GEORGIA INSTITUTE OF TECHNOLOGY

Annual Financial Report

FOR FISCAL YEAR ENDED JUNE 30, 2025
INCLUDING INDEPENDENT AUDITOR'S REPORT

Georgia Tech

GEORGIA INSTITUTE OF TECHNOLOGY
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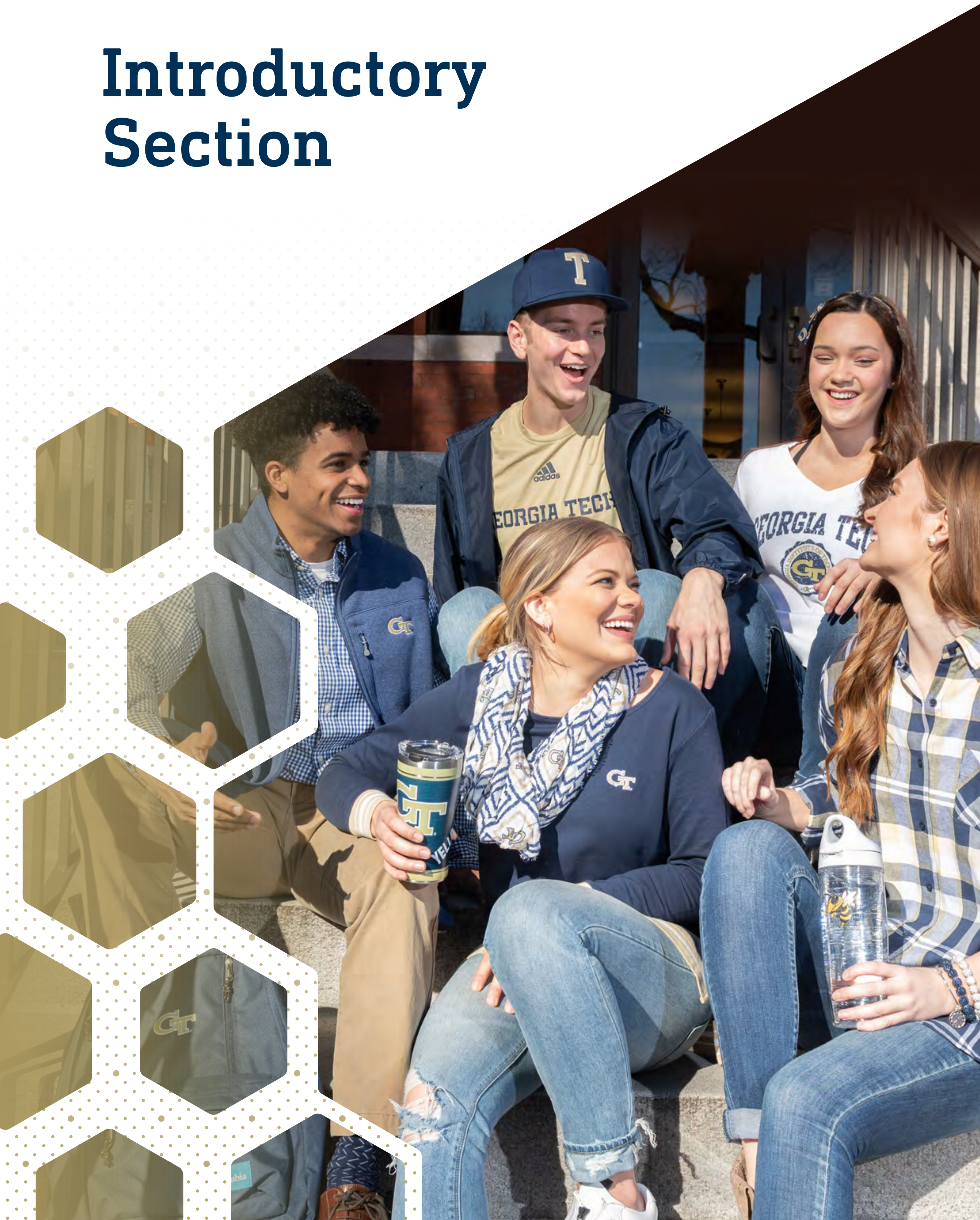
Introductory Section



Message from the President

We're excited to share this year's financial report, which showcases Georgia Tech's continued momentum and highlights many of our accomplishments. Thanks to the dedication of our students, faculty, and staff; the investments of our state and federal governments; the contributions of our generous alumni; and the support of our corporate and foundation partners, we've achieved another record-breaking year. Our growth in scale and impact reflects our enduring commitments to put students first and deliver exceptional value through affordable education, pioneering research, and meaningful contributions to Georgia's economy.

This year, Georgia Tech became the largest institution of higher education in the state, with enrollment exceeding 53,000. Our students benefit from an education that is rigorous, relevant, and accessible. We continue to align our academic programs with workforce needs while fostering a campus culture that encourages the free exchange of ideas and diverse perspectives.

For the third year in a row, The Princeton Review named Georgia Tech the No. 1 best value public college in the U.S. This recognition reflects our commitment to affordability and excellence, and it underscores the lifelong value of a Georgia Tech degree.

Our research enterprise continues to lead the nation in impact. According to the National Science Foundation's Higher Education Research and Development Survey, Georgia Tech's research enterprise is ranked No. 1 among universities without a medical school — a distinction we've held for four consecutive years — and No. 3 in federal research awards. In fiscal year 2025, the Institute set records for research awards, expenditures, and commercialization, and our work continues to improve lives, drive innovation, and fuel economic growth.

According to the most recent report from the University System of Georgia (USG), the Institute creates more jobs in Georgia than any other USG institution, and our annual statewide economic impact has climbed to a record-setting $5.8 billion, leading all USG institutions and accounting for more than 25% of their combined impact.

The progress we made this past fiscal year reflects the strength of our community and our shared commitment to lead with purpose, innovation, and service. The numbers in this report send a clear message that investing in Georgia Tech is a smart investment. I'm grateful for the continued support of our state leaders, the USG, and all who believe in the extraordinary work we do at Georgia Tech.

Ángel Cabrera
President
Georgia Institute of Technology

Letter of Transmittal

September 12, 2025

To: President Ángel Cabrera
Georgia Institute of Technology

The Annual Financial Report (AFR) for the Georgia Institute of Technology includes the financial statements for the year ended June 30, 2025, as well as other useful information to help ensure the Institute's accountability and integrity to the public. The AFR also includes Management's Discussion and Analysis, with all necessary disclosures to assist the reader in gaining a broader and more thorough understanding of the Institute's financial position as a result of operations for the fiscal year ended June 30, 2025.

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

The Institute's financial records are audited by the State of Georgia Department of Audits and Accounts (DOAA) on an annual basis. Georgia Tech's internal auditors also perform fiscal compliance and performance reviews, sharing the results with the Institute's management. The audit of the Institute's compliance with major federal programs is performed by Cherry Bekaert in conjunction with the statewide Single Audit.

Sincerely,

Kimberly Toatley

Kim Toatley
Vice President and Chief Financial Officer
Finance and Planning

Financial Section

DOAA
Georgia Department of Audits & Accounts

Greg S. Griffin
State Auditor

INDEPENDENT AUDITOR'S REPORT

The Honorable Brian P. Kemp, Governor of Georgia
Members of the General Assembly of the State of Georgia
Members of the Board of Regents of the University System of Georgia
and
Dr. Ángel Cabrera, President
Georgia Institute of Technology

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities, aggregate discretely presented component units, and fiduciary activities of the Georgia Institute of Technology (Institute), a unit of the University System of Georgia, which is an organizational unit of the State of Georgia, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Institute's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, aggregate discretely presented component units, and fiduciary activities of the Institute as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. The other auditors audited the financial statements of the aggregate discretely presented component units in accordance with GAAS but not in accordance with *Government Auditing Standards*, except for the Georgia Tech Research Corporation.

We are required to be independent of the Institute and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 1, the financial statements of the Institute are intended to present the financial position, the changes in financial position and, where applicable, cash flows of only those portions of the business-type activities, aggregate discretely presented component units, and fiduciary activities of the State of Georgia that are attributable to the transactions of the Institute. They do not purport to, and do not, present fairly the financial position of the State of Georgia as of June 30, 2025, the changes in its financial position or, where applicable, its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Institute'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 Institute's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient 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 Institute’s basic financial statements. The accompanying supplementary information, as listed in the table of contents, is presented for the purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2025 on our consideration of the Institute's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Institute'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 Institute's internal control over financial reporting and compliance.

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

Respectfully submitted,

Greg S. Griffin
State Auditor

December 11, 2025

GEORGIA INSTITUTE OF TECHNOLOGY
Management's Discussion and Analysis

Introduction

The Georgia Institute of Technology (Georgia Tech or the Institute) is one of the twenty-six institutions of higher education within the University System of Georgia (USG) and a leading research university committed to improving the human condition through advanced science and technology.

Founded in 1885 to help move Georgia's economy into the industrial age, Georgia Tech exceeded the expectations of its founders by becoming a multi-faceted research institution that serves as a source of innovation and a driver of economic development. Georgia Tech provides a focused, technologically-based education to more than 50,000 undergraduate and graduate students who study in person at the main campus in Atlanta, at off-campus instructional sites such as Georgia Tech-Europe in France, and at a virtual campus through distance and online learning. The Institute has many nationally recognized programs, all top-ranked by peers and publications alike, and is ranked among the nation's top public universities by *U.S. News & World Report*. Georgia Tech offers a wide variety of technologically focused majors and minors through seven colleges and twenty-nine schools focusing on Business, Computing, Design, Engineering, Liberal Arts, Lifetime Learning and Sciences.

Georgia Tech is accredited by the Southern Association of Colleges and Schools Commission on Colleges (SACSCOC) and is a member of the Association of American Universities (AAU), an association of seventy-one leading research universities in the United States and Canada. As a leading technological institute, teams from the Institute's seven colleges, eleven interdisciplinary research institutes, the Enterprise Innovation Institute, the Georgia Tech Research Institute, and hundreds of research labs and centers work side by side to transform vital research and innovation ideas into tangible results for our national and international partners in government, industry, and business. The Institute's research operations focus on Georgia Tech's strategic goals of championing innovation, amplifying impact and connecting globally. Equipped with the extremely rich resources of our outstanding students, faculty, and staff, strong partnerships with business, industry, and government, and support from alumni and friends, Georgia Tech is creating a culture of deliberate impact, innovation, and inclusion. The Institute is consistently ranked among the top universities in the nation for graduation of underrepresented minorities in engineering, physical sciences, and architecture and planning.

Georgia Tech's strong work ethic is balanced by a collegiate atmosphere incorporating sports and campus traditions. With more than sixty chartered student organizations which are open to all, our students find a way to celebrate, strengthen, and share their part of the robust cultural melting pot that thrives in the Tech community. The Institute's National Collegiate Athletics Association (NCAA) Division I intercollegiate athletics program is one of the oldest and most renowned in the country with students competing in seventeen different sports. For the larger student body, Georgia Tech's twenty intramural sports, forty competitive sports clubs and one of the best outdoor recreation programs in the country offer year-round action.

In support of the growth in enrollment, academic programming and research that Georgia Tech has realized over the last several years, Georgia Tech's student and faculty populations have increased as follows:

	FACULTY	STUDENT HEADCOUNT	STUDENT FTE
Fiscal Year 2025	1,639	53,363	38,650
Fiscal Year 2024	1,577	47,961	35,461
Fiscal Year 2023	1,520	45,296	33,466

Overview of the Financial Statements and Financial Analysis

The Institute is pleased to present its financial statements for fiscal year 2025. The emphasis of discussions about these statements will be on current year data. There are three business-type activity financial statements presented: the Statement of Net Position; the Statement of Revenues, Expenses and Changes in Net Position; and the Statement of Cash Flows. There are also two fiduciary fund financial statements presented: the Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position. This discussion and analysis of the Institute's financial statements provides an overview of its financial activities for the fiscal year. Comparative data is provided for fiscal year 2025 and fiscal year 2024 for business-type activities.

Statement of Net Position

The Statement of Net Position is a financial condition snapshot as of June 30, 2025 and includes all assets (both current and noncurrent), deferred outflows of resources, liabilities (both current and noncurrent) and deferred inflows of resources. The differences between current and noncurrent assets are discussed in the Notes to the Financial Statements. The Statement of Net Position is prepared under the accrual basis of accounting which requires revenue and asset recognition when the service is provided, and expense and liability recognition when goods or services are received, despite when cash is actually exchanged.

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

Net Position is divided into three major categories. The first category, net investment in capital assets, provides the Institute's equity in property, plant and equipment owned by the Institute.

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

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

A summary comparison of the Institute's net financial position as of June 30, 2025 and June 30, 2024 is as follows:

CONDENSED STATEMENT OF NET POSITION	June 30, 2025	June 30, 2024
ASSETS		
Current Assets	$ 816,509,727	$ 803,333,269
Capital Assets, Net	2,397,197,821	2,311,588,097
Intangible Right-to-Use Assets, net	291,316,487	322,909,043
Other Assets	139,413,682	130,095,118
TOTAL ASSETS	3,644,437,717	3,567,925,527
DEFERRED OUTFLOWS OF RESOURCES	457,086,598	510,313,799
LIABILITIES		
Current Liabilities	291,685,060	265,006,039
Non-Current Liabilities	1,970,343,695	2,151,578,335
TOTAL LIABILITIES	2,262,028,755	2,416,584,374
DEFERRED INFLOWS OF RESOURCES	388,038,008	313,271,301
NET POSITION		
Net Investment in Capital Assets	1,979,163,589	1,875,018,659
Restricted, Nonexpendable	86,487,023	86,487,022
Restricted, Expendable	46,572,479	42,357,815
Unrestricted (Deficit)	(660,765,539)	(655,479,845)
TOTAL NET POSITION	$ 1,451,457,552	$ 1,348,383,651

Total assets and deferred outflows of resources increased for the year by $23.3 million. This was primarily due to an increase of $85.6 million in Capital Assets, net of depreciation, as well as a decrease of $53.2 million in Deferred Outflows of Resources. The decrease in Deferred Outflows is attributable to a decrease in the deferred loss for Employees' Retirement System (ERS) and Teachers' Retirement System of Georgia (TRS) pension plans of $39.5 million and a decrease in the deferred loss for Other Post-Employment Benefits (OPEB) of $13.8 million both due to changes in actuarial assumptions.

Total liabilities and deferred inflows of resources had an overall decrease of $79.8 million from fiscal year 2024 to fiscal year 2025. This decrease is due to an increase in deferred inflows of resources of $74.8 million and a decrease in total liabilities of $154.6 million. The $74.8 million increase in Deferred Inflows of Resources is primarily due to the changes in the actuarial assumptions and rates utilized in the calculation of TRS and ERS pension plans and OPEB, netting $74.2 million. Non-current liabilities had a decrease of $181.2 million while current liabilities increased by $26.7 million, netting the overall decrease of $154.6 for total liabilities. The decrease in non-current liabilities is largely attributable to a decrease in the Net Pension Liability of $99.9 million and a decrease in the Net OPEB Liability of $23.6 million, both due to changes in the actuarial assumptions and rates utilized in the calculation of these liabilities. The decrease in non-current liabilities is also attributable to principal payments on debt, resulting in a decrease in lease and subscription obligations of $31.5 million and a decrease in Notes and Loans Payable of $25.6 million.

The combination of the change in total assets and deferred outflows of resources and the change in total liabilities and deferred inflows of resources yielded an increase in net position of $103.1 million.

Statement of Revenues, Expenses and Changes in Net Position

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

A summary comparison of the Institute's activities as of June 30, 2025 and June 30, 2024 is as follows:

CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION	June 30, 2025	June 30, 2024
Operating Revenue	$ 2,308,139,808	$ 2,157,649,362
Operating Expense	2,866,092,106	2,718,794,029
Operating Loss	(557,952,298)	(561,144,667)
Nonoperating Revenue and Expense	619,627,937	584,626,643
Income (Loss) before Other Revenues, Expenses, Gains or Losses	61,675,639	23,481,976
Other Revenues, Expenses, Gains or Losses	41,398,262	15,557,335
Change in Net Position	103,073,901	39,039,311
Net Position at Beginning of Year	1,348,383,651	1,309,344,340
Net Position at End of Year	$ 1,451,457,552	$ 1,348,383,651

The Statement of Revenues, Expenses and Changes in Net Position reflects a positive year, with an increase in net position at the end of the year. Some highlights of the information presented on this statement follow on the next few pages.

Revenues

For the years ended June 30, 2025 and June 30, 2024, Revenues by Source were as follows:

REVENUES BY SOURCE	June 30, 2025	June 30, 2024
Tuition and Fees	$ 502,960,313	$ 475,013,813
Grants and Contracts	1,569,370,922	1,468,014,877
Sales and Services	40,621,423	38,984,787
Auxiliary Enterprises	192,009,011	171,294,417
Other Operating Revenues	3,178,139	4,341,468
Total Operating Revenues	2,308,139,808	2,157,649,362
State Appropriations	557,289,347	530,870,251
Grants and Contracts	24,457,719	17,463,919
Gifts	2,589,708	2,756,609
Investment Income	63,261,497	61,894,259
Total Nonoperating Revenues	647,598,271	612,985,038
State Capital Gifts and Grants	5,709,295	4,092,906
Other Capital Gifts and Grants	35,684,358	11,464,429
Total Capital Gifts and Grants	41,393,653	15,557,335
Special Items	4,609	—
Total Revenues	$ 2,997,136,341	$ 2,786,191,735

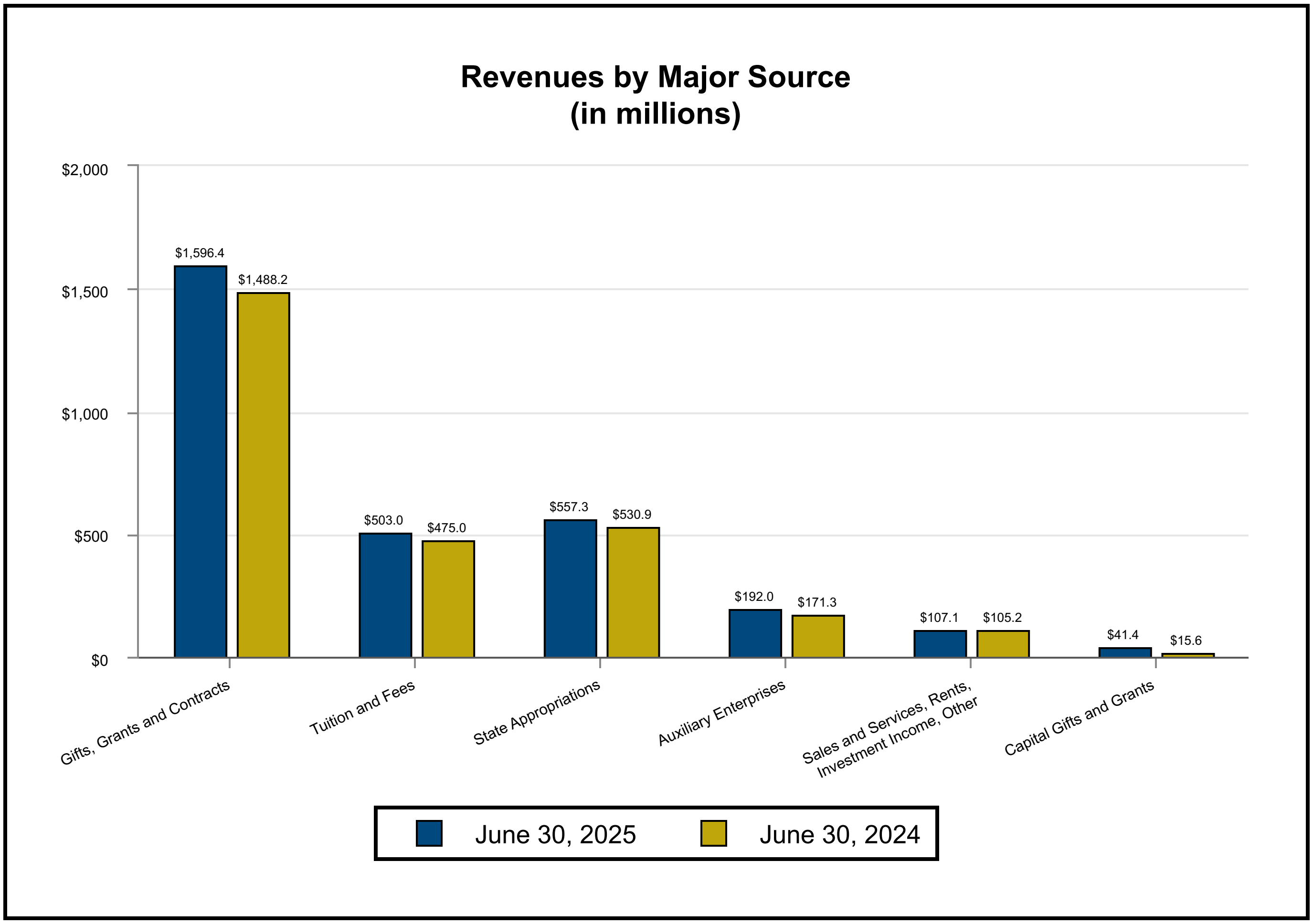
Total revenue increased by $210.9 million (7.57%) from fiscal year 2024 to fiscal year 2025. The largest driver for the increase was Operating Grants and Contracts which increased by $101.4 million (6.90%). This increase represents solid performance for multi-year awards. The next categories with increases include Tuition and Fees which increased by $27.9 million (5.88%), State Appropriations which increased by $26.4 million (4.98%), and Capital Gifts and Grants which increased by $25.8 million (166.07%).

