multi-Employer OPEB Plans For the Last Seven Fiscal Years (amounts in thousands)

	2024	2023	2022	2021
Primary Government				
State OPEB Fund:				
Statutorily required contribution	\$ 411,655	\$ 162,864	\$ 146,304	\$ 138,733
Contributions in relation to the statutorily required contribution	(411,655)	(162,864)	(146,304)	(138,733)
Contribution Deficiency (excess)	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
State's covered payroll*	\$ 3,071,066	\$ 2,844,730	\$ 2,530,746	\$ 2,456,217
Contributions as a percentage of the covered payroll	13.40 %	5.73 %	5.78 %	5.65 %
SEAD-OPEB Plan:				
Actuarially determined contribution	\$ —	\$ —	\$ —	\$ —
Contributions in relation to the statutorily required contribution	—	—	—	—
Contribution Deficiency (excess)	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
State's covered payroll*	\$ 896,177	\$ 920,304	\$ 916,501	\$ 972,290
Contributions as a percentage of the covered payroll	N/A	N/A	N/A	N/A
Component Units				
State OPEB Fund:				
Statutorily required contribution	\$ 1,174	\$ 449	\$ 265	\$ 264
Contributions in relation to the statutorily required contribution	(1,174)	(449)	(265)	(264)
Contribution Deficiency (excess)	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
State's covered payroll*	\$ 20,186	\$ 17,879	\$ 15,617	\$ 11,766
Contributions as a percentage of the covered payroll	5.82 %	2.51 %	1.70 %	2.24 %
School OPEB Fund:				
Statutorily required contribution	\$ 2,049	\$ 2,213	\$ 2,299	\$ 2,470
Contributions in relation to the statutorily required contribution	(2,049)	(2,213)	(2,299)	(2,470)
Contribution Deficiency (excess)	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
State's covered-employee payroll*	\$ 68,455	\$ 73,004	\$ 71,594	\$ 73,098
Contributions as a percentage of the covered-employee payroll	2.99 %	3.03 %	3.21 %	3.38 %
SEAD-OPEB Plan:				
Actuarially determined contribution	\$ —	\$ —	\$ —	\$ —
Contributions in relation to the statutorily required contribution	—	—	—	—
Contribution Deficiency (excess)	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
State's covered payroll*	\$ 10,209	\$ 11,147	\$ 11,346	\$ 11,450
Contributions as a percentage of the covered payroll	N/A	N/A	N/A	N/A

* current year amounts are estimates

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

Schedule includes all significant plans and funds administered by the State of Georgia.



<u>2020</u>	<u>2019</u>	<u>2018</u>
\$ 139,402	\$ 493,986	\$ 461,566
<u>(139,402)</u>	<u>(493,986)</u>	<u>(461,566)</u>
<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
\$ 2,588,350	\$ 2,636,539	\$ 2,454,971
5.39 %	18.74 %	18.80 %
\$ —	\$ —	\$ —
<u>—</u>	<u>—</u>	<u>—</u>
<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
\$ 1,068,459	\$ 1,145,756	\$ 1,247,936
N/A	N/A	N/A
\$ 270	\$ 971	\$ 979
<u>(270)</u>	<u>(971)</u>	<u>(979)</u>
<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
\$ 12,240	\$ 12,585	\$ 13,038
2.21 %	7.72 %	7.51 %
\$ 2,315	\$ 3,501	\$ 3,243
<u>(2,315)</u>	<u>(3,501)</u>	<u>(3,243)</u>
<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
\$ 74,439	\$ 68,679	\$ 65,272
3.11 %	5.10 %	4.97 %
\$ —	\$ —	\$ —
<u>—</u>	<u>—</u>	<u>—</u>
<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
\$ 14,304	\$ 14,739	\$ 15,496
N/A	N/A	N/A

State of Georgia

Required Supplementary Information

Schedules of State's Proportionate Share of the Net OPEB Liability - As Employer For the Last Seven Fiscal Years (amounts in thousands)

	2024	2023	2022	2021
Primary Government				
Multi-Employer Plans				
State OPEB Fund:				
State's proportion of the net OPEB liability	91.654857 %	91.941691 %	91.448130 %	92.138890 %
State's proportionate share of the net OPEB liability	\$ 259,789	\$ 413,111	\$ 251,350	\$ 1,036,929
State's covered payroll	\$ 2,844,730	\$ 2,530,746	\$ 2,456,217	\$ 2,588,350
State's proportionate share of the net OPEB liability as a percentage of its covered payroll	9.13 %	16.32 %	10.23 %	40.06 %
Plan fiduciary net position as a percentage of the total OPEB liability	87.75 %	80.03 %	87.58 %	59.71 %
SEAD-OPEB Plan:				
State's proportion of the net OPEB liability	89.41678 %	89.463755 %	89.694827 %	89.669956 %
State's proportionate share of the net OPEB liability (asset)	\$ (394,332)	\$ (328,858)	\$ (552,364)	\$ (254,679)
State's covered payroll	\$ 920,304	\$ 916,501	\$ 972,290	\$ 1,068,459
State's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	(42.85)%	(35.88)%	(56.81)%	(23.84)%
Plan fiduciary net position as a percentage of the total OPEB liability	144.49 %	138.03 %	164.76 %	129.20 %
Single-Employer Plan				
Regents Plan:				
State's proportion of the net OPEB liability	100.000000 %	100.000000 %	100.000000 %	100.000000 %
State's proportionate share of the net OPEB liability	\$ 3,177,347	\$ 3,961,321	\$ 5,033,081	\$ 5,333,719
State's covered-employee payroll	\$ 3,991,896	\$ 3,837,859	\$ 3,610,622	\$ 3,622,124
State's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	79.59 %	103.22 %	139.40 %	147.25 %
Plan fiduciary net position as a percentage of the total OPEB liability	6.44 %	5.08 %	3.74 %	2.91 %

¹ Prior year percentage calculation was updated.



<u>2020</u>	<u>2019</u>	<u>2018</u>
92.429945 %	92.022957 %	91.476285 %
\$ 1,152,855	\$ 2,409,618	\$ 3,726,929
\$ 2,636,539	\$ 2,454,971	\$ 2,305,259
43.73 %	98.15 %	161.67 %
56.57 %	31.48 %	17.34 %
89.830175 %	89.813400% ¹	89.559271 %
\$ (253,962)	\$ (243,103)	\$ (232,195)
\$ 1,145,756	\$ 1,247,936	\$ 1,247,936
(22.17%)	(19.48%)	(18.61%)
129.73 %	129.46 %	130.17 %
100.000000 %	100.000000 %	100.000000 %
\$ 4,471,568	\$ 4,410,751	\$ 4,219,726
\$ 3,375,246	\$ 3,218,771	\$ 3,122,694
132.48 %	137.03 %	135.13 %
3.13 %	1.69 %	0.19 %

(continued)

State of Georgia

Required Supplementary Information

Schedules of State's Proportionate Share of the Net OPEB Liability - As Employer For the Last Seven Fiscal Years (amounts in thousands)

	2024	2023	2022	2021
Component Units				
Multi-Employer Plans				
State OPEB Fund:				
State's proportion of the net OPEB liability	0.252442 %	0.177292 %	0.174130 %	0.196236 %
State's proportionate share of the net OPEB liability	\$ 716	\$ 797	\$ 479	\$ 2,018
State's covered payroll	\$ 17,879	\$ 15,617	\$ 11,766	\$ 12,240
State's proportionate share of the net OPEB liability as a percentage of its covered payroll	4.00 %	5.10 %	4.07 %	16.49 %
Plan fiduciary net position as a percentage of the total OPEB liability	87.75 %	80.03 %	87.58 %	59.71 %
School OPEB Fund:				
State's proportion of the net OPEB liability	0.575708 %	0.635845 %	0.663981 %	0.684502 %
State's proportionate share of the net OPEB liability	\$ 63,060	\$ 62,969	\$ 71,915	\$ 100,537
State's covered-employee payroll	\$ 73,004	\$ 71,594	\$ 73,098	\$ 74,439
State's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	86.38 %	87.95 %	98.38 %	135.06 %
Plan fiduciary net position as a percentage of the total OPEB liability	6.05 %	6.17 %	6.14 %	3.99 %
SEAD-OPEB Plan:				
State's proportion of the net OPEB liability	1.083005 %	1.107714 %	1.056297 %	1.200696 %
State's proportionate share of the net OPEB liability (asset)	\$ (4,749)	\$ (4,046)	\$ (6,444)	\$ (3,377)
State's covered payroll	\$ 11,147	\$ 11,346	\$ 11,450	\$ 14,304
State's proportionate share of the net OPEB liability as a percentage of its covered payroll	(42.60%)	(35.66%)	(56.28%)	(23.61%)
Plan fiduciary net position as a percentage of the total OPEB liability	144.49 %	138.03 %	164.76 %	129.20 %

The amounts presented for each fiscal year were determined as of the prior fiscal year-end.

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

Schedule includes all significant plans and funds administered by the State of Georgia.



<u>2020</u>	<u>2019</u>	<u>2018</u>
0.197090 %	0.209969 %	0.213868 %
\$ 2,253	\$ 5,107	\$ 8,097
\$ 12,585	\$ 13,038	\$ 12,526
17.90 %	39.17 %	64.64 %
56.57 %	31.48 %	17.34 %
0.650152 %	0.625763 %	0.598651 %
\$ 79,788	\$ 79,533	\$ 84,110
\$ 68,679	\$ 65,272	\$ 63,442
116.18 %	121.85 %	132.58 %
4.63 %	2.93 %	1.61 %
1.155560 %	1.119336 %	1.245396 %
\$ (3,237)	\$ (3,000)	\$ (3,195)
\$ 14,739	\$ 15,496	\$ 15,496
(21.96%)	(19.36%)	(20.62%)
129.73 %	129.46 %	130.17 %

State of Georgia

Required Supplementary Information

Schedule of Employers' Net OPEB Liability - As Employer

Single-Employer OPEB Plans

For the last Seven Fiscal Years

(amounts in thousands)

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Regents Plan:				
Total OPEB liability	\$ 3,396,082	\$ 4,173,225	\$ 5,228,380	\$ 5,493,697
Plan fiduciary net position	218,735	211,904	195,299	159,978
Employers' net OPEB liability	<u>\$ 3,177,347</u>	<u>\$ 3,961,321</u>	<u>\$ 5,033,081</u>	<u>\$ 5,333,719</u>
Plan fiduciary net position as a percentage of the total OPEB liability	6.44 %	5.08 %	3.74 %	2.91 %
Covered-employee payroll	\$ 3,991,896	\$ 3,837,859	\$ 3,610,622	\$ 3,622,124
Employers' net OPEB liability as a percentage of covered-employee payroll	79.59 %	103.22 %	139.40 %	147.25 %

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

Schedule includes all significant plans and funds administered by the State of Georgia.



<u>2020</u>	<u>2019</u>	<u>2018</u>
\$ 4,616,023	\$ 4,486,796	\$ 4,227,583
144,455	76,045	7,857
<u>\$ 4,471,568</u>	<u>\$ 4,410,751</u>	<u>\$ 4,219,726</u>
3.13 %	1.69 %	0.19 %
\$ 3,375,246	\$ 3,218,771	\$ 3,122,694
132.48 %	137.03 %	135.13 %

State of Georgia

Required Supplementary Information

Schedule of Changes in Employers' Net OPEB Liability - As Employer Single-Employer OPEB Plans For the Last Seven Fiscal Years

(amounts in thousands)

	2024	2023	2022	2021
Regents Plan:				
Total OPEB liability:				
Service cost	\$ 93,224	\$ 139,285	\$ 161,299	\$ 226,810
Interest	149,263	115,866	123,861	167,864
Benefit changes	(83,073)	—	—	(81,917)
Differences between expected and actual experience	27,213	(24,857)	89,218	94,948
Changes of assumptions	(862,908)	(1,179,498)	(538,325)	564,180
Benefit payments/Refunds	(100,862)	(105,951)	(101,370)	(94,211)
Net change in total OPEB liability	(777,143)	(1,055,155)	(265,317)	877,674
Total OPEB liability-beginning	4,173,225	5,228,380	5,493,697	4,616,023
Total OPEB liability-ending (a)	3,396,082	4,173,225	5,228,380	5,493,697
Plan fiduciary net position:				
Contributions-employer	101,485	146,343	117,381	102,792
Net investment income	7,604	(22,284)	20,259	7,528
Benefit payments/Refunds	(100,862)	(105,951)	(101,370)	(94,211)
Administrative expense	(1,396)	(1,503)	(949)	(586)
Net change in plan fiduciary net position	6,831	16,605	35,321	15,523
Plan fiduciary net position-beginning	211,904	195,299	159,978	144,455
Plan fiduciary net position-ending (b)	218,735	211,904	195,299	159,978
Net OPEB liability-ending (a)-(b)	\$ 3,177,347	\$ 3,961,321	\$ 5,033,081	\$ 5,333,719

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

Schedule includes all significant plans and funds administered by the State of Georgia.



<u>2020</u>	<u>2019</u>	<u>2018</u>
\$ 217,648	\$ 236,917	\$ 211,513
180,173	158,223	124,612
(11,211)	—	—
(29,667)	264,729	123,090
(129,153)	(310,107)	(347,331)
(98,563)	(90,549)	(89,653)
<u>129,227</u>	<u>259,213</u>	<u>22,231</u>
<u>4,486,796</u>	<u>4,227,583</u>	<u>4,205,352</u>
<u>4,616,023</u>	<u>4,486,796</u>	<u>4,227,583</u>
160,383	158,420	99,584
7,126	802	72
(98,563)	(90,549)	(89,653)
(536)	(485)	(5,045)
<u>68,410</u>	<u>68,188</u>	<u>4,958</u>
<u>76,045</u>	<u>7,857</u>	<u>2,899</u>
<u>144,455</u>	<u>76,045</u>	<u>7,857</u>
<u>\$ 4,471,568</u>	<u>\$ 4,410,751</u>	<u>\$ 4,219,726</u>



Required Supplementary Information

Notes to Required Supplementary Information

Methods and Assumptions

Multi-Employer and Single-Employer OPEB Plans

For the Fiscal Year Ended June 30, 2024

Actuarial Methods and Assumptions - State as Employer Perspective:

This note provides information about changes of benefit terms, changes of assumptions, and methods and assumptions used in calculations of the OPEB liability/asset and required contributions.

State OPEB Fund

Changes of benefit terms: There have been no changes in benefit terms.

Changes of assumptions:

- June 30, 2022 valuation: The tobacco use assumption and aging factors were revised.
- June 30, 2020 valuation: Decremental assumptions were changed to reflect the ERS experience study.
- June 30, 2019 valuation: The inflation assumption was lowered from 2.75% to 2.5% in anticipation of the upcoming ERS Experience Study. Additionally, decremental assumptions were changed to reflect the TRS experience study. Approximately 6% of State OPEB employees are members of TRS.
- June 30, 2017 valuation: The participation assumption, tobacco use assumption and morbidity factors were revised. The June 30, 2017 actuarial valuation was revised, for various factors, including the methodology used to determine how employees and retirees were assigned to each of the OPEB Funds and anticipated participation percentages. Current and former employees of State organizations (including technical colleges, community service boards and public health departments) are now assigned to the state OPEB Fund based on their last employer payroll location, irrespective of retirement system affiliation. Additionally, there were changes the discount rate and an increase in the investment rate of return due to a longer term investment strategy.
- June 30, 2015 valuation: Decremental and underlying inflation assumptions were changed to reflect the Retirement Systems' experience studies.
- June 30, 2012 valuation: A data audit was performed and data collection procedures and assumptions were changed.

School OPEB Fund

Changes of benefit terms: There have been no changes in benefit terms.

Changes of assumptions:

- June 30, 2022 valuation: The tobacco use assumption and aging factors were revised.
- June 30, 2020 valuation: Decremental assumptions were changed to reflect the ERS experience study. Approximately 0.10% of employees are members of ERS.
- June 30, 2019 valuation: Decremental assumptions were changed to reflect the TRS experience study.
- June 30, 2018 valuation: The inflation assumption was lowered from 2.75% to 2.5%.
- June 30, 2017 valuation: The participation assumption, tobacco use assumption and morbidity factors were revised. The June 30, 2017 actuarial valuation was revised, for various factors, including the methodology used to determine how employees and retirees were assigned to each of the OPEB Funds and anticipated participation percentages. Current and former employees of State organizations (including technical colleges, community service boards and public health departments) are now assigned to the State OPEB Fund based on their last employer payroll location; irrespective of retirement system affiliation. Additionally, there were changes the discount rate and an increase in the investment rate of return due to a longer term investment strategy.
- June 30, 2015 valuation: Decremental and underlying inflation assumptions were changed to reflect the Retirement Systems' experience studies.



Required Supplementary Information

Notes to Required Supplementary Information

Methods and Assumptions

Multi-Employer and Single-Employer OPEB Plans

For the Fiscal Year Ended June 30, 2024

- June 30, 2012 valuation: A data audit was performed and data collection procedures and assumptions were changed.



Required Supplementary Information

Notes to Required Supplementary Information

Methods and Assumptions

Multi-Employer and Single-Employer OPEB Plans

For the Fiscal Year Ended June 30, 2024

Actuarial Methods and Assumptions - State as Employer Perspective:

SEAD-OPEB Plan

Changes of benefit terms: There have been no changes in benefit terms.

Changes of assumptions:

- On December 17, 2020, the Board adopted recommended changes to the economic and demographic assumptions utilized by the Systems. Primary among the changes were the updates to rates or mortality, retirement, withdrawal, and salary increases. This also included a change to the long-term assumed investment rate of return to 7.00%. These assumption changes are reflected in the calculation of the June 30, 2021 Total OPEB Liability.
- On March 15, 2018, the Board adopted a new funding policy. Because of this new funding policy, the assumed investment rate of return was reduced from 7.50% to 7.40% for June 30, 2017 actuarial valuation. In addition, based on the Board's new funding policy, the assumed investment rate of return was further reduced by 0.10% from 7.40% to 7.30% as of the June 30, 2018 measurement date.

Regents Plan

Changes of benefit terms: HRA cost sharing for employees hired on or after January 1, 2013 and retiring after January 1, 2018 is based on a policy that ties years of service to the amount the USG contributes based on 22-tiers ranging from 100% for employees who retire with 30 years of service to 21% for employees retiring with 10 years of service. Effective January 1, 2024, the 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.

Changes of assumptions:

- Expected claims costs were updated to reflect actual claims experience.
- Trend rate schedule was updated to 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 updated 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 constant HRA amount from 2016 through 2023, and the decrease in HRA amount effective January 1, 2024 that was approved by the Board of Regents on August 8, 2023.



Required Supplementary Information
Notes to Required Supplementary Information
Methods and Assumptions
Multi-Employer and Single-Employer OPEB Plans
For the Fiscal Year Ended June 30, 2024

Actuarial Methods and Assumptions - State as Employer Perspective:

Methods and assumptions used in calculations of actuarially determined contributions: The actuarially determined contribution rates in the schedules of employers' contributions are calculated as of June 30, as listed for all plans. The following actuarial methods and assumptions were used to determine the most recent contribution rates in those schedules:

	<u>State OPEB</u>	<u>School OPEB</u>
Valuation date	June 30, 2020	June 30, 2020
Actuarial cost method	Projected Unit Credit	Projected Unit Credit
Amortization method	Level percent of pay, open	Level percent of pay open
Remaining amortization period	30 years	30 years
Asset Valuation method	Market Value	Market Value
Inflation	2.50%	2.50%
Healthcare cost trend rate		
Pre-Medicare	6.75%	6.75%
Medicare Eligible	5.13%	5.13%
Investment Rate of return*	4.50%	4.50%

	<u>SEAD-OPEB Plan</u>	<u>Regents Plan</u>
Valuation date	June 30, 2020	May 1, 2023
Actuarial cost method	Entry Age	Entry Age Normal
Amortization method	Level dollar, open	Closed amortization period for initial unfunded and subsequent actuarial gains/losses
Remaining amortization period	Infinite	
Asset valuation method	Fair value	Fair Value
Inflation	2.50%	2.30%
Salary Increases	3.00 - 6.75%	3.75%
Healthcare cost trend rate		
Pre-Medicare	N/A	7.70%
Medicare Eligible	N/A	2.00%
Investment Rate of return*	7.30%	5.40%

* Includes respective rates of inflation, net of investment expense.

The State OPEB Fund, School OPEB Fund, and the Regents Plan are funded on a pay-as-you go basis, and not funded based on the actuarially determined contributions.

Schedule includes all significant plans and funds administered by the State of Georgia.

COMBINING AND INDIVIDUAL FUND STATEMENTS



NONMAJOR GOVERNMENTAL FUNDS



Description of Nonmajor Governmental Funds

SPECIAL REVENUE FUNDS

Special Revenue Funds account for specific revenue sources that are legally restricted to expenditures for specific purposes. The State's special revenue funds, other than the National Opioid Settlement Fund and Transportation Investment Act Fund, include the blended component units that conduct general governmental functions as described below:

The **Georgia Aviation Authority** was created to provide oversight and efficient operation of state aircrafts and aviation operations, and ensure the safety of state air travelers and aviation property.

The **National Opioids Settlement Fund** was created for funds collected by the State for nationwide settlements to resolve opioids litigation brought by states and local political subdivisions against pharmaceutical distributors. These funds will be used for abatement of the opioid epidemic, with the majority of the proceeds restricted to funding future abatement efforts.

The **State Road and Tollway Authority (SRTA)** is a legally separate public corporation created to finance transportation projects and operate toll facilities in the State of Georgia.

The **Transportation Investment Act Fund (TIA)** accounts for funds collected by the State and dispensed to the Department of Transportation for TIA projects in the relevant special tax districts.

DEBT SERVICE FUNDS

Debt Service Funds account for the accumulation of resources that are restricted, committed or assigned to expenditures for principal and interest.

The **General Obligation Debt Sinking Fund** accounts for the payment of principal and interest on the State's general long-term debt.

The **State Road and Tollway Authority Debt Service Fund** accounts for the payment of principal and interest on the debt of the Authority's governmental funds. The Authority issues bonded debt which finances State transportation infrastructure construction. Debt service payments due on outstanding bonds are paid by the Authority from redirected funds from the U. S. Department of Transportation and/or State motor fuel tax funds.

State of Georgia

Combining Balance Sheet Nonmajor Governmental Funds June 30, 2024

(amounts in thousands)

	Special Revenue			
	Georgia Aviation Authority	National Opioids Settlement Fund	State Road and Tollway Authority	Transportation Investment Act Fund
Assets				
Cash and Cash Equivalents	\$ 1,326	\$ 227,739	\$ 23,149	\$ 266,471
Pooled Investments with State Treasury	—	9,632	19,875	—
Investments	—	—	—	449,553
Receivables (Net)	73	—	31,913	19,138
Due From Other Funds	—	—	101,385	—
Due From Component Units	—	—	212	—
Inventories	—	—	1	—
Restricted Assets				
Cash and Cash Equivalents	—	—	8,139	—
Pooled Investments with State Treasury	—	—	207,833	—
Investments	—	—	476,516	—
Receivables	—	641,873	—	—
Total Assets	\$ 1,399	\$ 879,244	\$ 869,023	\$ 735,162
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts Payable and Other Accruals	\$ 1	\$ —	\$ 3,262	\$ 22,974
Due to Other Funds	—	—	37,900	38,492
Due to Component Units	—	—	127	—
Contracts Payable	—	—	135,777	—
Bonds Payable	—	—	—	—
Interest Payable	—	—	—	—
Unearned Revenue	—	—	92,043	—
Other Liabilities	—	—	76	—
Total Liabilities	1	—	269,185	61,466
Deferred Inflows of Resources	—	641,873	34,367	—
Fund Balances:				
Nonspendable	—	—	2	—
Restricted	—	237,371	473,303	673,696
Assigned	1,398	—	92,166	—
Total Fund Balances	1,398	237,371	565,471	673,696
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 1,399	\$ 879,244	\$ 869,023	\$ 735,162



Debt Service		
General Obligation Debt Sinking Fund	State Road and Tollway Authority	Total
\$ 499,605	\$ —	\$ 1,018,290
—	—	29,507
—	—	449,553
—	—	51,124
—	—	101,385
—	—	212
—	—	1
—	3,935	12,074
—	916	208,749
—	—	476,516
—	—	641,873
<u>\$ 499,605</u>	<u>\$ 4,851</u>	<u>\$ 2,989,284</u>
\$ —	\$ —	\$ 26,237
—	—	76,392
—	—	127
—	—	135,777
391,220	—	391,220
108,385	—	108,385
—	—	92,043
—	—	76
<u>499,605</u>	<u>—</u>	<u>830,257</u>
—	—	676,240
—	—	2
—	4,851	1,389,221
—	—	93,564
<u>—</u>	<u>4,851</u>	<u>1,482,787</u>
<u>\$ 499,605</u>	<u>\$ 4,851</u>	<u>\$ 2,989,284</u>

