FORT VALLEY STATE UNIVERSITY
EMPOWER the POSSIBLE.

ANNUAL FINANCIAL REPORT

For Fiscal Year Ended June 30, 2025

FORT VALLEY
STATE UNIVERSITY
EMPOWER *the* POSSIBLE.

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INTRODUCTORY SECTION

Message from the President

As we celebrate 130 years of unapologetic excellence at Fort Valley State University, I am honored to share highlights from a remarkable year of growth and achievement. This milestone anniversary is more than a celebration of our past, it is a bold affirmation of our future, driven by our commitment to success, scholarship and sustainability.

As Georgia's 1890 land-grant institution, FVSU continues to be a destination of choice for those pursuing careers in STEM, agriculture, education, nursing and beyond. Our legacy is built not only on academic rigor, but also on a deep, personal commitment to student success at every level.

Our faculty, staff, alumni and supporters remain united in purpose: to create opportunities, cultivate leaders and "Empower the possible." Thanks to this collective commitment, Fort Valley State is not just advancing, we are thriving.

A few highlights from this past year substantiate that FVSU is an institution on the rise:

Graduates

During Fiscal Year 2025, Fort Valley State University conferred 427 degrees, out of which were 368 bachelor's degrees, 52 master's degrees, and 7 Educational Specialist degrees.

Enrollment

The Fall semester of 2024 showed constant positive enrollment, with a total student population of 2,905. Of this, 1198 students were freshmen, 581 sophomores, 439 juniors, and 458 seniors. The graduate and dual enrollment were 213 and 16, respectively.

Economics

FVSU's enrollment and graduate production are not just numbers, they are a testament to our role in shaping Georgia's economic future. With over 45% of students in STEM majors, we are directly impacting Georgia's strategic industries, and this is something we can all take pride in.

Value

Fort Valley State University is Georgia's top producer of African Americans with bachelor's degrees in agriculture and related sciences. The institution is ranked the #1 Public HBCU in Georgia (for seven consecutive years) by U.S. News and World Report, #54 Best Value School and the #1 Georgia University in Social Mobility for Regional Universities in the South.

Growth

FVSU is building on a legacy of excellence with bold steps forward in student success, innovation and institutional growth. A few of this year's achievements include:

- Earning esteemed recognition as a Research College and University by Carnegie Classification.
- Breaking ground on a 32-bed apartment-style residential facility to enhance the on-campus living experience and
- Reaching the highest enrollment in more than a decade.

On behalf of Fort Valley State University's faculty, staff, students and alumni, I extend my deepest gratitude for your continued support. As we celebrate 130 years of this transformational institution and reflect on nearly a decade of progress during my tenure as president, I am filled with pride and hope. Together, we have navigated challenges, celebrated achievements and laid a strong foundation for the future. With your partnership, I am confident that the best chapters of our story are still ahead.

Paul Jones,Ph.D.
10th President

Letter of Transmittal

August 15, 2025

To: President Paul Jones
Fort Valley State University

Fort Valley State University's management is responsibility for the accuracy, completeness, and fairness of the financial statement information presented in this report, including all required disclosures. We affirm that the information contained herein accurately reflects the University's financial position, revenues, expenses, and changes in net position for the fiscal year ended June 30, 2025.

Enclosed is the **Annual Financial Report (AFR)** for Fort Valley State University, which includes the financial statements and other relevant information designed to uphold the University's commitment to transparency, accountability, and integrity. The report also features the **Management Discussion and Analysis**, providing essential context and disclosures to help readers gain a comprehensive understanding of the University's financial performance and condition. This AFR is incorporated into the University System of Georgia's consolidated financial report and audited in accordance with the requirements of the **State of Georgia Department of Audits and Accounts (DOAA)**.

The successful preparation of this report is the result of the outstanding efforts of Ms. Samantha Hutchinson, Vice President for Business and Fiscal Affairs at Savannah State University (former Assistant Vice President and Controller at Fort Valley), and Fort Valley's accounting services team. Their professionalism, diligence, and commitment were instrumental in closing out the fiscal year and compiling this comprehensive report. I extend my sincere appreciation for their exemplary work.