Operating revenue increased by $150.5 million (6.97%) over the prior fiscal year. This increase is a combination of increases in Operating Grants and Contracts of $101.4 million, Tuition and Fees of $27.9 million and Auxiliary Enterprises of $20.7 million. As stated above, the increase in operating Grants and Contracts represents solid performance for multi-year awards. The increase in Tuition and Fees is due to increases in undergraduate and graduate enrollment as well as increases in tuition rates for in-state and out-of-state students. A new tuition rate for out-of-country students, which is 2.00% more than the out-of-state rate, was also implemented in Fall 2024. Auxiliary Enterprises revenue increased due to increases in operations for retail sales, food services and catering, housing, parking and transportation, health services and other organizations of $9.7 million. Auxiliary Enterprises revenue also increased by $11.0 million due to a reclassification of student activity mandatory fees related to intercollegiate athletics. These fees were reclassified from the Student Activities fund group to the Auxiliary Services fund group based on USG guidance.

Nonoperating revenue, which includes categories like state appropriations, grants and contracts, gifts and investment income, increased by $34.6 million (5.65%) for fiscal year 2025. This increase is mainly due to increases in State Appropriations of $26.4 million (4.98%) and Non-Operating Grants and Contracts of $7.0 million (40.05%). The increase in State Appropriations was primarily due to increased formula funding to support core instructional, research, facilities, student services and other institutional needs as well as funds for maintenance and operations, employer share of benefits insurance and Teachers' Retirement System (TRS) employer contributions, and a Cost of Living Adjustment (COLA) for eligible employees.

Capital Gifts and Grants increased $25.8 million (166.07%) compared to the prior year primarily due to donations from Georgia Advanced Technology Ventures, Inc. (a component unit) for capital improvements at the Georgia Tech Cobb Research Campus.

The illustration below is a comparison of the Institute's revenue sources by major category for fiscal years ended June 30, 2025 and June 30, 2024.



Total revenue was $2,997.1 million and $2,786.2 million for fiscal year 2025 and fiscal year 2024, respectively, an increase of $210.9 million. The largest driver of this increase was revenue from Operating Grants and Contracts which totaled $1,569.4 million, an increase of $101.4 million over the prior year. This revenue source for fiscal year 2025 includes $118.0 million of direct expense reimbursements from the Georgia Tech Foundation, an increase of $10.1 million over the prior fiscal year.

Tuition and Fee revenue increased by $27.9 million mainly due to increases of 2.50% for in-state undergraduate and graduate tuition and 5.00% for out-of-state tuition. A new third level of tuition was implemented Fall 2024 for out-of-country students. This rate was 2.00% more than the rate for out-of-state students. Total enrollment also increased for undergraduate students and graduate students for the 2024-2025 academic year.
State Appropriations revenue increased by $26.4 million primarily due to funding for a Cost of Living Adjustment (COLA) wage adjustment for all full-time, benefits eligible employees along with additional funding for maintenance and operations, health insurance and Teachers' Retirement System of Georgia contributions.

Total revenue for Capital Gifts and Grants increased by $25.8 million largely due to donations from Georgia Advanced Technology Ventures, Inc. (a component unit) for capital improvements at the Georgia Tech Cobb Research Campus.

Expenses
For the years ended June 30, 2025 and June 30, 2024, expenses by functional classification were as follows:

EXPENSES BY FUNCTIONAL CLASSIFICATION	June 30, 2025	June 30, 2024
Instruction	$ 457,601,242	$ 435,946,631
Research	1,476,140,296	1,398,030,316
Public Service	87,776,792	80,407,233
Academic Support	108,054,188	110,588,572
Student Services	51,609,055	55,737,109
Institutional Support	188,226,673	192,311,517
Plant Operations and Maintenance	256,701,288	232,434,654
Scholarships and Fellowships	37,459,567	39,995,060
Auxiliary Enterprises	202,523,005	173,342,937
Total Operating Expenses	2,866,092,106	2,718,794,029
Interest Expense and Other Nonoperating Expenses	27,970,334	28,358,395
Total Nonoperating Expenses	27,970,334	28,358,395
Total Expenses	$ 2,894,062,440	$ 2,747,152,424

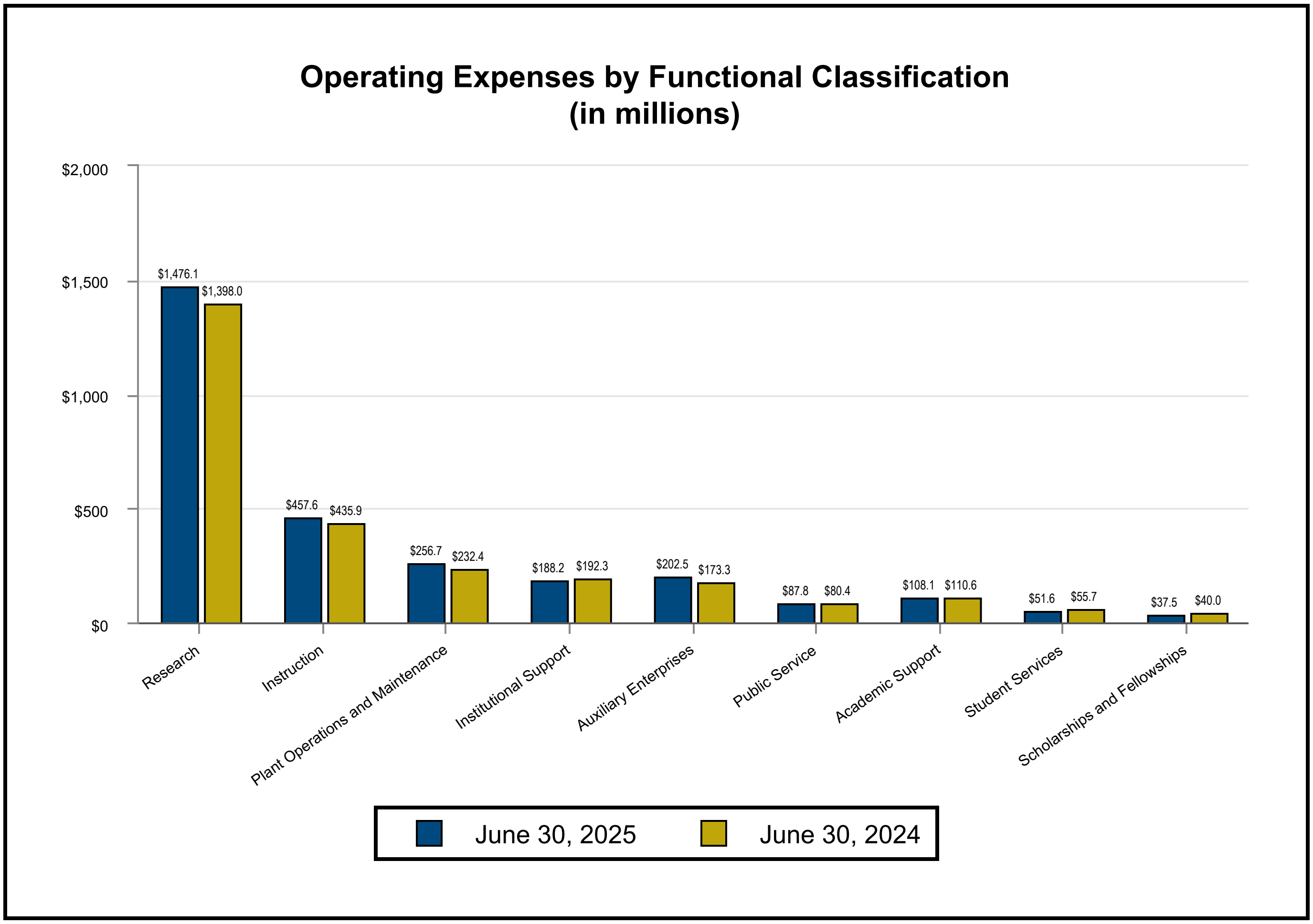
Total expenses were $2,894.1 million in fiscal year 2025, an increase of $146.9 million (5.35%) compared to the prior fiscal year. The increase in total expenses was largely due to increases in operating expenses.

Operating expenses increased by $147.3 million (5.42%). This increase is primarily attributable to the following functional classifications: Research ($78.1 million); Auxiliary Enterprises ($29.2 million); Plant Operations and Maintenance ($24.3 million); Instruction ($21.7 million); and Public Service ($7.4 million). Operating expenses for Academic Support, Student Services, Institutional Support and Scholarships & Fellowships decreased compared to the prior fiscal year.

Non-operating expenses, which mainly include interest expense, decreased slightly from fiscal year 2024 to fiscal year 2025.

For additional information on operating expenses reported by functional classification and operating expenses reported by natural classification, please see the illustrations and text on following pages.

The illustration below is a comparison of the Institute's operating expenses by functional classification for the fiscal years ended June 30, 2025 and June 30, 2024.

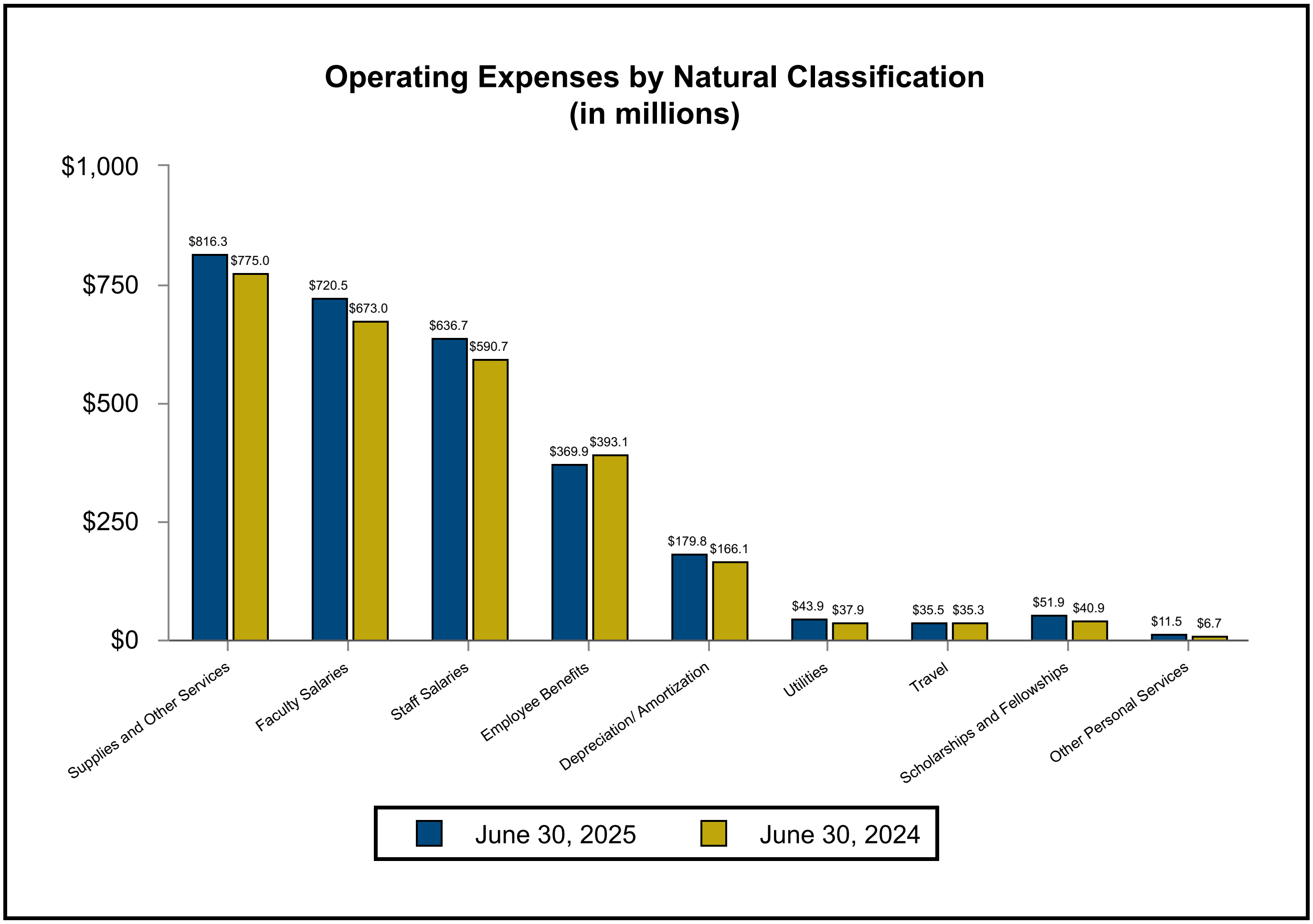


Total operating expenses were $2,866.1 million and $2,718.8 million for fiscal year 2025 and fiscal year 2024, respectively. This represents a $147.3 million (5.42%) increase over the previous fiscal year.

Operating expenses for Research, Instruction, Plant Operations and Maintenance, Auxiliary Enterprises and Public Service increased collectively by $160.6 million from fiscal year 2024 to fiscal year 2025. These increases primarily represent: strong performance for multi-year sponsored awards; increases in enrollment; growth in auxiliary enterprise operations and a reclassification of expenses related to intercollegiate athletics operations from the student activities fund group to the auxiliary services fund group; and increases in utilities costs for services such as electricity and natural gas.

Operating expenses for Academic Support, Student Services, Institutional Support and Scholarships & Fellowships decreased collectively by $13.3 million compared to the prior fiscal year.

The illustration below is a comparison of the Institute's operating expenses by natural classification for the fiscal years ended June 30, 2025 and June 30, 2024.



The net increase in operating expenses of $147.3 million is attributable to increases in all of the natural classifications except for Employee Benefits. Operating expenses for Supplies and Other Services increased by $41.3 million primarily as a result of increased spending on contractual services and repairs and maintenance. Faculty and Staff Salaries increased by $47.4 million and $46.0 million, respectively, mainly due to increases in employee headcount and fiscal year 2025 COLA wage adjustments. Employee Benefits decreased by $23.2 million primarily due to changes in the actuarial assumptions for Teachers Retirement System (TRS) and Employees' Retirement System (ERS) pension calculations as well as changes in the actuarial assumptions for Other Post Employment Benefits (OPEB) calculations. These reductions to employee benefits are offset by increases in employer contributions for fringe benefits such as health insurance, Federal Insurance Contribution Act (FICA), and TRS. Depreciation and Amortization expenses increased by $13.7 million due to an increase in capital asset activity for buildings, infrastructure, facilities & other improvements and equipment as well as an increase in the number of Subscription-Based Information Technology Arrangements (SBITAs).

Statement of Cash Flows

The Statement of Cash Flows presents detailed information about the cash activity of the Institute during the year and is divided into five sections. The first section is related to operating cash flows and reflects the net cash used by the various operating activities of the Institute. The second section is related to cash flows from non-capital financing activities, which reflects the cash received and spent for non-capital financing purposes. The third section summarizes cash flows from capital and related financing activities and contains cash used for the acquisition and construction of capital and related items. The fourth section is comprised of the cash flows from investing activities and includes the purchases, proceeds and interest received from investing activities. The fifth, and final, section reconciles the net cash used to the operating income or loss reflected on the Statement of Revenues, Expenses and Changes in Net Position.

Cash Flows for the Years Ended June 30, 2025 and June 30, 2024 were as follows:

CONDENSED STATEMENT OF NET CASH FLOWS	June 30, 2025	June 30, 2024
Cash Provided (Used) by:		
Net Cash Used by Operating Activities	$ (347,621,857)	$ (340,714,898)
Net Cash Provided by Non-Capital Financing Activities	583,573,629	550,609,052
Net Cash Used by Capital & Related Financing Activities	(299,183,692)	(273,668,843)
Net Cash Provided by Investing Activities	53,524,021	52,717,032
Net Change in Cash & Cash Equivalents	(9,707,899)	(11,057,657)
Cash & Cash Equivalents, Beginning of Year	533,294,269	544,351,926
Cash & Cash Equivalents, End of Year	$ 523,586,370	$ 533,294,269

Capital and Intangible Right-to-Use Assets

Capital and Intangible Right-To-Use Assets, net of accumulated depreciation/amortization, at June 30, 2025 and June 30, 2024 were as follows:

CAPITAL ASSETS, net of accumulated depreciation and amortization	June 30, 2025	June 30, 2024
Land	$ 67,064,416	$ 67,064,416
Capitalized Collections	18,822,430	18,731,309
Construction Work-in-Progress	185,751,267	106,047,567
Infrastructure	72,722,765	78,566,811
Building and Building Improvements	1,633,363,316	1,648,346,851
Facilities and Other Improvements	72,315,511	68,551,735
Equipment	285,011,746	265,784,638
Library Collections	48,335,365	42,635,975
Software	13,811,005	15,858,795
Capital Assets, net of accumulated depreciation and amortization	$ 2,397,197,821	$ 2,311,588,097

The Institute had significant capital asset additions in fiscal year 2025 of $33.4 million for capital improvements at the Georgia Tech Cobb Research Campus.

Intangible Right-to-Use Assets, net of accumulated amortization, at June 30, 2025 and June 30, 2024 were as follows:

INTANGIBLE RIGHT-TO-USE ASSETS, net of accumulated amortization	June 30, 2025	June 30, 2024
Building and Building Improvements	$ 269,464,099	$ 300,111,142
Facilities and Other Improvements	6,680,708	7,439,135
Subscription-Based IT Arrangements (SBITAs)	15,171,680	15,358,766
Intangible Right-to-Use Assets, net of accumulated amortization	$ 291,316,487	$ 322,909,043

The change in intangible right-to-use assets is due to annual amortization offset by additions of right-to-use assets from new lease arrangements and SBITAs. For additional information concerning Capital and Intangible Right-to-Use Assets, see Notes 1 and 6.

Long-Term Liabilities

The Georgia Institute of Technology had Long-Term Liabilities of $792.1 million of which $135.4 million was reflected as a current liability at June 30, 2025.

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

Notes to the Financial Statements

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

Economic Outlook

The financial position of the Georgia Institute of Technology is strong, as evidenced by the Institute's fiscal year 2025 operating results. Management anticipates that fiscal year 2026 will result in a modest increase from the prior year in terms of operating revenues and expenses as a result of strong state support and projected enrollment growth. Management intends to continue to maintain a close watch over resources to respond to emerging challenges and opportunities at the federal level and will recommend adjustments as needed. Key to this effort is monitoring the primary sources of revenue, especially student tuition and fees, state appropriations, and sponsored programs. Management also will continue to exercise prudent controls on capital and other reserves.

<u>Tuition</u>

Georgia Tech's enrollment is expected to increase in alignment with the Institute Strategic Plan with a modest 3.23% enrollment increase anticipated in fiscal year 2026 for programs, exclusive of online programs. Including the online programs, the anticipated enrollment increase is 5.09%. For fiscal year 2026, the Board of Regents (BOR) increased tuition rates for out-of-state and out-of-country students at the University System of Georgia's (USG) 26 public colleges and universities. System wide, in-state undergraduate and graduate tuition remained consistent with the fiscal year 2025 levels while the out-of-state tuition increased by 2.00% and 3.00% for out-of-country students. At Georgia Tech, the online Master's programs at scale tuition increased by 10.00% to 15.00%. For future years, 0.00% to 2.00% rate increases are anticipated, and enrollment growth is expected to continue at a modest pace, in alignment with the Institute Strategic Plan.

The three for-credit online Master's programs at scale – Online Masters in Computer Science (OMSCS), Analytics (OMSA), and Cybersecurity (OMSC) - are continuing to grow as these programs are becoming more attractive to recent undergraduate graduates, the program recognition continues to grow, and recent newsworthy developments in Artificial Intelligence (AI) have more students wanting to pursue a career in computer science or adding computer science skills to their skill set. It is expected that the three OMS programs will experience an increase in enrollment in the aggregate for the coming year, largely driven by the OMSCS program. The OMSCS program received the second highest number of applications ever received for Fall 2025 with projected enrollment around 17,000 students. Due to the increased enrollment and tuition rate, the program projects significant revenue growth over fiscal year 2025.

<u>State Appropriations</u>

The University System of Georgia (USG) operates under a funding formula that provides the Governor and General Assembly a basis for new system funding. The formula aggregates the funding needs of all institutions for the "Resident Instruction" fund, which supports core instructional, research, facilities, student services, and other institutional needs. The formula determining new system requirements is principally based on system-wide changes in enrollment and square footage, but the amount available to the system is contingent upon the Governor and State Legislature's approval of new system funding. Allocations to Georgia Tech and other individual USG institutions are determined by the BOR's allocation strategy, which considers the enrollment of system schools. The Governor recommended and the General Assembly appropriated additional funds for the funding formula, maintenance and operations, health insurance and Teachers' Retirement System. The State of Georgia and the USG are expected to continue to recognize Georgia Tech's strong academic performance and steady enrollment increases, as witnessed by the Institute's receipt of an increase in total state funding of 9.72% in fiscal year 2026 over 2025.