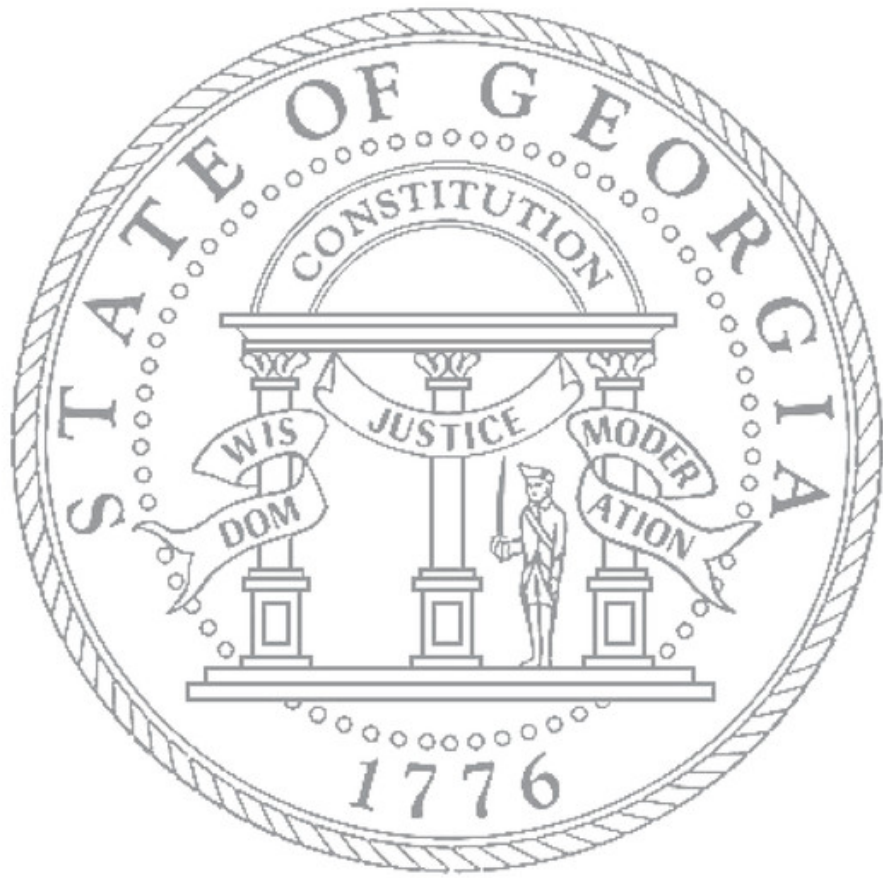
State of Georgia

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances Nonmajor Governmental Funds For the Fiscal Year Ended June 30, 2024 (amounts in thousands)

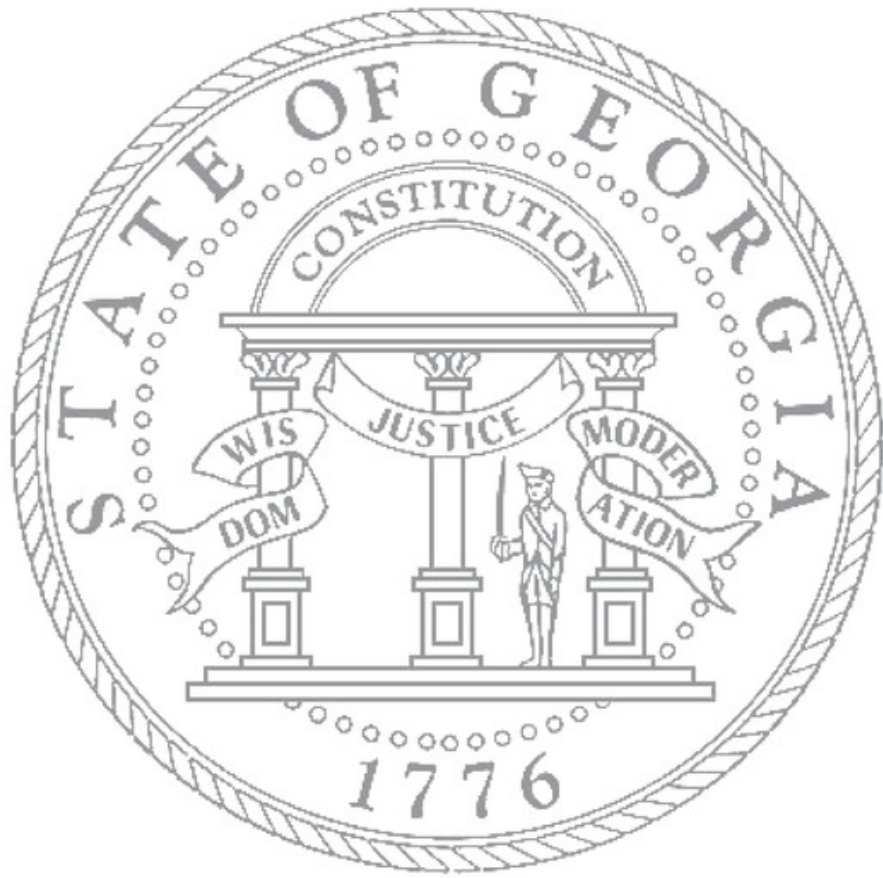
	Special Revenue			
	Georgia Aviation Authority	National Opioids Settlement Fund	State Road and Tollway Authority	Transportation Investment Act Fund
Revenues				
Intergovernmental - Other	\$ —	\$ —	\$ 2,933	\$ 229,250
Sales and Services	1,096	141,420	—	—
Interest and Other Investment Income	—	5,477	29,660	36,343
Other	—	—	183	—
Total Revenues	1,096	146,897	32,776	265,593
Expenditures				
General Government	1,379	—	—	—
Health and Welfare	—	911	—	—
Transportation	—	—	292,507	103,264
Debt Service				
Principal	—	—	—	—
Interest	—	—	—	—
Accrued Interest on Bonds Retired in Advance	—	—	—	—
Discount on Bonds Retired in Advance	—	—	—	—
Other Debt Service Expenditures	—	—	—	—
Total Expenditures	1,379	911	292,507	103,264
Excess (Deficiency) of Revenues Over (Under) Expenditures	(283)	145,986	(259,731)	162,329
Other Financing Sources (Uses)				
Debt Issuance - Refunding Bonds	—	—	—	—
Debt Issuance - Refunding Bonds - Premium	—	—	—	—
Payment to Refunded Bond Escrow Agent	—	—	—	—
Transfers In	—	—	196,204	—
Transfers Out	—	—	(44,169)	(89,435)
Net Other Financing Sources (Uses)	—	—	152,035	(89,435)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(283)	145,986	(107,696)	72,894
Fund Balances, July 1	1,681	91,385	673,167	600,802
Fund Balances, June 30	\$ 1,398	\$ 237,371	\$ 565,471	\$ 673,696



Debt Service		
General Obligation Debt Sinking Fund	State Road and Tollway Authority	Total
\$ —	\$ —	\$ 232,183
—	—	142,516
—	224	71,704
—	—	183
—	224	446,586
—	—	1,379
—	—	911
—	38	395,809
872,160	58,980	931,140
389,015	21,213	410,228
186	—	186
(4,751)	—	(4,751)
489	—	489
1,257,099	80,231	1,735,391
(1,257,099)	(80,007)	(1,288,805)
259,545	—	259,545
20,592	—	20,592
(279,648)	—	(279,648)
1,256,610	80,193	1,533,007
—	—	(133,604)
1,257,099	80,193	1,399,892
—	186	111,087
—	4,665	1,371,700
\$ —	\$ 4,851	\$ 1,482,787



NONMAJOR ENTERPRISE FUNDS





Description of Nonmajor Enterprise Funds

The Enterprise Funds account for the business type activities of smaller governmental agencies that are funded by the issuance of debt or fees charged to external customers. The State's Nonmajor Enterprise Funds are described below:

The Georgia Access Fund is the State of Georgia's program for Georgians to shop for, compare, and directly enroll in health insurance coverage. Beginning Open Enrollment 2025, the current State-based exchange on the Federal Platform transitions to the new State-based exchange. The exchange is currently overseen by the Office of the Commissioner of Insurance.

The State Employees' Assurance Department - Active is used to account for the accumulation of resources for the purpose of providing survivors' benefits for eligible members of the Employees', Judicial, and Legislative Retirement Systems. SEAD - Active is a cost-sharing multiple employer life insurance plan created in 2007 by the Georgia General Assembly to amend Title 47 of the Official Code of Georgia Annotated, relating to retirement, so as to establish a fund for the provision of term life insurance to active members of ERS, LRS, and GJRS.

The Georgia Higher Education Facilities Authority is a legally separate public corporation created for the purpose of financing eligible construction, renovation, improvement, and rehabilitation or restoration projects for the Board of Regents of the University System of Georgia and the Technical College System of the State of Georgia through the issuance of revenue bonds. The Authority issues debt and enters into lease agreements. The current lease agreements outstanding are with an affiliate of the University System of Georgia Foundation, Inc. (nonmajor enterprise fund). The costs of the Authority's debt are recovered through lease payments from the Higher Education Foundations.

The State Road and Tollway Authority (SRTA) is a legally separate public corporation created to finance transportation projects and operate toll facilities in the State of Georgia. SRTA uses an enterprise fund to account for all tolling activities, including the including the I-75 South Metro Express Lanes, and all other facilities of the tolling system (i.e. the I-85 Express Lanes, the I-85 Extension Express Lanes, the I-75 Northwest Corridor Express Lanes, and five future toll facilities under planning and/or construction).



Combining Statement of Net Position

Nonmajor Enterprise Funds

June 30, 2024

(amounts in thousands)

	Georgia Access Fund	State Employees' Assurance Department - Active	Georgia Higher Education Facilities Authority	State Road and Tollway Authority	Total
Assets					
Current Assets:					
Cash and Cash Equivalents	\$ 2,916	\$ 70	\$ 3	\$ 93	\$ 3,082
Pooled Investments with State Treasury	—	—	487	27,318	27,805
Investments	—	445,270	—	—	445,270
Receivables (Net)	17,717	—	280	3,318	21,315
Due from Other Funds	—	62	—	—	62
Due from Component Units	—	—	157,200	—	157,200
Inventories	—	—	—	201	201
Restricted Assets:					
Cash and Cash Equivalents	—	—	—	106,038	106,038
Pooled Investments with State Treasury	—	—	—	166,157	166,157
Investments	—	—	—	—	—
Total Current Assets	<u>20,633</u>	<u>445,402</u>	<u>157,970</u>	<u>303,125</u>	<u>927,130</u>
Noncurrent Assets:					
Restricted Assets:					
Net OPEB Asset	—	—	—	759	759
Capital Assets					
Non-depreciable Capital Assets	—	—	—	41,386	41,386
Depreciable Capital Assets, net	—	—	—	6,278	6,278
Amortizable Right-to-Use Assets (Net)	—	—	—	11,502	11,502
Total Noncurrent Assets	<u>—</u>	<u>—</u>	<u>—</u>	<u>59,925</u>	<u>59,925</u>
Total Assets	<u>20,633</u>	<u>445,402</u>	<u>157,970</u>	<u>363,050</u>	<u>987,055</u>
Deferred Outflows of Resources					
	<u>—</u>	<u>—</u>	<u>14,466</u>	<u>4,914</u>	<u>19,380</u>
Liabilities					
Current Liabilities:					
Accounts Payable and Other Accruals	12,729	39	—	7,348	20,116
Accrued Interest Payable	—	—	281	5,910	6,191
Unearned Revenue	—	—	—	22,197	22,197
Funds Held for Others	—	—	—	105	105
Current Portion of Long-term Liabilities	—	—	7,125	4,142	11,267
Total current Liabilities	<u>12,729</u>	<u>39</u>	<u>7,406</u>	<u>39,702</u>	<u>59,876</u>
Noncurrent Liabilities:					
Long-term Liabilities:					
Net OPEB Liability	—	—	—	696	696
Net Pension Liability	—	—	—	13,217	13,217
Noncurrent Portion of Long-term Liabilities	—	—	161,985	427,071	589,056
Total Noncurrent Liabilities	<u>—</u>	<u>—</u>	<u>161,985</u>	<u>440,984</u>	<u>602,969</u>
Total Liabilities	<u>12,729</u>	<u>39</u>	<u>169,391</u>	<u>480,686</u>	<u>662,845</u>
Deferred Inflows of Resources					
	<u>—</u>	<u>—</u>	<u>—</u>	<u>985</u>	<u>985</u>
Net Position					
Net Investment in Capital Assets	—	—	—	24,650	24,650
Restricted for:					
Bond Covenants/Debt Service	—	—	—	34,950	34,950
Other Benefits	—	445,363	—	—	445,363
Permanent Trusts:					
Other Purpose	7,904	—	—	802	8,706
Unrestricted	—	—	3,045	(174,109)	(171,064)
Total Net Position	<u>\$ 7,904</u>	<u>\$ 445,363</u>	<u>\$ 3,045</u>	<u>\$ (113,707)</u>	<u>\$ 342,605</u>



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

Nonmajor Enterprise Funds

For the Fiscal Year Ended June 30, 2024

(amounts in thousands)

	Georgia Access Fund	State Employees' Assurance Department- Active	Georgia Higher Education Facilities Authority	State Road and Tollway Authority	Total
Operating Revenues:					
Operating Contributions/Premiums Sales and Services	\$ — 105,962	\$ 509 —	\$ — 7,048	\$ — 87,490	\$ 509 200,500
Total Operating Revenues	105,962	509	7,048	87,490	201,009
Operating Expenses:					
Personal Services	685	101	—	11,946	12,732
Services and Supplies	97,465	—	11	4,453	101,929
Interest Expense	—	—	7,049	—	7,049
Benefits	—	4,364	—	—	4,364
Amortization/Depreciation	—	—	(508)	8,010	7,502
Other	—	—	—	30,039	30,039
Total Operating Expenses	98,150	4,465	6,552	54,448	163,615
Operating Income	7,812	(3,956)	496	33,042	37,394
Nonoperating Revenues (Expenses):					
Interest and Other Investment Income/(Loss)	92	54,794	26	17,555	72,467
Interest Expense	—	(75)	—	(13,078)	(13,153)
Total Nonoperating Revenues (Expenses)	92	54,719	26	4,477	59,314
Income (Loss) Before Contributions and Transfers	7,904	50,763	522	37,519	96,708
Transfers:					
Transfers In	—	—	—	41	41
Transfers Out	—	—	—	(63)	(63)
Net Transfers	—	—	—	(22)	(22)
Change in Net Position	7,904	50,763	522	37,497	96,686
Net Position, July 1	—	394,600	2,523	(151,204)	245,919
Net Position, June 30	\$ 7,904	\$ 445,363	\$ 3,045	\$ (113,707)	\$ 342,605



Combining Statement of Cash Flows

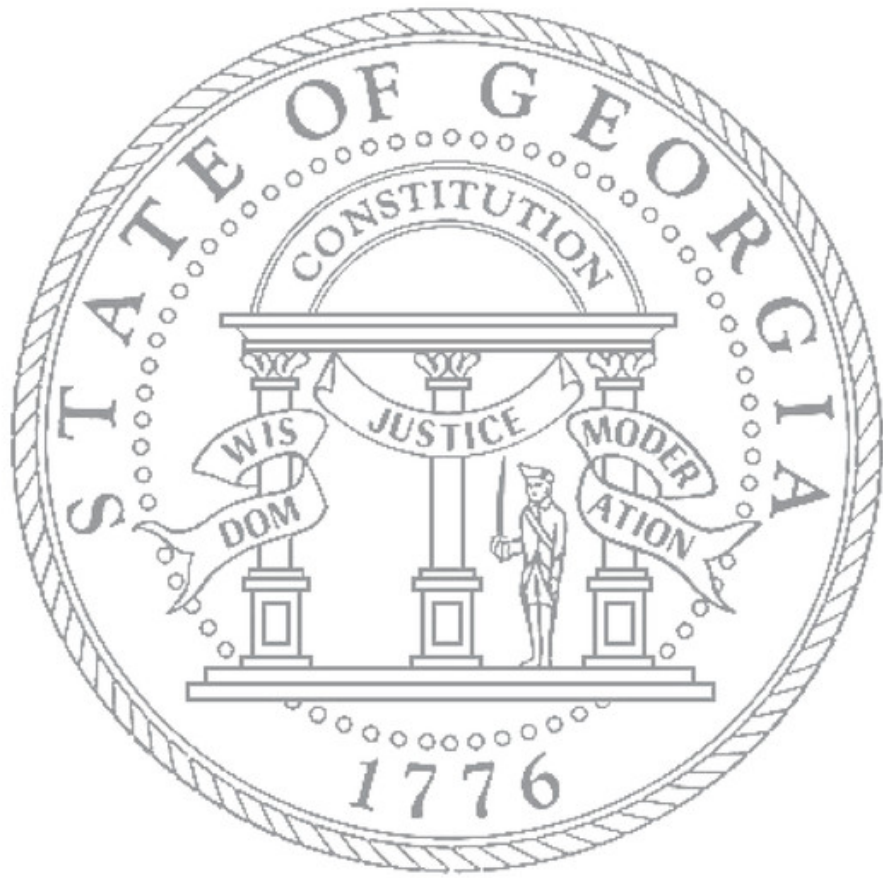
Nonmajor Enterprise Funds

For the Fiscal Year Ended June 30, 2024

(amounts in thousands)

	Georgia Access Fund	State Employees' Assurance Department- Active	Georgia Higher Education Facilities Authority	State Road and Tollway Authority	Total
Cash Flows from Operating Activities:					
Cash Received from Customers	\$ 88,245	\$ 508	\$ —	\$ 89,374	\$ 178,127
Cash Paid to Vendors	(84,737)	(4,477)	(12)	(27,495)	(116,721)
Cash Paid to Employees	(685)	—	—	(7,274)	(7,959)
Other Operating Payments	—	—	—	(12,801)	(12,801)
Net Cash Provided by Operating Activities	<u>2,823</u>	<u>(3,969)</u>	<u>(12)</u>	<u>41,804</u>	<u>40,646</u>
Cash Flows from Noncapital Financing Activities:					
Interest Paid on Bonds/Long-Term Debt	—	—	(7,061)	—	(7,061)
Transfers from Other Funds	—	—	—	41	41
Transfers to Other Funds	—	—	—	(63)	(63)
Payments on Noncapital Financing Debt	—	—	(6,783)	—	(6,783)
Net Cash Used in Noncapital Financing Activities	<u>—</u>	<u>—</u>	<u>(13,844)</u>	<u>(22)</u>	<u>(13,866)</u>
Cash Flows from Capital and Related Financing Activities:					
Acquisition and Construction of Capital and Right-to-Use Assets	—	—	—	(15,762)	(15,762)
Principal Paid on Capital Debt and Leases	—	—	—	(3,951)	(3,951)
Interest Paid on Capital Debt and Leases	—	—	—	(12,677)	(12,677)
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>—</u>	<u>—</u>	<u>—</u>	<u>(32,390)</u>	<u>(32,390)</u>
Cash Flows from Investing Activities:					
Proceeds from Sales of Investments	—	3,699	—	3,525	7,224
Interest and Dividends Received	93	—	28	17,550	17,671
Other Investing Activities	—	(75)	13,850	—	13,775
Net Cash Provided by (Used in) Investing Activities	<u>93</u>	<u>3,624</u>	<u>13,878</u>	<u>21,075</u>	<u>38,670</u>
Net Increase (Decrease) in Cash and Cash Equivalents	2,916	(345)	22	30,467	33,060
Cash and Cash Equivalents, July 1 - Restated (Note 3)	—	415	468	269,139	270,022
Cash and Cash Equivalents, June 30	<u>\$ 2,916</u>	<u>\$ 70</u>	<u>\$ 490</u>	<u>\$ 299,606</u>	<u>303,082</u>
Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities:					
Operating Income	\$ 7,812	\$ (3,956)	\$ 496	\$ 33,042	\$ 37,394
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:					
Amortization/Depreciation Expense	—	—	(508)	8,010	7,502
Changes in Assets and Liabilities:					
Deferred Inflows of Resources:					
Accounts Receivable	(17,717)	—	14	(2,222)	(19,925)
Due from Other Funds	—	(1)	—	—	(1)
Other Assets	—	—	—	14	14
Net OPEB Asset	—	—	—	(146)	(146)
Deferred Outflows of Resources	—	—	—	2,755	2,755
Accounts Payable and Other Accruals	12,728	(12)	(14)	(505)	12,197
Unearned Revenue	—	—	—	4,105	4,105
Compensated Absences	—	—	—	(70)	(70)
Net OPEB Liability	—	—	—	(523)	(523)
Net Pension Liability	—	—	—	(1,232)	(1,232)
Other Liabilities	—	—	—	(594)	(594)
Deferred Inflows of Resources	—	—	—	(830)	(830)
Net Cash Provided by (Used in) Operating Activities	<u>\$ 2,823</u>	<u>\$ (3,969)</u>	<u>\$ (12)</u>	<u>\$ 41,804</u>	<u>\$ 40,646</u>
Noncash Investing, Capital, and Financing Activities:					
Capital Assets Acquired by Incurring Lease Obligations	—	—	—	2,124	\$ 2,124
Early Extinguishment of Capital Debt	—	—	—	(1,256)	(1,256)
Total Noncash Investing, Capital and Financing Activities:	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 868</u>	<u>\$ 868</u>

INTERNAL SERVICE FUNDS





Description of Internal Service Funds

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost reimbursement basis. The State's internal service funds are described below:

The **Department of Administrative Services** delivers a variety of supportive services to all state agencies and, upon request, to local governments in Georgia. Among the services provided are purchasing (procurement), surplus property transactions, document services, fleet management, and human resources administration.

The **Georgia Building Authority** is responsible for all services associated with the management of State office buildings, maintaining the grounds within the State Capitol complex, maintaining the Governor's Mansion and operating parking facilities.

The **Georgia Correctional Industries Administration** utilizes the inmate work force to manufacture products and provide services for the penal system, other units of state government and local governments.

The **Risk Management** column is an accumulation of the funds used to account for the State's self-insurance programs established by individual agreement, statute or administrative action:

The **Cyber Insurance Coverage Fund** was created for the development of a cyber insurance product for direct loss and out of pocket expenses incurred as a result of damage to data, systems or income defense and liability incurred as a result of employees' actions. Department of Administrative Services (DOAS) engaged with an insurance broker to develop an underwriting submission to present to the commercial insurance underwriters. DOAS Risk Management Services manages the insurance product with assistance from Georgia Technology Authority.

The **Liability Insurance Fund** is used to account for the accumulation of funds for the purpose of providing liability insurance coverage for employees of the State against personal liability for damages arising out of performance of their duties.

The **Property Insurance Fund** is used to account for the assessment of premiums against various state agencies for the purpose of providing property, fire and extended coverage, automobile, aircraft and marine insurance.

The **State Indemnification Fund** is used to account for the accumulation of funds for the purpose of providing indemnification with respect to the death of any law enforcement officer, fireman or prison guard killed in the line of duty.

The **Teacher Indemnification Fund** is used to account for the accumulation of funds for the purpose of providing indemnification with respect to the death of any public school employees killed or permanently disabled by an act of violence in the line of duty on or after July 1, 2001.

The **Unemployment Compensation Fund** was created for the purpose of consolidating processing of unemployment compensation claims against state agencies and the payment of sums due to the Department of Labor.

The **Workers' Compensation Fund** was established to authorize insurance coverage for employees of the State and for the receipt of premiums as prescribed by the Workers' Compensation statutes of the State.

The **Georgia Technology Authority** was created to provide technology enterprise management and technology portfolio management to state and local governments.