Respectfully Submitted,

Michelle D. Martin, CPA, MBA
Vice President for Business and Finance

FINANCIAL SECTION

Greg S. Griffin
State Auditor

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

The Honorable Brian P. Kemp, Governor of Georgia
Members of the General Assembly of the State of Georgia
Members of the State Board of Regents of the
University System of Georgia
and
Dr. Robert Scott, President
Albany State University

We have reviewed the accompanying financial statements of the business-type activities and the fiduciary funds of Albany State University, as of and for the year ended June 30, 2025, and the related notes (financial statements), as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

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

Accountant's Responsibility

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

We are required to be independent of Albany State University and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountant's Conclusion

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

Required Supplementary Information

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, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting and for placing the basic financial statements in an appropriate operational, economic, or historical context. Such information is the responsibility of management. We have not audited, reviewed, or compiled the required supplementary information and we do not express an opinion, a conclusion, nor provide any assurance on it.

Other Matters

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

This review report contains information pertinent to Albany State University's compliance with the requirements of the Southern Association of Colleges and Schools Commission on Colleges (COC) Standard 13.2 (Financial resources) as of and for the year ended June 30, 2025. Additionally, we performed procedures on Albany State University's Federal Student Aid programs for the year ended June 30, 2025, to meet the requirements of COC Standard 13.6. Included in a separate Report on Review and Federal Compliance Procedures is a section on findings and other items for any matters that came to our attention during our engagement, including results of our testing of the Federal Student Aid programs.

Additionally, we have performed certain procedures at Albany State University to support our audit of the basic financial statements of the State of Georgia presented in the State of Georgia Annual Comprehensive Financial Report and the issuance of a State of Georgia Single Audit Report pursuant to the Single Audit Act Amendments, as of and for the year ended June 30, 2025.

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

Respectfully submitted,

Greg S. Griffin
State Auditor

December 4, 2025

FORT VALLEY STATE UNIVERSITY
Management's Discussion and Analysis

Introduction

Fort Valley State University (University) is one of the 26 institutions of higher education of the University System of Georgia (USG). The University, located in Fort Valley, Georgia, was founded in 1895 as Fort Valley High and Industrial School. In 1939, the institution merged with State Teachers and Agricultural College of Forsyth to become Fort Valley State College, and was granted university status by the Board of Regents in 1996. The University is one of Georgia's two land-grant institutions and has become widely known for its agricultural, veterinary sciences, business, early childhood education, and liberal arts programs.

Fort Valley State University remains Georgia's only 1890 land-grant university and has had the fortitude to withstand over a century of struggles. Although higher education faces challenges, the University continues to turn these challenges into opportunities for its students, learning communities, and research. The mission of the University is to empower students to use education to pursue meaningful careers and use our scholarship, research, and outreach to make lives better for the communities around us. Fort Valley State University is committed to using its existing resources to meet the demands of our students.

Fort Valley State University has positioned itself through a campus prioritization plan to strategically align resources for all its programs along the core values of the University, which are:

- **Accountability**
- **Integrity**
- **Excellence**
- **Engagement**

With these as its core values, management is positive that the students and the University will be successful.

Research

Research is a significant part of campus life for both faculty and students. The University offers baccalaureate and master's degrees in a wide variety of subjects. This broad range of educational opportunities attracts a highly qualified faculty. With a range of academic and co-curricular facilities located on its main campus, our students have access to faculty, equipment and other resources that help them develop skills which place them at the forefront of proficiency.

Enrollment Trends

As shown below, the University experienced an increase in full-time equivalent student enrollment of 150 students, or 5.7% from last year. Enrollment strategies to retain, matriculate, and graduate students has proven to have favorable outcomes on enrollment and the successful matriculation of students in fiscal year 2025. Preliminary reports for fall 2025, indicate the trend is continuing as new freshman students are outpacing last year's freshman class by 10% for this same time period. In addition, retention data for first time full-time freshman improved to 78.5%, an 8.1% increase over last year.

	FACULTY	STUDENT HEADCOUNT	STUDENT FTE
FY 2025	113	2,905	2,782
FY 2024	116	2,765	2,632
FY 2023	100	2,609	2,469

Notes to The Financial Statements

The financial discussion contains summary information about certain financial information contained in the financial statements. Financial information pertaining to the prior fiscal year can be obtained from the prior year's Annual Financial Report. Certain references in this management discussion and analysis refers to the notes to the financial statements. The notes to the financial statements are an integral part of the basic financial statements and communicate information essential for fair presentation. For example, the notes convey information concerning significant accounting policies used to prepare the financial statements, detailed information on cash and investments, receivables, capital leases, compensated absences, retirement and other postemployment benefits, capital assets and a report of operating expenses by function.