The state earmarked funds increased for the Georgia Tech Research Institute (GTRI) by 0.11% and Enterprise Innovation Institute (EI2) by 0.02% due to state support for the employer share of benefits for state employees.

Sponsored Funding

In fiscal year 2025, Georgia Tech had a record-breaking year in sponsored operations from both a financial and infrastructure perspective. Across both basic and applied research, the Institute received over $1.47 billion in new sponsored awards during the fiscal year. This represents an increase in sponsored awards of 7.73% relative to the previous year and is over $108 million higher than the 5-year average. Direct and Indirect sponsored expenditures exceeded $1.55 billion for the fiscal year, an increase of 7.29% from the previous year. Although there are discussions at the Federal level that could impact sponsored agency budgets and indirect cost recoveries, Georgia Tech anticipates that overall sponsored activity will remain stable across the various sources of external funding in its portfolio in fiscal year 2026.

Reserves

As permitted under state law, Georgia Tech has succeeded in consistently carrying over a portion of its indirect cost revenue and up to 3.00% of tuition revenue into the next fiscal year. The funds carried forward into fiscal year 2026 are earmarked for capital reserves, faculty start-up, deferred maintenance, and other funding priorities in succeeding years.

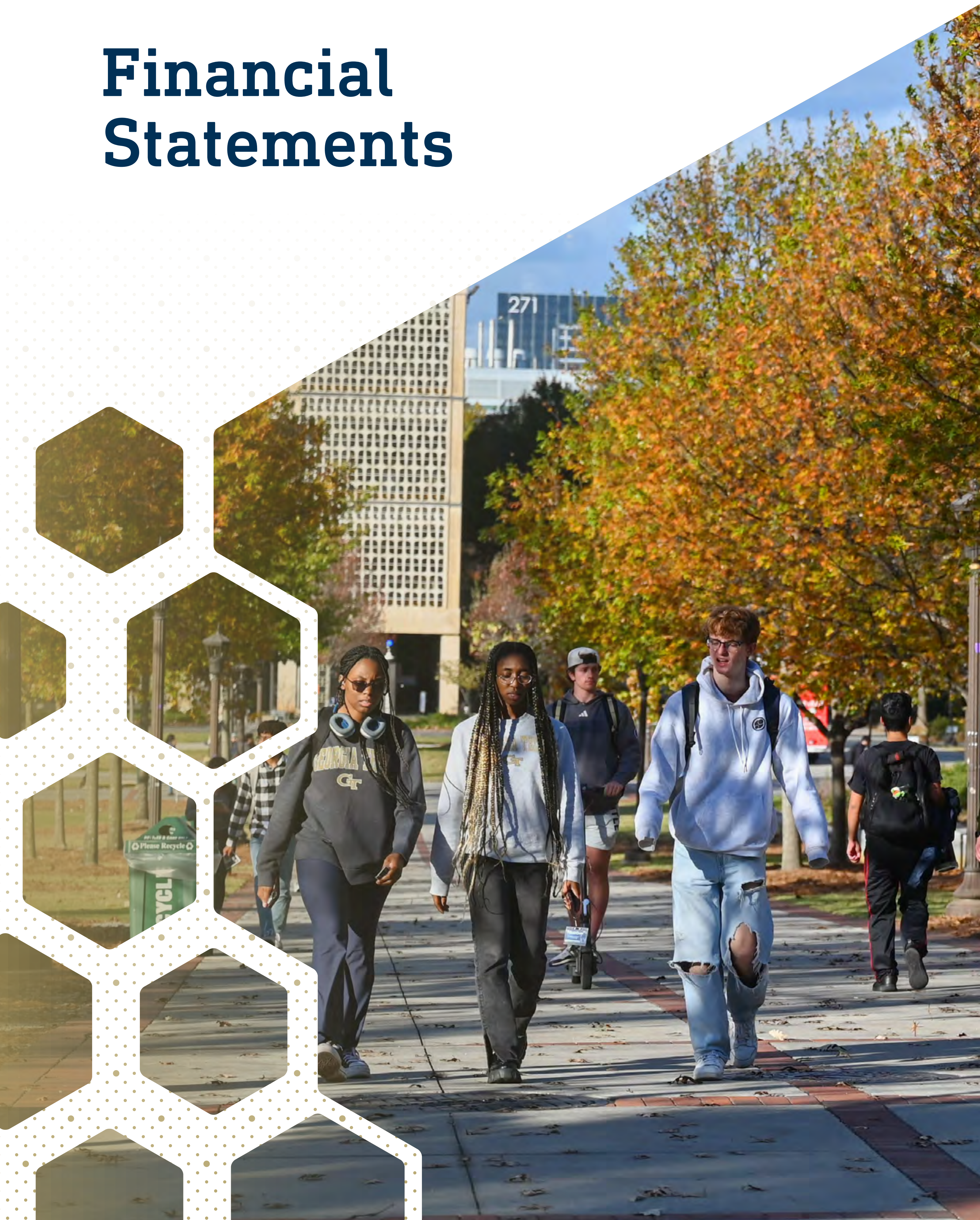
Auxiliary Enterprises

Georgia Tech's Auxiliary Enterprises continue to maintain solid reserves necessary to cover required capital improvements anticipated for future years. Auxiliary programs are principally funded through both mandatory student fees for such services as transportation, student activities, and student health, and elective fees for housing, parking, dining, and other service areas. All areas were able to maintain their levels of service, despite directives to minimize or avoid fee increases.

Ángel Cabrera, President
Georgia Institute of Technology

Tricia P. Chastain, Executive Vice President
Georgia Institute of Technology

Financial Statements



GEORGIA INSTITUTE OF TECHNOLOGY
STATEMENT OF NET POSITION
JUNE 30, 2025

	Georgia Institute of Technology	Component Units
ASSETS		
Current Assets		
Cash and Cash Equivalents	$ 304,956,935	$ 321,407,997
Cash and Cash Equivalents (Externally Restricted)	218,380,086	57,277,211
Short-term Investments (Externally Restricted)	—	841,509
Accounts Receivable, net		
Federal Financial Assistance	39,472,043	—
Affiliated Organizations	—	3,477,737
Component Units	135,776,110	—
Primary Government	—	13,897,980
Pledges and Contributions	—	71,831,354
Other	36,409,558	337,246,933
Notes Receivable, net	—	644,000
Investment in Financing Lease Arrangements - Primary Government	—	23,242,519
Investment in Financing Lease Arrangements - Other	—	(530,425)
Inventories	2,393,118	—
Prepaid Items	79,121,877	6,455,977
Other Assets	—	2,205,000
Total Current Assets	816,509,727	837,997,792
Non-Current Assets		
Accounts Receivable, net		
Primary Government	—	79,661,090
Due From USO - Capital Liability Reserve Fund	3,630,599	—
Pledges and Contributions	—	124,745,024
Other	4,359,865	13,046,000
Investments	—	450,242,623
Notes Receivable, net	7,779,320	—
Investment in Financing Lease Arrangements - Primary Government	—	352,535,524
Investment in Financing Lease Arrangements - Other	—	34,919,432
Other Assets	—	122,140,786
Non-current Cash (Externally Restricted)	249,349	89,661,118
Investments (Externally Restricted)	123,394,549	2,640,507,444
Capital Assets, net	2,397,197,821	628,707,414
Intangible Right-to-Use Assets, net	291,316,487	116,048,653
Total Non-Current Assets	2,827,927,990	4,652,215,108
TOTAL ASSETS	3,644,437,717	5,490,212,900
DEFERRED OUTFLOWS OF RESOURCES	$ 457,086,598	$ 5,557,644

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

GEORGIA INSTITUTE OF TECHNOLOGY
STATEMENT OF NET POSITION
JUNE 30, 2025

	Georgia Institute of Technology	Component Units
LIABILITIES		
Current Liabilities		
Accounts Payable	$ 109,951,150	$ 27,144,852
Salaries Payable	2,415,058	—
Benefits Payable	2,203,374	—
Contracts Payable	8,134,009	2,607,627
Retainage Payable	4,572,344	12,985,515
Due to Affiliated Organizations	111,497	—
Due to Component Units	747,056	—
Due to Primary Government	—	135,776,110
Advances (Including Tuition and Fees)	26,602,994	135,371,441
Deposits	1,565,757	444,317
Deposits Held for Other Organizations	4,000	175,157,557
Other Liabilities	3,274	2,022,302
Subscription Obligations	5,205,446	419,955
Notes and Loans Payable - External	2,758,703	18,624,632
Notes and Loans Payable - Component Units	23,242,520	—
Lease Obligations - External	17,499,731	17,270,922
Lease Obligations - Component Units	20,542,129	—
Revenue Bonds and Notes Payable	—	31,705,000
Liabilities Under Split Interest Agreements	—	2,205,000
Pollution Remediation	400,265	—
Compensated Absences	65,725,753	633,000
Total Current Liabilities	291,685,060	562,368,230
Non-Current Liabilities		
Advances (Including Tuition and Fees)	5,703,541	42,562,724
Other Liabilities	—	17,350,000
Subscription Obligations	3,528,430	975,150
Notes and Loans Payable - External	16,703,501	62,769,221
Notes and Loans Payable - Component Units	352,535,525	
Lease Obligations - External	159,444,633	104,566,643
Lease Obligations - Component Units	92,182,313	—
Revenue Bonds and Notes Payable	—	1,018,633,692
Liabilities Under Split Interest Agreements	—	21,592,000
Compensated Absences	32,356,641	—
Net Other Post-employment Benefits Liability	526,517,294	—
Net Pension Liability	781,371,817	—
Total Non-Current Liabilities	1,970,343,695	1,268,449,430
TOTAL LIABILITIES	2,262,028,755	1,830,817,660
DEFERRED INFLOWS OF RESOURCES	388,038,008	88,960,636
NET POSITION		
Net Investment in Capital Assets	1,979,163,589	54,523,064
Restricted for:		
Nonexpendable	86,487,023	2,408,002,159
Expendable	46,572,479	408,957,250
Unrestricted (Deficit)	(660,765,539)	704,509,775
TOTAL NET POSITION	$ 1,451,457,552	$ 3,575,992,248

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

GEORGIA INSTITUTE OF TECHNOLOGY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR FISCAL YEAR ENDED JUNE 30, 2025

	Georgia Institute of Technology	Component Units
OPERATING REVENUES		
Student Tuition and Fees (net)	$ 502,960,313	$ —
Grants and Contracts		
Federal	1,202,704,591	1,341,460,241
State	26,273,529	28,212,877
Other	340,392,802	93,285,686
Sales and Services	40,621,423	98,998,019
Rents and Royalties	920,911	137,996,912
Auxiliary Enterprises		
Residence Halls	84,630,863	—
Bookstore	2,483,263	—
Food Services	49,826,226	—
Parking/Transportation	21,520,367	—
Health Services	14,349,913	—
Intercollegiate Athletics	11,009,470	—
Other Organizations	8,188,909	—
Gifts and Contributions	—	325,495,904
Endowment Income	—	91,840,000
Other Operating Revenues	2,257,228	3,497,840
Total Operating Revenues	2,308,139,808	2,120,787,479
OPERATING EXPENSES		
Faculty Salaries	720,463,847	—
Staff Salaries	636,725,979	41,099,299
Employee Benefits	369,941,867	11,520,167
Other Personal Services	11,518,372	—
Travel	35,511,733	10,858,668
Scholarships and Fellowships	51,876,040	15,460,479
Utilities	43,881,714	2,830,958
Supplies and Other Services	816,345,409	1,809,809,829
Depreciation and Amortization	179,827,145	36,064,090
Total Operating Expenses	2,866,092,106	1,927,643,490
Operating Income (Loss)	$ (557,952,298)	$ 193,143,989

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

GEORGIA INSTITUTE OF TECHNOLOGY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR FISCAL YEAR ENDED JUNE 30, 2025

	Georgia Institute of Technology	Component Units
NONOPERATING REVENUES (EXPENSES)		
State Appropriations	$ 557,289,347	$ —
Grants and Contracts		
Federal	24,457,719	—
Gifts	2,589,708	—
Investment Income	63,261,497	219,882,352
Interest Expense	(23,489,972)	(37,873,023)
Other Nonoperating Revenues (Expenses)	(4,480,362)	1,600,027
Net Nonoperating Revenues (Expenses)	619,627,937	183,609,356
Income Before Other Revenues, Expenses, Gains or Losses	61,675,639	376,753,345
Capital Grants and Gifts		
State	5,709,295	—
Other	35,684,358	25,000
Additions to Permanent and Term Endowments	—	67,067,323
Special Item	4,609	—
Total Other Revenues, Expenses, Gains or Losses	41,398,262	67,092,323
Change in Net Position	103,073,901	443,845,668
Net Position, Beginning of Year	1,348,383,651	3,132,146,580
Net Position, End of Year	$ 1,451,457,552	$ 3,575,992,248

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

GEORGIA INSTITUTE OF TECHNOLOGY
STATEMENT OF CASH FLOWS
FOR FISCAL YEAR ENDED JUNE 30, 2025

	Georgia Institute of Technology
CASH FLOWS FROM OPERATING ACTIVITIES	
Payments from Customers	$ 742,077,088
Grants and Contracts (Exchange)	1,568,367,301
Payments to Suppliers	(1,222,392,132)
Payments to Employees	(1,385,527,743)
Payments for Scholarships and Fellowships	(51,876,040)
Loans Issued to Students	(8,295,579)
Collection of Loans from Students	9,084,279
Other Receipts	940,969
Net Cash Used by Operating Activities	(347,621,857)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
State Appropriations	557,289,347
Gifts and Grants Received for Other Than Capital Purposes	27,047,425
Other Non-Capital Financing Payments	(763,143)
Net Cash Flows Provided by Non-Capital Financing Activities	583,573,629
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Capital Gifts and Grants Received	537,679
Purchases of Capital and Intangible Rights-to Use Assets	(205,527,289)
Principal Paid on Capital Debt and Leases	(71,278,862)
Interest Paid on Capital Debt and Leases	(22,915,220)
Net Cash Used by Capital and Related Financing Activities	(299,183,692)
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment Income	53,524,021
Net Cash Provided by Investing Activities	53,524,021
Net Decrease in Cash and Cash Equivalents	(9,707,899)
Cash and Cash Equivalents, Beginning of Year	533,294,269
Cash and Cash Equivalents, End of Year	$ 523,586,370

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

GEORGIA INSTITUTE OF TECHNOLOGY
STATEMENT OF CASH FLOWS
FOR FISCAL YEAR ENDED JUNE 30, 2025

	Georgia Institute of Technology
RECONCILIATION OF OPERATING LOSS TO	
NET CASH USED BY OPERATING ACTIVITIES:	
Operating Loss	$ (557,952,298)
Adjustments to Reconcile Net Operating Loss to	
Net Cash Used by Operating Activities	
Depreciation and Amortization	179,827,145
Change in Assets and Liabilities:	
Receivables, net	4,251,337
Inventories	(175,710)
Prepaid Items	2,275,951
Notes Receivable, Net	788,700
Accounts Payable	13,033,377
Salaries Payable	399,971
Benefits Payable	212,474
Deposits	(238,045)
Advances (Including Tuition and Fees)	(1,317,025)
Other Liabilities	(9,460)
Funds Held for Others	4,000
Compensated Absences	6,773,845
Due to Component Units/Affiliated Organizations	(71,111)
Pollution Remediation	115,375
Net Pension Liability	(99,910,707)
Net Other Post-Employment Benefit Liability	(23,623,584)
Change in Deferred Inflows/Outflows of Resources:	
Deferred Inflows of Resources	74,766,707
Deferred Outflows of Resources	53,227,201
Net Cash Used by Operating Activities	$ (347,621,857)

NON-CASH INVESTING, NON-CAPITAL FINANCING, AND CAPITAL AND RELATED FINANCING TRANSACTIONS	
Capital Financing Activities Noncash Items:	
Current Year Accruals Related to Capital Financing Activities	$ 32,800
Gift of Capital Assets	$ 41,976,976
Loss on Disposal of Capital Assets	$ (10,650,725)
Accrual of Capital Asset Related Payables	$ 15,707,784
Intangible Right-to-Use Assets Acquired by Incurring Lease Obligations	$ 10,804,062
Intangible Right-to-Use Assets Acquired by Incurring SBITAs	$ 8,560,047
Accrual of Capital Financing Interest Payable	$ 1,418,295
Other Capital Financing Activities Noncash Items	$ 10,564,971
Unrealized Gain on Investments	$ 9,737,476

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

GEORGIA INSTITUTE OF TECHNOLOGY
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2025

		Custodial Funds
ASSETS		
Receivables		
Other	$	12,462,595
Total Assets		12,462,595
LIABILITIES		
Cash Overdraft		10,551,160
Other Liabilities		300
Total Liabilities		10,551,460
NET POSITION		
Restricted for:		
Individuals, Organizations, and Other Governments	$	1,911,135

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

GEORGIA INSTITUTE OF TECHNOLOGY
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR FISCAL YEAR ENDED JUNE 30, 2025

	Custodial Funds
ADDITIONS	
Federal Financial Aid	$ 61,097,326
State Financial Aid	117,599,307
Other Financial Aid	17,149,836
Clubs and Other Organizations Fund Raising	222,277
Total Additions	196,068,746
DEDUCTIONS	
Administrative Expense	1,934
Scholarships and Other Student Support	195,321,120
Student Organizations Support	293,848
Total Deductions	195,616,902
Net Increase in Fiduciary Net Position	451,844
Net Position, Beginning of Year	1,459,291
Net Position, End of Year	$ 1,911,135

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

GEORGIA INSTITUTE OF TECHNOLOGY
COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
JUNE 30, 2025

	Georgia Tech Foundation, Inc.	Georgia Tech Facilities, Inc.	Georgia Tech Research Corporation	Georgia Tech Athletic Association	Georgia Advanced Technology Ventures, Inc.	Elimination/ Consolidation Entries	Total
ASSETS							
Current Assets							
Cash and Cash Equivalents	$ 30,623,000	$ 11,723,919	$ 242,824,993	$ 18,788,144	$ 17,447,941	$ —	$ 321,407,997
Cash and Cash Equivalents (Externally Restricted)	18,557,000	29,056,191	—	3,920,790	5,743,230	—	57,277,211
Short-term Investments (Externally Restricted)	—	—	—	841,509	—	—	841,509
Accounts Receivable, net							
Affiliated Organizations	—	—	385,388	—	3,092,349	—	3,477,737
Component Units	—	—	15,037,145	—	—	(15,037,145)	—
Primary Government	744,284	—	13,151,821	1,875	—	—	13,897,980
Pledges and Contributions	51,352,000	—	—	20,448,157	31,197	—	71,831,354
Other	28,437,716	—	289,438,447	19,369,603	1,167	—	337,246,933
Notes Receivable, net	644,000	—	—	—	—	—	644,000
Investment in Financing Lease Arrangements - Primary Government	9,637,000	13,312,605	—	—	1,703,994	(1,411,080)	23,242,519
Investment in Financing Lease Arrangements - Other	—	—	—	—	(530,425)	—	(530,425)
Prepaid Items	3,392,000	320,920	1,615,931	913,232	213,894	—	6,455,977
Other Assets	2,205,000	—	—	—	—	—	2,205,000
Total Current Assets	145,592,000	54,413,635	562,453,725	64,283,310	27,703,347	(16,448,225)	837,997,792
Non-Current Assets							
Accounts Receivable, net							
Primary Government	—	—	79,661,090	—	—	—	79,661,090
Pledges and Contributions	77,262,000	—	—	47,075,004	408,020	—	124,745,024
Other	13,046,000	—	—	—	—	—	13,046,000
Investments	624,317,000	—	67	—	—	(174,074,444)	450,242,623
Investment in Financing Lease Arrangements - Primary Government	59,193,000	242,166,393	—	—	53,988,211	(2,812,080)	352,535,524
Investment in Financing Lease Arrangements - Other	—	—	—	—	34,919,432	—	34,919,432
Other Assets	119,925,000	2,131,250	84,536	—	—	—	122,140,786
Non-current Cash (Externally Restricted)	—	89,661,118	—	—	—	—	89,661,118
Investments (Externally Restricted)	2,468,167,000	—	—	172,340,444	—	—	2,640,507,444
Capital Assets, net	148,260,000	184,643,393	4,044,991	196,409,804	95,349,226	—	628,707,414
Intangible Right-of-Use, net	—	—	88,962,611	1,552,603	25,533,439	—	116,048,653
Total Non-Current Assets	3,510,170,000	518,602,154	172,753,295	417,377,855	210,198,328	(176,886,524)	4,652,215,108
TOTAL ASSETS	3,655,762,000	573,015,789	735,207,020	481,661,165	237,901,675	(193,334,749)	5,490,212,900
DEFERRED OUTFLOWS OF RESOURCES	$ —	$ —	$ —	$ 5,557,644	$ —	$ —	$ 5,557,644