State of Georgia

Combining Statement of Net Position

Internal Service Funds

June 30, 2024

(amounts in thousands)

	Department of Administrative Services	Georgia Building Authority	Georgia Correctional Industries Administration
Assets			
Current Assets:			
Cash and Cash Equivalents	\$ 3,755	\$ 824	\$ 3,831
Pooled Investments with State Treasury Investments	615	366,947	1,169
Receivables (Net)	1,994	8,660	4,334
Due from Other Funds	—	—	—
Due from Component Units	—	—	—
Inventories	—	396	25,799
Prepays	—	81	—
Other Current Assets	—	—	17
Total Current Assets	<u>6,364</u>	<u>376,908</u>	<u>35,150</u>
Noncurrent Assets:			
Investments	—	—	—
Receivables (Net)	—	22,070	—
Restricted Assets:			
Net OPEB Asset	483	1,040	1,268
Capital Assets			
Non-depreciable Capital Assets	—	26,017	1,337
Depreciable Capital Assets (Net)	—	532,229	13,622
Amortizable Right-to-Use Assets (Net)	—	20,761	312
Total Noncurrent Assets	<u>483</u>	<u>602,117</u>	<u>16,539</u>
Total Assets	<u>6,847</u>	<u>979,025</u>	<u>51,689</u>
Deferred Outflows of Resources			
	<u>2,606</u>	<u>5,302</u>	<u>5,958</u>
Liabilities			
Current Liabilities:			
Accounts Payable and Other Accruals	154	1,028	4,661
Accrued Interest Payable	—	72	—
Policy Claims and Uninsured Liabilities	—	—	—
Unearned Revenue	—	117	—
Due to Other Funds	—	—	—
Funds Held for Others	1,518	—	—
Other Current Liabilities	67	—	—
Current Portion of Long-term Liabilities	—	6,088	875
Total Current Liabilities	<u>1,739</u>	<u>7,305</u>	<u>5,536</u>
Noncurrent Liabilities:			
Other Noncurrent Liabilities	—	—	—
Net OPEB Liability	267	722	803
Net Pension Liability	7,125	16,139	17,762
Noncurrent Portion of Long-term Liabilities	—	17,157	8,580
Total Noncurrent Liabilities	<u>7,392</u>	<u>34,018</u>	<u>27,145</u>
Total Liabilities	<u>9,131</u>	<u>41,323</u>	<u>32,681</u>
Deferred Inflows of Resources			
	<u>347</u>	<u>25,738</u>	<u>1,596</u>
Net Position			
Net Investment in Capital Assets	—	556,626	15,039
Restricted for:			
Other Purpose	504	1,040	1,399
Unrestricted	(529)	359,600	6,932
Total Net Position	<u>\$ (25)</u>	<u>\$ 917,266</u>	<u>\$ 23,370</u>



Risk Management (see combining)	Georgia Technology Authority	Total
\$ 6,135	\$ 8,942	\$ 23,487
292,022	234,748	895,501
6	—	6
92,927	6,443	114,358
579,332	23,176	602,508
—	40	40
—	—	26,195
—	—	81
36	—	53
<u>970,458</u>	<u>273,349</u>	<u>1,662,229</u>
565	—	565
—	—	22,070
231	3,329	6,351
—	—	27,354
—	—	545,851
—	116,855	137,928
<u>796</u>	<u>120,184</u>	<u>740,119</u>
<u>971,254</u>	<u>393,533</u>	<u>2,402,348</u>
823	11,657	26,346
4,307	37,548	47,698
—	2,800	2,872
920,885	—	920,885
8,014	233	8,364
—	—	—
—	—	1,518
57	61	185
—	34,707	41,670
<u>933,263</u>	<u>75,349</u>	<u>1,023,192</u>
680	—	680
129	1,453	3,374
2,053	33,444	76,523
—	80,243	105,980
<u>2,862</u>	<u>115,140</u>	<u>186,557</u>
<u>936,125</u>	<u>190,489</u>	<u>1,209,749</u>
156	1,871	29,708
—	2,069	573,734
59	3,546	6,548
<u>35,737</u>	<u>207,215</u>	<u>608,955</u>
<u>\$ 35,796</u>	<u>\$ 212,830</u>	<u>\$ 1,189,237</u>

State of Georgia

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

Internal Service Funds

For the Fiscal Year Ended June 30, 2024

(amounts in thousands)

	Department of Administrative Services	Georgia Building Authority	Georgia Correctional Industries Administration
Operating Revenues:			
Operating Contributions/Premiums	\$ —	\$ —	\$ —
Operating Grants	—	—	—
Rents and Royalties	—	29,899	—
Sales and Services	7,395	11,518	83,396
Other	—	1,569	—
Total Operating Revenues	<u>7,395</u>	<u>42,986</u>	<u>83,396</u>
Operating Expenses:			
Personal Services	5,923	14,796	24,041
Services and Supplies	10,207	32,845	58,726
Claims and Judgments	—	—	—
Interest Expense	—	941	—
Amortization/Depreciation	—	32,387	1,967
Other	—	757	—
Total Operating Expenses	<u>16,130</u>	<u>81,726</u>	<u>84,734</u>
Operating Income (Loss)	<u>(8,735)</u>	<u>(38,740)</u>	<u>(1,338)</u>
Nonoperating Revenues (Expenses):			
Interest and Other Investment Income	123	21,165	65
Interest Expense	—	—	—
Nonoperating Grants & Contributions	2,005	—	—
Other	415	(5,671)	86
Total Nonoperating Revenues (Expenses)	<u>2,543</u>	<u>15,494</u>	<u>151</u>
Income (Loss) Before Contributions and Transfers	<u>(6,192)</u>	<u>(23,246)</u>	<u>(1,187)</u>
Capital Contributions	—	59,551	—
Transfers:			
Transfers In	6,610	—	—
Transfers Out	—	—	—
Net Transfers	<u>6,610</u>	<u>—</u>	<u>—</u>
Change in Net Position	418	36,305	(1,187)
Net Position, July 1 (restated)	<u>(443)</u>	<u>880,961</u>	<u>24,557</u>
Net Position, June 30	<u>\$ (25)</u>	<u>\$ 917,266</u>	<u>\$ 23,370</u>



Risk Management (see combining)	Georgia Technology Authority	Total
\$ (42,628)	\$ —	\$ (42,628)
746	1,983	2,729
—	—	29,899
180	236,900	339,389
—	—	1,569
<u>(41,702)</u>	<u>238,883</u>	<u>330,958</u>
2,594	31,032	78,386
61,472	188,587	351,837
135,948	—	135,948
—	577	1,518
—	41,579	75,933
—	—	757
<u>200,014</u>	<u>261,775</u>	<u>644,379</u>
<u>(241,716)</u>	<u>(22,892)</u>	<u>(313,421)</u>
(1,279)	4,853	24,927
—	—	2,005
4,341	(2)	(831)
<u>3,062</u>	<u>4,851</u>	<u>26,101</u>
<u>(238,654)</u>	<u>(18,041)</u>	<u>(287,320)</u>
—	36	59,587
250,430	158,555	415,595
—	(8,153)	(8,153)
<u>250,430</u>	<u>150,402</u>	<u>407,442</u>
11,776	132,397	179,709
<u>24,020</u>	<u>80,433</u>	<u>1,009,528</u>
<u>\$ 35,796</u>	<u>\$ 212,830</u>	<u>\$ 1,189,237</u>

State of Georgia

Combining Statement of Cash Flows Internal Service Funds For the Fiscal Year Ended June 30, 2024 (amounts in thousands)

	Department of Administrative Services	Georgia Building Authority	Georgia Correctional Industries Administration
Cash Flows from Operating Activities:			
Cash Received from Customers	\$ 752	\$ 40,462	\$ 22,024
Cash Received from Other Funds (Internal Activity)	5,612	9,027	62,405
Cash Paid to Vendors	(10,545)	(43,692)	(61,061)
Cash Paid to Employees	(5,785)	(14,289)	(16,427)
Cash Paid for Claims and Judgments	—	—	—
Other Operating Receipts	611	—	—
Net Cash Provided by (Used in) Operating Activities	<u>(9,355)</u>	<u>(8,492)</u>	<u>6,941</u>
Cash Flows from Noncapital Financing Activities:			
Transfers from Other Funds	6,611	—	—
Transfers to Other Funds	—	—	—
Other Noncapital Receipts	4,424	—	86
Other Noncapital Payments	(2,005)	—	—
Net Cash Provided by (Used in) Noncapital Financing Activities	<u>9,030</u>	<u>—</u>	<u>86</u>
Cash Flows from Capital and Related Financing Activities:			
Capital Contributions	—	59,551	—
Proceeds from Sale of Capital Assets	—	(5,671)	—
Acquisition and Construction of Capital Assets	—	(61,962)	(4,459)
Principal Paid on Capital Debt	—	(6,176)	(5)
Interest Paid on Capital Debt	—	(941)	—
Net Cash Used in Capital and Related Financing Activities	<u>—</u>	<u>(15,199)</u>	<u>(4,464)</u>
Cash Flows from Investing Activities:			
Proceeds from Sales of Investments	—	—	—
Purchase of Investments	—	—	—
Interest and Dividends Received	122	21,165	65
Net Cash Provided by Investing Activities	<u>122</u>	<u>21,165</u>	<u>65</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(203)	(2,526)	2,628
Cash and Cash Equivalents, July 1	<u>4,573</u>	<u>370,297</u>	<u>2,372</u>
Cash and Cash Equivalents, June 30	<u>\$ 4,370</u>	<u>\$ 367,771</u>	<u>\$ 5,000</u>



Risk Management (see combining)	Georgia Technology Authority	Total
\$ (527)	\$ 169,870	\$ 232,581
215,893	74,601	367,538
(63,742)	(194,582)	(373,622)
(2,616)	(30,373)	(69,490)
(199,303)	—	(199,303)
—	—	611
(50,295)	19,516	(41,685)
250,431	158,553	415,595
—	(8,153)	(8,153)
5,020	—	9,530
—	—	(2,005)
255,451	150,400	414,967
—	36	59,587
—	24,815	19,144
—	—	(66,421)
—	(63,564)	(69,745)
—	1,185	244
—	(37,528)	(57,191)
781	—	781
44	—	44
(1,892)	4,852	24,312
(1,067)	4,852	25,137
204,089	137,240	341,228
94,068	106,450	577,760
\$ 298,157	\$ 243,690	\$ 918,988

(continued)

State of Georgia

Combining Statement of Cash Flows

Internal Service Funds

For the Fiscal Year Ended June 30, 2024

(amounts in thousands)

	Department of Administrative Services	Georgia Building Authority	Georgia Correctional Industries Administration
Reconciliation of Operating Income (Loss) to Net Cash provided by (Used in) Operating Activities:			
Operating Income (Loss)	\$ (8,735)	\$ (38,740)	\$ (1,338)
Reconciliation of Operating Income (Loss) to Net Cash provided by (Used in) Operating Activities:			
Amortization/Depreciation Expense	—	32,387	1,967
Changes in Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources:			
Accounts Receivable	(1,091)	6,503	(200)
Due from Other Funds	59	—	1,232
Due from Component Units	—	—	—
Net OPEB Asset	(61)	(189)	(104)
Other Asset	—	56	(603)
Deferred Outflows of Resources	1,601	3,765	4,532
Accounts Payable and Other Accruals	(403)	(1,419)	(1,740)
Due to Other Funds	—	(6)	(2)
Unearned Revenue	—	(72)	—
Claims and Judgments Payable	—	—	—
Compensated Absences Payable	—	58	7,536
Net OPEB Liability	(198)	(434)	(551)
Net Pension Liability	(892)	(1,980)	(3,689)
Other Liabilities	622	(23)	—
Deferred Inflows of Resources	(257)	(8,398)	(99)
Net Cash Provided by (Used in) Operating Activities	<u>\$ (9,355)</u>	<u>\$ (8,492)</u>	<u>\$ 6,941</u>
Noncash Investing, Capital, and Financing Activities:			
Change in Fair Value of Investments	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>



<u>Risk Management (see combining)</u>	<u>Georgia Technology Authority</u>	<u>Total</u>
\$ (241,716)	\$ (22,892)	\$ (313,421)
<u>—</u>	<u>41,580</u>	<u>75,934</u>
27,564	(813)	31,963
230,248	6,401	237,940
—	1	1
(19)	(523)	(896)
19	347	(181)
475	7,556	17,929
(2,268)	(5,504)	(11,334)
(48)	—	(56)
(746)	—	(818)
(63,355)	—	(63,355)
—	134	7,728
(57)	(838)	(2,078)
(279)	(4,156)	(10,996)
15	(263)	351
<u>(128)</u>	<u>(1,514)</u>	<u>(10,396)</u>
<u>\$ (50,295)</u>	<u>\$ 19,516</u>	<u>\$ (41,685)</u>
<u>\$ (4,462)</u>	<u>\$ —</u>	<u>\$ (4,462)</u>

State of Georgia

Combining Statement of Net Position

Internal Service Funds

Risk Management

June 30, 2024

(amounts in thousands)

	Cyber Liability Insurance Fund	Liability Insurance Fund	Property Insurance Fund
Assets			
Current Assets:			
Cash and Cash Equivalents	\$ (1,641)	\$ 56,357	\$ 33,246
Pooled Investments with State Treasury	5,352	—	—
Investments	—	—	—
Receivables (Net)	121	57,884	780
Due from Other Funds	—	278,950	—
Other Current Assets	—	—	—
Total Current Assets	<u>3,832</u>	<u>393,191</u>	<u>34,026</u>
Noncurrent Assets:			
Investments	10	—	—
Restricted Assets:			
Net OPEB Asset	—	84	52
Total Noncurrent Assets	<u>10</u>	<u>84</u>	<u>52</u>
Total Assets	<u>3,842</u>	<u>393,275</u>	<u>34,078</u>
Deferred Outflows of Resources			
	<u>—</u>	<u>299</u>	<u>186</u>
Liabilities			
Current Liabilities:			
Accounts Payable and Other Accruals	(36)	(1,561)	6,530
Policy Claims and Uninsured Liabilities	—	394,269	28,780
Unearned Revenue	—	—	—
Other Current Liabilities	—	20	14
Total Current Liabilities	<u>(36)</u>	<u>392,728</u>	<u>35,324</u>
Noncurrent Liabilities:			
Other Noncurrent Liabilities	—	—	680
Long-term Liabilities:			
Net OPEB Liability	—	47	29
Net Pension Liability	—	742	464
Total Noncurrent Liabilities	<u>—</u>	<u>789</u>	<u>1,173</u>
Total Liabilities	<u>(36)</u>	<u>393,517</u>	<u>36,497</u>
Deferred Inflows of Resources			
	<u>—</u>	<u>57</u>	<u>35</u>
Net Position			
Restricted for:			
Other Purpose	—	—	55
Unrestricted	3,878	—	(2,323)
Total Net Position	<u>\$ 3,878</u>	<u>\$ —</u>	<u>\$ (2,268)</u>



State Indemnification Fund	Teacher Indemnification Fund	Unemployment Compensation Fund	Workers' Compensation Fund	Total
\$ 2,570	\$ (1,516)	\$ (12,846)	\$ (70,035)	\$ 6,135
11,522	4,944	41,877	228,327	292,022
—	—	1	5	6
—	—	138	34,004	92,927
—	—	—	300,382	579,332
—	—	4	32	36
<u>14,092</u>	<u>3,428</u>	<u>29,174</u>	<u>492,715</u>	<u>970,458</u>
22	10	81	442	565
3	—	2	90	231
<u>25</u>	<u>10</u>	<u>83</u>	<u>532</u>	<u>796</u>
<u>14,117</u>	<u>3,438</u>	<u>29,257</u>	<u>493,247</u>	<u>971,254</u>
9	—	5	324	823
—	—	8	(634)	4,307
3,847	3	730	493,256	920,885
8,014	—	—	—	8,014
—	—	—	23	57
<u>11,861</u>	<u>3</u>	<u>738</u>	<u>492,645</u>	<u>933,263</u>
—	—	—	—	680
2	—	1	50	129
<u>21</u>	<u>—</u>	<u>11</u>	<u>815</u>	<u>2,053</u>
<u>23</u>	<u>—</u>	<u>12</u>	<u>865</u>	<u>2,862</u>
<u>11,884</u>	<u>3</u>	<u>750</u>	<u>493,510</u>	<u>936,125</u>
2	—	1	61	156
3	—	1	—	59
<u>2,237</u>	<u>3,435</u>	<u>28,510</u>	<u>—</u>	<u>35,737</u>
<u>\$ 2,240</u>	<u>\$ 3,435</u>	<u>\$ 28,511</u>	<u>\$ —</u>	<u>\$ 35,796</u>

State of Georgia

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

Internal Service Funds

Risk Management

For the Fiscal Year Ended June 30, 2024

(amounts in thousands)

	Cyber Liability Insurance Fund	Liability Insurance Fund	Property Insurance Fund
Operating Revenues:			
Operating Contributions/Premiums	\$ 2,291	\$ 20,006	\$ 57,259
Operating Grants	—	—	—
Rents and Royalties	—	—	—
Sales and Services	—	—	—
Total Operating Revenues	2,291	20,006	57,259
Operating Expenses:			
Personal Services	—	888	648
Services and Supplies	1,639	4,446	46,711
Claims and Judgments	11	89,679	49,202
Total Operating Expenses	1,650	95,013	96,561
Operating Income (Loss)	641	(75,007)	(39,302)
Nonoperating Revenues (Expenses):			
Interest and Other Investment Income	(120)	7	165
Other	—	—	—
Total Nonoperating Revenues (Expenses)	(120)	7	165
Income (Loss) Before Transfers	521	(75,000)	(39,137)
Transfers:			
Transfers In	—	75,000	50,000
Transfers Out	—	—	—
Net Transfers	—	75,000	50,000
Change in Net Position	521	—	10,863
Net Position, July 1 - (restated)	3,357	—	(13,131)
Net Position, June 30	\$ 3,878	\$ —	\$ (2,268)



State Indemnification Fund	Teacher Indemnification Fund	Unemployment Compensation Fund	Workers' Compensation Fund	Total
\$ —	\$ —	\$ 3,913	\$ (126,097)	\$ (42,628)
746	—	—	—	746
—	—	—	—	—
180	—	—	—	180
<u>926</u>	<u>—</u>	<u>3,913</u>	<u>(126,097)</u>	<u>(41,702)</u>
—	—	1	1,057	2,594
2	—	36	8,638	61,472
1,151	—	2,143	(6,238)	135,948
<u>1,153</u>	<u>—</u>	<u>2,180</u>	<u>3,457</u>	<u>200,014</u>
<u>(227)</u>	<u>—</u>	<u>1,733</u>	<u>(129,554)</u>	<u>(241,716)</u>
(338)	(138)	(1,069)	214	(1,279)
1	—	—	4,340	4,341
<u>(337)</u>	<u>(138)</u>	<u>(1,069)</u>	<u>4,554</u>	<u>3,062</u>
<u>(564)</u>	<u>(138)</u>	<u>664</u>	<u>(125,000)</u>	<u>(238,654)</u>
430	—	—	125,000	250,430
<u>430</u>	<u>—</u>	<u>—</u>	<u>125,000</u>	<u>250,430</u>
(134)	(138)	664	—	11,776
2,374	3,573	27,847	—	24,020
<u>\$ 2,240</u>	<u>\$ 3,435</u>	<u>\$ 28,511</u>	<u>\$ —</u>	<u>\$ 35,796</u>

State of Georgia

Combining Statement of Cash Flows

Internal Service Funds

Risk Management

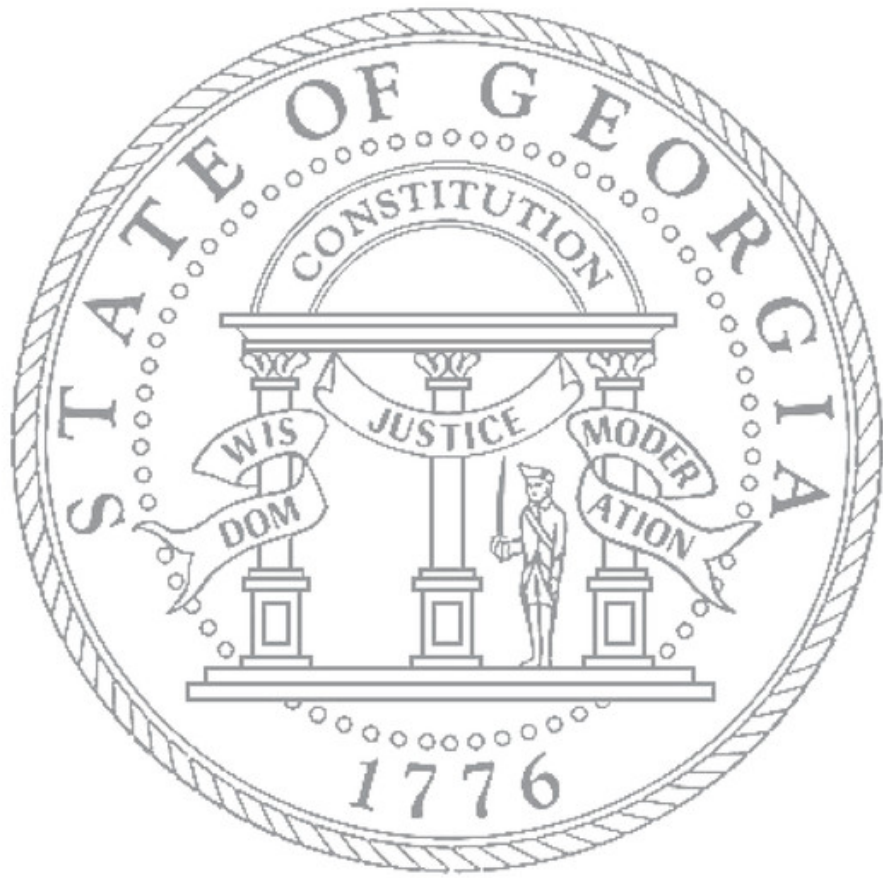
For the Fiscal Year Ended June 30, 2024

(amounts in thousands)

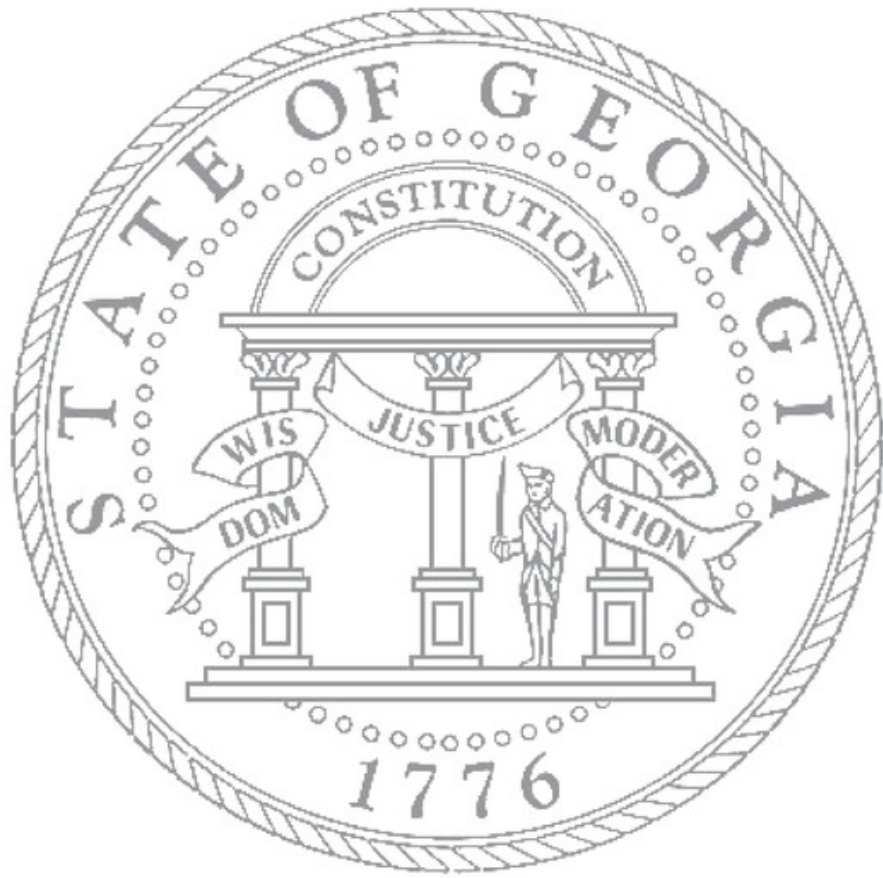
	Cyber Liability Insurance Fund	Liability Insurance Fund	Property Insurance Fund
Cash Flows from Operating Activities:			
Cash Received from Customers	\$ 81	\$ 867	\$ 2,008
Cash Received from Other Funds (Internal Activity)	2,197	45,769	54,667
Cash Paid to Vendors	(1,763)	(8,495)	(43,490)
Cash Paid to Employees	—	(904)	(655)
Cash Paid for Claims and Judgments	(11)	(65,692)	(32,867)
Net Cash Provided by (Used in) Operating Activities	<u>504</u>	<u>(28,455)</u>	<u>(20,337)</u>
Cash Flows from Noncapital Financing Activities:			
Transfers from Other Funds	—	75,000	50,000
Other Noncapital Receipts	—	—	680
Net Cash Provided by (Used in) Noncapital Financing Activities	<u>—</u>	<u>75,000</u>	<u>50,680</u>
Cash Flows from Investing Activities:			
Proceeds from Sales and Maturities of Investments	29	88	24
Purchase of Investments	(10)	—	—
Interest and Dividends Received	(120)	7	164
Net Cash Provided by (Used in) Investing Activities	<u>(101)</u>	<u>95</u>	<u>188</u>
Net Increase (Decrease) in Cash and Cash Equivalents	403	46,640	30,531
Cash and Cash Equivalents, July 1	3,308	9,717	2,715
Cash and Cash Equivalents, June 30	<u>\$ 3,711</u>	<u>\$ 56,357</u>	<u>\$ 33,246</u>
Reconciliation of Operating Income (Loss) to Net Cash provided by (Used in) Operating Activities:			
Operating Income (Loss)	\$ 641	\$ (75,007)	\$ (39,302)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:			
Changes in Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources:			
Accounts Receivable	(14)	4,475	(584)
Due from Other Funds	—	22,156	—
Net OPEB Asset	—	(13)	(5)
Other Assets	—	—	—
Deferred Outflows of Resources	—	163	107
Accounts Payable and Other Accruals	(123)	(4,049)	3,221
Due to Other Funds	—	—	—
Unearned Revenue	—	—	—
Claims and Judgments Payable	—	23,987	16,335
Net OPEB Liability	—	(32)	(23)
Net Pension Liability	—	(101)	(63)
Other Liabilities	—	5	5
Deferred Inflows of Resources	—	(39)	(28)
Net Cash Provided by (Used in) Operating Activities	<u>\$ 504</u>	<u>\$ (28,455)</u>	<u>\$ (20,337)</u>
Noncash Investing Activities:			
Change in Fair Value of Investments	<u>\$ (212)</u>	<u>\$ (621)</u>	<u>\$ (172)</u>



State Indemnification Fund	Teacher Indemnification Fund	Unemployment Compensation Fund	Workers' Compensation Fund	Total
\$ 7	\$ —	\$ 138	\$ (3,628)	\$ (527)
174	—	3,754	109,332	215,893
(3)	—	(28)	(9,963)	(63,742)
17	—	(2)	(1,072)	(2,616)
(1,504)	—	(2,382)	(96,847)	(199,303)
<u>(1,309)</u>	<u>—</u>	<u>1,480</u>	<u>(2,178)</u>	<u>(50,295)</u>
431	—	—	125,000	250,431
—	—	—	4,340	5,020
<u>431</u>	<u>—</u>	<u>—</u>	<u>129,340</u>	<u>255,451</u>
84	31	251	274	781
591	(10)	(82)	(445)	44
(951)	(137)	(1,069)	214	(1,892)
<u>(276)</u>	<u>(116)</u>	<u>(900)</u>	<u>43</u>	<u>(1,067)</u>
(1,154)	(116)	580	127,205	204,089
15,246	3,544	28,451	31,087	94,068
<u>\$ 14,092</u>	<u>\$ 3,428</u>	<u>\$ 29,031</u>	<u>\$ 158,292</u>	<u>\$ 298,157</u>
<u>\$ (227)</u>	<u>\$ —</u>	<u>\$ 1,733</u>	<u>\$ (129,554)</u>	<u>\$ (241,716)</u>
—	—	(22)	23,709	27,564
—	—	—	208,092	230,248
—	—	—	(1)	(19)
19	—	—	—	19
5	—	3	197	475
(1)	—	9	(1,325)	(2,268)
—	—	—	(48)	(48)
(746)	—	—	—	(746)
(353)	—	(239)	(103,085)	(63,355)
(1)	—	(1)	—	(57)
(3)	—	(2)	(110)	(279)
—	—	—	5	15
<u>(2)</u>	<u>—</u>	<u>(1)</u>	<u>(58)</u>	<u>(128)</u>
<u>\$ (1,309)</u>	<u>\$ —</u>	<u>\$ 1,480</u>	<u>\$ (2,178)</u>	<u>\$ (50,295)</u>
<u>\$ 613</u>	<u>\$ (227)</u>	<u>\$ (1,825)</u>	<u>\$ (2,018)</u>	<u>\$ (4,463)</u>



FIDUCIARY FUNDS





Description of Fiduciary Funds

Fiduciary funds are used to account for assets held by the State in a fiduciary capacity. The State has the following fiduciary funds.

PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS

Pension and Other Employee Benefit Trust Funds are used to account for activities and balances of the public employee retirement systems and other employee benefit plans. The State's pension and other employee benefit trust funds are described below:

Pension Trust Funds

Defined Benefit Pension Plans

The **Employees' Retirement System** is used to account for the accumulation of resources for the purpose of providing retirement allowances for qualified employees of the State and its political subdivisions.

The **Firefighters' Pension Fund** is used to account for the accumulation of resources for the purpose of paying retirement benefits to the firefighters of the State.