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

GEORGIA INSTITUTE OF TECHNOLOGY
COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
JUNE 30, 2025

	Georgia Tech Foundation, Inc.	Georgia Tech Facilities, Inc.	Georgia Tech Research Corporation	Georgia Tech Athletic Association	Georgia Advanced Technology Ventures, Inc.	Elimination/ Consolidation Entries	Total
LIABILITIES							
Current Liabilities							
Accounts Payable	$ 7,730,064	$ 11,761,000	$ —	$ 6,904,550	$ 749,238	$ —	$ 27,144,852
Contracts Payable	—	—	—	2,607,627	—	—	$ 2,607,627
Retainage Payable	—	11,349,174	—	—	1,636,341	—	12,985,515
Due to Component Units	—	—	15,037,145	—	—	(15,037,145)	—
Due to Primary Government	14,935,936	—	117,225,372	3,614,802	—	—	135,776,110
Advances (Including Tuition and Fees)	7,576,000	1,262,844	92,402,598	29,634,200	4,495,799	—	135,371,441
Deposits	149,000	—	—	—	295,317	—	444,317
Deposits Held for Other Organizations	175,967,000	—	173,265,001	—	—	(174,074,444)	175,157,557
Other Liabilities	—	—	—	—	2,022,302	—	2,022,302
Subscription Obligations	—	—	—	419,955	—	—	419,955
Notes and Loans Payable - External	10,016,000	—	—	5,215,354	3,393,278	—	18,624,632
Lease Obligations - External	—	—	13,150,817	43,386	4,076,719	—	17,270,922
Revenue Bonds & Notes Payable	14,190,000	12,400,000	—	3,860,000	1,255,000	—	31,705,000
Liabilities Under Split Interest Agreements	2,205,000	—	—	—	—	—	2,205,000
Compensated Absences	633,000	—	—	—	—	—	633,000
Total Current Liabilities	233,402,000	36,773,018	411,080,933	52,299,874	17,923,994	(189,111,589)	562,368,230
Non-Current Liabilities							
Advances (Including Tuition and Fees)	—	16,827,261	—	16,357,634	9,377,829	—	42,562,724
Other Liabilities	17,050,000	—	—	300,000	—	—	17,350,000
Subscription Obligations	—	—	—	975,150	—		975,150
Notes and Loans Payable - External	23,898,000	—	—	3,725,000	35,146,221	—	62,769,221
Lease Obligations - External	—	—	79,661,127	—	24,905,516	—	104,566,643
Revenue Bonds & Notes Payable	268,199,000	419,216,799	—	278,805,187	52,412,706	—	1,018,633,692
Liabilities Under Split Interest Agreements	21,592,000	—	—	—	—	—	21,592,000
Total Non-Current Liabilities	330,739,000	436,044,060	79,661,127	300,162,971	121,842,272	—	1,268,449,430
TOTAL LIABILITIES	564,141,000	472,817,078	490,742,060	352,462,845	139,766,266	(189,111,589)	1,830,817,660
DEFERRED INFLOWS OF RESOURCES	—	—	88,960,636	—	—	—	88,960,636
NET POSITION							
Net Investment in Capital Assets	(221,000)	82,753,524	195,658	(80,776,328)	52,571,210	—	54,523,064
Restricted for:							
Nonexpendable	2,322,614,000	—	—	85,388,159	—	—	2,408,002,159
Expendable	304,948,000	—	7,686,701	96,228,522	94,027	—	408,957,250
Unrestricted	464,280,000	17,445,187	147,621,965	33,915,611	45,470,172	(4,223,160)	704,509,775
TOTAL NET POSITION	$3,091,621,000	$ 100,198,711	$ 155,504,324	$ 134,755,964	$ 98,135,409	$ (4,223,160)	$3,575,992,248

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

GEORGIA INSTITUTE OF TECHNOLOGY
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
COMPONENT UNITS
FOR FISCAL YEAR ENDED JUNE 30, 2025

	Georgia Tech Foundation, Inc.	Georgia Tech Facilities, Inc.	Georgia Tech Research Corporation	Georgia Tech Athletic Association	Georgia Advanced Technology Ventures, Inc.	Elimination/ Consolidation Entries	Total
OPERATING REVENUES							
Grants and Contracts							
Federal	$ —	$ —	$1,341,460,241	$ —	$ —	$ —	$1,341,460,241
State	—	—	28,212,877	—	—	—	28,212,877
Other	—	—	93,265,446	—	20,240	—	93,285,686
Sales and Services	19,000	156,497		98,822,522	—	—	98,998,019
Rents and Royalties	38,764,000	12,384,987	20,318,768	9,674,769	55,244,588	1,609,800	137,996,912
Gifts and Contributions	172,490,000	70,610,490	3,564,373	78,598,932	232,109	—	325,495,904
Endowment Income	91,840,000	—			—	—	91,840,000
Other Operating Revenues	—	47,617	2,585,265		864,958	—	3,497,840
Total Operating Revenues	303,113,000	83,199,591	1,489,406,970	187,096,223	56,361,895	1,609,800	2,120,787,479
OPERATING EXPENSES							
Staff Salaries	3,916,000	—		36,480,885	702,414	—	41,099,299
Employee Benefits	1,029,000	—		10,491,167	—	—	11,520,167
Travel	135,000	—		10,723,668	—	—	10,858,668
Scholarships and Fellowships	—	—		15,460,479	—	—	15,460,479
Utilities	1,924,000	193,750		—	713,208	—	2,830,958
Supplies and Other Services	199,370,000	3,050,538	1,490,329,838	71,187,966	45,871,487	—	1,809,809,829
Depreciation and Amortization	3,852,000	—	15,454,450	12,903,249	3,854,391	—	36,064,090
Total Operating Expenses	210,226,000	3,244,288	1,505,784,288	157,247,414	51,141,500	—	1,927,643,490
Operating Income (Loss)	$ 92,887,000	$ 79,955,303	$ (16,377,318)	$ 29,848,809	$ 5,220,395	$ 1,609,800	$ 193,143,989

GEORGIA INSTITUTE OF TECHNOLOGY
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
COMPONENT UNITS
FOR FISCAL YEAR ENDED JUNE 30, 2025

	Georgia Tech Foundation, Inc.	Georgia Tech Facilities, Inc.	Georgia Tech Research Corporation	Georgia Tech Athletic Association	Georgia Advanced Technology Ventures, Inc.	Elimination/ Consolidation Entries	Total
NONOPERATING REVENUES (EXPENSES)							
Investment Income	$ 194,836,000	$ 5,545,116	$ 7,179,229	$ 12,322,007	$ —	$ —	$ 219,882,352
Interest Expense	(11,107,000)	(9,102,698)	(1,600,027)	(11,954,474)	(4,108,824)	—	(37,873,023)
Other Nonoperating Revenues (Expenses)	—	—	1,600,027		—	—	1,600,027
Net Nonoperating Revenues (Expenses)	183,729,000	(3,557,582)	7,179,229	367,533	(4,108,824)	—	183,609,356
Income (Loss) Before Other Revenues, Expenses, Gains, or Losses	276,616,000	76,397,721	(9,198,089)	30,216,342	1,111,571	1,609,800	376,753,345
Capital Grants and Gifts							
Other	—	—		25,000	—	—	25,000
Additions to Permanent and Term Endowments	63,784,000	—		3,283,323	—	—	67,067,323
Total Other Revenues, Expenses, Gains or Losses	63,784,000	—	—	3,308,323	—	—	67,092,323
Change in Net Position	340,400,000	76,397,721	(9,198,089)	33,524,665	1,111,571	1,609,800	443,845,668
Net Position, Beginning of Year	2,751,221,000	23,800,990	164,702,413	101,231,299	97,023,838	(5,832,960)	3,132,146,580
Net Position, End of Year	$3,091,621,000	$100,198,711	$155,504,324	$134,755,964	$ 98,135,409	$ (4,223,160)	$3,575,992,248

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

Notes to the Financial Statements

GEORGIA INSTITUTE OF TECHNOLOGY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

Note 1 Summary of Significant Accounting Policies

Nature of Operations

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

Reporting Entity

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

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

The accompanying basic financial statements are intended to supplement the State of Georgia's Annual Comprehensive Financial Report (ACFR) by presenting the financial position and changes in financial position and cash flows of only that portion of the business-type activities of the State that is attributable to the transactions of the Institute. In addition, certain discretely presented component units of the State, as discussed below, have been included since they have been determined to be essential to the fair presentation to these departmental financial statements. These financial statements do not purport to, and do not, present fairly the financial position of the State as of June 30, 2025, the changes in its financial position or its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

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

Discretely Presented Component Units

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

- Georgia Advanced Technology Ventures Inc. - 221 Uncle Heinie Way, Lyman Hall Suite 325, Atlanta, GA, 30332 or found at https://gatv.gatech.edu/financials.

- Georgia Tech Athletic Association - 177 North Avenue, NW, Atlanta, GA 30332 or found at https://finance.gatech.edu/affiliated-organization-financial-statements.

- Georgia Tech Facilities Inc. - 221 Uncle Heinie Way, NW, Lyman Hall Suite 325, Atlanta GA 30332 or found at http://gtfi.gatech.edu/financial-statements.

- Georgia Tech Foundation Inc. - 760 Spring Street, NW, Suite 400, Atlanta, GA 30308 or found at http://www.gtf.gatech.edu/financial-statements.

- Georgia Tech Research Corporation - 926 Dalney Street NW, Atlanta, GA 30332 or found at http://gtrc.gatech.edu/gtrc/documents/financial-information.

See Note 20, Component Units, for additional information related to discretely presented component units.

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

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

The Institute reports the following fiduciary funds:

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

New Accounting Pronouncements
In June 2022, the GASB issued Statement No. 101, Compensated Absences, effective for fiscal years beginning after December 15, 2023. The objectives of this statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. Under this statement, leave liabilities should be recognized for both unused and used-but-unsettled leave, attributable to services already rendered, that accumulates and is likely to be used or paid. The adoption of this statement does not have a significant impact on the financial statements.

In December 2023, the GASB issued Statement No. 102, Certain Risk Disclosures, effective for fiscal years beginning after June 15, 2024. The objectives of this Statement are to enhance accounting and financial reporting requirements to provide better information to understand and anticipate certain risks to the financial condition by disclosing certain concentrations or constraints and related events that have occurred or have begun to occur that could result in a substantial impact. The adoption of this statement does not have a significant impact on the financial statements and will be applied prospectively.

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

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

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

Inventories
Consumable supplies are recorded using the consumption method and are valued at cost on the Statement of Net Position using the average-cost basis. Resale inventories are also valued at cost using the average-cost basis.

Prepaid Items
Payments made to vendors and state and local government organizations for services that will benefit periods beyond June 30, 2025 are recorded as prepaid items.

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

Depreciation, which also includes amortization of intangible assets such as water, timber and mineral rights, easements, patents, trademarks, and copyrights, as well as software, is computed using the straight-line method over the estimated useful life of the asset, generally 40 to 50 years for buildings, 25 years for infrastructure, 20 years for facilities and other improvements, 10 years for library collections, 5 to 10 years for equipment and 3 to 10 years for software assets. Non-research buildings are generally depreciated over 40 to 50 years as indicated above. Research buildings are depreciated by building component such as elevators, general structure, heating, ventilation and air conditioning, roof, etc. The useful life of these components is generally between 20 and 50 years. Residual values will generally be 10% of historical costs for infrastructure, buildings and building improvements, facilities and other improvements and software assets.

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

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

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

The Institute 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 Institute capitalizes SBITA items that are greater than $100,000 over the subscription term and the initial term exceeds 12 months.

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

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

Capital Liability Reserve Fund

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

Deferred Outflows of Resources

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

Deposits

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

Advances

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

Pollution Remediation Obligations

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

Compensated Absences

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

Non-current Liabilities

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

Deferred Inflows of Resources

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

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

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

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

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

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

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

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

Restricted - nonexpendable net position includes endowments and similar type funds in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income, which may either be expended or added to principal. For institution-controlled, donor-restricted endowments, the by-laws of the Board of Regents of the University System of Georgia permits each individual institution to use prudent judgment in the spending of current realized and unrealized endowment appreciation.

Donor-restricted endowment appreciation is periodically transferred to restricted - expendable accounts for expenditure as specified by the purpose of the endowment. The Institute maintains pertinent information related to each endowment fund including donor; amount and date of donation; restrictions by the source of limitations; limitations on investments, etc.

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

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

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

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

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

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

Scholarship Allowances

Scholarship allowances are the difference between the stated charge for goods and services provided by the Institute, and the amount that is paid by students and/or third parties making payments on the students' behalf. Certain governmental grants, such as Pell grants, and other Federal, state or nongovernmental programs are recorded as either operating or non-operating revenues in the Institute's financial statements. To the extent that revenues from such programs are used to satisfy tuition and fees and other student charges, the Institute has recorded contra revenue for scholarship allowances. Tuition, fees and other student charges reported on the Statement of Revenues, Expenses and Changes in Net Position are net of discounts and allowances of $45,400,617 and waivers in the amount of $42,051,175.

Special Items

The Institute transferred property to the Georgia Department of Corrections in fiscal year 2025 consisting of equipment with a cost of $38,607, accumulated depreciation of $27,946, resulting in a net book value of $10,661. The Institute received property from Global Center for Medical Innovation (GCMI) in fiscal year 2025 consisting of equipment with a cost of $621,930, accumulated depreciation of $606,660, resulting in a net book value of $15,270.

Changes in Accounting Estimates

In 2000, the National Association of College and University Business Officers (NACUBO) provided initial guidance on accounting for and reporting financial aid as a discount, commonly referred to as a scholarship allowance. However, NACUBO Advisory 2023-1 recognized that the initial guidance from 2000 understated the actual scholarship allowance while overstating the expense. For the fiscal year ended June 30, 2025, the Institute adopted the revised principles outlined in NACUBO Advisory 2023-1 to ensure more accurate calculations of the scholarship allowance, resulting in a change in accounting estimate.

The change in estimate was implemented prospectively and reflects updated assumptions and methodologies based on the Advisory's recommendations. The impact of this change on the financial statements for the current fiscal year, as reflected in the Statement of Revenues and Expenditures, is an increase in Student Tuition and Fees (net) and a increase in Operating Expenses: Scholarship and Fellowships. This change in methodology does not have any impact on the change in net position for prior years.

Note 2 Deposits and Investments

Cash and cash equivalents and investments as of June 30, 2025 are classified in the accompanying statement of net position and statement of fiduciary net position as follows:

Statement of Net Position		
Current		
Cash and Cash Equivalents	$	304,956,935
Cash and Cash Equivalents (Externally Restricted)		218,380,086
Noncurrent		
Non-current Cash (Externally Restricted)		249,349
Investments (Externally Restricted)		123,394,549
Statement of Fiduciary Net Position		
Cash and Cash Equivalents		(10,551,160)
	$	636,429,759

Cash on hand, deposits and investments as of June 30, 2025 consist of the following:

Cash on Hand	$	2,000
Deposits with Financial Institutions		43,782,730
Investments		592,645,029
	$	636,429,759

A. Deposits with Financial Institutions

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

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

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

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

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

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

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

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

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

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

At June 30, 2025, the bank balances of the Institute’s deposits totaled $53,548,936. This balance includes deposits in fiduciary funds as these balances are not separable from the holdings of the Institute. Of these deposits, $136,236 were exposed to uninsured and uncollateralized custodial credit risk.

B. Investments

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

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

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

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

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

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

The following table summarizes the valuation of the Institute's investments measured at fair value on a recurring basis and at net asset value as of June 30, 2025.

		Fair Value Hierarchy			
	Fair Value	Level 1	Level 2	Level 3	NAV
Investment type:					
Debt Securities					
U.S. Treasuries	$ 8,246	$ 8,246	$ —	$ —	$ —
U.S. Agencies					
Implicitly Guaranteed	25,945	—	25,945	—	—
Corporate Debt	594,864	—	594,864	—	—
Money Market Mutual Funds	249,349	249,349	—	—	—
Mutual Bond Funds	138,847	138,847	—	—	—
Other Investments					
Equity Mutual Funds - Domestic	469,650	469,650	—	—	—
Equity Mutual Funds - International	337,940	337,940	—	—	—
Equity Securities - Domestic	1,542,729	1,542,729	—	—	—
Equity Securities - International	182,521	182,521	—	—	—
Real Estate Held for Investment Purposes	399,486	—	—	—	399,486
Real Estate Investment Trusts	43,127	—	—	—	43,127
	$ 3,992,704	$ 2,929,282	$ 620,809	$ —	$ 442,613
Investment Pools					
Board of Regents					
Short-Term Fund	406,927,005				
Legal Fund	5,937,526				
Diversified Fund	113,713,668				
Office of the State Treasurer					
Georgia Fund 1	62,074,126				
Total Investments	$ 592,645,029				

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

Board of Regents Pooled Investment Program

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

The USG maintains investment policy guidelines for each pooled investment fund that is offered to qualified University System participants. These policies are intended to foster the 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 Institute's position in the 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 O.C.G.A. § 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 ¾ - 1 year. The overall character of the portfolio is of Agency quality, possessing a minimal degree of financial risk. The market value of the Institute's position in the Short-Term Fund at June 30, 2025 was $406,927,005, of which 100% is invested in debt securities. The Effective Duration of the Fund is 1.03 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 O.C.G.A. § 50-17-59 and 50-17-63. The average maturities of investments in this fund will typically range between three and five years, with a maximum of thirty years for any individual investment. The overall character of the portfolio is Agency quality, possessing a minimal degree of financial risk. The market value of the Institute's position in the Legal Fund at June 30, 2025 was $5,937,526, of which 100% is invested in debt securities. The Effective Duration of the Fund is 3.62 years.

3. 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 Institute's position in the Diversified Fund at June 30, 2025 was $113,713,668, of which 29% is invested in debt securities. The Effective Duration of the Fund is 5.03 years.

Office of the State Treasurer Investment Pool
The Georgia Fund 1 Investment Pool, managed by the Office of the State Treasurer, is not registered with the U.S. Securities and Exchange Commission as an investment company, and the State does not consider Georgia Fund 1 to be a 2a7-like pool. This investment is valued at the pool's share price, $1.00 per share. The Georgia Fund 1 Investment Pool is an AAAf rated investment pool by Standard and Poor's. The Weighted Average Maturity of the Fund is 51 days.

Interest Rate Risk
Interest rate risk is the risk that changes in interest rates of debt investments that will adversely affect the fair value of an investment. The Institute's policy for managing interest rate risk is to comply with University System of Georgia policy and applicable Federal and State laws.

The following table presents the interest rate risk for the Institute's debt investment at June 30, 2025, utilizing segmented time distribution methods:

		Investment Maturity				
	Fair Value	Less Than 3 Months	4-12 Months	1-5 Years	6-10 Years	More Than 10 Years
Investment type:						
Debt Securities						
U.S. Treasuries	$ 8,246	$ —	$ —	$ —	$ 8,246	$ —
U.S. Agencies						
Implicitly Guaranteed	25,945	—	—	—	—	25,945
Corporate Debt	594,864	—	29,832	307,305	257,727	—
Money Market Mutual Funds	249,349	249,349	—	—	—	—
Mutual Bond Funds	138,847	—	—	55,675	55,353	27,819
	$ 1,017,251	$ 249,349	$ 29,832	$ 362,980	$ 321,326	$ 53,764
Other Investments						
Equity Mutual Funds - Domestic	469,650					
Equity Mutual Funds - International	337,940					
Equity Securities - Domestic	1,542,729					
Equity Securities - International	182,521					
Real Estate Held for Investment Purposes	399,486					
Real Estate Investment Trusts	43,127					
Investment Pools						
Board of Regents						
Short-Term Fund	406,927,005					
Legal Fund	5,937,526					
Diversified Fund	113,713,668					
Office of the State Treasurer						
Georgia Fund 1	62,074,126					
Total Investments	$ 592,645,029					

Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty to a transaction, the Institute will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. The Institute's policy for managing custodial credit risk for investments is an integral part of its current investment policies dated May 16, 2005, which specifies how counterparties are selected and how investments are to be held on behalf of the Institute. These policies can be obtained from Georgia Tech's website at www.treasury.gatech.edu/policies-procedures.

At June 30, 2025, $2,493,152 was uninsured and held by the investment's counterparty's trust department or agent, but not in the Institute's name.

Credit Quality Risk

Credit quality risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Institute's policy for managing credit quality risk is an integral part of its current investment policies dated May 16, 2005, which specifies how counterparties are selected and how investments are to be held on behalf of the Institute. These policies can be obtained from Georgia Tech's website at www.treasury.gatech.edu/policies-procedures.

The investments subject to credit quality risk are reflected below:

	Fair Value	AAA	AA	A	BBB	Unrated
Related Debt Investments						
U. S. Agency Securities	$ 25,945	$ —	$ —	$ —	$ —	$ 25,945
Corporate Debt	594,864	—	60,655	252,763	281,446	—
Money Market Mutual Funds	249,349	—	—	—	—	249,349
Mutual Bond Funds	138,847	—	—	—	—	138,847
	$ 1,009,005	$ —	$ 60,655	$ 252,763	$ 281,446	$ 414,141

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The Institute's policy for managing concentration of credit risk for investments is an integral part of its current investment policies dated May 16, 2005, which overviews concentration guidelines not allowing more than 20% of the total investment portfolio to be concentrated in any one issuer other than the U. S. Treasury or other Federal Government agencies.

At June 30, 2025, approximately 69%, 19%, and 10% of the Institute's investments were investments in the Board of Regents Short Term Fund Pool, Board of Regents Diversified Funds Pool, and Local Government Investment Pool (Georgia Fund 1), respectively. None of these counterparties or positions represent an individual issuer.

Note 3 Accounts Receivable

Accounts receivable consisted of the following at June 30, 2025:

	Business Type Activities	Fiduciary Fund
Student Tuition and Fees	$ 7,534,150	$ —
Auxiliary Enterprises and Other Operating Activities	4,021,024	—
Federal Financial Assistance	39,472,043	1,072,781
Georgia Student Finance Commission	—	11,389,314
Georgia State Financing and Investment Commission	7,499,399	—
Due from Component Units	135,776,110	—
Due From USO - Capital Liability Reserve Fund	3,630,599	—
Lease Receivable	5,745,006	—
Other	21,312,738	500
	224,991,069	12,462,595
Less: Allowance for Doubtful Accounts	5,342,894	—
Net Accounts Receivable	$ 219,648,175	$ 12,462,595

Other accounts receivable includes $8,130,109 of receivables related to sponsored projects where expenses were incurred in fiscal year 2025 but were paid in fiscal year 2026.

Note 4 Inventories

Inventories consisted of the following at June 30, 2025:

Consumable Supplies	$	2,159,462
Merchandise for Resale		233,656
Total	$	2,393,118

Note 5 Notes and Loans Receivable

Notes and Loans Receivable consists of resources made available for financial loans to students of the the Institute. Allowances for uncollectible loans are reported based on management's best estimate for considering type, age, collection history, and other factors considered appropriate. At June 30, 2025, the allowance for uncollectible loans was $1,060,459.

Note 6 Capital Assets and Intangible Right-to-Use Assets

Changes in capital assets for the year ended June 30, 2025 are shown below:

	Beginning Balance July 1, 2024	Special Item and Other Transfers	Additions	Reductions	Balance June 30, 2025
Capital Assets, Not Being Depreciated:					
Land	$ 67,064,416	$ —	$ —	$ —	$ 67,064,416
Capitalized Collections	18,731,309	—	91,121	—	18,822,430
Construction Work-in-Progress	106,047,567	—	154,019,333	74,315,633	185,751,267
Total Capital Assets Not Being Depreciated	191,843,292	—	154,110,454	74,315,633	271,638,113
Capital Assets, Being Depreciated/ Amortized:					
Infrastructure	142,708,213	—	5,274,986	—	147,983,199
Building and Building Improvements	2,520,160,469	—	44,750,538	—	2,564,911,007
Facilities and Other Improvements	101,747,523	—	8,662,343	—	110,409,866
Equipment	763,801,482	583,323	67,182,830	40,543,980	791,023,655
Library Collections	168,718,789	—	13,622,814	2,907,925	179,433,678
Software	34,807,507	—	1,121,500	—	35,929,007
Total Capital Assets Being Depreciated/Amortized	3,731,943,983	583,323	140,615,011	43,451,905	3,829,690,412
Less: Accumulated Depreciation/ Amortization					
Infrastructure	64,141,402	—	11,119,032	—	75,260,434
Building and Building Improvements	871,813,618	—	59,734,073	—	931,547,691
Facilities and Other Improvements	33,195,788	—	4,898,567	—	38,094,355
Equipment	498,016,844	578,714	44,084,352	36,668,001	506,011,909
Library Collections	126,082,814	—	7,923,424	2,907,925	131,098,313
Software	18,948,712	—	3,169,290	—	22,118,002
Total Accumulated Depreciation/ Amortization	1,612,199,178	578,714	130,928,738	39,575,926	1,704,130,704
Total Capital Assets, Being Depreciated/Amortized, Net	2,119,744,805	4,609	9,686,273	3,875,979	2,125,559,708
Capital Assets, net	$ 2,311,588,097	$ 4,609	$ 163,796,727	$ 78,191,612	$ 2,397,197,821

For projects managed by GSFIC, GSFIC retains construction-in-progress on its books throughout the construction period and transfers the entire project to the Institute when complete. For projects managed by the Institute, the Institute retains construction-in-progress on its books and is reimbursed by GSFIC. For the year ended June 30, 2025, GSFIC had construction in progress of approximately $4,508,345 for incomplete GSFIC managed projects for the Institute. For the year ended June 30, 2025, the Institute recorded $5,709,295 in capital additions from GSFIC projects managed by the Institute and recorded $35,684,358 in capital additions from donations.

The Institute transferred property to the Georgia Department of Corrections in fiscal year 2025 consisting of equipment with a cost of $38,607, accumulated depreciation of $27,946, resulting in a net book value of $10,661. The Institute received property from Global Center for Medical Innovation (GCMI) in fiscal year 2025 consisting of equipment with a cost of $621,930, accumulated depreciation of $606,660, resulting in a net book value of $15,270. These two assets are reflected in the Special Item and Other Transfers column above.

Changes in intangible right-to-use assets for the year ended June 30, 2025 are shown below:

	Beginning Balance July 1, 2024	Additions	Reductions	Ending Balance June 30, 2025
Intangible Right-to-use Assets, Being Amortized:				
Building and Building Improvements	$ 412,279,821	$ 10,804,061	$ 10,988,552	$ 412,095,330
Facilities and Other Improvements	9,641,062	—	—	9,641,062
Subscription Based IT Arrangements (SBITAs)	25,078,821	8,810,562	—	33,889,383
Total Leased Assets Being Amortized	446,999,704	19,614,623	10,988,552	455,625,775
Less: Accumulated Amortization				
Building and Building Improvements	112,168,679	39,142,332	8,679,780	142,631,231
Facilities and Other Improvements	2,201,927	758,427	—	2,960,354
Subscription Based IT Arrangements (SBITAs)	9,720,055	8,997,648	—	18,717,703
Total Accumulated Amortization	124,090,661	48,898,407	8,679,780	164,309,288
Intangible Right-to-use Assets, net	$ 322,909,043	$ (29,283,784)	$ 2,308,772	$ 291,316,487

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

Fiscal Year	Depreciation & Amortization Expense
2025	179,827,145
2024	166,127,251
2023	158,054,550

Note 7 Advances (Including Tuition and Fees)

Advances, including tuition and fees, consisted of the following at June 30, 2025:

	Current Liabilities	Non-Current Liabilities
Prepaid Tuition and Fees	$ 24,801,592	$ —
Research	—	3,572,291
Other - Advances	1,801,402	2,131,250
Totals	$ 26,602,994	$ 5,703,541

The Institute had no fiduciary fund advances related to student support. Research liabilities represent amounts due to a component unit.

Note 8 Long-Term Liabilities

Changes in long-term liability for the year ended June 30, 2025 were as follows:

	Balance July 1, 2024	Additions	Reductions	Balance June 30, 2025	Current Portion
Lease & Subscription Obligations					
Lease Obligations	$ 319,679,771	$ 10,804,062	$ 40,815,027	$ 289,668,806	$ 38,041,860
Subscription Obligations	7,404,981	8,560,047	7,231,152	8,733,876	5,205,446
Total	327,084,752	19,364,109	48,046,179	298,402,682	43,247,306
Other Liabilities					
Compensated Absences	91,308,543	73,545,762	66,771,911	98,082,394	65,725,753
Notes and Loans Payable	420,866,977	—	25,626,728	395,240,249	26,001,223
Pollution Remediation	284,890	366,965	251,590	400,265	400,265
Total	512,460,410	73,912,727	92,650,229	493,722,908	92,127,241
Total Long-Term Obligations	$ 839,545,162	$ 93,276,836	$ 140,696,408	$ 792,125,590	$ 135,374,547

See Note 13, Leases, for information related to lease obligations and subscription obligations; Note 14, Retirement Plans, for information related to net pension liability; and Note 17, Post-Employment Benefits Other Than Pension Benefits, for information related to net other post employment benefits liability.

Pollution Remediation

The Institute is responsible for pollution remediation at all Institute sites including, but not limited to ground contamination, storage/treatment/disposal of hazardous materials, and asbestos abatement. 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. There are no expected recoveries that have reduced this liability.

Notes and Loans Payable

Energy Performance Contract

The Institute entered into a note payable to secure an Energy Performance Contract. The interest rate for the note is 2.64% and the note matures during fiscal year 2031. The Institute's principal and interest payments related to this note payable for fiscal year 2025 were $615,212 and $102,622, respectively. The Institute has $3,508,815 in outstanding notes and loans payable for an Energy Performance Contract.

Below is the annual debt service related to the outstanding notes and loans payable for an energy performance contract at June 30, 2025:

	Principal	Interest
Year Ending June 30:		
2026	$ 631,581	$ 86,250
2027	648,395	69,443
2028	665,646	52,188
2029	683,360	34,475
2030	701,545	16,289
2031 through 2035	178,288	1,174
Total Minimum Lease Payments - Other	$ 3,508,815	$ 259,819

Financing Lease Agreements

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

In accordance with O.C.G.A. § 50-5-64, these agreements shall terminate absolutely and without further obligation at the close of the fiscal year in which it was executed and at the close of each succeeding fiscal year for which it may be renewed. These agreements may be renewed only by a positive action taken by the Institute. In addition, these agreements shall terminate if the State does not provide adequate funding, but that is considered a remote possibility. The Institute's principal and interest payments related to financing lease agreements for fiscal year 2025 were $25,011,516 and $16,810,075, respectively. Interest rates range from 0.80% to 6.70%.

The Institute has $375,778,045 in outstanding notes and loans payable due to component units for financing lease agreements. The Institute has $15,953,389 in outstanding notes and loans payable to a non-related party.

The following schedule is a summary of the carrying values of assets held under financing lease agreements at June 30, 2025:

Description	Gross Amount	Less: Accumulated Amortization	Net Assets Held Under Financing Lease Arrangements at June 30, 2025	Outstanding Balances per Lease Schedules at June 30, 2025
	(+)	(-)	(=)	
Financed Land and Land Improvements	$ 14,413,206	$ —	$ 14,413,206	$ 6,613,808
Financed Infrastructure	39,705,000	25,014,150	14,690,850	27,773,254
Finance Buildings and Building Improvements	603,547,583	179,465,407	424,082,176	352,175,172
Financed Facilities and Other Improvements	5,704,547	1,185,751	4,518,796	5,169,200
Total Assets Held Under Finance Lease Arrangements	$ 663,370,336	$ 205,665,308	$ 457,705,028	$ 391,731,434

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

Description	Lessor	Original Principal	Lease Term	Begin Month/ Year	End Month/ Year	Outstanding Principal	
Campus Recreation Center/Parking	GTF	$ 44,980,000	30 yrs	02/01	04/31	$ 15,790,000	(1)
Technology Square Complex	GTF	142,298,200	29 yrs	08/03	04/32	48,816,840	(1)
Married Family Housing	GTFI	60,485,000	25 yrs	10/05	04/30	17,225,000	(1)
Molecular Sciences & Engineering	GTFI	75,205,000	35 yrs	09/06	06/41	49,476,255	(1)
Klaus Advanced Computing Parking	GTFI	9,835,000	20 yrs	10/05	04/25	0	(1)
Electrical Sub Station	GTFI	39,705,000	33 yrs	10/07	12/39	27,773,254	(1)
North Ave Apts (Including Parking)	GTFI	82,705,494	25 yrs	07/11	06/36	31,558,911	(1)
Dalney Building	GTFI	35,636,440	30 yrs	09/19	08/49	31,767,520	(1)
Campus Center	GTFI	102,463,013	31 yrs	12/20	06/52	97,678,060	(1)
GT-Savannah	TUFF	27,120,765	13 yrs	04/20	12/32	15,953,389	
Georgia Tech Cobb Research Campus	GATV	64,614,756	30 yrs	06/19	05/49	55,692,205	(1)
Total Leases		$685,048,668				$391,731,434	

(1) These financing leases are related party transactions.

Below is the annual debt service related to the outstanding notes and loans payable for financing lease agreements at June 30, 2025:

	Principal	Interest
Year Ending June 30:		
2026	$ 25,369,642	$ 16,255,516
2027	26,577,674	14,848,830
2028	27,829,376	13,610,165
2029	28,765,471	12,298,161
2030	27,982,456	13,246,400
2031 through 2035	86,311,396	42,323,222
2036 through 2040	65,980,400	28,632,004
2041 through 2045	46,725,138	17,274,918
2046 through 2050	47,661,616	7,046,290
2051 through 2055	8,528,265	447,022
Total Notes and Loans Payable	$ 391,731,434	$ 165,982,528

Note 9 Deferred Outflows and Inflows of Resources

Deferred outflows and inflows of resources reported on the Statement of Net Position as of June 30, 2025, consisted of the following:

Deferred Outflows of Resources		
Deferred Outflows on Defined Benefit Pension Plans (See Note 14)	$	314,710,829
Deferred Outflows on OPEB Plan (See Note 17)		142,375,769
Total Deferred Outflows of Resources	$	457,086,598
Deferred Inflows of Resources		
Unavailable Revenues	$	870,657
Deferred Inflows on Defined Benefit Pension Plans (See Note 14)		111,192,358
Deferred Inflows on OPEB Plan (See Note 17)		270,398,203
Deferred Inflow of Resources - Leases		5,576,790
Total Deferred Inflows of Resources	$	388,038,008

Unavailable Revenues
Resources from certain non-exchange transactions received before time requirements are met, but after all other eligibility requirements have been met, are reported as a deferred inflow of resources.

Leases
The following is a summary of assets with deferred inflows of resources held under lease at June 30, 2025:

Description	Lessee	Begin Month /Year	Lease Term	Amortized Revenue in Current Year	Remaining Deferred Inflow of Resources	
120 North Avenue and Techwood Drive	New Cingular Wireless PCS, LLC	07/21	10 yrs	$ 107,910	$ 463,516	
575 14th Street - Suite 100	GCMI	07/21	9 yrs	107,955	—	(1)
575 14th Street - Suites 1945 & 1952	Boeing	07/21	6 yrs	9,281	24,189	
705 Brittain Drive	Alpha Phi International Fraternity, Inc.	07/21	46 yrs	43,670	646,276	
129 5th Street	Kappa Alpha Theta Fraternity Housing Corp.	07/21	48 yrs	63,072	840,628	
Stamps Health Services - 740 Ferst Drive - 2nd Floor	North American Dental Real Estate, LLC	07/22	4 yrs	44,193	34,236	
Tech Square Retail - 22 5th Street	BoHo Taco, LLC	07/23	5 yrs	97,932	292,334	
Tech Square Retail - 26 5th Street	Ray's Cedars, LLC	07/21	5 yrs	107,455	93,245	
Tech Square Retail - 64 & 66 5th Street	Waffle House, Inc.	07/22	4 yrs	83,033	82,171	
Tech Square Retail - 68 5th Street	Blazin Wings, Inc.	07/22	10 yrs	50,952	332,083	
Tech Square Retail - 74 5th Street	Cherry Bim, Inc.	07/22	4 yrs	41,966	41,841	
Tech Square Retail - 86 5th Street	Amazon.Com Services, LLC	07/21	6 yrs	162,339	284,603	
Tech Square Retail - 88 5th Street	Tin Drum Rocks, LLC D/B/A Tin Drum Asia Café	07/21	5 yrs	103,414	100,172	
Savannah School Board - 190 Technology Circle	Savannah-Chatham County Public School System	07/25	4 yrs	—	2,341,496	
Total Leases				$1,023,172	$ 5,576,790	

(1) These leases are related party transactions.

Note 10 Net Position

The breakdown of business-type activity net position for the Institute fund at June 30, 2025 is as follows:

NET POSITION	
Net Investment in Capital Assets	$ 1,979,163,589
Restricted for	
Nonexpendable	
Permanent Endowment	86,487,023
Expendable	
Sponsored and Other Organized Activities	4,982,391
Federal Loans	846,937
Institutional Loans	11,662,762
Quasi-Endowments	29,080,389
Sub-Total	46,572,479
Unrestricted	
Auxiliary Enterprises Operations	35,853,318
Reserve for Encumbrances	148,916,575
Reserve for Inventory	2,180,105
Capital Liability Reserve Fund	3,630,599
Other Unrestricted (Deficit)	(851,346,136)
Sub-Total	(660,765,539)
Total Net Position	$ 1,451,457,552

Other unrestricted net position is reduced by $654,539,728 related to the recording of net OPEB liability, deferred inflow of resources, and deferred outflow of resources related to OPEB plan. Other unrestricted net position was also reduced by $577,853,346 related to the recording of net pension liability, deferred inflow of resources, and deferred outflow of resources related to benefit pension plans. These balances are mostly funded through state appropriations and student tuition and fees and are subject to state surplus rules which prevents the accumulation of budgetary fund balance. Therefore, the Institute is statutorily unable to maintain accumulated net position to offset these OPEB and pension balances.

Changes in net position for the year ended June 30, 2025 are as follows:

	Balance July 1, 2024	Additions	Reductions	Balance June 30, 2025
Net Investments in Capital Assets	$ 1,875,018,659	$ 314,280,685	$ 210,135,755	$ 1,979,163,589
Restricted Net Position	128,844,837	1,635,222,294	1,631,007,629	133,059,502
Unrestricted Net Position	(655,479,845)	1,361,914,047	1,367,199,741	(660,765,539)
Total Net Position	$ 1,348,383,651	$ 3,311,417,026	$ 3,208,343,125	$ 1,451,457,552

Note 11 Endowments

Donor Restricted Endowments

Investments of the Institute's endowment funds are pooled, unless required to be separately invested by the donor. For Institute controlled, donor-restricted endowments, where the donor has not provided specific instructions, the Board of Regents permits Institutions to develop policies for authorizing and spending realized and unrealized endowment income and appreciation as they determined to be prudent. Realized and unrealized appreciation in excess of the amount budgeted for current spending is retained by the endowments. Current year net appreciation on endowment investments available for authorization of expenditure was $11,234,212 and is reflected as expendable restricted net position.

For endowment funds where the donor has not provided specific instructions, investment return of the Institute's endowment funds is predicated on the total return concept. Annual payouts from the Institute's endowment funds are based on a spending policy which limits spending to 3.5% of endowment's average principal market value over a twelve quarter period calculation. To the extent that the total return for the current year exceeds the payout, the excess is added to principal. If current year earnings do not meet the payout requirements, the Institute uses accumulated income and appreciation from restricted expendable net asset endowment balances to make up the difference.

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

Note 12 Significant Commitments

See the Net Position note for amounts reserved for outstanding encumbrances at June 30, 2025. The Institute had significant unearned outstanding construction or renovation contracts in the amount of $0 executed as of June 30, 2025.

Note 13 Leases and Subscriptions

The Institute leases certain academic spaces, administrative offices, and research spaces under lease agreements. The Institute also enters into certain subscription-based contracts to use vendor-provided information technology (IT). Although lease and/or subscription terms vary, many leases and/or subscription agreements are subject to appropriation from the General Assembly to continue the obligation. In accordance with O.C.G.A. § 50-5-64, these agreements shall terminate absolutely and without further obligation at the close of the fiscal year in which it was executed and at the close of each succeeding fiscal year for which it may be renewed. These agreements may be renewed only by a positive action taken by the Institute. In addition, these agreements shall terminate if the State does not provide adequate funding, but that is considered a remote possibility.

Lease Obligations

The Institute's principal and interest payments related to leases for fiscal year 2025 were $38,468,222 and $5,830,431 respectively. Interest rate ranges from 0.50% - 6.63%. The Institute has $112,724,441 in outstanding lease obligations due to component units. The Institute has $9,999,216 in outstanding lease obligations due to Affiliated Organizations.

For the fiscal year 2025, there were no residual guaranteed payments, variable payments based on performance, or termination penalties expensed.