The **Georgia Judicial Retirement System** is used to account for the accumulation of resources for the purpose of providing retirement allowances for trial judges and solicitors of certain courts in Georgia, and their survivors and beneficiaries, superior court judges of the State, and district attorneys of the State.

Other Defined Benefit Plans is comprised of the following smaller plans:

The **District Attorneys Retirement Fund** (old plan) is used to account for the accumulation of resources for the purpose of paying retirement benefits to the district attorneys of the State.

The **Augusta University Early Retirement Pension Plan** is a single-employer defined benefit pension plan designed to provide eligible participants additional benefits above the amounts payable through Teachers Retirement System of Georgia (TRS). The plan was designed to allow vested employees aged 55 or employees of any age with 25 years of creditable service to retire without penalties as applied by the TRS for early retirement.

The **Judges of the Probate Courts Retirement Fund of Georgia** is used to account for the accumulation of resources for the purpose of paying retirement benefits to the judges of the Probate Courts of the State.

The **Legislative Retirement System** is used to account for the accumulation of resources for the purpose of providing retirement allowances and other benefits for all members of the Georgia General Assembly.

The **Magistrates Retirement Fund of Georgia** is used to account for the accumulation of resources for the purpose of providing retirement benefits for those serving as duly qualified and commissioned chief magistrates of counties in the State.

The **Georgia Military Pension Fund** is used to account for the accumulation of resources for the purpose of providing retirement allowances and other benefits to members of the Georgia National Guard.



Description of Fiduciary Funds

The **Sheriffs' Retirement Fund of Georgia** is used to account for the accumulation of resources for the purpose of paying retirement benefits to the sheriffs of the State.

The **Superior Court Clerks' Retirement Fund of Georgia** is used to account for the accumulation of resources for the purpose of paying retirement benefits to the Superior Court clerks of the State.

The **Superior Court Judges Retirement Fund of Georgia** (old plan) is used to account for the accumulation of resources for the purpose of paying retirement benefits to the Superior Court judges of the State.

The **Peace Officers' Annuity and Benefit Fund** is used to account for the accumulation of resources for the purpose of paying retirement benefits to the peace officers of the State.

The **Public School Employees Retirement System** is used to account for the accumulation of resources for the purpose of providing retirement allowances for public school employees who are not eligible for membership in the Teachers Retirement System of Georgia.

The **Teachers Retirement System of Georgia** is used to account for the accumulation of resources for the purpose of providing retirement allowances and other benefits for teachers and administrative personnel employed in State public schools and the University System of Georgia (except those professors and principal administrators electing to participate in an optional retirement plan), and for certain other designated employees in educational-related work.

Defined Contribution / Deferred Compensation Pension Plans

The **Georgia Defined Contribution Plan** is used to account for the accumulation of resources for the purpose of providing retirement allowances for State employees who are not members of a public retirement or pension system.

The **Deferred Compensation Plans** are used to account for the accumulation of resources for the purpose of providing retirement allowances for State and Board of Regents employees and employees of Community Service Boards who elect to defer a portion of their annual salary until future years.

Other Postemployment Benefit Plans

The **Board of Regents Retiree Health Benefit Fund** is used to account for the accumulation of resources necessary to meet employer costs of retiree post-employment health insurance benefits.

The **Georgia State Employees Post-employment Health Benefit Fund (State OPEB Fund)** pays postemployment health benefits (including benefits to qualified beneficiaries of eligible former employees) due under the group health plan for employees of State organizations and other entities authorized by law to contract with the Department of Community Health for inclusion in the plan. It also pays administrative expenses for the Fund. By law, no other use of assets of the State OPEB Fund is permitted.

The **Georgia School Personnel Post-employment Health Benefit Fund (School OPEB Fund)** pays postemployment health benefits (including benefits for qualified beneficiaries of eligible former employees) due under the group health plan for public school teachers including librarians and other certified employees of the public schools and regional educational service agencies, postemployment health benefits due under the group health plan for non-certificated public school employees, and administrative expenses of the Fund. By law, no



Description of Fiduciary Funds

other use of assets of the School OPEB Fund is permitted.

The **State Employees' Assurance Department (SEAD) - OPEB** is used to account for the accumulation of resources for the purpose of providing term life insurance to retired and vested inactive members of Employees', Judicial, and Legislative Retirement Systems.

INVESTMENT TRUST FUNDS

Investment Trust Funds are used to account for the external portion of a government sponsored investment pool. The State's investment trust funds are described below:

The **Georgia Fund 1 (GF1)** is an investment pool of the LGIP Trust and an investment pool for the State and local governments, including state agencies, colleges and universities, counties, school districts, special districts, or any department, agency, or board of a political subdivision. The primary objectives of the pool is the prudent management of public funds on behalf of the State and local governments seeking income higher than money market rates.

The **Georgia Fund 1 Prime (GF1 Prime)** is an LGIP offering under the LGIP Trust and represents an additional investment option for Georgia local governments, authorities, and approved state entities looking to benefit from higher yields available by adding credit exposure.

PRIVATE PURPOSE TRUST FUNDS

Private Purpose Trust Funds are used to report resources of all other trust arrangements in which principal and income benefit individuals, private organizations, or other governments. The State's private purpose trust funds are described below:

The **Auctioneers Education, Research and Recovery Fund** provides for actual or compensatory damages in instances where a person is aggrieved by an act, representation, transaction, or conduct of a person licensed under OCGA § 43-6 (duly licensed auctioneer, apprentice auctioneer, or auction company) who is in violation of state law. Also, the fund is used to help underwrite the cost of education and research programs for the benefit of licensees and the public.

The **Real Estate Education, Research and Recovery Fund** provides for actual or compensatory damages in instances where a person is aggrieved by an act, representation, transaction, or conduct of a duly licensed broker, associate broker or salesperson who is in violation of state law. Also, the fund is used to help underwrite the cost of developing courses, conducting seminars, conducting research projects on matters affecting real estate brokerage, publishing and distributing educational materials, or other education and research programs for the benefit of licensees and the public.

The **Subsequent Injury Trust Fund** is a special workers' compensation fund designed to encourage employers to hire workers with pre-existing impairments by insuring against the aggravating impact such impairment could have if the worker were subsequently injured on the job.

The **Tuition Guaranty Trust Fund** is to protect students against financial loss when a postsecondary educational institution closes without reimbursing its students and without completing its educational obligations to its students. It is funded by postsecondary education institutions who participate in the trust.



Description of Fiduciary Funds

CUSTODIAL FUNDS

Custodial Funds are used to report balances and activities for deposits and investments entrusted to the State as an agent for others. The State's significant custodial funds are described below:

The **ARPA NEU for Local Governments** accounts for the collection and disbursement of Coronavirus State and Local Fiscal Recovery Funds to Non-entitlement Units of Local Government (NEUs) as directed by the American Rescue Plan Act of 2021 (ARPA) on behalf of the federal government. Amounts received are distributed in conformity with the standards prescribed in the Social Security Act.

The **Child Support Recovery Program** accounts for the collection of court ordered child support or child support amounts due as determined in conformity with the Social Security Act. Amounts collected are distributed and deposited in conformity with state law and the standards prescribed in the Social Security Act.

The **Detainees' Accounts** are held for the detainees of statewide probation offices, correctional institutions, diversion centers, detention centers, transitional centers and boot camps for the purpose of paying court-ordered fines, fees and restitutions and for operating recreational activities for detainees.

The **Flexible Benefits Program** is for flexible benefits and spending accounts managed by the Department of Administrative Services. Voluntary payroll contributions from participant employees are held until disbursements are made to insurance companies for premiums and to participants for spending account reimbursements.

The **Insurance Premium Tax Collections for Local Governments Fund** accounts for the pro-rata share of premium taxes collected on the behalf of each participating municipality and county. The participating counties and municipalities may have the distributions deposited directly into their Georgia Fund 1 account through the Office of the State Treasurer.

Revenue Tax Collections for Local Governments Fund is used to account for the collection and disbursement of sales taxes at the Department of Revenue on behalf of county and municipal governments. This fund includes activity for Education Local Option Sales Tax, Homestead Option Sales Tax, Local Option Sales Tax, MARTA Sales Tax, Special Purpose Local Option Sales Tax, Ad Valorem Tax, Railroad Tax, Tennessee Valley Tax, E911 Prepaid Tax, E911 non Prepaid, Fireworks Tax, and the Transportation Investment Act.

Survivor Benefit Fund is within the Employees Retirement System (ERS) trust and is solely for maintaining group term life insurance coverage for members of the plan. All assets are limited to the payment of benefits and expenses for such coverage and cannot be used to pay pension benefits and expenses of ERS.

The **Student Financial Aid and Support Fund** are accounts for activities from the state acting as an agent or in a fiduciary capacity for various governments, companies, clubs or individuals for student support and financial aid.

Other Custodial Funds include custodial funds not considered significant enough to warrant separate presentation.

External Investment Pool account for activities of a pooled investment program held by the Board of Regents for affiliate organizations external to the state reporting unit.



State of Georgia

Combining Statement of Fiduciary Net Position Pension and Other Employee Benefit Trust Funds June 30, 2024

(amounts in thousands)

	Defined Contribution Plans				
	Defined Benefit Pension Plans (see combining)	Georgia Defined Contribution Plan	Deferred Compensation Plans		
			State of Georgia 401 (K) Plan	State of Georgia 457 Plan	Regents 457 (F) Plan
Assets					
Cash and Cash Equivalents	\$ 4,112,744	\$ 23,742	\$ 32,384	\$ 3,736	\$ —
Pooled Investments with State Treasury	—	—	—	—	—
Receivables, Net					
Interest and Dividends	274,469	853	117	290	—
Due from Brokers for Securities Sold	146,494	—	—	—	—
Other	352,540	1,462	4,336	452	—
Due from Other Funds	—	—	—	—	—
Investments					
Pooled Investments	17,930,233	—	—	—	—
Mutual Funds	646,370	—	2,285,506	771,656	2,565
Municipal, U.S. and Foreign Government Obligations	17,430,262	125,536	—	—	—
Corporate Bonds/Notes/Debentures	7,017,051	—	—	—	273
Stocks	78,902,229	—	26,961	13,694	—
Asset-backed Securities	23,915	—	—	—	—
Mortgage Investments	76,403	—	—	—	—
Real Estate Investment Trusts	804,904	—	—	—	243
Capital Assets					
Land	8,431	—	—	—	—
Buildings	7,793	—	—	—	—
Software	29,325	—	—	—	—
Machinery and Equipment	7,504	—	—	—	—
Works of Art	114	—	—	—	—
Accumulated Depreciation	(38,651)	—	—	—	—
Intangible Right-to-Use Assets					
Subscription Asset	4,324	—	—	—	—
Accumulated Amortization	(1,952)	—	—	—	—
Net OPEB Asset	6,351	—	—	—	—
Total Assets	127,740,853	151,593	2,349,304	789,828	3,081
Deferred Outflows of Resources	17,797	—	—	—	—
Liabilities					
Accounts Payable and Other Accruals	39,058	599	3,539	1,700	—
Due to Other Funds	441	—	—	—	—
Due to Brokers for Securities Purchased	142,282	—	—	—	—
Salaries/Withholdings Payable	3	—	—	—	—
Benefits Payable	—	—	—	—	—
Unearned Revenue	10	—	—	—	—
Compensated Absences Payable	77	—	—	—	—
Lease Obligations	1	—	—	—	—
Subscription Obligations	762	—	—	—	—
Net OPEB Liability	2,795	—	—	—	—
Net Pension Liability	44,199	—	—	—	—
Total Liabilities	229,628	599	3,539	1,700	—
Deferred Inflows of Resources	4,218	—	—	—	—
Net Position					
Restricted for:					
Pension Benefits	127,524,804	150,994	2,345,765	788,128	3,081
Other Postemployment Benefits	—	—	—	—	—
Total Net Position	\$ 127,524,804	\$ 150,994	\$ 2,345,765	\$ 788,128	\$ 3,081



Other Post Employment Benefit Plans

Board of Regents Retiree Health Benefit Fund	Georgia State Employees Post-employment Health Benefit Fund	Georgia School Personnel Post-employment Health Benefit Fund	State Employees' Assurance Department - OPEB	Total
\$ 7,544	\$ 809	\$ 295	\$ 2,104	\$ 4,183,358
—	856,177	210,295	—	1,066,472
—	970	356	—	277,055
—	—	—	—	146,494
405	1,865	6,350	—	367,410
—	—	—	378	378
223,806	—	—	1,576,964	19,731,003
—	—	—	—	3,706,097
—	—	—	—	17,555,798
—	—	—	—	7,017,324
—	1,867,052	684,802	—	81,494,738
—	—	—	—	23,915
—	—	—	—	76,403
—	—	—	—	805,147
—	—	—	—	8,431
—	—	—	—	7,793
—	—	—	—	29,325
—	—	—	—	7,504
—	—	—	—	114
—	—	—	—	(38,651)
—	—	—	—	4,324
—	—	—	—	(1,952)
—	—	—	—	6,351
231,755	2,726,873	902,098	1,579,446	136,474,831
—	—	—	—	17,797
—	4,338	12,025	351	61,610
—	—	—	—	441
—	618	227	—	143,127
—	—	—	—	3
6,702	15,033	47,410	—	69,145
—	78	226	—	314
—	—	—	—	77
—	—	—	—	1
—	—	—	—	762
—	—	—	—	2,795
—	—	—	—	44,199
6,702	20,067	59,888	351	322,474
—	—	—	—	4,218
—	—	—	—	130,812,772
225,053	2,706,806	842,210	1,579,095	5,353,164
\$ 225,053	\$ 2,706,806	\$ 842,210	\$ 1,579,095	\$ 136,165,936

State of Georgia

Combining Statement of Changes in Fiduciary Net Position

Pension and Other Employee Benefit Trust Funds

For the Fiscal Year Ended June 30, 2024

(amounts in thousands)

	Defined Benefit Pension Plans (see combining)	Defined Contribution Plans			
		Georgia Defined Contribution Plan	Deferred Compensation Plans		
			State of Georgia 401 (K) Plan	State of Georgia 457 Plan	Regents 457 (F) Plan
Additions:					
Contributions					
Employer	\$ 3,984,759	\$ —	\$ 128,178	\$ —	\$ 519
Fees	836	—	—	—	—
Insurance Premiums	—	—	—	—	—
NonEmployer	143,873	—	—	—	—
Plan Members	1,030,547	17,530	188,603	21,259	—
Miscellaneous	915	—	646	42	—
Interest and Other Investment Income					
Dividends and Interest	2,586,321	4,413	1,948	1,870	80
Net Appreciation (Depreciation) in					
Investments Reported at Fair Value	13,463,276	26	277,179	103,459	260
Less: Investment Expense	(90,814)	(76)	(3,442)	(843)	(3)
Transfers from Other Funds	529,613	—	—	—	—
Total Additions	21,649,326	21,893	593,112	125,787	856
Deductions:					
Distributions					
Benefits	8,000,251	8	145,256	45,561	—
General and Administrative Expenses	43,436	1,213	4,011	384	—
Pool Participant Withdrawals	—	—	—	—	2,205
Refunds	108,697	12,802	—	—	—
Total Deductions	8,152,384	14,023	149,267	45,945	2,205
Net Increase (Decrease) in Fiduciary Net Position	13,496,942	7,870	443,845	79,842	(1,349)
Net Position, July 1	114,027,862	143,124	1,901,920	708,286	4,430
Net Position, June 30	<u>\$ 127,524,804</u>	<u>\$ 150,994</u>	<u>\$ 2,345,765</u>	<u>\$ 788,128</u>	<u>\$ 3,081</u>



Other Post Employment Benefit Plans

Board of Regents Retiree Health Benefit Fund	Georgia State Employees Post-employment Health Benefit Fund	Georgia School Personnel Post-employment Health Benefit Fund	State Employees' Assurance Department - OPEB	Total
\$ 93,500	\$ 449,605	\$ 408,979	\$ —	\$ 5,065,540
—	—	—	—	836
—	—	—	2,533	2,533
—	—	—	—	143,873
—	—	—	—	1,257,939
—	—	—	—	1,603
(1,736)	50,568	18,333	32,201	2,693,998
18,328	343,234	125,875	164,394	14,496,031
(199)	(867)	(319)	(1,340)	(97,903)
—	—	—	—	529,613
<u>109,893</u>	<u>842,540</u>	<u>552,868</u>	<u>197,788</u>	<u>24,094,063</u>
103,013	164,765	412,217	49,934	8,921,005
562	1,713	3,732	907	55,958
—	—	—	—	2,205
—	—	—	—	121,499
<u>103,575</u>	<u>166,478</u>	<u>415,949</u>	<u>50,841</u>	<u>9,100,667</u>
6,318	676,062	136,919	146,947	14,993,396
<u>218,735</u>	<u>2,030,744</u>	<u>705,291</u>	<u>1,432,148</u>	<u>121,172,540</u>
<u>\$ 225,053</u>	<u>\$ 2,706,806</u>	<u>\$ 842,210</u>	<u>\$ 1,579,095</u>	<u>\$ 136,165,936</u>

State of Georgia

Combining Statement of Fiduciary Net Position Pension and Other Employee Benefit Trust Funds Defined Benefit Pension Plans June 30, 2024

(amounts in thousands)

	Employees' Retirement System	Firefighters' Pension Fund	Georgia Judicial Retirement System	Other Defined Benefit Plans (see combining)
Assets				
Cash and Cash Equivalents	\$ 613,711	\$ 100,590	\$ 645	\$ 13,372
Receivables				
Interest and Dividends	—	3,070	—	868
Due from Brokers for Securities Sold	—	1,114	—	(76)
Other	44,811	—	384	7
Investments				
Investment Accounts				
Pooled Investments	16,034,937	—	594,967	87,966
Money Market Mutual Funds				
Mutual Funds	—	480,610	—	165,760
Repurchase Agreements				
Municipal, U.S. and Foreign Government Obligations	—	91,940	—	69,739
Corporate Bonds/Notes/Debentures	—	144,796	—	47,156
Stocks	—	358,522	—	225,186
Asset-backed Securities	—	7,166	—	3,634
Mortgage Investments	—	68,029	—	5,260
Real Estate Investment Trusts	—	7,929	—	852
Capital Assets				
Land	4,124	85	—	—
Buildings	2,800	1,535	—	—
Software	14,345	—	—	—
Machinery and Equipment	2,183	190	—	6
Works of Art	—	114	—	—
Accumulated Depreciation	(17,349)	(989)	—	(5)
Intangible Right-to-Use Assets				
Subscription Asset	109	—	—	—
Accumulated Amortization	(45)	—	—	—
Net OPEB Asset	1,177	—	—	—
Total Assets	16,700,803	1,264,701	595,996	619,725
Deferred Outflow of Resources	1,527	—	—	—
Liabilities				
Accounts Payable and Other Accruals	18,721	3,435	802	713
Due to Other Funds	433	—	7	1
Due to Brokers for Securities Purchased	—	4,148	—	71
Salaries/Withholdings Payable	—	—	—	3
Unearned Revenue	—	—	—	10
Compensated Absences Payable	—	77	—	—
Lease Obligations	—	—	—	1
Subscription Obligations	—	—	—	—
Net OPEB Liability	598	—	—	—
Net Pension Liability	—	—	—	—
Total Liabilities	19,752	7,660	809	799
Deferred Inflow of Resources	647	—	—	—
Net Position				
Restricted for Pension Benefits	\$ 16,681,931	\$ 1,257,041	\$ 595,187	\$ 618,926



Peace Officers' Annuity and Benefit Fund	Public School Employees Retirement System	Teachers Retirement System of Georgia	Total
\$ 34,037	\$ 140	\$ 3,350,249	\$ 4,112,744
2,941	—	267,590	274,469
—	—	145,456	146,494
—	355	306,983	352,540
—	1,212,363	—	17,930,233
—	—	—	646,370
138,088	—	17,130,495	17,430,262
70,872	—	6,754,227	7,017,051
678,490	—	77,640,031	78,902,229
13,115	—	—	23,915
3,114	—	—	76,403
44,714	—	751,409	804,904
98	—	4,124	8,431
658	—	2,800	7,793
—	—	14,980	29,325
58	—	5,067	7,504
—	—	—	114
(338)	—	(19,970)	(38,651)
2,714	—	1,501	4,324
(1,164)	—	(743)	(1,952)
—	—	5,174	6,351
<u>987,397</u>	<u>1,212,858</u>	<u>106,359,373</u>	<u>127,740,853</u>
<u>—</u>	<u>—</u>	<u>16,270</u>	<u>17,797</u>
914	861	13,612	39,058
—	—	—	441
—	—	138,063	142,282
—	—	—	3
—	—	—	10
—	—	—	77
—	—	—	1
762	—	—	762
—	—	2,197	2,795
—	—	44,199	44,199
<u>1,676</u>	<u>861</u>	<u>198,071</u>	<u>229,628</u>
<u>—</u>	<u>—</u>	<u>3,571</u>	<u>4,218</u>
<u>\$ 985,721</u>	<u>\$ 1,211,997</u>	<u>\$ 106,174,001</u>	<u>\$ 127,524,804</u>

State of Georgia

Combining Statement of Changes in Fiduciary Net Position

Pension and Other Employee Benefit Trust Funds

Defined Benefit Pension Plans

For the Fiscal Year Ended June 30, 2024

(amounts in thousands)

	Employees' Retirement System	Firefighters' Pension Fund	Georgia Judicial Retirement System	Other Defined Benefit Plans (see combining)
Additions:				
Contributions/Assessments				
Employer	\$ 850,731	\$ —	\$ 3,701	\$ 8,812
Fees	—	830	—	6
NonEmployer	9,307	57,926	2,057	8,100
Plan Members	44,116	4,181	5,619	1,047
Miscellaneous	—	507	—	33
Interest and Other Investment Income				
Dividends and Interest	333,152	21,283	12,177	24,188
Net Appreciation (Depreciation) in				
Investments Reported at Fair Value	1,700,491	105,363	62,166	45,726
Less: Investment Expense	(16,916)	(4,549)	(470)	(2,414)
Transfers from Other Funds	529,554	—	—	—
Total Additions	3,450,435	185,541	85,250	85,498
Deductions:				
Distributions				
Benefits	1,500,601	68,052	36,299	38,737
General and Administrative Expenses	10,570	1,823	1,094	1,573
Refunds	6,771	1,506	537	36
Total Deductions	1,517,942	71,381	37,930	40,346
Net Increase (Decrease) in Fiduciary Net Position	1,932,493	114,160	47,320	45,152
Net Position, July 1	14,749,438	1,142,881	547,867	573,774
Net Position, June 30	<u>\$ 16,681,931</u>	<u>\$ 1,257,041</u>	<u>\$ 595,187</u>	<u>\$ 618,926</u>



Peace Officers' Annuity and Benefit Fund	Public School Employees Retirement System	Teachers Retirement System of Georgia	Total
\$ —	\$ —	\$ 3,121,515	\$ 3,984,759
—	—	—	836
28,219	32,356	5,908	143,873
5,089	2,479	968,016	1,030,547
375	—	—	915
24,525	24,785	2,146,211	2,586,321
73,111	126,534	11,349,885	13,463,276
(4,157)	(964)	(61,344)	(90,814)
—	—	59	529,613
<u>127,162</u>	<u>185,190</u>	<u>17,530,250</u>	<u>21,649,326</u>
57,754	74,478	6,224,330	8,000,251
2,056	1,839	24,481	43,436
438	776	98,633	108,697
<u>60,248</u>	<u>77,093</u>	<u>6,347,444</u>	<u>8,152,384</u>
66,914	108,097	11,182,806	13,496,942
<u>918,807</u>	<u>1,103,900</u>	<u>94,991,195</u>	<u>114,027,862</u>
<u>\$ 985,721</u>	<u>\$ 1,211,997</u>	<u>\$ 106,174,001</u>	<u>\$ 127,524,804</u>

State of Georgia

Combining Statement of Fiduciary Net Position Pension and Other Employee Benefit Trust Funds Defined Benefit Pension Plans Other Defined Benefit Pension Plans June 30, 2024

(amounts in thousands)

	District Attorneys Retirement Fund	Augusta University Early Retirement Pension Plan	Judges of the Probate Courts Retirement Fund of Georgia	Legislative Retirement System	Magistrates Retirement Fund of Georgia
Assets					
Cash and Cash Equivalents	\$ 2	\$ 5,108	\$ 2,504	\$ 62	\$ 557
Receivables, Net					
Interest and Dividends	—	—	330	—	137
Due from Brokers for Securities Sold	—	—	71	—	2
Other	—	—	—	2	—
Investments					
Pooled Investments	—	—	—	41,656	—
Mutual Funds	—	103,163	8,538	—	4,883
Municipal, U.S. and Foreign Government Obligations	—	—	14,640	—	10,202
Corporate Bonds/Notes/Debentures	—	—	20,605	—	4,766
Stocks	—	27,239	60,707	—	20,030
Asset-backed Securities	—	—	1,991	—	104
Mortgage Investments	—	—	805	—	601
Real Estate Investment Trusts	—	—	—	—	145
Capital Assets					
Machinery and Equipment	—	—	—	—	—
Accumulated Depreciation	—	—	—	—	—
Total Assets	2	135,510	110,191	41,720	41,427
Liabilities					
Accounts Payable and Other Accruals	—	—	66	118	44
Due to Other Funds	—	—	—	1	—
Due to Brokers for Securities Purchased	—	—	71	—	—
Salaries/Withholdings Payable	—	—	—	—	—
Unearned Revenue	—	—	—	—	—
Lease Obligations	—	—	—	—	—
Total Liabilities	—	—	137	119	44
Net Position					
Restricted for Pension Benefits	\$ 2	\$ 135,510	\$ 110,054	\$ 41,601	\$ 41,383