The following is a summary of the carrying values of intangible right-to-use assets held under lease at June 30, 2025:

Description	Gross Amount	Less: Accumulated Depreciation	Net Assets Held Under Lease Obligations at June 30, 2025	Outstanding Balance per Lease Schedules at June 30, 2025
	(+)	(-)	(=)	
Leased Building/Building Improvements	$ 412,095,330	$ 142,631,231	$ 269,464,099	$ 282,220,188
Leased Facilities & Other Improvements	9,641,062	2,960,354	6,680,708	7,448,618
Total Assets Held Under Lease	$ 421,736,392	$ 145,591,585	$ 276,144,807	$ 289,668,806

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

Description	Lessor	Original Principal	Lease Term	Begin Month/ Year	End Month/ Year	Outstanding Principal	
Technology Square Rsch Bldg	TUFF	$ 66,639,430	10 yrs	July 2021	Dec 2031	$ 48,262,965	
Library Service Center	EmTech	10,805,396	24 yrs	July 2021	Oct 2045	9,999,216	(1)
600 Means Street - Parking	GTF Means Street, LLC	1,875,860	99 yrs	March 2023	June 2122	1,795,876	(1)
Washington, DC	State Services Org, Inc.	72,336	3 yrs	Oct 2022	Sept 2025	5,990	
CODA - DARPA	GTRC	6,931,482	8 yrs	July 2021	Feb 2029	3,591,616	(1)
CODA - Data Center	Data Center Atlanta, LLC	34,121,851	13 yrs	July 2021	May 2034	23,852,529	
CODA - GTRI	GTARC	9,135,782	13 yrs	July 2021	May 2034	6,349,725	(1)
CODA - Office	PH TECH, LLC	102,154,390	13 yrs	July 2021	May 2034	82,051,270	
EI2 - Cartersville	Cartersville-Bartow ChCom	122,482	9 yrs	July 2021	June 2030	66,955	
EI2 - Dublin	Earlwood Investments	165,414	7 yrs	July 2021	June 2028	71,950	
EI2 - LaGrange	Preservation Properties	71,103	6 yrs	July 2021	June 2027	26,137	
GATV - 575 14th St	VLP1, LLC	11,404,568	9 yrs	July 2021	June 2030	6,334,229	(1)
GATV - 387 Tech Circle	GTRES	12,029,253	12 yrs	July 2021	Jan 2033	8,734,983	(1)
GATV - 1594 Marietta Blvd	GTRES	1,412,217	7 yrs	July 2021	Jan 2028	577,375	(1)
GATV - 512 Means Street	GTRES	3,210,643	6 yrs	July 2021	April 2027	1,072,370	(1)
GPB - 3rd & 4th Floor	Ga Public Telecom Comm	13,457,014	18 yrs	July 2021	June 2039	12,552,516	
GTRI - Atlanta Technology Center	GTARC	6,707,799	7 yrs	July 2021	Jan 2028	2,447,388	(1)
GTRI - Centergy - Floors 6-7	GTRC	10,623,864	5 yrs	July 2021	Dec 2026	3,183,947	(1)
GTRI - Centergy - Floor 4	GATV	2,435,530	5 yrs	Sept 2022	August 2027	1,064,842	(1)
GTRI - CRB	GTRC	13,174,173	8 yrs	July 2021	June 2029	6,481,737	(1)
GTRI - Smyrna, GA	GTRC	30,870,784	20 yrs	July 2021	Sept 2041	22,859,893	(1)
GTRI - Arlington, VA	GTARC	6,461,027	11 yrs	July 2021	May 2032	4,381,961	(1)
GTRI - Dayton, OH	GTARC	7,895,363	13 yrs	July 2021	June 2034	4,367,040	(1)
GTRI - Lincoln, MA	GTARC	3,925,358	10 yrs	July 2021	April 2031	2,395,552	(1)
GTRI - Orlando, FL	GTARC	617,984	4 yrs	July 2021	Dec 2025	72,094	(1)
GTRI - Quantico, VA	GTARC	1,365,148	6 yrs	July 2021	March 2027	450,911	(1)
GTRI - Salt Lake City, UT	GTARC	5,200,099	10 yrs	April 2023	March 2033	4,049,310	(1)
GTRI - San Diego, CA	GTARC	8,286,021	7 yrs	July 2021	March 2028	3,609,388	(1)
GTRI - Shalimar, FL	GTARC	292,042	6 yrs	July 2021	April 2027	186,369	(1)
GTRI - Tempe, AZ	GTARC	996,477	7 yrs	July 2021	June 2028	449,425	(1)
GTRI - Tucson, AZ	GTARC	1,333,047	11 yrs	July 2021	June 2032	677,496	(1)
GATV - Biltmore, Suite 300	GTRES	1,543,494	4 yrs	July 2023	Sept 2027	819,054	(1)
GATV - Biltmore, Suite 500	GTRES	2,067,982	4 yrs	July 2023	Sept 2027	1,097,375	(1)
GATV - Biltmore, Suite 770	GTRES	1,977,837	5 yrs	July 2023	April 2028	1,161,518	(1)
GATV - 75 5th Street 2-4 Floor	GATV	11,397,183	12 yrs	July 2023	Dec 2034	9,223,087	(1)
GATV - 75 5th Street 5th Floor	GATV	12,412,799	12 yrs	July 2023	Dec 2034	10,044,967	(1)
GTRI - Panama City	GTARC	257,066	5 yrs	July 2023	June 2028	154,571	(1)
GTRI - Pax River	GTARC	1,020,552	5 yrs	July 2023	June 2028	612,160	(1)
EI2 - Duluth	Gwinnett Chamber of Commerce	51,964	5 yrs	March 2025	June 2030	48,726	
EI2 - Albany	City of Albany	8,261	4 yrs	July 2024	June 2028	6,110	
CODA - Data Center Research Hall	GTRC	5,140,761	8 yrs	July 2024	April 2032	4,478,183	(1)
Total Leases		$409,671,836				$289,668,806	

(1) These leases are related party transactions.

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

Below are the future commitments related to the outstanding lease obligations year at June 30, 2025:

	Principal	Interest
Year Ending June 30:		
2026	$ 38,041,860	$ 5,802,750
2027	37,480,737	5,588,798
2028	34,510,312	5,120,557
2029	32,671,440	4,647,359
2030	31,273,145	4,148,031
2031 through 2035	98,674,815	13,275,736
2036 through 2040	10,848,794	4,918,922
2041 through 2045	4,670,643	1,253,739
2046 through 2050	421,627	169,643
2051 through 2055	115,591	204,186
2056 through 2060	107,589	245,471
2061 through 2065	100,140	289,666
2066 through 2070	93,208	337,171
2071 through 2075	86,755	388,418
2076 through 2080	80,749	443,880
2081 through 2085	75,159	504,074
2086 through 2090	69,955	569,564
2091 through 2095	65,112	640,969
2096 through 2100	60,604	718,966
2101 through 2105	56,409	804,300
2106 through 2110	52,504	897,789
2111 through 2115	48,869	1,000,331
2116 through 2120	45,486	1,112,916
2121 through 2125	17,303	479,144
Total Minimum Lease Payments	$ 289,668,806	$ 53,562,380

Subscription Obligations

The Institute has no outstanding subscription obligations due to component units, affiliated organizations, or other related party organizations. The Institute's principal and interest payments related to subscription obligations for fiscal year 2025 were $7,183,912 and $172,092, respectively. Interest rates were 2.26% - 2.744%.

The following is a summary of the carrying values of intangible right-to-use assets held under SBITA at June 30, 2025:

Description	Gross Amount	Less: Accumulated Amortization	Net Assets Held Under Subscription Obligations at June 30, 2025	Outstanding Balance per Subscription Schedules at June 30, 2025
Subscription Based IT Arrangements (SBITAs)	$ 33,889,383	$ 18,717,703	$ 15,171,680	$ 8,733,876
Total Assets Held Under SBITAs	$ 33,889,383	$ 18,717,703	$ 15,171,680	$ 8,733,876

Below is the future commitments related to the outstanding subscription obligations year at June 30, 2025:

	Principal	Interest
Year Ending June 30:		
2026	$ 5,205,446	$ 297,827
2027	2,869,750	235,189
2028	658,680	71,328
2029	—	—
Total Minimum Subscription Payments	$ 8,733,876	$ 604,344

Note 14 Retirement Plans

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

The Institute also provides the Regents Retirement Plan.

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

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

General Information about the Teachers Retirement System

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

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

Contributions
Per Title 47 of the O.C.G.A., contribution requirements of active employees and participating employers, as actuarially determined, are established and may be amended by the TRS Board. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employees were required to contribute 6% of their annual pay during fiscal year 2025. The Institute's contractually required contribution rate for the year ended June 30, 2025 was 20.78% of the Institute's annual payroll. The Institute's contributions to TRS totaled $109,679,126 for the year ended June 30, 2025.

General Information about the Employees' Retirement System

Plan description

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

Benefits provided

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

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

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

Contributions

Member contributions under the old plan are 4% of annual compensation, up to $4,200, plus 6% of annual compensation in excess of $4,200. Under the old plan, the state pays member contributions in excess of 1.25% of annual compensation. Under the old plan, these state contributions are included in the members' accounts for refund purposes and are used in the computation of the members' earnable compensation for the purpose of computing retirement benefits. Member contributions under the new plan and GSEPS are 1.25% of annual compensation. The required contribution rate for the year ended June 30, 2025 was 29.20% of annual covered payroll for old and new plan members and 25.51% for GSEPS members. The Institute's contributions to ERS totaled $556,816 for the year ended June 30, 2025. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

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

At June 30, 2025, the Institute reported a liability for its proportionate share of the net pension liability for TRS and ERS. The net pension liability was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2023. An expected total pension liability as of June 30, 2024 was determined using standard roll-forward techniques. The Institute's proportion of the net pension liability was based on contributions to TRS and ERS during the fiscal year ended June 30, 2024. At June 30, 2024, the Institute's TRS proportion was 3.097648%, which was an increase of 0.124487% from its proportion measured as of June 30, 2023. At June 30, 2024, the Institute's ERS proportion was 0.061976%, which was an increase of 0.003680% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the Institute recognized pension expense of $157,144,201 for TRS and $202,497 for ERS. At June 30, 2025, the Institute reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	TRS		ERS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 88,101,941	$ 2,327,015	$ 149,549	$ —
Changes of assumptions	54,162,158	—	—	—
Net difference between projected and actual earnings on pension plan investments	—	108,551,096	—	314,246
Changes in proportion and differences between contributions and proportionate share of contributions	61,950,044	—	111,194	—
Contributions subsequent to the measurement date	109,679,126	—	556,816	—
Total	$313,893,269	$110,878,111	$ 817,559	$ 314,246

The Institute's contributions subsequent to the measurement date are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30:	TRS	ERS
2026	$ 39,558,622	$ 40,010
2027	$ 121,803,322	$ 220,092
2028	$ (34,901,864)	$ (191,238)
2029	$ (33,124,048)	$ (122,367)

Actuarial assumptions

The total pension liability as of June 30, 2024 was determined by an actuarial valuation as of June 30, 2023 using the following actuarial assumptions, applied to all periods included in the measurement:

Teachers Retirement System

Inflation	2.50%
Salary increases	3.00% - 8.75%, average, including inflation
Investment rate of return	6.90%, net of pension plan investment expense, including inflation
Cost-of-Living adjustment	1.05% annually

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

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2013 – June 30, 2018.

Employees' Retirement System

Inflation	2.50%
Salary increases	3.00 – 6.75%, including inflation
Investment rate of return	7.00%, net of pension plan investment expense, including inflation
Post-retirement benefit increases	1.50% semi-annually

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

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2014 – June 30, 2019.

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

Asset class	TRS target allocation	TRS Long-term expected real rate of return*	ERS target allocation	ERS Long-term expected real rate of return*
Fixed income	30.00 %	1.50 %	30.00 %	1.50 %
Domestic large equities	46.40 %	9.10 %	46.40 %	9.10 %
Domestic small equities	1.10 %	13.00 %	1.10 %	13.00 %
International developed market equities	13.60 %	9.10 %	13.60 %	9.10 %
International emerging market equities	3.90 %	11.10 %	3.90 %	11.10 %
Alternatives	5.00 %	10.60 %	5.00 %	10.60 %
Total	100.00 %		100.00 %	

* Rates shown are net of inflation

Discount rate

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

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

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

Teachers Retirement System:

	1% Decrease 5.90%	Current discount rate 6.90%	1% Increase 7.90%
Proportionate share of the net pension liability	$1,340,095,030	$ 778,581,744	$ 320,215,025

Employees' Retirement System:

	1% Decrease 6.00%	Current discount rate 7.00%	1% Increase 8.00%
Proportionate share of the net pension liability	$ 4,203,582	$ 2,790,073	$ 1,601,315

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

B. Defined Contribution Plan:

Regents Retirement Plan

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

Funding Policy
The institutions of the USG make monthly employer contributions to the Regents Retirement Plan on behalf of participants at rates determined by the Board. The Board reviews the contribution amount every three (3) years. For fiscal year 2025, the employer contribution was 9.24% for the participating employee's earnable compensation. Employees contribute 6.00% of their earnable compensation. Amounts attributable to all plan contributions are fully vested and non-forfeitable at all times.

The Institute and the covered employees made the required contributions of $54,735,029 (9.24%) and $35,602,405 (6.00%), respectively.

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

Note 15 Risk Management

The USG offers its employees and retirees under the age of 65 access to three self insured health care plan options and one fully insured plan option. For the USG's Plan Year 2025, the following self-insured health care options were available: Blue Choice HMO plan, (Blue Cross and Blue Shield of Georgia) Consumer Choice HSA plan, and the (Blue Cross and Blue Shield of Georgia) Comprehensive Care plan.

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

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

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

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

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

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

Note 16 Contingencies

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

Litigation, claims and assessments filed against the Institute, if any, are generally considered to be actions against the State of Georgia. Accordingly, significant litigation, claims and assessments pending against the State of Georgia are disclosed in the State of Georgia Annual Comprehensive Financial Report for the fiscal year ended June 30, 2025.

Note 17 Post-Employment Benefits Other Than Pension Benefits

Board of Regents Retiree Health Benefit Plan

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

Pursuant to the general powers conferred by the O.C.G.A. § 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 health care plan options and one fully insured plan option. For the USG's Plan Year 2025, the following self-insured health care options were available: Blue Choice HMO plan, (Blue Cross and Blue Shield of Georgia) Consumer Choice HSA plan, and the (Blue Cross and Blue Shield of Georgia) Comprehensive Care plan. The USG offers a self-insured dental plan administered by Delta Dental.

Retirees age 65 and older participate in a secondary health care 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 health care related expenses.

The Institute's membership in the Plan consisted of the following at June 30, 2025:

Active Employees	9,897
Retirees or Beneficiaries Receiving Benefits	2,028
Retirees Receiving Life Insurance Only	493
Total	12,418

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

The Institute pays the employer portion for group insurance for eligible retirees. The employer portion of health insurance for its eligible retirees is based on rates that are established annually by the Board for the upcoming plan year. For the 2025 plan year, the employer rate was approximately 82% of the total health insurance cost for eligible retirees and the retiree rate was approximately 18%. For employees hired on or after January 1, 2013 and retirees after January 1, 2018, the amount the USG contributes is tied to years of service, which ranges from 0% to 100%. With regard to life insurance, the employer covers the total premium cost for $25,000 of basic life insurance. If an individual elects to have supplemental, and/or, dependent life insurance coverage, such costs are borne entirely by the retiree.

For fiscal year 2025, the Institute contributed $17,479,132 to the plan for current premiums or claims.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB
At June 30, 2025, the Institute reported a liability for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2024. The total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation as of May 1, 2024. An expected total OPEB liability as of June 30, 2024 was determined using standard roll-forward techniques. The Institute's proportion of the net OPEB liability was actuarially determined based on employer contributions during the fiscal year ended June 30, 2024.

At June 30, 2024, the Institute's proportion was 18.132814%, which was an increase of 0.818343% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the Institute recognized OPEB expense of $(25,717,287). At June 30, 2025, the

Institute reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 13,308,080	$ 2,787,068
Changes of assumptions	34,731,249	267,611,135
Net difference between projected and actual earnings on OPEB plan investments	1,241,576	—
Changes in proportion and differences between contributions and proportionate share of contributions	75,615,732	—
Contributions subsequent to the measurement date	17,479,132	—
Total	$ 142,375,769	$ 270,398,203

The Institute's contributions subsequent to the measurement date of $17,479,132 are reported as deferred outflows of resources and will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30:		
2026	$	(59,459,373)
2027	$	(49,044,769)
2028	$	(27,151,370)
2029	$	(9,052,427)
2030	$	(793,627)

Actuarial Assumptions

The total OPEB liability as of June 30, 2024 was determined by an actuarial valuation as of May 1, 2024 using the following actuarial assumptions, applied to all periods included in the measurement:

Cost Method	Entry Age Normal
Amortization Method	Closed amortization period for initial unfunded and subsequent actuarial gains/losses.
Asset Method	Fair Value
Interest Discounting and Salary Growth	Interest Rate as of 6/30/2024 of 3.93% from Bond Buyers GO 20-Bond Municipal Bond Index; Discount Rate 3.96% Interest Rate as of 6/30/2023 of 3.65% from Bond Buyers GO 20-Bond Municipal Bond Index; Discount Rate 3.69% Long-term Rate of Return 6.02% General Inflation 2.30% Salary Increase 3.75%
Mortality Rates	Pub - 2010 for Teachers (headcount weighted) projected with a scale MP-2021
Initial Health Care Cost Trend	
Pre-Medicare Eligible	8.7%
Medicare Eligible	2%
Ultimate Trend Rate	
Pre-Medicare Eligible	4.5%
Medicare Eligible	2%
Year Ultimate Trend is Reached	Fiscal Year 2035 for Pre-Medicare Eligible, Fiscal Year 2024 for Medicare Eligible
Experience Study	Economic and demographic assumptions are based on the results of the most recent actuarial experience study over the Plan, which covered a five-year period ending May 1, 2023 with the exception of the disability and salary increases assumption. These assumptions are based on the results of the most recent actuarial experience study of the Teachers Retirement System of Georgia, which covered the five year period ending June 30, 2018.

<u>Changes in Assumptions Since Prior Valuation</u>

The financial accounting valuation reflects the following assumption changes:

- 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%

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the target asset allocation as of June 30, 2024 are summarized in the following table:

Asset Class	Long-term Expected Real Rate of Return, Net of Inflation	Target Allocation
Fixed Income	2.42%	70%
Equity Allocation	4.41%	30%

Discount rate

The Plan's projected fiduciary net position at the end of 2028 is $0, based on the valuation completed for the fiscal year ending June 30, 2024. As such, the Plan's fiduciary net position was not projected to be available to make all projected future benefit payments for current Plan members. The projected "depletion date" when projected benefits are not covered by projected assets is 2028. Therefore, the long-term expected rate of return on Plan investments of 6.02% per annum was not applied to all periods of projected benefit payments to determine the total OPEB liability as of June 30, 2024, pursuant to paragraph 48 of GASB Statement No. 74. Instead, a single equivalent yield or index rate of 3.96% was used. This rate is comprised primarily of the yield or index rate for a 20 year, tax-exempt general obligation municipal bond with an average rating of AA or higher (3.93% from the Bond Buyers GO 20-Bond Municipal Bond Index).

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

The following presents the Institute's proportionate share of the net OPEB liability, as well as what the Institute's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.96%) or 1 percentage point higher (4.96%) than the current discount rate (3.96%):

	1% Decrease 2.96%	Current Rate 3.96%	1% Increase 4.96%
Proportionate Share of the Net OPEB Liability	$ 609,235,231	$ 526,517,294	$ 458,817,798

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

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

	1% Decrease	Current Rate	1% Increase
Proportionate Share of the Net OPEB Liability	$ 463,078,735	$ 526,517,294	$ 605,125,452
Pre-Medicare Eligible	7.7% decreasing to 3.5%	8.7% decreasing to 4.5%	9.7% decreasing to 5.5%
Medicare Eligible	1.0%	2.0%	3.0%

OPEB plan fiduciary net position:

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

Note 18 Operating Expenses with Functional Classifications

Business-type activity operating expenses by functional classification for fiscal year 2025 are shown below:

Functional Classification	Natural Classification				
	Faculty Salaries	Staff Salaries	Employee Benefits	Other Personal Services	Travel
Instruction	$ 201,242,588	$ 127,855,052	$ 86,307,370	$ 1,179,714	$ 6,426,217
Research	479,867,655	213,649,738	182,485,532	2,467,000	24,293,235
Public Service	17,422,796	36,073,866	16,138,302	6,727,509	1,502,071
Academic Support	14,917,767	37,248,836	15,740,782	413,869	1,059,406
Student Services	1,062,184	23,731,539	6,990,264	105,931	637,577
Institutional Support	5,842,144	105,764,056	33,391,532	561,541	1,210,441
Plant Operations and Maintenance	108,713	47,987,333	15,658,590	50,076	156,504
Scholarships and Fellowships	—	—	—	—	—
Auxiliary Enterprises	—	44,415,559	13,229,495	12,732	226,282
Total Operating Expenses	$ 720,463,847	$ 636,725,979	$ 369,941,867	$ 11,518,372	$ 35,511,733

Functional Classification	Natural Classification				
	Scholarships and Fellowships	Utilities	Supplies and Other Services	Depreciation/ Amortization	Total Operating Expenses
Instruction	$ 1,344,091	$ 813,930	$ 23,234,565	$ 9,197,715	$ 457,601,242
Research	1,551,880	3,869,506	507,898,219	60,057,531	1,476,140,296
Public Service	81,800	300,263	8,071,384	1,458,801	87,776,792
Academic Support	42,481	214,704	21,554,931	16,861,412	108,054,188
Student Services	58,595	86,719	14,708,772	4,227,474	51,609,055
Institutional Support	323,795	2,339,672	26,806,370	11,987,122	188,226,673
Plant Operations and Maintenance	3,090	24,082,953	111,892,399	56,761,630	256,701,288
Scholarships and Fellowships	37,459,567	—	—	—	37,459,567
Auxiliary Enterprises	11,010,741	12,173,967	102,178,769	19,275,460	202,523,005
Total Operating Expenses	$ 51,876,040	$ 43,881,714	$ 816,345,409	$ 179,827,145	$2,866,092,106

Note 19 Subsequent Events

In August 2025, the Board of Regents of the University System of Georgia (Board) entered into an amendment to extend and amend the lease agreement with the Georgia Tech Applied Research Corporation (GTARC), a component unit, for the use of office space in Huntsville, Alabama. The amended lease provides for modifications that expand the premises, add renewal terms, and modify the rental rate schedule of the original lease. The term of the amended lease is scheduled to end in fiscal year 2036, and the total estimated rental payments over the revised remaining term of the lease will be $21.5 million. The right-of-use asset and lease obligation will be recorded on the Institute's books in fiscal year 2026.