Georgia Military Pension Fund	Sheriffs' Retirement Fund of Georgia	Superior Court Clerks' Retirement Fund of Georgia	Superior Court Judges Retirement Fund of Georgia	Total
\$ 75	\$ 2,151	\$ 2,903	\$ 10	\$ 13,372
—	—	401	—	868
—	(190)	41	—	(76)
5	—	—	—	7
46,310	—	—	—	87,966
—	24,697	24,479	—	165,760
—	14,752	30,145	—	69,739
—	5,143	16,642	—	47,156
—	72,940	44,270	—	225,186
—	—	1,539	—	3,634
—	—	3,854	—	5,260
—	—	707	—	852
—	6	—	—	6
—	(5)	—	—	(5)
<u>46,390</u>	<u>119,494</u>	<u>124,981</u>	<u>10</u>	<u>619,725</u>
84	258	139	4	713
—	—	—	—	1
—	—	—	—	71
—	3	—	—	3
—	10	—	—	10
—	1	—	—	1
<u>84</u>	<u>272</u>	<u>139</u>	<u>4</u>	<u>799</u>
<u>\$ 46,306</u>	<u>\$ 119,222</u>	<u>\$ 124,842</u>	<u>\$ 6</u>	<u>\$ 618,926</u>

State of Georgia

Combining Statement of Changes in Fiduciary Net Position

Pension and Other Employee Benefit Trust Funds

Defined Benefit Pension Plans

Other Defined Benefit Pension Plans

For the Fiscal Year Ended June 30, 2024

(amounts in thousands)

	District Attorneys Retirement Fund	Early Retirement Pension Plan - Augusta University	Judges of the Probate Courts Retirement Fund of Georgia	Legislative Retirement System	Magistrates Retirement Fund of Georgia
Additions:					
Contributions/Assessments					
Employer	\$ 23	\$ 5,824	\$ —	\$ —	\$ —
Fees	3	—	—	—	—
NonEmployer	—	—	1,367	—	1,675
Plan Members	—	—	192	439	200
Rebates	—	—	—	—	—
Miscellaneous	—	—	—	—	—
Interest and Other Investment Income					
Dividends and Interest	—	3,042	2,033	851	1,137
Net Appreciation (Depreciation) in					
Investments Reported at Fair Value	—	13,804	7,999	4,346	2,373
Less: Investment Expense	—	(141)	(756)	(36)	(238)
Total Additions	<u>26</u>	<u>22,529</u>	<u>10,835</u>	<u>5,600</u>	<u>5,147</u>
Deductions:					
Distributions					
Benefits	23	14,513	5,834	1,894	1,042
General and Administrative Expenses	3	—	152	395	124
Refunds	—	—	2	—	30
Total Deductions	<u>26</u>	<u>14,513</u>	<u>5,988</u>	<u>2,289</u>	<u>1,196</u>
Net Increase (Decrease) in Fiduciary Net Position	—	8,016	4,847	3,311	3,951
Net Position, July 1	<u>2</u>	<u>127,494</u>	<u>105,207</u>	<u>38,290</u>	<u>37,432</u>
Net Position, June 30	<u>\$ 2</u>	<u>\$ 135,510</u>	<u>\$ 110,054</u>	<u>\$ 41,601</u>	<u>\$ 41,383</u>



Georgia Military Pension Fund	Sheriffs' Retirement Fund of Georgia	Superior Court Clerks' Retirement Fund of Georgia	Superior Court Judges Retirement Fund of Georgia	Total
\$ 2,793	\$ —	\$ —	\$ 172	\$ 8,812
—	—	—	3	6
—	2,046	3,012	—	8,100
—	70	146	—	1,047
—	33	—	—	33
932	12,688	3,505	—	24,188
4,756	6,200	6,248	—	45,726
(26)	(605)	(612)	—	(2,414)
<u>8,455</u>	<u>20,432</u>	<u>12,299</u>	<u>175</u>	<u>85,498</u>
1,679	6,386	7,194	172	38,737
306	423	167	3	1,573
—	—	4	—	36
<u>1,985</u>	<u>6,809</u>	<u>7,365</u>	<u>175</u>	<u>40,346</u>
6,470	13,623	4,934	—	45,152
<u>39,836</u>	<u>105,599</u>	<u>119,908</u>	<u>6</u>	<u>573,774</u>
<u>\$ 46,306</u>	<u>\$ 119,222</u>	<u>\$ 124,842</u>	<u>\$ 6</u>	<u>\$ 618,926</u>



Combining Statement of Fiduciary Net Position

Investment Trust Funds

June 30, 2024

(amounts in thousands)

	Georgia Fund 1	Georgia Fund 1 Prime	Total
Assets			
Pooled Investments with State Treasury	\$ 19,850,664	\$ 86,242	\$ 19,936,906
Interest Receivable	89,291	1,116	90,407
Total Assets	19,939,955	87,358	20,027,313
Liabilities			
Accounts Payable and Other Accruals	—	—	—
Total Liabilities	—	—	—
Net Position			
Restricted for Pool Participants	<u>\$ 19,939,955</u>	<u>\$ 87,358</u>	<u>\$ 20,027,313</u>



Combining Statement of Changes in Fiduciary Net Position

Investment Trust Funds

For the Fiscal Year Ended June 30, 2024

(amounts in thousands)

	Georgia Fund 1	Georgia Fund 1 Prime	Total
Additions:			
Contributions/Assessments			
Pool Participant Deposits	\$ 20,450,755	\$ 86,242	\$ 20,536,997
Interest and Other Investment Income			
Dividends and Interest	1,046,884	1,120	1,048,004
Net Appreciation (Depreciation) in Investments			
Reported at Fair Value	—	—	—
Less: Investment Expense	(10,625)	(4)	(10,629)
Total Additions	<u>21,487,014</u>	<u>87,358</u>	<u>21,574,372</u>
Deductions:			
Distributions			
Pool Participant Withdrawals	<u>18,591,253</u>	<u>—</u>	<u>18,591,253</u>
Change in Net Position Restricted for Pool Participants	2,895,761	87,358	2,983,119
Net Position, July 1	<u>17,044,194</u>	<u>—</u>	<u>17,044,194</u>
Net Position, June 30	<u>\$ 19,939,955</u>	<u>\$ 87,358</u>	<u>\$ 20,027,313</u>



Combining Statement of Fiduciary Net Position

Private Purpose Trust Funds

June 30, 2024

(amounts in thousands)

	Auctioneers Education, Research and Recovery Fund	Real Estate Education, Research and Recovery Fund	Subsequent Injury Trust Fund	Tuition Guaranty Trust Fund	Total
Assets					
Cash and Cash Equivalents	\$ 204	\$ (14)	\$ —	\$ 650	\$ 840
Pooled Investments with State Treasury	633	2,574	302,602	4,804	310,613
Receivables, Net					
Other	—	10	5,761	—	5,771
Net OPEB Asset	—	—	265	—	265
Total Assets	837	2,570	308,628	5,454	317,489
Deferred Outflows of Resources	—	—	452	—	452
Liabilities					
Compensated Absences Payable	—	—	146	—	146
Net OPEB Liability	—	—	54	—	54
Net Pension Liability	—	—	1,344	—	1,344
Total Liabilities	—	—	1,544	—	1,544
Deferred Inflows of Resources	—	—	166	—	166
Net Position					
Restricted for:					
Other Purposes	837	2,570	307,370	5,454	316,231
Total Net Position	\$ 837	\$ 2,570	\$ 307,370	\$ 5,454	\$ 316,231



Combining Statement of Changes in Fiduciary Net Position

Private Purpose Trust Funds

For the Fiscal Year Ended June 30, 2024

(amounts in thousands)

	Auctioneers Education, Research and Recovery Fund	Real Estate Education, Research and Recovery Fund	Subsequent Injury Trust Fund	Tuition Guaranty Trust Fund	Total
Additions:					
Contributions/Assessments					
Plan Members/Participants	\$ 5	\$ 254	\$ —	\$ 444	\$ 703
Interest and Other Investment Income					
Dividends and Interest	34	69	14,983	255	15,341
Total Additions	39	323	14,983	699	16,044
Deductions:					
Distributions					
Benefits	—	—	16,232	—	16,232
General and Administrative Expenses	—	35	1,406	15	1,456
Total Deductions	—	35	17,638	15	17,688
Net Increase (Decrease) in Fiduciary Net Position	39	288	(2,655)	684	(1,644)
Net Position, July 1	798	2,282	310,025	4,770	317,875
Net Position, June 30	\$ 837	\$ 2,570	\$ 307,370	\$ 5,454	\$ 316,231

State of Georgia

Combining Statement of Fiduciary Net Position

Custodial Funds

June 30, 2024

(amounts in thousands)

	ARPA NEU for Local Governments	Child Support Recovery Program	Detainees' Accounts	Flexible Benefits Program	Insurance Premium Tax Collections for Local Governments
Assets					
Cash and Cash Equivalents	\$ 7,582	\$ 44,000	\$ 69,995	\$ 1,052	\$ —
Pooled Investments with State Treasury	—	—	—	827	—
Accounts Receivable, Net					
Sales Tax Collected for Other Taxing Units	—	—	—	—	—
Other	—	—	—	—	—
Investments, at Fair Value					
Certificates of Deposits	—	—	—	—	—
Pooled Investments	—	—	—	—	—
Mutual Funds	—	—	—	—	—
Other Assets	—	1	—	—	—
Total Assets	7,582	44,001	69,995	1,879	—
Liabilities					
Accounts Payable and Other Accruals	7,582	26	—	1,731	—
Cash Overdraft	—	—	—	—	—
Salaries Payable	—	—	—	—	—
Due to Local Governments	—	—	—	—	—
Unearned Revenue	—	—	—	—	—
Other Liabilities	—	852	—	—	—
Total Liabilities	7,582	878	—	1,731	—
Net Position					
Restricted for:					
Pool Participants	—	—	—	—	—
Individuals, Organizations, and Other Governments	—	43,123	69,995	148	—
Total Net Position	\$ —	\$ 43,123	\$ 69,995	\$ 148	\$ —



Revenue Tax Collections for Local Governments	Survivor's Benefit Fund	Student Financial Aid and Support	Other Custodial Funds	Total	External Investment Pool
\$ 52,049	\$ 86	\$ —	\$ 110,866	\$ 285,630	\$ —
11,404	—	—	10,407	22,638	—
1,078,913	—	—	—	1,078,913	—
6,379	—	131,326	1,094	138,799	—
—	—	—	2,155	2,155	—
—	242,484	—	300	242,784	80,468
—	—	—	—	—	—
—	—	—	1,084	1,085	—
<u>1,148,745</u>	<u>242,570</u>	<u>131,326</u>	<u>125,906</u>	<u>1,772,004</u>	<u>80,468</u>
—	—	3,315	3,200	15,854	—
—	—	106,149	—	106,149	—
—	—	—	13	13	—
1,148,745	—	—	—	1,148,745	—
—	—	3,681	—	3,681	—
—	—	1,977	—	2,829	—
<u>1,148,745</u>	<u>—</u>	<u>115,122</u>	<u>3,213</u>	<u>1,277,271</u>	<u>—</u>
—	—	—	—	—	80,468
—	242,570	16,204	122,693	494,733	—
<u>\$ —</u>	<u>\$ 242,570</u>	<u>\$ 16,204</u>	<u>\$ 122,693</u>	<u>\$ 494,733</u>	<u>\$ 80,468</u>

State of Georgia

Combining Statement of Changes in Fiduciary Net Position

Custodial Funds

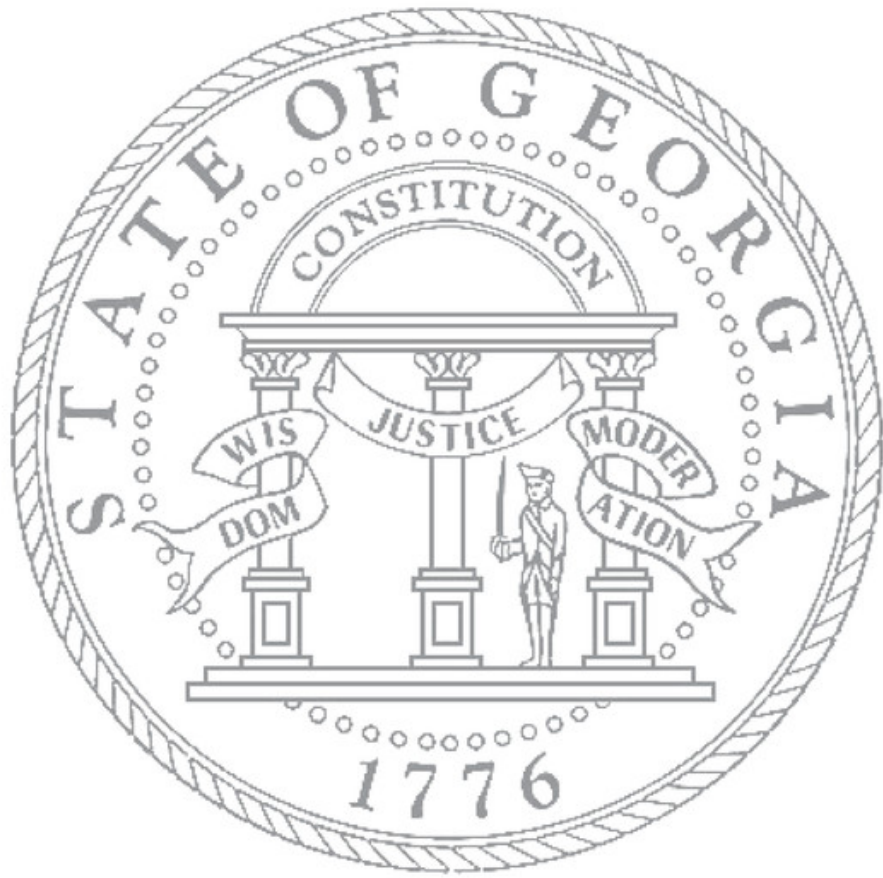
For the Fiscal Year Ended June 30, 2024

(amounts in thousands)

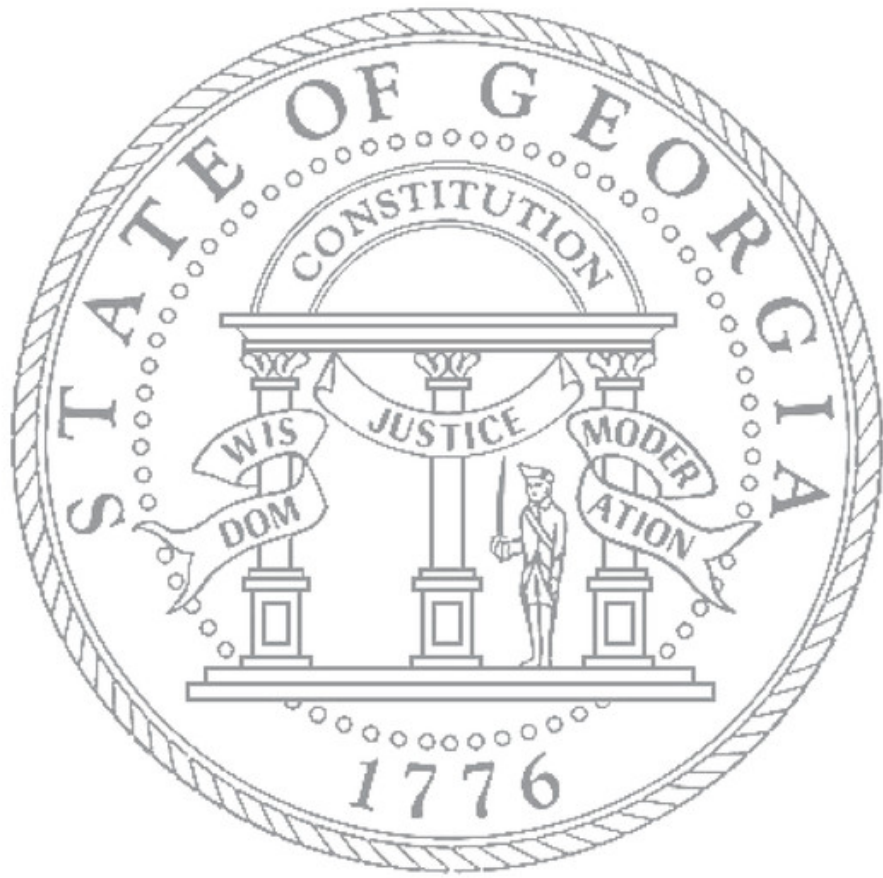
	ARPA NEU for Local Governments	Child Support Recovery Program	Detainees' Accounts	Flexible Benefits Program	Insurance Premium Tax Collections for Local Governments
Additions:					
Contributions/Assessments					
Child Support Recovery Program	\$ —	\$ 732,287	\$ —	\$ —	\$ —
Collections for Local Governments	—	—	—	—	689,165
Detainees' Accounts	—	—	71,508	—	—
Plan Members/Participants	—	—	—	147,281	—
Pool Participant Deposits	—	—	—	—	—
Student Financial Aid	—	—	—	—	—
Student Support	—	—	—	—	—
Miscellaneous	—	—	—	—	—
Interest and Other Investment Income					
Dividends and Interest	—	—	—	149	—
Net Appreciation (Depreciation) in Investments Reported at Fair Value	—	—	—	—	—
Less: Investment Expense	—	—	—	—	—
Total Additions	—	732,287	71,508	147,430	689,165
Deductions:					
Distributions					
Benefits	—	—	—	143,831	—
Child Support Recovery Program	—	733,432	—	—	—
Detainees' Accounts	—	—	68,297	—	—
Distributions to Local Governments	—	—	—	—	689,165
Pool Participant Withdrawals	—	—	—	—	—
Student Financial Aid	—	—	—	—	—
Student Support	—	—	—	—	—
Miscellaneous	—	—	—	4	—
Transfers to Other Funds	—	—	—	6,585	—
Total Deductions	—	733,432	68,297	150,420	689,165
Net Increase (Decrease) in Fiduciary Net Position	—	(1,145)	3,211	(2,990)	—
Net Position, July 1	—	44,268	66,784	3,138	—
Net Position, June 30	\$ —	\$ 43,123	\$ 69,995	\$ 148	\$ —



Revenue Tax Collections for Local Governments	Survivor's Benefit Fund	Student Financial Aid and Support	Other Custodial Funds	Total	External Investment Pool
\$ —	\$ —	\$ —	\$ —	\$ 732,287	\$ —
9,316,453	—	—	—	10,005,618	—
—	—	—	—	71,508	—
—	—	—	—	147,281	—
—	—	—	—	—	1,583
—	—	2,270,814	—	2,270,814	—
—	—	125,041	—	125,041	—
—	—	2,979	91,470	94,449	—
—	29,772	6	4,081	34,008	3,687
—	—	1	—	1	5,956
—	—	—	(89)	(89)	(72)
<u>9,316,453</u>	<u>29,772</u>	<u>2,398,841</u>	<u>95,462</u>	<u>13,480,918</u>	<u>11,154</u>
—	—	—	—	143,831	—
—	—	—	—	733,432	—
—	—	—	—	68,297	—
9,316,453	—	—	—	10,005,618	—
—	—	—	—	—	5,923
—	—	2,276,370	—	2,276,370	—
—	—	123,380	—	123,380	—
—	—	751	73,492	74,247	—
—	—	—	—	6,585	—
<u>9,316,453</u>	<u>—</u>	<u>2,400,501</u>	<u>73,492</u>	<u>13,431,760</u>	<u>5,923</u>
—	29,772	(1,660)	21,970	49,158	5,231
—	212,798	17,864	100,723	445,575	75,237
<u>\$ —</u>	<u>\$ 242,570</u>	<u>\$ 16,204</u>	<u>\$ 122,693</u>	<u>\$ 494,733</u>	<u>\$ 80,468</u>



NONMAJOR COMPONENT UNITS





Description of Nonmajor Component Units

Component units are legally separate organizations for which the State's elected officials are considered to be financially accountable. Nonmajor component units are described below:

The **Atlanta-region Transit Link "ATL" Authority** is a body corporate and politic. The purpose of which is to manage transit and air quality within certain areas of the State of Georgia. The Board of Directors of the Authority consists of 16 members; of which, the primary government appoints or elects a majority.

Economic Development Organizations

The Economic Development organizations cultivate business for the State. These organizations are described below:

The **Georgia Development Authority** is a body corporate and politic. The Authority was created to assist agricultural and industrial interests by providing credit and servicing functions to better enable farmers and businessmen to obtain needed capital funds. The Board consists of three State officials designated by statute and four members appointed by the Governor.

The **OneGeorgia Authority** is a body corporate and politic and an instrumentality and public corporation of the State. The purpose of the Authority is to promote the health, welfare, safety and economic society of the rural citizens of the State through the development and retention of employment opportunities in rural areas and the enhancement of the infrastructures that accomplish that goal. The six members of the Authority are State officials designated by statute.

The **Savannah-Georgia Convention Center Authority** a state Authority, effective July 1, 2019, formally Georgia International and Maritime Trade Center Authority is a body corporate and politic. The Authority was created to develop and promote the growth of the State's import and export markets through its ports and other transportation modes, and to construct, operate and maintain the Savannah International Trade and Convention Center. The Authority is governed by a board of directors composed of 11 members; 6 members appointed by the Governor; 3 members appointed by the members of the Georgia General Assembly representing Chatham County; the President of the Savannah Area Convention and Visitors' Bureau; and the President of the Savannah Economic Development Authority.

The **Georgia Seed Development Commission** is a body corporate and politic and an instrumentality and public corporation of the State whose purpose is to purchase, process, and resell breeders' and foundation seeds. The Commission consists of 11 members who are accountable as trustees. Of the 11 members serving on the Board, six members are State officials or are appointed by State officials.

The **Georgia Military College (GMC)** is a public authority, body corporate and politic, and is an instrumentality and a public corporation of the State. GMC is dedicated to providing a high-quality military education to the youth of the State. The Board of Trustees consists of the mayor of the City of Milledgeville and six additional members, one of which is elected from each of the six municipal voting districts of the City, as required by statute. The government, control, and management of GMC are vested in the Board of Trustees. GMC receives any designated funds appropriated by the General Assembly through the Board of Regents of the University System of Georgia.

The **Georgia Public Telecommunications Commission** is a body corporate and politic. This Commission is a public charitable organization created for the purpose of providing educational, instructional and public broadcasting services to citizens of Georgia. The budget of the Commission must be approved by the State. The Board consists of nine members appointed by the Governor. Financial information presented for the Commission includes its component unit, Foundation for Public Broadcasting in Georgia, Inc.



Description of Nonmajor Component Units

The **Georgia Regional Transportation Authority** is a body corporate and politic. Within its jurisdiction, the purpose of the Authority is to manage land transportation and air quality, review all Developments of Regional Impact (DRI), and approve the allocation of state and federal transportation resources in metro Atlanta via the Atlanta Transportation Improvement Program (TIP). The Governor appoints all 15 Board Members of the Authority.

The **Georgia Student Finance Authority** is a body corporate and politic. This Authority was created for the purpose of improving higher educational opportunities by providing educational scholarship, grant and loan assistance. A substantial amount of funding is provided to the Authority by the State. State officials comprise four of the 14 members of the Board, and the Governor appoints the remaining 10.

The **Higher Education Foundations** are nonprofit organizations established to secure and manage support for various projects including acquisitions and improvements of properties and facilities for the University System of Georgia.

The **REACH Georgia Foundation** is a nonprofit organization that was formed to ensure that Georgia's academically promising students have the academic, social and financial support needed to graduate from high school, access college and achieve postsecondary success. The REACH Georgia Program is the State of Georgia's first needs-based mentorship and college scholarship program and the Foundation's mission is to raise and invest funds.

The **Regional Educational Service Agencies** were established to provide shared services to improve the effectiveness of educational programs and services of local school systems and to provide direct instructional programs to selected public school students. The State has 16 of these agencies.

The **Georgia Superior Court Clerks' Cooperative Authority** is a body corporate and politic and an instrumentality and public corporation of the State created to provide a cooperative for the development, acquisition and distribution of record management systems, information, services, supplies and materials for superior court clerks of the State. Of the 10 members of the Board, the Governor appoints four. The nature of this organization is such that it would be misleading to exclude it from the reporting entity.

Tourism / State Attractions

These organizations promote State interests or encourage visitation to the State through the operation and maintenance of various attractions. Organizations involved in such activities are described below:

The **Georgia Agricultural Exposition Authority** is a body corporate and politic. This Authority is responsible for provision of a facility for the agricultural community, for public events, exhibits and other activities and for promotion and staging of a statewide fair. The Governor appoints the nine Board members.

The **Jekyll Island - State Park Authority** is a body corporate and politic and an instrumentality and public corporation of the State. The Authority was created to operate and manage resort recreational facilities on Jekyll Island. The Board consists of one State official designated by statute and eight members appointed by the Governor. Financial information presented for the Authority includes its component unit, Jekyll Island Foundation, Inc.

The **Lake Lanier Islands Development Authority** is a body corporate and politic and an instrumentality and public corporation of the State. The purpose of the Authority is to manage, preserve and protect projects on



Description of Nonmajor Component Units

Lake Lanier Islands. The Board consists of one State official designated by statute and eight members appointed by the Governor.

The **North Georgia Mountains Authority** is a body corporate and politic and an instrumentality and public corporation of the State responsible for the construction and management of recreation, accommodation and tourist facilities and services. The Governor appoints the nine members of the Board.

The **Stone Mountain Memorial Association** is a body corporate and politic and an instrumentality and public corporation of the State. The Authority is responsible for the maintaining and operating of Stone Mountain as a Confederate memorial and public recreational area. The Board consists of one State official designated by statute and nine members appointed by the Governor.

State of Georgia

Combining Statement of Net Position

Nonmajor Component Units

June 30, 2024

(amounts in thousands)

	Georgia					
	Atlanta-region Transit Link Authority	Economic Development Organizations	Higher Education Assistance Corporation	Higher Education Foundations	Georgia Military College	Georgia Public Telecommunications Commission
Assets						
Current Assets:						
Cash and Cash Equivalents	\$ 19,523	\$ 30,779	\$ —	\$ 245,066	\$ 19,647	\$ 6,354
Pooled Investment with State Treasurer	54,792	459,677	—	5,138	—	—
Investments	—	—	—	139,218	—	17,216
Receivables (Net)	4,725	29,794	—	261,291	6,909	1,427
Due from Primary Government	127	—	—	10,080	—	795
Due from Component Units	—	—	—	—	—	—
Inventory	—	205	—	—	1,393	—
Prepaid	—	246	—	33,584	—	—
Other Current Assets	—	—	—	—	—	—
Restricted Assets						
Cash and Cash Equivalents	—	—	—	133,821	—	—
Investments	—	—	—	241,306	—	—
Other	—	—	—	52,779	—	—
Total Current Assets	79,167	520,701	—	1,122,283	27,949	25,792
Noncurrent Assets:						
Investments	—	—	—	390,910	—	—
Receivables (Net)	—	152,121	—	1,939,146	—	875
Other Noncurrent Assets	—	—	—	32,032	—	—
Restricted Assets						
Cash and Cash Equivalents	—	—	—	183,079	—	—
Investments	—	—	—	2,502,756	—	—
Net OPEB Asset	232	—	—	—	62	790
Receivables (Net)	—	—	—	109,607	—	—
Capital Assets						
Non-depreciable Capital Assets	—	13,587	—	323,253	744	1,479
Depreciable Capital Assets (Net)	—	14,359	—	690,517	99,582	5,247
Non-amortized Right-to-use Assets (Net)	—	—	—	—	—	—
Amortized Right-to-use Assets (Net)	7,668	—	—	76,760	29,654	589
Total Noncurrent Assets	7,900	180,067	—	6,248,060	130,042	8,980
Total Assets	87,067	700,768	—	7,370,343	157,991	34,772
Deferred Outflows of Resources	1,872	—	—	24,437	21,506	7,073



REACH Georgia Foundation	Regional Educational Service Agencies	Georgia Regional Transportation Authority	Georgia Student Finance Authority	Georgia Superior Court Clerks' Cooperative Authority	Tourism State Attractions	Total
\$ 17	\$ 25,150	\$ 13	\$ 17,944	\$ 13,010	\$ 47,079	\$ 424,582
—	8,196	4	90,653	—	7,849	626,309
81,235	220	—	—	—	—	237,889
—	15,672	10,023	171,952	1,688	13,838	517,319
—	—	—	1,052	—	—	12,054
—	—	—	48,752	—	—	48,752
—	3,235	—	—	—	1,650	6,483
—	468	—	—	—	409	34,707
—	—	—	379	79	—	458
14	—	—	—	15,887	—	149,722
—	—	—	—	—	—	241,306
—	—	—	—	—	—	52,779
<u>81,266</u>	<u>52,941</u>	<u>10,040</u>	<u>330,732</u>	<u>30,664</u>	<u>70,825</u>	<u>2,352,360</u>
—	—	—	—	—	—	390,910
—	158	—	474	—	234,133	2,326,907
—	—	—	—	—	—	32,032
—	—	—	—	—	1,506	184,585
—	—	—	—	—	—	2,502,756
—	95	—	—	262	1,127	2,568
—	—	—	—	—	—	109,607
—	497	—	374	—	40,069	380,003
—	6,054	—	1,200	3,120	216,416	1,036,495
—	—	—	—	—	126	126
—	151	—	—	907	633	116,362
—	<u>6,955</u>	—	<u>2,048</u>	<u>4,289</u>	<u>494,010</u>	<u>7,082,351</u>
<u>81,266</u>	<u>59,896</u>	<u>10,040</u>	<u>332,780</u>	<u>34,953</u>	<u>564,835</u>	<u>9,434,711</u>
—	<u>51,186</u>	—	—	<u>550</u>	<u>7,329</u>	<u>113,953</u>

(continued)

State of Georgia

Combining Statement of Net Position

Nonmajor Component Units

June 30, 2024

(amounts in thousands)

	Atlanta-region Transit Link Authority	Economic Development Organizations	Georgia Higher Education Assistance Corporation	Higher Education Foundations	Georgia Military College	Georgia Public Telecommunications Commission
Liabilities						
Current Liabilities:						
Accounts Payable and Other Accruals	4,731	5,735	—	46,041	2,917	963
Accrued Interest Payable	13	—	—	29,232	—	—
Unearned Revenue	15,000	140	—	86,291	5,050	2,961
Policy Claims and Uninsured Liabilities	—	—	—	4,487	—	—
Due to Primary Government	212	21	—	313,182	—	3
Due to Component Units	—	—	—	—	—	—
Funds Held for Others	402	—	—	2,279	—	—
Other Liabilities	—	5,197	—	18,362	—	—
Current Portion of Long-term Liabilities	1,842	44	—	131,526	3,848	936
Current Liabilities Payable from Restricted Assets:						
Other	—	—	—	—	—	—
Total Current Liabilities	22,200	11,137	—	631,400	11,815	4,863
Noncurrent Liabilities:						
Unearned Revenue	—	—	—	60,113	—	—
Policy Claims and Uninsured Liabilities	—	—	—	2,431	—	—
Other Noncurrent Liabilities	—	52,097	—	10,995	—	—
Long-term Liabilities:						
Net OPEB Liability	208	—	—	—	19,375	11,824
Net Pension Liability	4,423	—	—	—	47,485	18,808
Noncurrent Portion of Long-term Liabilities	6,281	—	—	2,499,443	26,797	899
Total Noncurrent Liabilities	10,912	52,097	—	2,572,982	93,657	31,531
Total Liabilities	33,112	63,234	—	3,204,382	105,472	36,394
Deferred Inflows of Resources	350	—	—	23,397	18,685	6,969
Net Position						
Net Investment in Capital Assets	(140)	21,482	—	446,229	99,916	6,689
Restricted for:						
Bond Covenants/Debt Service	—	—	—	19,290	—	—
Capital Projects	—	1,345	—	226,859	—	—
Permanent Trust Expendable	—	—	—	1,095,371	—	—
Other Purposes	251	126,500	—	141,351	—	—
Nonexpendable:						
Permanent Trust	—	—	—	1,399,413	—	—
Other Purposes	—	—	—	81,342	—	—
Loan and Grant Program	—	379,167	—	—	—	—
Unrestricted	55,366	109,040	—	757,146	(44,576)	(8,207)
Total Net Position	\$ 55,477	\$ 637,534	\$ —	\$ 4,167,001	\$ 55,340	\$ (1,518)



REACH Georgia Foundation	Regional Educational Service Agencies	Georgia Regional Transportation Authority	Georgia Student Finance Authority	Superior Court Clerks' Cooperative Authority	Tourism State Attractions	Total
—	8,334	12,927	779	7,517	5,131	95,075
—	3	—	—	—	2	29,250
—	13	—	55	—	6,224	115,734
—	—	—	—	—	—	4,487
—	—	—	—	—	4	313,422
48,752	—	—	—	—	—	48,752
—	—	—	—	—	—	2,681
—	8	—	—	—	1,492	25,059
—	509	—	12	335	2,769	141,821
—	—	—	—	8,368	—	8,368
48,752	8,867	12,927	846	16,220	15,622	784,649
—	—	—	—	—	—	60,113
—	—	—	—	—	—	2,431
—	—	—	—	—	—	63,092
—	43,685	—	—	66	221	75,379
—	103,553	—	—	1,598	23,642	199,509
—	1,017	—	2,415	701	13,734	2,551,287
—	148,255	—	2,415	2,365	37,597	2,951,811
48,752	157,122	12,927	3,261	18,585	53,219	3,736,460
—	33,196	—	674	192	239,877	323,340
—	2,583	—	1,524	2,992	251,512	832,787
—	—	—	—	—	(822)	18,468
—	—	—	—	—	12,345	240,549
—	—	—	—	—	—	1,095,371
32,497	115	—	282,295	—	4,364	587,373
—	—	—	—	—	—	1,399,413
—	—	—	—	—	—	81,342
—	—	—	—	—	—	379,167
17	(81,934)	(2,887)	45,026	13,734	11,669	854,394
<u>\$ 32,514</u>	<u>\$ (79,236)</u>	<u>\$ (2,887)</u>	<u>\$ 328,845</u>	<u>\$ 16,726</u>	<u>\$ 279,068</u>	<u>\$ 5,488,864</u>

State of Georgia

Combining Statement of Activities

Nonmajor Component Units

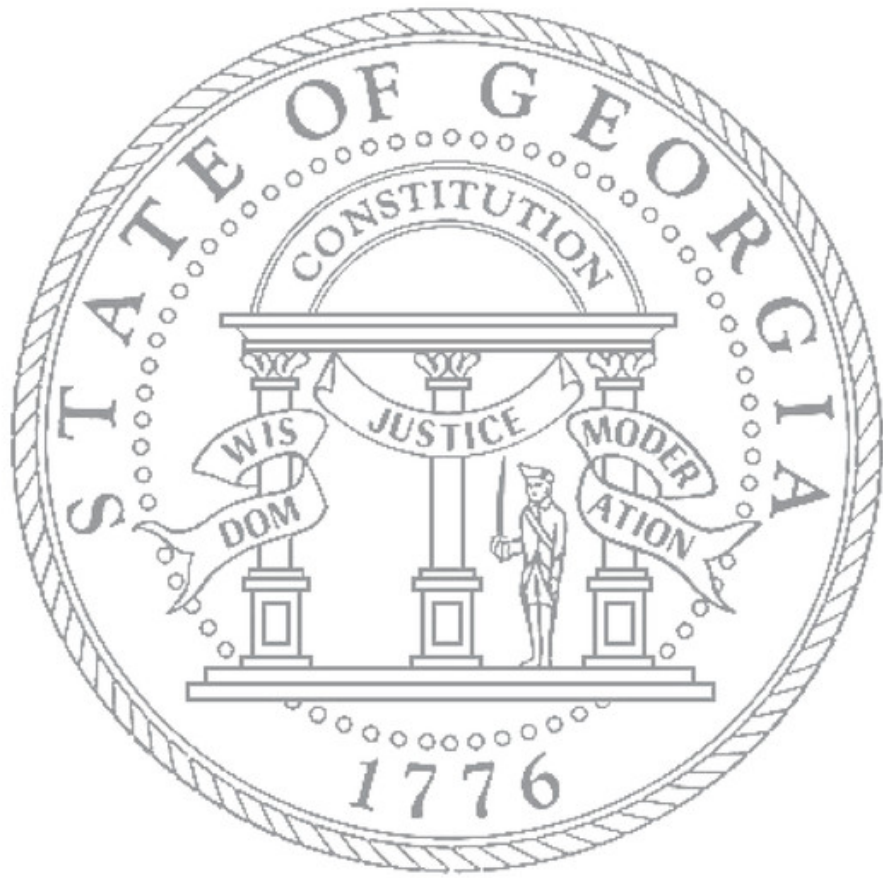
For the Fiscal Year Ended June 30, 2024

(amounts in thousands)

	Atlanta-region Transit Link Authority	Economic Development Organizations	Georgia Higher Education Assistance Corporation	Higher Education Foundations	Georgia Military College	Georgia Public Telecommunications Commission
Expenses	\$ 38,607	\$ 48,835	\$ —	\$ 1,371,597	\$ 79,929	\$ 44,274
Program Revenues:						
Sales and Charges for Services	2,017	29,897	—	530,023	35,857	8,966
Operating Grants and Contributions	36,454	16,399	—	1,089,221	42,877	12,633
Capital Grants and Contributions	—	98	—	5,819	2,558	3,218
Total Program Revenues	38,471	46,394	—	1,625,063	81,292	24,817
Net (Expenses) Revenue	(136)	(2,441)	—	253,466	1,363	(19,457)
General Revenues:						
Taxes	—	8,702	—	—	—	—
Unrestricted Investment Income	—	1,853	—	97,318	—	—
Payments from the Primary Government	13,137	152,132	—	—	—	18,015
Contributions to Permanent Endowments	—	—	—	84,579	—	—
Total General Revenues	13,137	162,687	—	181,897	—	18,015
Change in Net Position	13,001	160,246	—	435,363	1,363	(1,442)
Beginning Net Position	42,476	477,288	27,396	3,893,114	53,977	(76)
Adjustments to Net Position	—	—	(27,396)	(161,476)	—	—
Net Position, July 1 - (Restated)	42,476	477,288	—	3,731,638	53,977	(76)
Net Position, June 30	\$ 55,477	\$ 637,534	\$ —	\$ 4,167,001	\$ 55,340	\$ (1,518)



REACH Georgia Foundation	Regional Educational Service Agencies	Georgia Regional Transportation Authority	Georgia Student Finance Authority	Georgia Superior Court Clerks' Cooperative Authority	Tourism State Attractions	Total
\$ 2,688	\$ 127,969	\$ 7,989	\$ 66,495	\$ 21,431	\$ 96,627	\$ 1,906,441
—	24,715	—	59,676	20,400	69,535	781,086
10,174	100,342	7,647	—	—	21,667	1,337,414
—	—	—	—	—	5,666	17,359
10,174	125,057	7,647	59,676	20,400	96,868	2,135,859
7,486	(2,912)	(342)	(6,819)	(1,031)	241	229,418
—	—	—	—	—	4,019	12,721
400	—	—	—	—	—	99,571
—	—	359	—	—	900	184,543
—	—	—	—	—	—	84,579
400	—	359	—	—	4,919	381,414
7,886	(2,912)	17	(6,819)	(1,031)	5,160	610,832
24,628	(76,324)	(2,904)	308,268	17,757	273,908	5,039,508
—	—	—	27,396	—	—	(161,476)
24,628	(76,324)	(2,904)	335,664	17,757	273,908	4,878,032
\$ 32,514	\$ (79,236)	\$ (2,887)	\$ 328,845	\$ 16,726	\$ 279,068	\$ 5,488,864

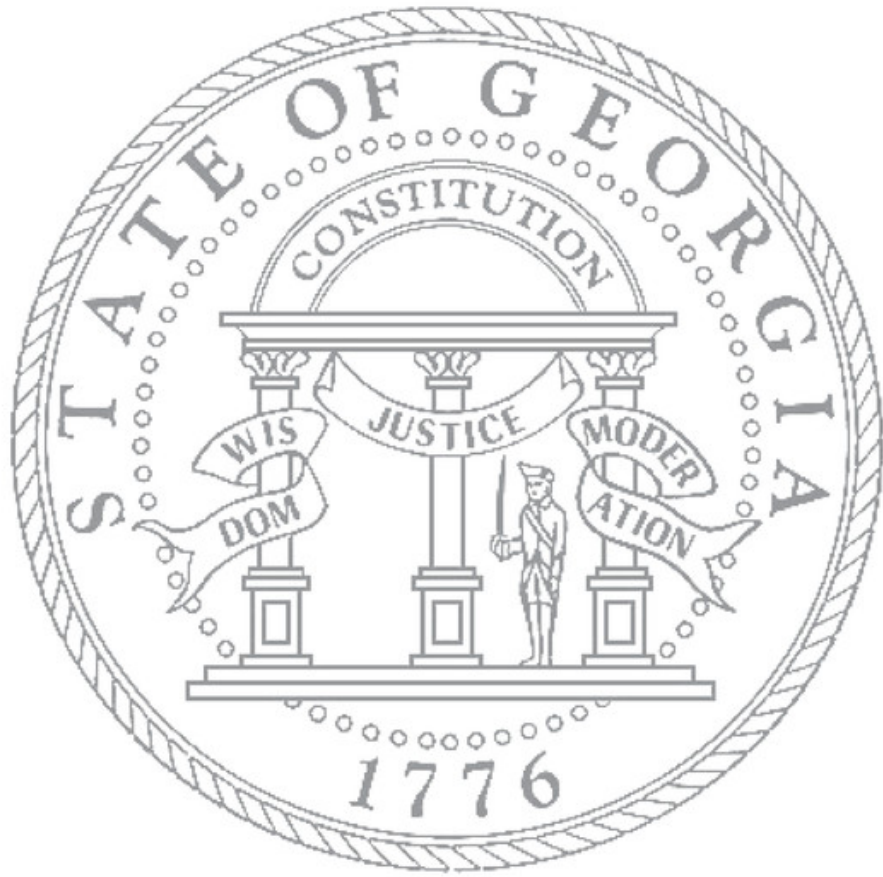


STATISTICAL SECTION



*Sweetwater Creek Overlook
Lithia Springs, Georgia*

Submitted by Department of Natural Resources





This part of the *Annual Comprehensive Financial Report* presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the State's overall financial health.

Index **Page**

Financial Trends Information

These schedules contain trend information to help the reader understand how the State's financial performance and well-being have changed over time.

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Sources: : Unless otherwise noted, the information in these schedules is derived from the *Annual Comprehensive Financial Reports* for the relevant year.

State of Georgia

Schedule 1

Net Position by Component For the Last Ten Fiscal Years

(accrual basis of accounting)

(amounts in thousands)

	2024	2023	2022	2021
Governmental Activities ^{(1) (3)}				
Net Investment in Capital Assets	\$ 28,146,729	\$ 25,910,175	\$ 23,922,912	\$ 23,070,070
Restricted	11,061,086	9,829,326	8,965,463	7,895,616
Unrestricted	11,046,558	9,420,604	4,130,094	(4,264,983)
Total Governmental Activities Net Position	<u>\$ 50,254,373</u>	<u>\$ 45,160,105</u>	<u>\$ 37,018,469</u>	<u>\$ 26,700,703</u>
Business-Type Activities ^{(1) (2)}				
Net Investment in Capital Assets	\$ 9,913,820	\$ 9,433,321	\$ 9,103,939	\$ 8,593,594
Restricted	2,969,200	2,721,596	2,258,572	1,689,450
Unrestricted	(5,097,060)	(5,280,016)	(5,843,378)	(6,846,987)
Total Business-type Activities Net Position	<u>\$ 7,785,960</u>	<u>\$ 6,874,901</u>	<u>\$ 5,519,133</u>	<u>\$ 3,436,057</u>
Total Primary Government ^{(1) (2) (3)}				
Net Investment in Capital Assets	\$ 34,658,528	\$ 31,890,611	\$ 29,653,291	\$ 28,290,100
Restricted	14,030,286	12,550,922	11,224,035	9,585,066
Unrestricted	9,351,519	7,593,473	1,660,276	(7,738,406)
Total Primary Government Net Position	<u>\$ 58,040,333</u>	<u>\$ 52,035,006</u>	<u>\$ 42,537,602</u>	<u>\$ 30,136,760</u>

(1) In fiscal year 2015, the activities of SRTA were re-examined and all activities of this blended component unit were reported as governmental activities. In fiscal year 2017, SRTA was re-examined again, and it was determined that the toll facilities and customer service center (previously part of governmental activities) are now reported as part of business-type activities. In fiscal year 2018, SRTA determined that the customer service center no longer met the requirements of an Internal Service Fund. The activity of the customer service center was previously reported within SRTA's Nonmajor Enterprise Fund. In addition, SRTA's nonmajor enterprise fund included the Xpress commuter bus service and administration of the vanpool program that was previously reported by Georgia Regional Transportation Authority, a discretely presented component unit. In fiscal year 2019, SAO management decided to report SRTA's financial position and activities on a one-year lag. In fiscal year 2020, SAO management change the method to reporting for SRTA's financial position and activities on an estimated basis. In FY2022, SRTA's financial position and activities were changed from estimates to actuals.

(2) Beginning in fiscal year 2015, the activity of the Georgia State University Foundation, Inc. is discretely presented (previously blended) and the activity of the Armstrong Atlantic State University Educational Properties Foundation, Inc. is removed as it no longer met requirements for inclusion in the financial reporting entity as nonmajor enterprise funds. Beginning in fiscal year 2016, the Georgia Tech Facilities, Inc., the Middle Georgia State University Real Estate Foundation, Inc., the University of North Georgia Real Estate Foundation, Inc., and the University System of Georgia Foundation, Inc. are discretely presented (previously blended) and the activity of the Georgia State University Research Foundation, Inc. is removed as it no longer met requirements for inclusion in the financial reporting entity as nonmajor enterprise funds. In fiscal year 2017 the Georgia Southern University Housing Foundation, Inc., UWG Real Estate Foundation, Inc. and VSU Auxiliary Services Real Estate Foundation, Inc. are reported as discretely presented component units (previously Higher Education Fund).

(3) Beginning in fiscal year 2015, Governmental Activities classification of outstanding general obligation bonds for the purposes of capital acquisition and construction on behalf of Business -Type Activities, previously reported as net investment in capital assets, is presented as unrestricted. For the Primary Government, the presentation of these outstanding general obligation bonds is presented as net investment in capital assets.

Source: Financial Statements included in Current and Prior Years' *Annual Comprehensive Financial Reports*



Fiscal Year

2020		2019		2018		2017		2016		2015	
\$	21,408,838	\$	20,361,680	\$	19,542,361	\$	18,575,368	\$	17,213,380	\$	16,562,899
	6,403,263		6,275,129		5,792,152		5,013,504		4,499,014		3,668,030
	(7,609,857)		(7,660,565)		(8,506,350)		(5,210,957)		(5,745,504)		(6,914,616)
<u>\$</u>	<u>20,202,244</u>	<u>\$</u>	<u>18,976,244</u>	<u>\$</u>	<u>16,828,163</u>	<u>\$</u>	<u>18,377,915</u>	<u>\$</u>	<u>15,966,890</u>	<u>\$</u>	<u>13,316,313</u>
\$	8,529,759	\$	8,429,136	\$	7,849,961	\$	7,773,009	\$	7,529,660	\$	7,344,726
	1,872,318		3,349,557		2,955,296		2,639,561		1,837,521		1,546,723
	(6,344,267)		(6,201,340)		(6,250,035)		(4,484,701)		(3,857,184)		(3,957,761)
<u>\$</u>	<u>4,057,810</u>	<u>\$</u>	<u>5,577,353</u>	<u>\$</u>	<u>4,555,222</u>	<u>\$</u>	<u>5,927,869</u>	<u>\$</u>	<u>5,509,997</u>	<u>\$</u>	<u>4,933,688</u>
\$	26,614,216	\$	25,566,212	\$	24,372,160	\$	23,502,948	\$	21,892,080	\$	20,926,469
	8,275,581		9,624,686		8,747,448		7,653,065		6,336,535		5,214,753
	(10,629,743)		(10,637,301)		(11,736,223)		(6,850,229)		(6,751,728)		(7,891,221)
<u>\$</u>	<u>24,260,054</u>	<u>\$</u>	<u>24,553,597</u>	<u>\$</u>	<u>21,383,385</u>	<u>\$</u>	<u>24,305,784</u>	<u>\$</u>	<u>21,476,887</u>	<u>\$</u>	<u>18,250,001</u>

- (4) The Department of Community Health (DCH) had correction of prior year errors of accruals for receivables and expenditures related the Care Management Organization (CMO) rate adjustments to the Federal agency that oversees Medicaid, CMS (the Centers for Medicare and Medicaid Services) for fiscal years 2023, 2022, 2021 and 2020.