In May 2025, the Board of Regents of the University System of Georgia approved the gift of the Centennial Research Building (CRB) located at 400 Tenth Street NW from the Georgia Tech Applied Research Corporation (GTARC) for the use and benefit of the Georgia Institute of Technology (GIT). The University Financing Foundation (TUFF) leases the Centennial Research Building (CRB) located at 400 Tenth Street NW to the Georgia Tech Research Corporation (GTRC) who then subleases the building to the Board of Regents for the Georgia Institute of Technology's (GIT) use in research operations. At the respective board meetings in May 2025, Georgia Tech Applied Research Corporation (GTARC) approved a resolution to purchase CRB from TUFF for approximately $29 million and gift to the Board of Regents; and the Board of Regents approved accepting of the CRB gift subject to the completion of an environmental site assessment that indicates no significant adverse environmental issues. In connection with the CRB gift, the Board of Regents, for GIT's use and benefit, also approved acquiring six (6) adjacent land parcels to CRB from TUFF for $4 million. GTARC completed the purchase of CRB in October 2025 and will complete the gifting of CRB to the Board of Regents in early 2026.

In February 2025, the Board of Regents of the University System of Georgia (Board) authorized execution of a sub-rental agreement between Georgia Advanced Technology Ventures (GATV), a component unit, as sublandlord, and the Board of Regents of USG, as sub-tenant, for the use and benefit of the Georgia Institute of Technology (GIT) for use of office and lab space in the Science Square Lab located 101 Nerem Street NW, Atlanta, Georgia. This sublease will allow GIT to lease approximately 35,501 rentable square feet of space on the sixth floor of the building for a total rental of approximately $2 million per year commencing February 2026 and ending June 30, 2026 with options to renew on a year-to-year basis for nine consecutive one-year periods plus a tenth renewal term of seven and one half months. The right-of-use asset and lease obligation will be recorded on the Institute's books in fiscal year 2026.

In August 2024, the Board of Regents of the University System of Georgia (Board) 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 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. In August 2024, GTFI issued $102.3 million in bonds to fund construction, which is expected to be complete in Spring 2026. 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. Bond funding received via Georgia Tech Facilities Inc.'s (GTFI) issuance in 2024 has been fully expended; funding from General Obligation bonds issued through the Georgia State Financing and Investment Commission in 2023 was drawn down during the year and should be fully expended in fiscal year 2026. Philanthropic and institutional funding were also expended during fiscal year 2025 on building construction and furniture, fixtures and equipment (FFE). In November 2023, the Board authorized the execution of a rental agreement between GTFI, a component unit, as landlord and the Board as Tenant, for 100,000 square feet located in the basement and on floors 1-3 of Tech Square III. The rental agreement commences on the first day of the month after GTFI obtains a temporary or final certificate of occupancy, but no earlier than January 1, 2026, and ends the following June 30. On November 13, 2025, the temporary certificate of occupancy was issued. The annual base rent is not to exceed $3.7 million per year, with options to renew annually for up to 29 consecutive one-year periods. The capital asset, finance lease liability, and capital gift will be recorded on the Institute's books in fiscal year 2026.

Note 20 Component Units

Related organizations promote, support, and assist Georgia Tech in its role as a leading education and research institution in accordance with stated Institute needs and goals. Together, they add significantly to Institute assets and revenues for programs and services, and ultimately enhance the Institute's performance of its mission. Governmental Accounting Standards Board (GASB) Codification Sections 2100 and 2600 require discrete reporting of legally separate, tax-exempt component units of the State of Georgia. Georgia Tech has five related organizations that are considered component units of the State of Georgia and, thus, are required to be reported in the Institute's financial statements. Although the Institute is not fiscally accountable for these entities, it has been determined that the nature and significance of the relationship between Georgia Tech and these organizations is such that exclusion from the Institute's financial statements would render them misleading. An annual audit of each component unit's financial statements is conducted by independent accounting firms. The five organizations included in this presentation are described on the following pages:

Georgia Tech Foundation, Inc.

The Georgia Tech Foundation (Foundation) is a legally separate, not-for-profit corporation under the laws of the State of Georgia. The purposes of the Foundation are to promote higher education in the State of Georgia, to raise and receive funds for the support and enhancement of the Institute, and to aid the Institute in its development as a leading educational institution.

The Foundation reports under FASB standards. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. The FASB audited financial statements were reclassified to the GASB presentation for these financial statements.

For the year ended June 30, 2025, the Foundation distributed $118.2 million to Georgia Tech in support of capital outlay projects, scholarships and other supporting activities. The Institute is obligated under various financing lease agreements with the Foundation, a related party. This information is disclosed in Note 8, Long-Term Liabilities.

At June 30, 2025, the Foundation has $15.9 million available to use on lines of credit.

Georgia Tech Facilities, Inc.

The Georgia Tech Facilities, Inc. (GTFI) is a legally separate, not-for-profit corporation under the laws of the State of Georgia. The purpose of GTFI is to construct buildings and other facilities as may be appropriate to meet the needs and goals of the Georgia Institute of Technology. The activities of GTFI are limited to constructing and financing buildings and facilities for use by Georgia Tech. Funding for construction is obtained by the Organization from contributions or from financing with debt service funded by support from various sources.

GTFI reports under FASB standards. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. The FASB audited financial statements were reclassified to the GASB presentation for these financial statements.

For the year ended June 30, 2025, GTFI distributed $305,648 to the Institute for supporting activities. Georgia Tech is obligated under various financing lease agreements with GTFI, a related party. This information is disclosed in Note 8, Long-Term Liabilities.

Georgia Tech Research Corporation

The Georgia Tech Research Corporation (Research Corporation) is a legally separate, not-for-profit corporation under the laws of the State of Georgia. The Research Corporation is organized and operated primarily as the contracting entity for all sponsored activities for colleges and other units at Georgia Tech for the purpose of soliciting grants and contracts, accepting grants, or entering into contracts for research or services to be performed by or in conjunction with the Institute or to be performed using Georgia Tech's facilities, and for related objectives. The Research Corporation reports under GASB standards.

For year ended June 30, 2025, the Research Corporation distributed $1.5 billion to the Institute for research contracts sub-awarded to Georgia Tech. The Institute is obligated under various lease agreements with the Research Corporation, a related party. This information is disclosed in Note 13, Leases and Subscriptions.

At June 30, 2025, the Research Corporation has $80.0 million available to use on lines of credit.

Georgia Tech Athletic Association

The Georgia Tech Athletic Association (Athletic Association) is a legally separate not-for-profit corporation under the laws of the State of Georgia. The primary purpose of the Athletic Association is to promote the educational programs of Georgia Tech through student body participation in healthful exercises, recreations, athletic games and contests. The Athletic Association's mission is to inspire and empower student-athletes to be champions of academics, competition and life while emphasizing the four core values of excellence, innovation, teamwork and character. The Athletic Association reports under GASB standards.

For the year ended June 30, 2025, the Athletic Association distributed $62.4 million to the Institute for athletic scholarships and other supporting activities.

At June 30, 2025, the Athletic Association has $8.0 million available to use on lines of credit.

Georgia Advanced Technology Ventures, Inc.
The Georgia Advanced Technology Ventures (GATV) is a legally separate, not-for-profit corporation under the laws of the State of Georgia. GATV is a supporting organization of the Institute focused on technology, commercialization, economic development and relevant real estate development. GATV's primary business purpose is to facilitate innovation and business collaboration with private enterprise, including but not limited to business, industry, entrepreneurs and economic developers, and utilizing emerging technologies that are aligned with the strengths in research and education of Georgia Tech. GATV provides support for technology transfer and economic development activities, including the Institute's Advanced Technology Development Center (ATDC) incubator facilities and services to ATDC-affiliated companies.

GATV reports under FASB standards. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. The FASB audited financial statements were reclassified to the GASB presentation for these financial statements.

For the year ended June 30, 2025, GATV distributed $1.5 million to the Institute for supporting activities. Georgia Tech is obligated under various lease agreements with GATV, a related party. This information is disclosed in Note 8, Long-Term Liabilities and Note 13, Leases and Subscriptions.

Elimination/Consolidation Entries
The FASB reported amounts for Net Position, Investment in Financing Lease Arrangements, and Rents and Royalties were collectively adjusted for the Foundation by $5,832,960 for external financial reporting purposes. Both Georgia Tech and the Foundation use the effective interest rate method to amortize leases. However, Georgia Tech uses the Sources and Uses of Funds and the average coupon rate which is a higher interest rate than the interest rate in the actual bond documents used by the Foundation. Thus, an adjustment was necessary for financial statement presentation.

The Athletic Association and the Research Corporation have funds held at the Foundation to be managed on its behalf. Assets managed by the Foundation on behalf of the aforementioned component units totaled $172,340,444 and $1,734,000, respectively, at June 30, 2025. The Foundation manages these assets using pooled investment funds. Interest, dividend income, and gains and losses earned on pooled funds are allocated equitably based on the fair value of the assets of each entity that participates in the pooled investment funds. The component units are entitled to all earnings on these assets; however, distributions are made by the Foundation only when requested.

The Research Corporation had net adjustments totaling $15,037,145 between current due to and due from component unit categories for financial statement presentation.

Combined investments for Component Units are comprised of the following amounts at June 30, 2025:

	Fair Value	Level 1	Level 2	Level 3	NAV
Investment type					
Debt Securities					
U.S. Treasuries	$ 841,509	$ 841,509	$ —	$ —	$ —
Bond Securities	129,148,000	129,148,000	—	—	—
Money Market Mutual Funds	253,695,734	253,695,734	—	—	—
Equity Securities - Domestic	459,862,000	459,862,000	—	—	—
Equity Securities - International	341,279,000	341,279,000	—	—	—
Hedge Funds	750,790,000	—	—	—	750,790,000
Hedge Fund Limited Partnerships	—	—	—	20,000,000	918,482,000
Natural Resources	45,090,000	—	—	—	45,090,000
Real Estate Held for Investment Purposes	182,009,000	2,415,000	—	78,000,000	101,594,000
Other	759,067	759,000	—	67	—
	$3,101,956,310	$1,188,000,243	$ —	$ 98,000,067	$1,815,956,000
Reported as cash and cash equivalents on the Statement of Net Position					
Investment Pools					
Board of Regents					
Short-Term Fund	18,642,391				
Office of the State Treasurer					
Georgia Fund 1	5,384,619				
Total Investments	$3,125,983,320				

Combined endowments for Component Units are comprised of the following amounts at June 30, 2025:

	Without Donor Restrictions	With Donor Restrictions	Total
Beginning Balance	$ 142,629,000	$1,974,991,000	$2,117,620,000
Contributions	218,000	167,600,000	167,818,000
Net realized and unrealized gains	15,275,000	210,760,000	226,035,000
Appropriation of endowment assets for expenditure	(5,939,000)	(85,901,000)	(91,840,000)
Other	8,609,000	4,092,000	12,701,000
Ending Balance	$ 160,792,000	$2,271,542,000	$2,432,334,000

Combined amounts due to Component Units from Georgia Tech and other entities related to investment in financing lease arrangements as of June 30, 2025 are as follows:

		Principal	Interest	Total
Year Ending June 30:	Year:			
2026	1	$ 22,712,094	$ 17,743,654	$ 40,455,748
2027	2	23,869,434	17,045,817	40,915,251
2028	3	25,065,333	16,313,232	41,378,565
2029	4	26,022,029	15,546,776	41,568,805
2030	5	25,293,787	16,926,234	42,220,021
2031 through 2035	6-10	77,785,078	60,220,310	138,005,388
2036 through 2040	11-15	62,504,534	47,759,835	110,264,369
2041 through 2045	16-20	42,965,123	38,887,154	81,852,277
2046 through 2050	21-25	43,604,139	29,910,024	73,514,163
2051 through 2055	26-30	4,165,705	25,246,154	29,411,859
2056 through 2060	31-35	(4,665,067)	26,874,966	22,209,899
Thereafter	36-99	60,844,861	412,323,400	473,168,261
Total Minimum Lease Payments to be Received		410,167,050	724,797,556	1,134,964,606
Unearned Income				(724,797,556)
Net Investment in Financing Lease Arrangements Receivable				$ 410,167,050

Combined amounts due to component units related to lease activity as of June 30, 2025 is as follows:

		Principal	Interest	Total
Year Ending June 30:	Year:			
2026	1	$ 13,150,887	$ 1,640,842	$ 14,791,729
2027	2	12,920,329	1,418,970	14,339,299
2028	3	11,920,544	1,203,075	13,123,619
2029	4	10,342,577	998,614	11,341,191
2030	5	8,197,790	822,014	9,019,804
2031 through 2035	6-10	28,457,748	1,909,943	30,367,691
2036 through 2040	11-15	6,698,421	328,100	7,026,521
2041 through 2045	16-20	1,123,718	12,338	1,136,056
Total Minimum Lease Payments to be Received		92,812,014	8,333,896	101,145,910

Combined capital assets for Component Units are comprised of the following amounts at June 30, 2025:

Capital Assets, not being Depreciated:	
Land	$ 98,738,158
Capitalized Collections	3,874,735
Construction Work-in-Progress	232,891,035
Total Capital Assets not being Depreciated	335,503,928
Capital Assets, Being Depreciated:	
Infrastructure	6,549,649
Building and Building Improvements	403,440,060
Facilities and Other Improvements	19,883,537
Equipment	39,781,830
Financing Lease Arrangements	66,352,598
Software	1,262,977
Total Capital Assets being Depreciated	537,270,651
Less Total Accumulated Depreciation	244,067,165
Total Capital Assets being Depreciated, Net	293,203,486
Capital Assets, Net	628,707,414

Combined intangible right-to-use assets for Component Units are comprised of the following amounts at June 30, 2025:

Intangible Right-to-use Assets, Being Amortized	
Building and Building Improvements	$ 174,464,895
Facilities and Other Improvements	5,844,549
Equipment	1,627,130
Subscription Based IT Arrangements	1,395,105
Total Intangible Assets, Being Amortized	183,331,679
Less: Accumulated Amortization	
Building and Building Improvements	63,798,032
Facilities and Other Improvements	2,015,362
Equipment	1,469,632
Total Accumulated Amortization	67,283,026
Intangible Right-to-use Assets, net	$ 116,048,653

Combined long-term liabilities for Component Units includes the following amounts at June 30, 2025:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts due within One Year
Claims and Judgments	$ 6,917,776	$ —	$ 6,917,776	$ —	$ —
Compensated Absences	599,000	34,000	—	633,000	633,000
Lease Obligation	130,150,357	11,802,025	20,114,817	121,837,565	17,270,922
Subscription Obligations	—	1,395,105	—	1,395,105	419,955
Liabilities under Split Interest Agreement	22,449,000	1,348,000	—	23,797,000	2,205,000
Notes and Loans Payable	95,877,125	—	14,384,272	81,492,853	18,624,632
Note (Discount)	(130,000)	31,000	—	(99,000)	—
Revenue/Mortgage Bonds Payable	926,325,000	102,320,000	31,420,000	997,225,000	31,705,000
Bond - Premium	59,096,560	9,989,974	5,937,886	63,148,648	—
Bond - (Discount and Issuance Cost)	(10,000,636)	1,248,679	1,282,999	(10,034,956)	—
Total Long Term Liabilities	$1,231,284,182	$128,168,783	$ 80,057,750	$1,279,395,215	$ 70,858,509

Combined lease obligations for component units are comprised of the following amounts at June 30, 2025:

	Principal	Interest	Total
Year ending June 30:			
2026	$ 17,270,922	$ 2,113,504	$ 19,384,426
2027	17,964,497	1,840,546	$ 19,805,043
2028	15,737,211	1,574,917	$ 17,312,128
2029	13,907,381	1,337,963	$ 15,245,344
2030	11,881,001	1,127,780	$ 13,008,781
2031 through 2035	37,254,414	2,350,847	$ 39,605,261
2036 through 2040	6,698,421	328,100	$ 7,026,521
2041 through 2045	1,123,718	12,338	$ 1,136,056
Total minimum lease payments	$ 121,837,565	$ 10,685,995	$ 132,523,560

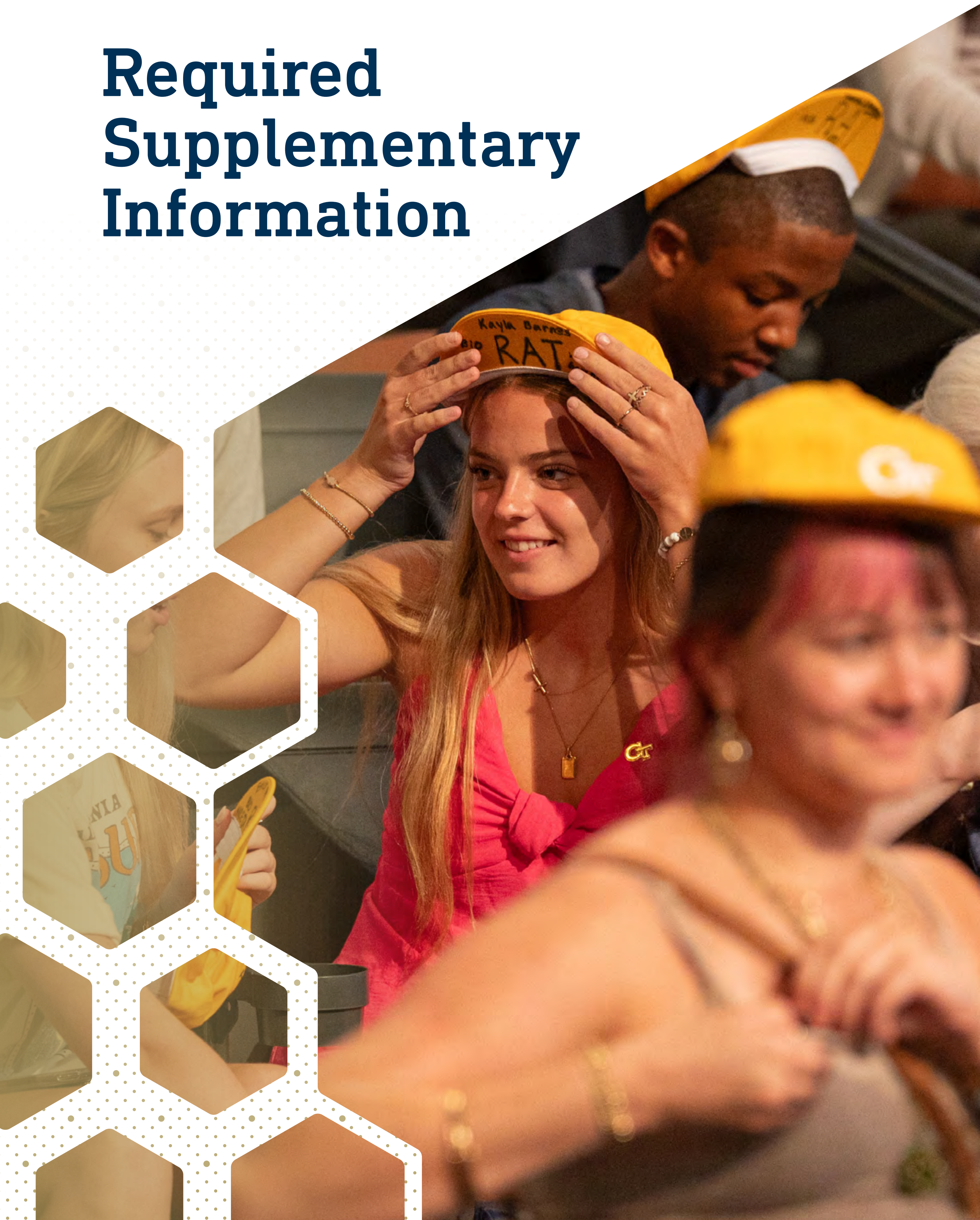
Combined notes and loans payable for Component Units are comprised of the following amounts at June 30, 2025:

		Principal	Interest	Total
Year ending June 30:				
2026	1	$ 18,624,632	$ 3,175,816	$ 21,800,448
2027	2	6,029,176	2,456,670	8,485,846
2028	3	6,207,466	2,222,629	8,430,095
2029	4	26,783,250	1,439,324	28,222,574
2030	5	4,366,215	1,099,313	5,465,528
2031 through 2035	6-10	19,482,114	2,049,406	21,531,520
		81,492,853	12,443,158	93,936,011
Note (Discount)/Cost of Issuance		(99,000)	—	(99,000)
Total		$ 81,393,853	$ 12,443,158	$ 93,837,011

Combined bonds payable for Component Units are comprised of the following amounts at June 30, 2025:

		Principal	Interest	Total
Year ending June 30:				
2026	1	$ 31,705,000	$ 42,068,153	$ 73,773,153
2027	2	35,605,000	40,509,419	76,114,419
2028	3	34,675,000	38,824,903	73,499,903
2029	4	37,350,000	37,060,253	74,410,253
2030	5	40,205,000	35,166,191	75,371,191
2031 through 2035	6-10	149,500,000	150,768,100	300,268,100
2036 through 2040	11-15	158,665,000	119,242,640	277,907,640
2041 through 2045	16-20	155,625,000	85,404,597	241,029,597
2046 through 2050	21-25	210,175,000	51,719,259	261,894,259
2051 through 2055	26-30	135,690,000	11,410,325	147,100,325
2056 through 2060	31-35	8,030,000	403,400	8,433,400
		997,225,000	612,577,240	1,609,802,240
Bond Premium		63,148,648	—	63,148,648
Bond (Discount and Other Issuance Cost)		(10,034,956)	—	(10,034,956)
Total		$ 1,050,338,692	$ 612,577,240	$ 1,662,915,932

Required Supplementary Information



GEORGIA INSTITUTE OF TECHNOLOGY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
DEFINED BENEFIT PENSION PLANS
FOR THE LAST TEN FISCAL YEARS

	Year Ended	Actuarially Determined Contribution (a)	Contributions in Relation to the Actuarially Determined Contribution (b)	Contribution Deficiency (Excess) (b-a)	Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
Employees' Retirement System	June 30, 2025	$ 556,816	$ 556,816	$ —	$ 1,906,903	29.20 %
	June 30, 2024	$ 506,397	$ 506,397	$ —	$ 1,725,374	29.35 %
	June 30, 2023	$ 474,002	$ 474,002	$ —	$ 1,531,329	30.95 %
	June 30, 2022	$ 348,078	$ 348,078	$ —	$ 1,413,228	24.63 %
	June 30, 2021	$ 346,960	$ 346,960	$ —	$ 1,406,975	24.66 %
	June 30, 2020	$ 286,161	$ 286,161	$ —	$ 1,159,896	24.67 %
	June 30, 2019	$ 247,003	$ 247,003	$ —	$ 996,845	24.78 %
	June 30, 2018	$ 281,114	$ 281,114	$ —	$ 1,132,404	24.82 %
	June 30, 2017	$ 326,303	$ 326,303	$ —	$ 1,306,263	24.98 %
	June 30, 2016	$ 333,318	$ 333,318	$ —	$ 1,337,706	24.92 %
Teachers Retirement System	June 30, 2025	$ 109,679,126	$ 109,679,126	$ —	$ 528,176,750	20.77 %
	June 30, 2024	$ 96,586,456	$ 96,586,456	$ —	$ 483,416,456	19.98 %
	June 30, 2023	$ 86,607,987	$ 86,607,987	$ —	$ 433,474,056	19.98 %
	June 30, 2022	$ 72,740,428	$ 72,740,428	$ —	$ 367,232,903	19.81 %
	June 30, 2021	$ 63,409,435	$ 63,409,435	$ —	$ 332,668,173	19.06 %
	June 30, 2020	$ 68,762,856	$ 68,762,856	$ —	$ 324,637,257	21.18 %
	June 30, 2019	$ 63,347,815	$ 63,347,815	$ —	$ 302,967,368	20.91 %
	June 30, 2018	$ 48,433,865	$ 48,433,865	$ —	$ 288,778,252	16.77 %
	June 30, 2017	$ 38,573,130	$ 38,573,130	$ —	$ 270,480,254	14.26 %
	June 30, 2016	$ 35,868,907	$ 35,868,907	$ —	$ 251,089,879	14.29 %

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

	Year Ended	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Covered Payroll	Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
Employees' Retirement System	June 30, 2025	0.061976 %	$ 2,790,073	$ 1,725,374	161.71 %	78.75 %
	June 30, 2024	0.058296 %	$ 3,477,700	$ 1,531,329	227.10 %	71.20 %
	June 30, 2023	0.057725 %	$ 3,855,144	$ 1,413,228	272.79 %	67.44 %
	June 30, 2022	0.058695 %	$ 1,372,820	$ 1,406,975	97.57 %	87.62 %
	June 30, 2021	0.046004 %	$ 1,939,049	$ 1,159,896	167.17 %	76.21 %
	June 30, 2020	0.039546 %	$ 1,631,878	$ 996,845	163.70 %	76.74 %
	June 30, 2019	0.043585 %	$ 1,791,794	$ 1,132,404	158.23 %	76.68 %
	June 30, 2018	0.052022 %	$ 2,112,788	$ 1,306,263	161.74 %	76.33 %
	June 30, 2017	0.055955 %	$ 2,646,907	$ 1,337,706	197.87 %	72.34 %
	June 30, 2016	0.047215 %	$ 1,906,547	$ 1,206,149	158.07 %	76.20 %
Teachers Retirement System	June 30, 2025	3.097648 %	$ 778,581,744	$ 483,416,456	161.06 %	80.86 %
	June 30, 2024	2.973161 %	$ 877,804,824	$ 433,474,056	202.50 %	76.29 %
	June 30, 2023	2.714998 %	$ 881,612,332	$ 367,232,903	240.07 %	72.85 %
	June 30, 2022	2.555520 %	$ 226,018,699	$ 332,668,173	67.94 %	92.03 %
	June 30, 2021	2.518402 %	$ 610,055,535	$ 324,637,257	187.92 %	77.01 %
	June 30, 2020	2.481423 %	$ 533,573,043	$ 302,967,368	176.12 %	78.56 %
	June 30, 2019	2.420015 %	$ 449,206,621	$ 288,778,252	155.55 %	80.27 %
	June 30, 2018	2.351530 %	$ 437,039,093	$ 270,480,254	161.58 %	79.33 %
	June 30, 2017	2.288606 %	$ 472,164,936	$ 251,089,879	188.05 %	76.06 %
	June 30, 2016	2.239970 %	$ 341,013,190	$ 236,515,744	144.18 %	81.44 %

GEORGIA INSTITUTE OF TECHNOLOGY
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO THE REQUIRED SUPPLEMENTAL INFORMATION
DEFINED BENEFIT PENSION PLANS
METHODS AND ASSUMPTIONS
FOR FISCAL YEAR ENDED JUNE 30, 2025

Changes of assumptions

Employees' Retirement System:

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

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

Teachers Retirement System:

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

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

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

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

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

Year Ended	Contractually Required Contribution (a)	Contributions in Relation to the Contractually Required Contribution (b)	Contribution Deficiency (Excess) (b-a)	Covered Employee Payroll (c)	Contributions as a Percentage of Covered Employee Payroll (b/c)
June 30, 2025	$ 17,479,132	$ 17,479,132	$ —	$ 1,163,248,029	1.50%
June 30, 2024	$ 16,954,325	$ 16,954,325	$ —	$ 1,078,767,476	1.57%
June 30, 2023	$ 17,571,778	$ 17,571,778	$ —	$ 979,983,102	1.79%
June 30, 2022	$ 24,324,563	$ 24,324,563	$ —	$ 896,850,555	2.71%
June 30, 2021	$ 18,738,348	$ 18,738,348	$ —	$ 799,876,400	2.34%
June 30, 2020	$ 15,971,762	$ 15,971,762	$ —	$ 784,908,579	2.03%
June 30, 2019	$ 24,616,725	$ 24,616,725	$ —	$ 701,902,432	3.51%
June 30, 2018	$ 23,699,671	$ 23,699,671	$ —	$ 677,223,508	3.50%
June 30, 2017	$ 14,811,541	$ 14,811,541	$ —	$ 638,812,645	2.32%

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

GEORGIA INSTITUTE OF TECHNOLOGY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF NET OPEB LIABILITY
BOARD OF REGENTS RETIREE HEALTH BENEFIT PLAN
FOR THE LAST EIGHT FISCAL YEARS*

Year Ended	Proportion of the Net OPEB Liability	Proportionate Share of the Net OPEB Liability	Covered Employee Payroll	Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
June 30, 2025	18.132814%	$ 526,517,294	$1,078,767,476	48.81 %	7.19 %
June 30, 2024	17.314470%	$ 550,140,878	$ 979,983,102	56.14 %	6.44 %
June 30, 2023	16.621620%	$ 658,435,893	$ 896,850,555	73.42 %	5.08 %
June 30, 2022	15.963736%	$ 803,467,702	$ 799,876,400	100.45 %	3.74 %
June 30, 2021	15.537943%	$ 828,750,259	$ 784,908,579	105.59 %	2.91 %
June 30, 2020	15.348712%	$ 686,328,093	$ 701,902,432	97.78 %	3.13 %
June 30, 2019	14.960031%	$ 659,849,732	$ 677,223,508	97.43 %	1.69 %
June 30, 2018	14.873429%	$ 627,617,932	$ 638,812,645	98.25 %	0.19 %

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

GEORGIA INSTITUTE OF TECHNOLOGY
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO THE REQUIRED SUPPLEMENTAL INFORMATION FOR OPEB PLAN
BOARD OF REGENTS RETIREE HEALTH BENEFIT PLAN
METHODS AND ASSUMPTIONS
FOR FISCAL YEAR ENDED JUNE 30, 2025

Changes in Assumptions Since Prior Valuation

The financial accounting valuation reflects the following assumption changes:

- 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%

Supplementary Information

GEORGIA INSTITUTE OF TECHNOLOGY
BALANCE SHEET (NON-GAAP BASIS)
BUDGET FUNDS
JUNE 30, 2025

ASSETS		
Cash and Cash Equivalents	$	99,210,945.12
Accounts Receivable		
Federal Financial Assistance		28,940.75
Other		172,902,305.53
Prepaid Expenditures		9,404,341.52
Inventories		741,709.64
Total Assets	$	282,288,242.56
LIABILITIES AND FUND EQUITY		
Liabilities		
Accrued Payroll	$	2,995,615.95
Encumbrance Payable		144,998,874.65
Accounts Payable		6,775,129.07
Deferred Revenue		25,155,387.52
Funds Held for Others		4,000.45
Other Liabilities		24,701.84
Total Liabilities		179,953,709.48
Fund Balances		
Reserved		
Department Sales and Services		26,457,092.65
Indirect Cost Recoveries		54,101,326.36
Technology Fees		33,767.15
Restricted/Sponsored Funds		2,179,565.97
Uncollectible Accounts Receivable		4,763,533.21
Inventories		738,425.25
Tuition Carry - Forward		13,573,518.79
Unreserved		
Surplus		487,303.70
Total Fund Balances		102,334,533.08
Total Liabilities and Fund Balances	$	282,288,242.56

Actual amounts were prepared on a prescribed basis of accounting that demonstrates compliance with budgetary statutes and regulations of the State of Georgia, which is a comprehensive basis of accounting other than generally accepted accounting

GEORGIA INSTITUTE OF TECHNOLOGY
STATEMENT OF FUNDS AVAILABLE AND EXPENDITURES COMPARED TO BUDGET (NON-GAAP BASIS)
BY PROGRAM AND FUNDING SOURCE
BUDGET FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

			Funds Available Compared to Budget		Funds Available Compared to Budget
	Original Appropriation	Final Budget	Current Year Revenues	Prior Year Reserve Carry-Over	Program Transfers or Adjustments
Enterprise Innovation Institute					
State Appropriation					
State General Funds	$ 13,005,598.00	$ 13,005,598.00	$ 13,005,598.00	$ —	$ —
Federal Funds					
Federal Funds Not Specifically Identified	9,500,000.00	14,250,000.00	13,096,701.94	—	—
Other Funds	6,000,000.00	11,060,244.00	8,572,322.22	2,015,943.32	—
Total Enterprise Innovation Institute	28,505,598.00	38,315,842.00	34,674,622.16	2,015,943.32	—
Georgia Tech Research Institute					
State Appropriation					
State General Funds	7,150,038.00	7,150,038.00	7,150,038.00	—	—
Federal Funds					
Federal Funds Not Specifically Identified	525,422,777.00	664,512,357.00	605,054,807.40	—	—
Other Funds	315,937,315.00	374,709,496.00	325,135,919.42	271,421.52	645.61
Total Georgia Tech Research Institute	848,510,130.00	1,046,371,891.00	937,340,764.82	271,421.52	645.61
Public Service/Special Funding Initiatives					
State Appropriation					
State General Funds	2,650,000.00	2,650,000.00	2,650,000.00	—	—
Total Public Service/Special Funding Initiatives	2,650,000.00	2,650,000.00	2,650,000.00	—	—
Teaching					
State Appropriation					
State General Funds	527,410,357.00	535,060,357.00	535,060,357.00	—	—
Federal Funds					
Federal Funds Not Specifically Identified	281,605,000.00	304,455,000.00	303,416,166.68	—	—
Other Funds	1,147,247,000.00	1,286,487,000.00	1,058,786,401.21	87,770,064.06	(645.61)
Total Teaching	1,956,262,357.00	2,126,002,357.00	1,897,262,924.89	87,770,064.06	(645.61)
Total Operating Activity	$ 2,835,928,085.00	$ 3,213,340,090.00	$ 2,871,928,311.87	$ 90,057,428.90	$ —

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

GEORGIA INSTITUTE OF TECHNOLOGY
STATEMENT OF FUNDS AVAILABLE AND EXPENDITURES COMPARED TO BUDGET (NON-GAAP BASIS)
BY PROGRAM AND FUNDING SOURCE
BUDGET FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Funds Available Compared to Budget		Expenditures Compared to Budget		Excess of Funds
	Total	Variance	Current Year	Variance	Available
	Funds Available	Positive (Negative)	Actual	Positive (Negative)	Over/(Under) Expenditures
Enterprise Innovation Institute					
State Appropriation					
State General Funds	$ 13,005,598.00	$ —	$ 13,005,598.00	$ —	$ —
Federal Funds					
Federal Funds Not Specifically Identified	13,096,701.94	(1,153,298.06)	13,096,701.94	1,153,298.06	—
Other Funds	10,588,265.54	(471,978.46)	7,830,306.70	3,229,937.30	2,757,958.84
Total Enterprise Innovation Institute	36,690,565.48	(1,625,276.52)	33,932,606.64	4,383,235.36	2,757,958.84
Georgia Tech Research Institute					
State Appropriation					
State General Funds	7,150,038.00	—	7,150,038.00	—	—
Federal Funds					
Federal Funds Not Specifically Identified	605,054,807.40	(59,457,549.60)	605,054,807.40	59,457,549.60	—
Other Funds	325,407,986.55	(49,301,509.45)	324,654,055.44	50,055,440.56	753,931.11
Total Georgia Tech Research Institute	937,612,831.95	(108,759,059.05)	936,858,900.84	109,512,990.16	753,931.11
Public Service/Special Funding Initiatives					
State Appropriation					
State General Funds	2,650,000.00	—	2,650,000.00	—	—
Total Public Service/Special Funding Initiatives	2,650,000.00	—	2,650,000.00	—	—
Teaching					
State Appropriation					
State General Funds	535,060,357.00	—	535,060,357.00	—	—
Federal Funds					
Federal Funds Not Specifically Identified	303,416,166.68	(1,038,833.32)	303,416,166.68	1,038,833.32	—
Other Funds	1,146,555,819.66	(139,931,180.34)	1,053,236,598.87	233,250,401.13	93,319,220.79
Total Teaching	1,985,032,343.34	(140,970,013.66)	1,891,713,122.55	234,289,234.45	93,319,220.79
Total Operating Activity	$ 2,961,985,740.77	$ (251,354,349.23)	$ 2,865,154,630.03	$ 348,185,459.97	$ 96,831,110.74

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

GEORGIA INSTITUTE OF TECHNOLOGY
STATEMENT OF CHANGES TO FUND BALANCE
BY PROGRAM AND FUNDING SOURCE (NON-GAAP BASIS)
BUDGET FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Beginning Fund Balance/(Deficit) July 1	Fund Balance Carried Over from Prior Year as Funds Available	Return of June 30, 2024 Surplus	Prior Year Adjustments	Other Adjustments
Enterprise Innovation Institute					
State Appropriation					
State General Funds	$ —	$ —	$ —	$ —	$ —
Federal Funds					
Federal Funds Not Specifically Identified	—	—	—	—	—
Other Funds	2,015,943.32	(2,015,943.32)	—	—	(24,361.12)
Total Enterprise Innovation Institute	2,015,943.32	(2,015,943.32)	—	—	(24,361.12)
Georgia Tech Research Institute					
State Appropriation					
State General Funds	—	—	—	3,853.51	—
Federal Funds					
Federal Funds Not Specifically Identified	—	—	—	—	—
Other Funds	271,421.52	(271,421.52)	—	—	—
Total Georgia Tech Research Institute	271,421.52	(271,421.52)	—	3,853.51	—
Public Service/Special Funding Initiatives					
State Appropriation					
State General Funds	—	—	—	—	—
Total Public Service/Special Funding Initiatives	—	—	—	—	—
Teaching					
State Appropriation					
State General Funds	520,623.93	—	(520,623.93)	431,718.67	—
Federal Funds					
Federal Funds Not Specifically Identified	—	—	—	—	—
Other Funds	87,826,085.68	(87,770,064.06)	(56,021.62)	51,731.52	(461,478.70)
Total Teaching	88,346,709.61	(87,770,064.06)	(576,645.55)	483,450.19	(461,478.70)
Total Operating Activity	90,634,074.45	(90,057,428.90)	(576,645.55)	487,303.70	(485,839.82)
Prior Year Reserve					
Not Available for Expenditure					
Inventories	759,427.04	—	—	—	(21,001.79)
Uncollectible Accounts Receivable	4,256,691.60	—	—	—	506,841.61
Budget Unit Totals	$ 95,650,193.09	$ (90,057,428.90)	$ (576,645.55)	$ 487,303.70	$ —

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

GEORGIA INSTITUTE OF TECHNOLOGY
STATEMENT OF CHANGES TO FUND BALANCE (NON-GAAP BASIS)
BY PROGRAM AND FUNDING SOURCE
BUDGET FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Early Return of June 30, 2025 Surplus	Excess (Deficiency) of Funds Available Over/(Under) Expenditures	Ending Fund Balance/(Deficit) June 30	Analysis of Ending Fund Balance Reserved	Surplus/ (Deficit)	Total
Enterprise Innovation Institute						
State Appropriation						
State General Funds	$ —	$ —	$ —	$ —	$ —	$ —
Federal Funds						
Federal Funds Not Specifically Identified	—	—	—	—	—	—
Other Funds	—	2,757,958.84	2,733,597.72	2,733,597.72	—	2,733,597.72
Total Enterprise Innovation Institute	—	2,757,958.84	2,733,597.72	2,733,597.72	—	2,733,597.72
Georgia Tech Research Institute						
State Appropriation						
State General Funds	—	—	3,853.51	—	3,853.51	3,853.51
Federal Funds						
Federal Funds Not Specifically Identified	—	—	—	—	—	—
Other Funds	—	753,931.11	753,931.11	753,931.11	—	753,931.11
Total Georgia Tech Research Institute	—	753,931.11	757,784.62	753,931.11	3,853.51	757,784.62
Public Service/Special Funding Initiatives						
State Appropriation						
State General Funds	—	—	—	—	—	—
Total Public Service/Special Funding Initiatives	—	—	—	—	—	—
Teaching						
State Appropriation						
State General Funds	—	—	431,718.67	—	431,718.67	431,718.67
Federal Funds						
Federal Funds Not Specifically Identified	—	—	—	—	—	—
Other Funds	—	93,319,220.79	92,909,473.61	92,857,742.09	51,731.52	92,909,473.61
Total Teaching	—	93,319,220.79	93,341,192.28	92,857,742.09	483,450.19	93,341,192.28
Total Operating Activity	—	96,831,110.74	96,832,574.62	96,345,270.92	487,303.70	96,832,574.62
Prior Year Reserve						
Not Available for Expenditure						
Inventories	—	—	738,425.25	738,425.25	—	738,425.25
Uncollectible Accounts Receivable	—	—	4,763,533.21	4,763,533.21	—	4,763,533.21
Budget Unit Totals	$ —	$ 96,831,110.74	$ 102,334,533.08	$ 101,847,229.38	$ 487,303.70	$ 102,334,533.08

Summary of Ending Fund Balance			
Reserved			
Department Sales and Services	$ 26,457,092.65		$ 26,457,092.65
Indirect Cost Recoveries	54,101,326.36		54,101,326.36
Technology Fees	33,767.15		33,767.15
Restricted/Sponsored Funds	2,179,565.97		2,179,565.97
Uncollectible Accounts Receivable	4,763,533.21		4,763,533.21
Inventories	738,425.25	—	738,425.25
Tuition Carry - Forward	13,573,518.79		13,573,518.79
Unreserved,Undesignated			—
Surplus	—	487,303.70	487,303.70
Total Ending Fund Balance - June 30	$ 101,847,229.38	$ 487,303.70	$ 102,334,533.08

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