State of Georgia

Schedule 2

Changes in Net Position For the Last Ten Fiscal Years (accrual basis of accounting) (amounts in thousands)

	2024	2023	2022	2021
Expenses				
Governmental Activities				
General Government	\$ 4,707,029	\$ 2,752,005	\$ 1,858,419	\$ 2,305,031
Education	19,703,715	22,276,859	17,159,895	16,048,419
Health and Welfare	25,531,417	26,892,697	25,056,412	22,448,706
Transportation ⁽¹⁾	3,870,558	3,151,843	2,877,965	2,602,147
Public Safety	3,303,259	2,896,710	2,678,996	2,196,467
Economic Development and Assistance	1,098,961	822,101	600,685	492,212
Culture and Recreation	406,637	403,942	328,455	296,593
Conservation	86,456	81,294	76,462	65,701
Interest and Other Charges on Long-Term Debt ⁽¹⁾	73,740	520,199	335,152	415,166
Total Governmental Activities	<u>58,781,772</u>	<u>59,797,650</u>	<u>50,972,441</u>	<u>46,870,442</u>
Business-type Activities				
Higher Education Fund ⁽²⁾	11,592,480	11,074,416	10,541,832	10,208,186
State Health Benefit Plan	3,908,324	3,280,753	3,477,097	3,173,666
Unemployment Compensation Fund	376,486	83,294	253,672	12,925,409
Nonmajor Enterprise Funds ⁽¹⁾⁽²⁾	176,767	66,272	67,034	87,827
Total Business-type Activities	<u>16,054,057</u>	<u>14,504,735</u>	<u>14,339,635</u>	<u>26,395,088</u>
Total Primary Government Expenses	<u>\$ 74,835,829</u>	<u>\$ 74,302,385</u>	<u>\$ 65,312,076</u>	<u>\$ 73,265,530</u>
Program Revenues				
Governmental Activities ⁽¹⁾⁽²⁾⁽³⁾				
Sales and Charges for Services				
General Government	\$ 1,365,353	\$ 983,602	\$ 911,257	\$ 838,181
Health and Welfare	83,646	163,710	582,058	97,934
Public Safety	181,677	166,898	165,233	184,815
Other Sales and Charges for Services	337,849	383,083	314,830	308,672
Operating Grants and Contributions	26,739,917	32,222,749	26,823,139	23,239,740
Capital Grants and Contributions	2,050,874	1,837,763	1,522,385	1,580,949
Total Governmental Activities	<u>30,759,316</u>	<u>35,757,805</u>	<u>30,318,902</u>	<u>26,250,291</u>
Business-type Activities ⁽¹⁾				
Sales and Charges for Services				
Higher Education Fund ⁽²⁾	3,780,957	3,664,465	3,774,710	3,490,490
State Health Benefit Plan ⁽⁴⁾	4,024,579	3,467,702	3,102,277	3,079,378
Unemployment Compensation Fund ⁽⁴⁾	491,766	583,218	562,576	570,965
Nonmajor Enterprise Funds ⁽¹⁾⁽²⁾	201,010	80,992	70,183	40,407
Operating Grants and Contributions	4,453,037	4,161,060	5,030,248	15,698,794
Capital Grants and Contributions	62,545	58,107	54,308	27,227
Total Business-type Activities	<u>13,013,894</u>	<u>12,015,544</u>	<u>12,594,302</u>	<u>22,907,261</u>
Total Primary Government Program Revenues	<u>\$ 43,773,210</u>	<u>\$ 47,773,349</u>	<u>\$ 42,913,204</u>	<u>\$ 49,157,552</u>
Net (Expense) Revenue				
Governmental Activities ⁽¹⁾	\$ (28,022,456)	\$ (24,039,845)	\$ (20,653,539)	\$ (20,620,151)
Business-type Activities ⁽²⁾⁽³⁾⁽⁴⁾	(3,040,163)	(2,489,191)	(1,745,333)	(3,487,827)
Total Primary Government	<u>\$ (31,062,619)</u>	<u>\$ (26,529,036)</u>	<u>\$ (22,398,872)</u>	<u>\$ (24,107,978)</u>



Fiscal Year

	2020	2019	2018	2017	2016	2015
\$	1,580,323	\$ 1,262,837	\$ 1,380,132	\$ 1,229,891	\$ 1,385,643	\$ 1,735,174
	14,744,905	13,892,451	13,266,545	12,655,824	12,024,645	11,408,408
	18,984,268	18,015,041	18,082,536	17,238,499	16,795,986	16,589,708
	2,831,753	2,668,539	2,400,875	1,964,380	1,917,223	1,904,464
	2,557,268	2,605,402	2,525,521	2,628,645	2,145,769	1,994,413
	414,177	465,465	524,516	645,604	509,074	590,676
	291,934	309,863	308,917	279,375	279,772	236,922
	59,402	54,758	72,135	60,603	59,409	54,280
	309,200	381,895	379,211	394,388	424,595	678,888
	<u>41,773,230</u>	<u>39,656,251</u>	<u>38,940,388</u>	<u>37,097,209</u>	<u>35,542,116</u>	<u>35,192,933</u>
	10,355,168	9,739,025	9,300,291	9,063,716	8,576,540	8,323,884
	2,735,542	2,613,192	2,882,954	2,296,062	2,153,073	2,025,638
	10,229,884	319,367	325,523	328,266	379,714	458,112
	204,559	205,638	207,054	194,402	11,587	158,809
	<u>23,525,153</u>	<u>12,877,222</u>	<u>12,715,822</u>	<u>11,882,446</u>	<u>11,120,914</u>	<u>10,966,443</u>
\$	<u>65,298,383</u>	<u>52,533,473</u>	<u>51,656,210</u>	<u>48,979,655</u>	<u>46,663,030</u>	<u>46,159,376</u>
\$	759,685	\$ 761,015	\$ 724,539	\$ 698,096	\$ 799,281	\$ 621,448
	70,209	75,300	78,995	292,832	91,838	134,140
	29,291	187,020	184,472	186,972	167,297	157,056
	295,692	277,008	273,257	236,843	275,045	260,346
	17,728,046	16,236,248	16,277,251	15,611,324	15,372,385	15,758,799
	1,730,727	1,614,685	1,560,745	1,608,086	1,377,654	1,182,723
	<u>20,613,650</u>	<u>19,151,276</u>	<u>19,099,259</u>	<u>18,634,153</u>	<u>18,083,500</u>	<u>18,114,512</u>
	3,583,317	3,730,124	3,578,611	3,552,863	3,509,384	3,241,333
	2,827,312	2,523,714	2,965,082	2,188,034	2,121,100	2,363,917
	633,361	592,707	649,655	709,830	785,392	849,070
	39,844	40,566	43,124	30,181	11,640	95,020
	11,723,271	3,354,730	3,031,969	2,788,516	2,636,285	2,611,058
	103,004	109,838	107,167	79,085	60,543	102,216
	<u>18,910,109</u>	<u>10,351,679</u>	<u>10,375,608</u>	<u>9,348,509</u>	<u>9,124,344</u>	<u>9,262,614</u>
\$	<u>39,523,759</u>	<u>29,502,955</u>	<u>29,474,867</u>	<u>27,982,662</u>	<u>27,207,844</u>	<u>27,377,126</u>
\$	(21,159,580)	\$ (20,504,975)	\$ (19,841,129)	\$ (18,463,056)	\$ (17,458,616)	\$ (17,078,421)
	(4,615,044)	(2,525,543)	(2,340,214)	(2,533,937)	(1,996,570)	(1,703,829)
\$	<u>(25,774,624)</u>	<u>(23,030,518)</u>	<u>(22,181,343)</u>	<u>(20,996,993)</u>	<u>(19,455,186)</u>	<u>(18,782,250)</u>

(continued)

State of Georgia

Schedule 2

Changes in Net Position For the Last Ten Fiscal Years

(accrual basis of accounting)

(amounts in thousands)

	2024	2023	2022	2021
General Revenues and Other Changes in Net Position				
Governmental Activities ⁽¹⁾⁽²⁾				
General Revenues				
Taxes				
Individual Income	\$ 15,784,257	\$ 16,040,831	\$ 17,424,758	\$ 13,699,488
Sales - General	9,324,102	9,004,724	8,447,837	7,268,260
Motor Fuel Tax	1,759,162	836,367	1,601,486	1,779,560
Motor Vehicle License and Title Ad Valorem Taxes ⁽⁴⁾	1,271,220	1,238,623	1,240,166	1,139,049
Corporate Tax	3,694,984	3,696,720	2,393,161	1,741,239
Other Taxes	1,222,918	1,349,988	1,114,093	1,321,424
Lottery for Education - Lottery Proceeds ⁽⁴⁾	1,133,615	1,516,383	1,474,003	1,544,954
Nursing Home and Hospital Provider Fees ⁽⁴⁾	529,614	532,147	525,555	519,078
Tobacco Settlement Funds ⁽⁴⁾	147,000	164,832	180,573	175,995
Unrestricted Investment Income	1,736,128	1,064,891	(24,622)	15,468
Unclaimed Property	220,261	232,593	129,263	179,098
Other	244,412	251,001	217,998	171,346
Transfers	(3,950,949)	(3,841,817)	(3,785,712)	(2,871,515)
Total Governmental Activities	33,116,724	32,087,283	30,938,559	26,683,444
Business-type Activities ⁽¹⁾⁽²⁾				
General Revenues				
Contributions to Permanent Endowments	273	3,142	11,817	731
Transfers	3,950,949	3,841,817	3,785,712	2,871,515
Total Business-type Activities	3,951,222	3,844,959	3,797,529	2,872,246
Total Primary Government General Revenues and Other Changes in Net Position	\$ 37,067,946	\$ 35,932,242	\$ 34,736,088	\$ 29,555,690
Changes in Net Position				
Governmental Activities ⁽¹⁾⁽²⁾	\$ 5,094,268	\$ 8,047,438	\$ 10,285,020	\$ 6,063,293
Business-type Activities ⁽¹⁾⁽²⁾⁽³⁾	911,059	1,355,768	2,052,196	(615,581)
Total Primary Government	\$ 6,005,327	\$ 9,403,206	\$ 12,337,216	\$ 5,447,712

(1) Beginning in fiscal year 2015, the activity of the Georgia State University Foundation, Inc. is discretely presented (previously blended) and the activity of the Armstrong Atlantic State University Educational Properties Foundation, Inc. is removed as it no longer met requirements for inclusion in the financial reporting entity as nonmajor enterprise funds. Beginning in fiscal year 2016, the Georgia Tech Facilities, Inc., the Middle Georgia State University Real Estate Foundation, Inc., the University of North Georgia Real Estate Foundation, Inc., and the University System of Georgia Foundation, Inc. are discretely presented (previously blended) and the activity of the Georgia State University Research Foundation, Inc. is removed as it no longer met requirements for inclusion in the financial reporting entity as nonmajor enterprise funds. Additionally, Georgia Southern University Housing Foundation, Inc., UWG Real Estate Foundation, Inc., and VSU Auxiliary Services Real Estate Foundation, Inc. are reported in the Higher Education Fund (previously blended nonmajor enterprise funds). Then in fiscal year 2017 these three foundations no longer met the requirements for being reported in the Higher Education Fund and are reported as discretely presented component units.

(2) In fiscal year 2015, the activities of SRTA were re-examined and all activities of this blended component unit are reported as Governmental Activities. In fiscal year 2017, SRTA was re-examined again and it was determined that the toll facilities and customer service center (previously part of governmental activities) are now reported as part of business-type activities.



Fiscal Year

2020		2019		2018		2017		2016		2015	
\$	12,529,857	\$	12,255,424	\$	11,109,361	\$	11,318,052	\$	9,799,035	\$	9,769,658
	6,212,812		6,226,817		5,905,929		5,798,400		5,730,560		5,235,481
	1,872,628		1,836,890		1,800,191		1,741,413		1,668,568		1,210,079
	1,041,107		1,253,113		1,314,354		1,347,626		1,307,054		1,167,421
	1,214,809		1,272,157		1,004,524		955,791		981,475		1,014,290
	1,069,632		939,419		1,124,370		607,929		1,515,674		774,605
	1,237,345		1,207,369		1,143,515		1,101,062		1,097,823		980,653
	513,666		488,218		465,595		442,576		434,126		454,372
	157,009		163,851		168,926		140,938		137,035		138,385
	148,822		205,072		104,230		50,631		33,936		9,103
	141,925		144,841		151,462		143,683		153,257		156,360
	185,350		221,221		184,240		196,046		12,916		9,646
	(3,035,910)		(3,485,850)		(2,993,509)		(2,803,960)		(2,639,131)		(2,657,978)
	<u>23,289,052</u>		<u>22,728,542</u>		<u>21,483,188</u>		<u>21,040,187</u>		<u>20,232,328</u>		<u>18,262,075</u>
	964		1,300		345		833		137		—
	<u>3,035,910</u>		<u>3,485,850</u>		<u>2,993,509</u>		<u>2,803,960</u>		<u>2,639,131</u>		<u>2,657,978</u>
	<u>3,036,874</u>		<u>3,487,150</u>		<u>2,993,854</u>		<u>2,804,793</u>		<u>2,639,268</u>		<u>2,657,978</u>
\$	<u>26,325,926</u>	\$	<u>26,215,692</u>	\$	<u>24,477,042</u>	\$	<u>23,844,980</u>	\$	<u>22,871,596</u>	\$	<u>20,920,053</u>
\$	2,129,472	\$	2,223,567	\$	1,642,059	\$	2,577,131	\$	2,773,712	\$	1,183,654
	(1,578,170)		961,607		653,640		270,856		642,698		954,149
\$	<u>551,302</u>	\$	<u>3,185,174</u>	\$	<u>2,295,699</u>	\$	<u>2,847,987</u>	\$	<u>3,416,410</u>	\$	<u>2,137,803</u>

- (3) Beginning in fiscal year 2015, Motor Vehicle License and Title ad valorem Taxes, Lottery for Education - Lottery Proceeds, Nursing Home and Hospital Provider Fees, and Tobacco Settlement Funds, previously reported within the General Government function program revenues, are reported as general revenues of the Governmental Activities.
- (4) Beginning in fiscal year 2015, State Health Benefit Plan - Contributions/Premiums and Unemployment Compensation Fund - Contributions, previously reported within Program Revenues, Business-type Activities, Operating Grants and Contributions are reported as Sales and Charges for Services.
- (5) The Department of Community Health (DCH) had correction of prior year errors of accruals for receivables and expenditures related the Care Management Organization (CMO) rate adjustments to the Federal agency that oversees Medicaid, CMS (the Centers for Medicare and Medicaid Services) for fiscal years 2023, 2022, 2021 and 2020.

Source: Financial Statements included in Current and Prior Years' *Annual Comprehensive Financial Reports* and supporting working papers (certain amounts restated for purposes of comparability)

State of Georgia

Schedule 3

Fund Balances of Governmental Funds

For the Last Ten Fiscal Years

(modified accrual basis of accounting)

(amounts in thousands)

	2024	2023	2022	2021	2020
General Fund					
Nonspendable	\$ 32,615	\$ 41,820	\$ 39,268	\$ 27,612	\$ 39,561
Restricted	7,016,066	7,623,233	6,849,387	6,358,911	5,501,623
Unrestricted					
Committed	45,996	38,112	30,689	21,145	17,372
Assigned	2,622,280	2,531,513	1,504,894	818,728	494,586
Unassigned	16,611,203	15,825,262	11,761,403	6,184,089	2,414,540
Total General Fund	\$ 26,328,160	\$ 26,059,940	\$ 20,185,641	\$ 13,410,485	\$ 8,467,682
All Other Governmental Funds ⁽¹⁾					
Nonspendable	\$ 2	\$ —	\$ —	\$ —	\$ 16,770
Restricted	4,099,852	2,756,460	2,775,287	2,548,478	1,781,860
Unrestricted					
Assigned	705,900	605,179	99,336	47,877	54,949
Total All Other Governmental Funds	\$ 4,805,754	\$ 3,361,639	\$ 2,874,623	\$ 2,596,355	\$ 1,853,579

(1) Beginning in fiscal year 2015, all activities of SRTA, a blended component unit, are reported as Special Revenue Funds (previously only the balances of its General Fund are included in the State's Special Revenue Funds). In fiscal year 2017, the activities of SRTA were re-examined, and only SRTA's General Fund is included in the State's Special Revenue Funds.

(2) The Department of Community Health (DCH) had correction of prior year errors of accruals for receivables and expenditures related the Care Management Organization (CMO) rate adjustments to the Federal agency that oversees Medicaid, CMS (the Centers for Medicare and Medicaid Services) for fiscal years 2023, 2022, 2021 and 2020.

Source: Financial Statements included in Current and Prior Years' *Annual Comprehensive Financial Reports*
(certain amounts restated for purposes of comparability)



Fiscal Year

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 20,780	\$ 35,375	\$ 82,570	\$ 66,744	\$ 50,979
5,438,608	5,118,497	4,652,244	4,112,561	3,284,676
9,385	11,753	10,921	9,287	7,713
522,273	437,737	418,815	345,667	444,077
<u>2,833,072</u>	<u>2,506,449</u>	<u>2,211,442</u>	<u>1,795,230</u>	<u>1,282,974</u>
<u>\$ 8,824,118</u>	<u>\$ 8,109,811</u>	<u>\$ 7,375,992</u>	<u>\$ 6,329,489</u>	<u>\$ 5,070,419</u>
\$ 16,770	\$ 16,770	\$ 15,289	\$ 136	\$ 257
1,916,578	1,475,928	1,310,861	1,242,119	1,074,877
<u>72,796</u>	<u>84,912</u>	<u>74,100</u>	<u>69,288</u>	<u>60,062</u>
<u>\$ 2,006,144</u>	<u>\$ 1,577,610</u>	<u>\$ 1,400,250</u>	<u>\$ 1,311,543</u>	<u>\$ 1,135,196</u>

State of Georgia

Schedule 4

Changes in Fund Balances of Governmental Funds

For the Last Ten Fiscal Years

(modified accrual basis of accounting)

(amounts in thousands)

	2024	2023	2022	2021	2020
Revenues ⁽¹⁾					
Taxes					
Individual Income	\$ 15,785,870	\$ 15,864,000	\$ 17,399,160	\$ 14,024,344	\$ 12,545,944
Sales - General	9,332,085	9,000,002	8,445,396	7,343,273	6,230,249
Motor Fuel Tax	1,759,162	836,367	1,601,486	1,779,560	1,872,628
Motor Vehicle License and Title ad valorem Taxes ⁽³⁾	1,271,220	1,238,623	1,240,166	1,139,049	1,041,107
Corporate Tax	3,651,978	3,671,303	2,298,751	1,741,239	1,214,809
Other Taxes	1,216,080	1,329,842	1,110,454	1,003,107	1,125,499
Licenses and Permits	567,444	478,030	458,548	432,292	411,368
Intergovernmental - Federal	26,702,690	32,172,835	27,228,373	23,894,966	18,143,571
Intergovernmental - Other	1,140,715	1,590,527	943,281	732,248	618,597
Sales and Services	696,550	793,549	521,107	535,639	444,394
Fines and Forfeits	472,239	535,414	515,805	483,319	482,952
Interest and Other Investment Income	1,933,658	1,178,917	(41,960)	35,523	208,359
Unclaimed Property	222,351	233,171	131,181	180,361	141,925
Lottery Proceeds	1,133,615	1,516,383	1,474,003	1,544,954	1,237,345
Nursing Home Provider Fees	128,552	144,713	150,790	152,797	168,453
Hospital Provider Payments	401,061	387,434	374,765	366,281	345,213
Other	379,157	372,339	387,039	320,865	380,507
Total Revenues	66,794,427	71,343,449	64,238,345	55,709,817	46,612,920
Expenditures ⁽¹⁾					
Current					
General Government	3,833,249	2,448,187	1,933,951	1,624,883	1,200,665
Education	19,722,266	22,258,541	17,313,420	16,025,139	14,693,652
Health and Welfare	25,597,360	26,887,885	25,196,746	22,532,526	19,033,260
Transportation	5,054,768	4,082,707	3,470,747	3,426,702	3,450,047
Public Safety	3,226,231	2,903,372	2,642,397	2,303,584	2,597,921
Economic Development and Assistance	1,076,224	785,502	640,045	489,623	414,221
Culture and Recreation	437,445	413,453	361,559	324,340	292,628
Conservation	90,337	73,787	70,155	61,522	58,921
Capital Outlay	914,427	820,911	766,967	793,847	959,817
Debt Service					
Principal	931,140	1,131,640	1,136,230	931,555	1,056,725
Interest	410,228	428,261	515,638	420,137	440,086
Other Charges	11,199	11,521	161,868	195,734	22,676
Intergovernmental	—	3,505	267,633	230,413	276,081
Total Expenditures	61,304,874	62,249,272	54,477,356	49,360,005	44,496,700
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,489,553	9,094,177	9,760,989	6,349,812	2,116,220



Fiscal Year

	2019	2018	2017	2016	2015
\$	12,202,473	\$ 11,644,160	\$ 11,023,806	\$ 10,078,312	\$ 9,714,090
	6,286,292	6,019,297	5,781,149	5,473,282	5,263,011
	1,836,890	1,800,191	1,741,414	1,668,568	1,210,079
	1,253,113	1,314,354	1,347,626	1,307,054	1,167,421
	1,272,157	1,004,524	955,790	981,475	1,014,290
	851,105	1,057,108	977,494	1,186,308	871,158
	406,811	423,796	392,102	499,313	328,028
	16,930,680	16,926,361	16,543,931	15,946,548	16,056,116
	663,598	637,053	519,077	547,897	646,442
	429,050	426,328	608,204	403,849	439,342
	523,033	475,711	475,421	464,064	444,301
	285,225	142,282	68,780	50,219	26,243
	144,841	151,462	143,683	153,257	156,360
	1,207,369	1,143,515	1,101,062	1,097,823	980,653
	154,263	161,575	156,746	163,524	175,414
	333,955	304,020	285,830	270,602	278,958
	328,212	308,655	288,396	130,774	129,092
	<u>45,109,067</u>	<u>43,940,392</u>	<u>42,410,511</u>	<u>40,422,869</u>	<u>38,900,998</u>
	1,018,790	963,123	915,149	1,021,257	1,059,255
	13,859,041	13,271,141	12,605,566	12,010,308	11,435,031
	18,192,601	18,205,579	17,225,344	16,872,312	16,713,851
	3,239,744	2,882,072	2,901,428	2,181,785	2,095,554
	2,697,770	2,607,044	2,540,030	2,193,494	2,122,905
	525,126	565,462	692,393	600,031	610,472
	311,170	302,262	301,768	304,703	263,263
	62,549	85,328	58,888	56,514	53,394
	890,631	902,083	889,793	765,976	1,010,110
	1,029,075	1,068,590	1,042,625	988,145	966,445
	436,216	430,077	419,177	449,666	460,214
	23,765	27,036	26,541	25,848	27,284
	178,421	246,015	175,136	200,373	223,531
	<u>42,464,899</u>	<u>41,555,812</u>	<u>39,793,838</u>	<u>37,670,412</u>	<u>37,041,309</u>
	<u>2,644,168</u>	<u>2,384,580</u>	<u>2,616,673</u>	<u>2,752,457</u>	<u>1,859,689</u>

(continued)

State of Georgia

Schedule 4

Changes in Fund Balances of Governmental Funds

For the Last Ten Fiscal Years

(modified accrual basis of accounting)

(amounts in thousands)

	2024	2023	2022	2021	2020
Other Financing Sources (Uses) ⁽¹⁾					
General Obligation Bonds Issuance	621,335	704,075	1,096,630	1,132,515	914,675
Refunding Bonds Issuance	259,545	487,585	—	—	321,835
Revenue Bond Issuance	—	—	—	—	—
GARVEE Bond Issuance	—	—	—	484,160	—
Debt Issuance - Other	—	—	—	—	63,850
Premium on General Obligation Bonds Sold	51,479	50,773	187,541	183,801	85,090
Premium on Refunding Bonds Sold	20,592	38,929	—	—	29,772
Premium on GARVEE Bonds Sold	—	—	—	117,790	11,455
Payment to Refunded Bond Escrow Agent	(279,648)	(525,723)	—	—	(351,591)
Lease Obligations Issuance	81,598	58,663	71,368	28,248	13,300
Subscription Obligations Issuance	130,495	56,887	—	—	—
Transfers In	3,801,400	2,420,561	2,011,196	1,782,170	1,758,836
Transfers Out	(8,464,014)	(6,157,245)	(6,036,214)	(4,498,939)	(4,630,778)
Net Other Financing Sources (Uses)	(3,777,218)	(2,865,495)	(2,669,479)	(770,255)	(1,783,556)
Net Change in Fund Balance	<u>\$ 1,712,335</u>	<u>\$ 6,228,682</u>	<u>\$ 7,091,510</u>	<u>\$ 5,579,557</u>	<u>\$ 332,664</u>
Debt Service Expenditures as a Percentage of Noncapital Expenditures ⁽²⁾	2.31 %	2.62 %	3.14 %	2.86 %	3.56 %

- (1) Beginning in fiscal year 2015, all activities of SRTA, a blended component unit, are reported as Special Revenue Funds (previously only the balances of its General Fund are included in the State's Special Revenue Funds). In fiscal year 2017, the activities of SRTA were re-examined, and only SRTA's General Fund is included in the State's Special Revenue Funds.
- (2) Noncapital expenditures are calculated as total expenditures less capital outlay expenditures less capital expenditures in current expenditure functions. Capital expenditures in current expenditure functions are identified in the process of reconciling Governmental Funds to Governmental Activities.
- (3) Beginning in fiscal year 2015, Motor Vehicle License and Title ad valorem Taxes previously reported as Licenses and Permits are reported as Taxes.
- (4) The Department of Community Health (DCH) had correction of prior year errors of accruals for receivables and expenditures related the Care Management Organization (CMO) rate adjustments to the Federal agency that oversees Medicaid, CMS (the Centers for Medicare and Medicaid Services) for fiscal years 2023, 2022, 2021 and 2020.

Source: Financial Statements included in Current and Prior Years' *Annual Comprehensive Financial Reports* and supporting working papers

**Fiscal Year**

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
1,228,625	1,041,015	920,035	1,008,355	823,555
285,915	634,545	1,340,265	275,985	159,350
—	—	—	—	11,057
—	—	—	—	—
63,850	63,850	52,720	20,926	—
95,163	119,498	111,054	94,194	78,602
27,159	91,178	283,301	—	13,819
11,455	11,455	—	—	—
(313,095)	(724,870)	(1,620,595)	(302,322)	(173,032)
16,304	9,625	35,155	27,617	12,825
—	—	—	—	—
1,653,039	1,705,963	1,594,219	1,718,186	1,609,361
<u>(4,477,445)</u>	<u>(4,425,660)</u>	<u>(4,165,721)</u>	<u>(4,081,733)</u>	<u>(3,882,868)</u>
(1,409,030)	(1,473,401)	(1,449,567)	(1,238,792)	(1,347,331)
<u>\$ 1,235,138</u>	<u>\$ 911,179</u>	<u>\$ 1,167,106</u>	<u>\$ 1,513,665</u>	<u>\$ 512,358</u>

3.60 %

3.77 %

3.90 %

3.98 %

3.98 %

State of Georgia

Schedule 5

Revenue Base - Personal Income by Industry

For the Last Ten Calendar Years

(amounts in millions)

	2023	2022	2021	2020	2019
Accommodation and Food Services	\$ 16,576	\$ 16,031	\$ 12,969	\$ 11,381	\$ 11,904
Administrative and Waste Management Services	25,187	25,189	22,453	19,288	18,895
Arts, Entertainment and Recreation	4,454	3,378	2,992	2,699	2,777
Construction	28,776	27,161	25,569	23,232	21,712
Educational Services	7,501	6,850	6,506	5,820	5,658
Farm Earnings	1,458	4,162	1,968	1,669	1,907
Federal Government - Civilian	14,608	13,324	13,029	12,536	12,262
Federal Government - Military	8,191	7,829	7,533	7,330	7,212
Finance and Insurance	29,395	29,301	27,097	24,605	23,368
Forestry, Fishing and Related Activities	1,070	1,091	1,207	1,133	1,125
Health Care and Social Assistance	48,302	43,886	42,032	37,427	37,057
Information	17,560	27,788	25,713	20,926	21,721
Management of Companies and Enterprises	15,017	15,886	14,043	13,895	14,117
Manufacturing	40,433	37,233	33,849	30,848	31,096
Mining	695	977	869	948	994
Other Services, Except Public Administration	14,677	12,979	13,166	11,981	12,130
Professional, Scientific and Technical Services	50,872	47,573	42,233	38,693	36,339
Real Estate, Rental and Leasing	12,298	12,413	14,665	12,376	9,354
Retail Trade	27,062	26,707	25,597	23,020	21,203
State and Local Government	43,564	42,186	39,478	37,978	39,087
Transportation and Warehousing	24,704	21,873	19,087	18,484	17,170
Utilities	4,191	3,900	3,845	3,817	3,467
Wholesale Trade	26,802	25,990	23,351	21,559	22,951
Other	182,714	169,739	177,849	166,331	138,238
Total Personal Income	\$ 646,107	\$ 623,446	\$ 597,100	\$ 547,976	\$ 511,744
 Average Effective Rate ⁽¹⁾	 2.5 %	 2.8 %	 2.3 %	 2.3 %	 2.4 %

(1) The total direct rate for personal income is not available. The average effective rate was calculated by dividing individual income tax collections on a fiscal year basis (see Schedule 4) by total personal income on a calendar year basis.

Source: U. S. Department of Commerce, Bureau of Economic Analysis



Calendar Year

2018	2017	2016	2015	2014
\$ 10,980	\$ 10,507	\$ 10,209	\$ 9,838	\$ 9,551
17,805	16,932	15,610	15,166	14,828
2,527	2,483	2,171	2,231	2,379
21,267	18,941	17,604	15,391	14,766
5,362	5,120	4,849	4,705	4,638
2,649	1,946	1,814	2,476	3,230
11,313	11,183	10,806	10,421	9,824
6,838	6,579	6,446	6,825	6,833
22,063	21,193	19,269	18,663	18,200
1,000	973	1,045	1,010	1,010
34,561	32,850	31,688	29,914	28,658
21,089	21,069	18,669	15,118	12,225
10,529	9,189	8,443	8,179	7,776
31,805	30,423	29,125	27,921	26,822
862	783	787	560	592
11,361	10,875	10,528	10,309	10,460
34,522	32,809	31,180	30,183	28,908
7,766	7,335	6,262	5,784	6,454
20,738	20,097	19,375	19,046	18,127
37,692	37,087	35,643	33,051	32,454
17,980	17,013	16,172	14,838	13,881
3,012	2,935	2,902	2,657	2,435
20,846	21,385	21,150	20,493	19,539
126,646	120,696	112,931	106,943	101,183
<u>\$ 481,213</u>	<u>\$ 460,403</u>	<u>\$ 434,678</u>	<u>\$ 411,722</u>	<u>\$ 394,773</u>

2.4 % 2.4 % 2.3 % 2.4 % 2.3 %



Schedule 6

**Individual Income Tax Rates by Filing Status and Income Level
For the Last Ten Calendar Years**

Tax Rate	Effective Date
5.39%	January 1, 2024

On and after January 1, 2024, the tax imposed pursuant to subsection (a) of the applicable GA Code Section shall be 5.39 percent for taxable years beginning on or after January 1, 2024; provided, however, that such rate shall be reduced by 0.10 percent annually beginning on January 1, 2025, until the rate reaches 4.99 percent, provided such annual reductions in the tax rate shall be subject to certain delays.

<u>Filing Status</u> Income Level	<u>Georgia Taxable Net Income Level</u>	
	2023 - 2018	2017 - 2015
Single	Tax Rate	Tax Rate
Not Over \$750	1%	1%
Over \$750 But Not Over \$2,250	\$7.50 Plus 2% of Amount Over \$750	\$7.50 Plus 2% of Amount Over \$750
Over \$2,250 But Not Over \$3,750	\$37.50 Plus 3% of Amount Over \$2,250	\$37.50 Plus 3% of Amount Over \$2,250
Over \$3,750 But Not Over \$5,250	\$82.50 Plus 4% of Amount Over \$3,750	\$82.50 Plus 4% of Amount Over \$3,750
Over \$5,250 But Not Over \$7,000	\$142.50 Plus 5% of Amount Over \$5,250	\$142.50 Plus 5% of Amount Over \$5,250
Over \$7,000	\$230.00 Plus 5.75% of Amount Over \$7,000	\$230.00 Plus 6% of Amount Over \$7,000
Married Filing Separately		
Not Over \$500	1%	1%
Over \$500 But Not Over \$1,500	\$5.00 Plus 2% of Amount Over \$500	\$5.00 Plus 2% of Amount Over \$500
Over \$1,500 But Not Over \$2,500	\$25.00 Plus 3% of Amount Over \$1,500	\$25.00 Plus 3% of Amount Over \$1,500
Over \$2,500 But Not Over \$3,500	\$55.00 Plus 4% of Amount Over \$2,500	\$55.00 Plus 4% of Amount Over \$2,500
Over \$3,500 But Not Over \$5,000	\$95.00 Plus 5% of Amount Over \$3,500	\$95.00 Plus 5% of Amount Over \$3,500
Over \$5,000	\$170.00 Plus 5.75% of Amount Over \$5,000	\$170.00 Plus 6% of Amount Over \$5,000
Head of Household and Married Filing Jointly		
Not Over \$1,000	1%	1%
Over \$1,000 But Not Over \$3,000	\$10.00 Plus 2% of Amount Over \$1,000	\$10.00 Plus 2% of Amount Over \$1,000
Over \$3,000 But Not Over \$5,000	\$50.00 Plus 3% of Amount Over \$3,000	\$50.00 Plus 3% of Amount Over \$3,000
Over \$5,000 But Not Over \$7,000	\$110.00 Plus 4% of Amount Over \$5,000	\$110.00 Plus 4% of Amount Over \$5,000
Over \$7,000 But Not Over \$10,000	\$190.00 Plus 5% of Amount Over \$7,000	\$190.00 Plus 5% of Amount Over \$7,000
Over \$10,000	\$340.00 Plus 5.75% of Amount Over \$10,000	\$340.00 Plus 6% of Amount Over \$10,000

Source: FY15-23 OCGA § 48-7-20, Paragraph (b)(1); FY24 O.C.G.A. § 48-7-20 is presented as a (decreasing) flat tax rate, regardless of income level & filing status, rather than tiered tax rates, as has been in previous years.



Schedule 7

Individual Income Tax Filers and Liability by Income Level
For Calendar Years 2022(1) and 2013

(amounts, except income level, are in thousands)

	2022(1)			
	Number of Filers	Percentage of Total	Personal Income Tax Liability	Percentage of Total
Income Level				
\$1,000 and under (2)	981,887	19.6 %	\$ 1,179,154	7.6 %
\$1,001 to \$5,000	170,350	3.4 %	1	0.0 %
\$5,001 to \$10,000	271,104	5.4 %	1,021	0.0%
\$10,001 to \$15,000	311,402	6.3 %	21,013	0.1 %
\$15,001 to \$20,000	291,312	5.9 %	61,472	0.4 %
\$20,001 to \$25,000	247,914	5.0 %	111,647	0.7 %
\$25,001 to \$30,000	236,418	4.8 %	169,537	1.1 %
\$30,001 to \$50,000	764,975	15.4 %	1,021,160	6.6 %
\$50,001 to \$100,000	888,802	17.9 %	2,644,851	17.1 %
\$100,001 to \$500,000	761,307	15.3 %	6,729,865	43.6 %
\$500,001 to \$1,000,000	35,288	0.7 %	1,241,674	8.0 %
\$1,000,001 and higher	15,192	0.3 %	2,247,078	14.6 %
Totals	<u>4,975,951</u>	<u>100.0 %</u>	<u>\$ 15,428,473</u>	<u>100.0 %</u>

	2013			
	Number of Filers	Percentage of Total	Personal Income Tax Liability	Percentage of Total
Income Level				
\$1,000 and under (2)	784,286	18.2 %	\$ 531,818	6.2 %
\$1,001 to \$5,000	221,176	5.1 %	2	0.0 %
\$5,001 to \$10,000	334,591	7.7 %	10,239	0.1 %
\$10,001 to \$15,000	361,478	8.4 %	45,861	0.5 %
\$15,001 to \$20,000	317,290	7.3 %	93,368	1.1 %
\$20,001 to \$25,000	274,663	6.4 %	140,131	1.6 %
\$25,001 to \$30,000	235,264	5.4 %	172,995	2.0 %
\$30,001 to \$50,000	635,990	14.7 %	808,020	9.4 %
\$50,001 to \$100,000	687,969	15.9 %	1,887,383	22.0 %
\$100,001 to \$500,000	443,739	10.3 %	3,372,619	39.4 %
\$500,001 to \$1,000,000	16,079	0.4 %	549,080	6.4 %
\$1,000,001 and higher	7,186	0.2 %	957,507	11.3 %
Totals	<u>4,319,711</u>	<u>100.0 %</u>	<u>\$ 8,569,023</u>	<u>100.0 %</u>

(1) Most recent available data.

(2) Category also includes payments from out-of-state residents and partial-year payers

Source: Department of Revenue

State of Georgia

Schedule 8

Ratios of Outstanding Debt by Type For the Last Ten Fiscal Years

(amounts in thousands, except per capita amounts)

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Governmental Activities⁽¹⁾				
General Obligation Bonds ⁽²⁾	\$ 10,218,749	\$ 10,549,292	\$ 10,947,663	\$ 10,696,568
Revenue and GARVEE Bonds	440,186	514,934	593,139	670,231
Lease Obligations	817,273	863,899	894,815	321,873
Subscription Obligations	177,688	163,369	—	—
Notes and Loans	40,318	43,889	47,315	55,299
Total Governmental Activities Debt	<u>\$ 11,694,214</u>	<u>\$ 12,135,383</u>	<u>\$ 12,482,932</u>	<u>\$ 11,743,971</u>
Business-type Activities⁽¹⁾				
Revenue and GARVEE Bonds	\$ 588,530	\$ 599,411	\$ 610,031	\$ 232,337
Lease Obligations	489,013	474,867	515,264	2,676,623
Subscription Obligations	74,743	84,900	—	—
Notes and Loans	2,282,940	2,418,322	2,457,936	299,319
Total Business-type Activities Debt	<u>\$ 3,435,226</u>	<u>\$ 3,577,500</u>	<u>\$ 3,583,231</u>	<u>\$ 3,208,279</u>
Total Primary Government	<u>\$ 15,129,440</u>	<u>\$ 15,712,883</u>	<u>\$ 16,066,163</u>	<u>\$ 14,952,250</u>
Percentage of Personal Income⁽³⁾	2.3 %	2.5 %	2.7 %	2.7 %
Outstanding Debt Per Capita⁽³⁾	\$ 1,372	\$ 1,440	\$ 1,488	\$ 1,396

(1) In fiscal year 2015, the activities of State Road and Tollway Authority (SRTA), a blended component unit, were reported as Governmental Activities. In fiscal year 2017, a re-examination determined that activities of this blended component unit should be reported reported in both Governmental Activities and Business-type Activities as was the presentation in fiscal years 2014 and prior.

(2) The Governmental Activities Revenue Bonds include \$19.3 million of bonds secured by a joint resolution between the Department of Transportation (DOT) (General Fund) and the SRTA (Nonmajor Governmental Fund) whereby DOT has pledged to provide sufficient motor fuel tax funds to pay the principal and interest of the revenue bonds. According to the State Constitution, motor fuel tax funds are imposed and appropriated for all activities incident to maintaining an adequate system of roads and bridges in the State. In fiscal year 2023, the State collected \$837.2 million of motor fuel tax funds. The principal and interest on the revenue bonds for fiscal year 2023 was \$24.2 million. The debt service requirements to maturity on these bonds is included in the Notes to the Financial Statements.

(3) See Schedule 11 (Population/Demographics) for personal income and population data.

Source: Financial Information included in Current and Prior Years' Comprehensive Annual Financial Reports



2020	2019	2018	2017	2016	2015
\$ 10,351,636	\$ 10,352,603	\$ 10,043,489	\$ 9,851,713	\$ 9,493,441	\$ 9,367,381
613,770	613,770	613,770	745,477	983,947	1,200,365
212,709	219,259	233,398	237,505	184,689	221,690
—	—	—	—	—	—
62,364	69,262	74,141	78,450	87,228	21,662
\$ 11,240,479	\$ 11,254,894	\$ 10,964,798	\$ 10,913,145	\$ 10,749,305	\$ 10,811,098
\$ 234,234	\$ 242,003	\$ 266,150	\$ 269,136	\$ 756,539	\$ 1,384,058
2,810,668	2,856,209	2,914,195	3,044,125	2,633,261	1,948,804
—	—	—	—	—	—
267,240	269,459	264,793	256,768	11,677	6,027
\$ 3,312,142	\$ 3,367,671	\$ 3,445,138	\$ 3,570,029	\$ 3,401,477	\$ 3,338,889
\$ 14,552,621	\$ 14,622,565	\$ 14,409,936	\$ 14,483,174	\$ 14,150,782	\$ 14,149,987
2.8 %	3.0 %	3.1 %	3.3 %	3.4 %	3.6 %
\$ 1,371	\$ 1,390	\$ 1,382	\$ 1,405	\$ 1,385	\$ 1,401



Schedule 9

Ratios of General Bonded Debt Outstanding For the Last Ten Fiscal Years

(amounts in thousands, except per capita amounts)

Fiscal Year	General Obligation Bonds	Less:		Net General Bonded Debt ⁽¹⁾	Percentage of Personal Income ⁽²⁾	Outstanding Debt Per Capita ⁽²⁾
		SRTA General Bonded Debt	Restricted for Bond Covenants/ Debt Service			
2024	\$10,218,749	\$ —	\$ (63,573)	\$ 10,155,176	1.57%	\$ 920.75
2023	10,549,293	19,622	(81,798)	10,487,117	1.68%	960.99
2022	10,947,662	43,224	(80,706)	10,910,180	1.83%	1,010.24
2021	10,696,568	66,185	(972,140)	9,790,613	1.79%	914.15
2020	10,351,636	215,945	(117,790)	10,449,791	2.04%	984.21
2019	10,352,603	215,945	(117,792)	10,450,756	2.17%	993.47
2018	10,043,489	215,945	(117,792)	10,141,642	2.20%	972.41
2017	9,851,713	263,438	(54,045)	10,061,106	2.31%	975.82
2016	9,493,441	310,727	(83,212)	9,720,956	2.36%	951.65
2015	9,367,381	355,562	(102,896)	9,620,047	2.44%	952.75

(1) In fiscal year 2015, the activities of SRTA were re-examined and all activities of this blended component unit are reported as Governmental Activities. In fiscal year 2017, SRTA's activities reverted back to the blended presentation, where its activity and balances are included in both Governmental Activities and Business-type Activities.

(2) See Schedule 11 (Population/Demographics) for personal income and population data.

Source: Financial Information included in Current and Prior Years' *Annual Comprehensive Financial Reports*



State of Georgia

Schedule 10

Computation of Legal Debt Margin For the Last Ten Calendar Years

(amounts in whole dollars)

	2024	2023	2022	2021	2020
Revenue Base:					
Treasury Receipts for the Preceding Fiscal Year ⁽¹⁾	\$ 37,706,936,571	\$ 36,596,472,710	\$ 30,316,588,230	\$ 26,900,038,894	\$ 22,748,258,000
Debt Limit Amount:					
Highest Aggregate Annual Commitments (Principal and Interest) Permitted Under Constitutional Limitation (10% of above)	\$ 3,770,693,657	\$ 3,659,647,271	\$ 3,031,658,823	\$ 2,690,003,889	\$ 2,274,825,800
Debt Applicable to the Limit:					
Highest Total Annual Commitments in Current or any Subsequent Fiscal Year ⁽²⁾	1,241,641,181	1,340,501,721	1,332,216,725	1,364,751,098	1,424,078,002
Legal Debt Margin	\$ 2,529,052,476	\$ 2,319,145,550	\$ 1,699,442,098	\$ 1,325,252,791	\$ 850,747,798
Total Debt Applicable to the Limit as Percentage of					
Debt Limit Amount	32.9 %	36.6 %	43.9 %	50.7 %	62.6 %

(1) Includes Indigent Care Trust Fund Receipts, Brain and Spinal Injury Trust Fund Receipts, Lottery Proceeds and Tobacco Settlement Funds.

(2) Includes issued and outstanding debt as of the end of each fiscal year and appropriated debt service for any authorized but unissued general obligation (and guaranteed revenue) bonds.

Source: *Prior Year's Annual Comprehensive Financial Reports, other annual state reports, Georgia State Financing and Investment Commission, Constitution of the State of Georgia.*

Note: The Constitution of the State of Georgia limits the combined total of highest annual debt service requirements for general obligation and guaranteed revenue debt to 10% of the prior year's revenue collections.



Fiscal Year

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<u>\$ 25,649,499,261</u>	<u>\$ 24,519,402,190</u>	<u>\$ 23,476,964,889</u>	<u>\$ 21,557,498,541</u>	<u>\$ 20,256,765,494</u>
\$ 2,564,949,926	\$ 2,451,940,219	\$ 2,347,696,489	\$ 2,155,749,854	\$ 2,025,676,549
<u>1,432,215,164</u>	<u>1,398,096,186</u>	<u>1,405,379,184</u>	<u>1,311,486,764</u>	<u>1,305,012,971</u>
<u>\$ 1,132,734,762</u>	<u>\$ 1,053,844,033</u>	<u>\$ 942,317,305</u>	<u>\$ 844,263,090</u>	<u>\$ 720,663,578</u>
55.8 %	57.0 %	59.9 %	60.8 %	64.4 %



Schedule 11

Population/Demographics

For the Last Ten Calendar Years

Year	Population	Personal Income (in millions)	Per Capita Personal Income	Public School Enrollment	Unemployment Rate
2023	11,029,227	\$ 646,108	\$ 58,581	1,747,791	4%
2022	10,912,876	623,447	57,129	1,744,887	3.4%
2021	10,799,566	597,101	55,289	1,736,159	4.5%
2020	10,710,017	547,976	51,165	1,723,127	8.4%
2019	10,617,423	511,744	48,236	1,760,739	3.5%
2018	10,519,475	481,213	45,745	1,759,838	3.9%
2017	10,429,379	460,403	44,145	1,761,472	4.7%
2016	10,310,371	434,678	42,159	1,757,543	5.4%
2015	10,214,860	411,722	40,306	1,749,852	5.9%
2014	10,097,132	394,773	39,097	1,736,416	7.1%

Sources: Population - U. S. Department of Commerce, Bureau of the Census (midyear population estimates)
 Personal Income - U. S. Department of Commerce, Bureau of Economic Analysis
 Public School Enrollment - Georgia Department of Education (March of each school year)
 Unemployment Rate - U. S. Department of Labor (annual average)



Schedule 12

Principal Private Sector Employers Fiscal Year 2024 and Nine Years Previous (2015)

2024 Employers

Amazon.Com Services, Inc.

Chick-Fil-A, Inc.

Children's Healthcare

Delta Air Lines, Inc.

Emory Healthcare, Inc.

Emory University

FedEx

Lowe's Home Centers, Inc.

McDonalds

Northside Hospital, Inc.

Publix Super Markets, Inc.

Shaw Industries Group, Inc.

The Home Depot, Inc.

The Kroger Company

United Parcel Service, Inc.

Wal-Mart Stores, Inc.

Wellstar Health System, Inc.

2015 Employers

AT&T Services, Inc.

Childrens Healthcare of
Atlanta

Delta Airlines, Inc.

Emory Healthcare, Inc.

Emory University

Gulf Stream Aerospace
Corporation

Lowe's Home Center, Inc.

Northside Hospital, Inc.

Publix Super Markets, Inc.

Shaw Industries Group, Inc.

The Home Depot, Inc.

The Kroger Company

United Parcel Service, Inc.

Waffle House

Wal-Mart Stores, Inc.

Wellstar Health System

To protect employer confidentiality, OCGA § 34-8-121(b)(3) prohibits the release of employee numbers by employer.

Sources: 2024 - Department of Labor (1st quarter 2024)

2015 - Comprehensive Annual Financial Report - Fiscal Year Ended June 30, 2014

State of Georgia

Schedule 13

State Government Employment by Function For the Last Ten Fiscal Years ⁽¹⁾

	2024	2023	2022	2021	2020	2019
Governmental Activities						
General Government	8,691	8,554	7,999	8,020	8,118	8,619
Education	2,918	2,814	2,521	2,462	2,466	2,513
Health and Welfare	20,619	20,130	20,532	21,212	21,013	20,922
Transportation	4,657	4,598	4,392	4,335	4,618	4,883
Public Safety	19,895	19,794	20,026	21,551	24,991	26,789
Economic Development and Assistance	1,837	2,130	2,210	1,998	2,026	2,092
Culture and Recreation	3,341	3,234	3,189	3,066	3,097	3,227
Conservation	690	696	733	743	766	808
	<u>62,648</u>	<u>61,950</u>	<u>61,602</u>	<u>63,387</u>	<u>67,095</u>	<u>69,853</u>
Business-Type Activities ^{(2) (5)}						
State Road and Tollway Authority ⁽³⁾	136	139	140	130	132	129
Higher Education Fund ⁽⁴⁾	127,008	123,856	92,077	89,175	85,707	82,525
	<u>127,144</u>	<u>123,995</u>	<u>92,217</u>	<u>89,305</u>	<u>85,839</u>	<u>82,654</u>
Total Employment	<u>189,792</u>	<u>185,945</u>	<u>153,819</u>	<u>152,692</u>	<u>152,934</u>	<u>152,507</u>

- (1) Includes employees that were active at any time during the Fiscal Year. An individual employee may, therefore, be included in multiple functions if the employee transferred among functions during the fiscal year. This does not represent the number of active employees at the end of the year.
- (2) Employees of certain Business-Type Activities organizations are included in Governmental Activities as follows:
- Employees of the State Health Benefit Plan are included as employees of the Department of Community Health in Health and Welfare.
 - Employees of the Unemployment Compensation Fund are included as employees of the Department of Labor in Economic Development and Assistance.
- (3) In fiscal year 2015, the activities of State Road and Tollway Authority (SRTA) were examined and all activity was reported as Governmental Activities. In fiscal year 2017 SRTA, was re-examined and it was determined that the toll facilities and customer service center (previously part of Governmental Activities) are now reported as part of Business-Type Activities.
- (4) No employees for the Nonmajor Enterprise Funds (Business-Type Activities) Georgia Higher Education Finance Authority and Higher Education Foundations are included as these organizations either have no employees, their data is not available or their employees are already reported as employees of another organization in either the Governmental Activities or Business-Type Activities.

Source: Open.Georgia.gov



Fiscal Year

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
8,408	8,432	8,722	8,402
2,342	2,152	2,184	1,836
21,203	21,845	21,073	22,102
4,863	4,872	5,023	5,102
28,686	27,780	25,728	25,513
2,258	2,421	2,487	2,760
3,112	3,080	2,982	2,838
818	852	820	837
<u>71,690</u>	<u>71,434</u>	<u>69,019</u>	<u>69,390</u>
116	107	—	—
<u>80,237</u>	<u>79,456</u>	<u>80,004</u>	<u>76,972</u>
<u>80,353</u>	<u>79,563</u>	<u>80,004</u>	<u>76,972</u>
<u><u>152,043</u></u>	<u><u>150,997</u></u>	<u><u>149,023</u></u>	<u><u>146,362</u></u>

State of Georgia

Schedule 14

Operating Indicators and Capital Assets by Function For the Last Ten Years ⁽¹⁾

	2024	2023	2022	2021	2020
General Government					
Department of Revenue					
Number of Personal Income Tax Filers	NCA	NCA	4,975,951	5,026,208	4,989,368
Education					
Department of Education					
Public School Enrollment (March FTE Count)					
Pre Kindergarten through Grade 5	813,283	811,184	803,799	792,304	833,266
Grades 6 through 8	396,485	400,969	407,442	413,283	415,766
Grades 9 through 12	537,926	532,734	524,918	517,540	511,707
Board of Regents of the University System of Georgia					
Number of Separate Institutions	26	26	26	26	26
Number of Active Educators	14,724	14,820	14,859	14,902	15,242
Number of Students	344,392	334,459	340,638	341,489	333,507
Health and Welfare					
Department of Human Services					
Food Stamp Recipients	1,375,814	1,530,426	1,557,946	1,690,194	1,396,889
Temporary Assistance for Needy Families Recipients	7,506	9,152	13,299	15,285	15,852
Transportation					
Department of Transportation					
Miles of State Highway ⁽³⁾	NCA	17,906	17,922	17,923	17,953
Public Safety					
Department of Corrections					
Number of Inmates	51,570	49,513	47,815	46,586	51,219
Number of Probationers	NCA	NCA	NCA	NCA	NCA
Department of Community Supervision					
Number of Offenders	228,174	190,974	193,158	210,246	223,635
Economic Development and Assistance					
Department of Economic Development					
Economic Impact of Tourism (in millions):					
Domestic Traveler Spending - Direct	NCA \$	35,442 \$	32,725 \$	28,487 \$	21,057
Domestic Travel-generated State Tax Revenues	NCA \$	2,766 \$	2,592 \$	2,295 \$	1,666
Culture and Recreation:					
Department of Natural Resources					
Number of State Parks	48	47	43	51	51
Number of Historic Sites	15	13	13	15	15
Acreage of State Parks and Historic Sites (in acres)	89,447	85,667	84,506	88,237	83,184
Number of Daily Park Passes Sold	945,529	935,345	1,023,640	1,170,802	962,076
Number of Annual Park Passes Sold	96,275	62,880	69,448	65,453	46,300
Number of Hunting and Fishing Licenses Sold	3,241,354	1,776,208	1,638,328	1,626,599	1,584,133
Number of Registered Boats	379,067	368,649	353,862	362,580	367,762
Conservation					
Forestry Commission					
Economic Impact of Forestry Industry					
Output (in millions)	NCA	NCA \$	24,984 \$	24,600 \$	23,400
Employment	NCA	NCA	57,228	55,418	54,185
Compensation (in millions)	NCA	NCA \$	4,431 \$	4,400 \$	4,200

(1) Data is presented by either fiscal year or calendar year based on availability of information.

(2) As of 2017- DCS no longer uses the categories Parolees and Probationers. DCS has one category-

(3) As of 2024, DOT Miles of State Highway data is reported on a 1 year lag, due to a change in the availability of information

Source: NCA - Not Currently Available; Information obtained from the individual organizations listed.



Fiscal Year

	2019	2018	2017	2016	2015
	4,826,829	4,642,733	4,532,560	4,389,981	4,423,664
	841,190	850,534	856,077	856,413	854,352
	409,008	400,469	394,565	392,095	392,433
	509,640	510,469	506,901	500,808	489,631
	26	29	29	29	30
	15,197	15,161	15,012	14,606	14,478
	328,712	325,203	321,551	318,164	312,936
	1,379,463	1,564,906	1,654,152	1,745,876	1,825,606
	18,968	21,993	21,876	26,635	27,219
	17,943	17,959	17,912	17,902	17,907
	54,757	54,758	54,636	53,852	51,002
	NCA	NCA	165,635	168,088	165,926
	221,434	275,777	258,843	—	—
\$	29,465	\$ 27,902	\$ 26,483	\$ 25,558	\$ 24,526
\$	1,497	\$ 1,421	\$ 1,356	\$ 1,307	\$ 1,170
	50	49	49	49	49
	15	15	15	15	15
	79,216	85,490	85,430	85,430	85,647
	871,566	875,817	905,504	802,267	790,020
	26,981	15,498	11,954	9,444	7,852
	1,443,657	1,196,097	1,335,703	1,346,360	1,346,360
	368,094	338,210	134,095	143,587	144,979
\$	22,000	\$ 21,500	\$ 21,300	\$ 20,800	\$ 19,200
	55,562	55,089	53,933	51,900	50,385
\$	3,900	\$ 4,000	\$ 3,840	\$ 3,740	\$ 3,550