Overview of the Financial Statements and Financial Analysis

The University 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 five financial statements presented: the Statement of Net Position; the Statement of Revenues, Expenses and Changes in Net Position; the Statement of Cash Flows; the Statement of Fiduciary Net Position, and the Statement of Changes in Fiduciary Net Position. This discussion and analysis of the University's financial statements provides an overview of its financial activities for the year and associated with the business type activities. Comparative data is provided for fiscal year 2025 and fiscal year 2024 for the business-type activities only.

Statement of Net Position

The Statement of Net Position is a financial condition snapshot as of June 30, 2025 which presents the assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position of the University as of the end of the fiscal year. The differences between current and non-current assets and liabilities 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 good or services are received despite when cash is actually exchanged.

From the data presented, readers of the Statement of Net Position are able to determine the assets available to continue the operations of the University and how much the University owes vendors. The difference between deferred outflows of resources and deferred inflows of resources (net position) is one indicator of the University's financial health. Increase or decreases in net position provide an indicator of the improvement or decline of the University's financial health when considered in conjunction with other non-financial conditions, such as facilities and enrollment. Net Position is divided into three major categories. The first category, net investment in capital assets, provides the University's equity in property, plant and equipment owned by the University.

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

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

Statement of Net Position for the years ended June 30, 2025 and June 30, 2024 condensed:

CONDENSED STATEMENT OF NET POSITION	June 30, 2025	June 30, 2024	Increase/ (Decrease)	% Change
ASSETS		(1)		
Current Assets	$ 32,077,315	$ 29,330,614	$ 2,746,701	9.36 %
Capital Assets, Net	137,267,333	139,269,507	(2,002,174)	(1.44)%
Intangible Right-to-Use Assets, Net	586,366	659,771	(73,405)	(11.13)%
Other Assets	747,553	780,009	(32,456)	(4.16)%
TOTAL ASSETS	170,678,567	170,039,901	638,666	0.38 %
DEFERRED OUTFLOWS	16,987,593	22,039,308	(5,051,715)	(22.92)%
LIABILITIES				
Current Liabilities	15,166,841	11,804,213	3,362,628	28.49 %
Non-Current Liabilities	122,001,559	136,894,309	(14,892,750)	(10.88)%
TOTAL LIABILITIES	137,168,400	148,698,522	(11,530,122)	(7.75)%
DEFERRED INFLOWS	25,300,268	22,597,963	2,702,305	11.96 %
NET POSITION				
Net Investment in Capital Assets	77,303,250	75,975,939	1,327,311	1.75 %
Restricted, Non-Expendable	—	—	—	— %
Restricted, Expendable	1,693,645	1,619,934	73,711	4.55 %
Unrestricted	(53,799,403)	(56,813,149)	3,013,746	(5.30)%
TOTAL NET POSITION	$ 25,197,492	$ 20,782,724	$ 4,414,768	21.24 %

(1) The amounts reported in fiscal year 2024 were not adjusted for the restatement of beginning net position. See Note 1 in the Notes to the Financial Statements for more information regarding the restatement.

Total assets increased by $0.6 million or 0.38%, to $170.7 million at June 30, 2025 from $170.0 million at June 30, 2024. The increase in total assets was largely attributed to a increase in current assets as well as an offset decrease in capital assets, net of $2.7 million and $2.0,million or 9.36% and (1.44)% respectively. Current assets increased due to the change in cash and cash equivalent balances as a result of operations. The decrease in capital assets, net, is primarily attributable to the understatement of depreciation expense reported at June 30, 2024 which was partially offset by additional capital projects such as campus wide HVAC improvements, Bywaters Hall, Founders Hall, Lyons Student Center, Davison Building, new residential facility, Cold Vegetable Processing Facility, and Central Energy Plant. See Note 5 of the financial statements for a detailed analysis of the changes in capital assets.

Total deferred outflows of resources decreased by $5.1 million, or 22.92%, to $17.0 million at June 30, 2025 from $22.0 million at June 30, 2024. The decrease is due to the University's proportionate share of the actuarially determined deferred gain on defined benefit pension plan administered by Teachers Retirement System of Georgia.

Total liabilities decreased by $11.5 million, or 7.75%, to $137.2 million at June 30, 2025 from $148.7 million at June 30, 2024. The increase in current liabilities of $3.4 million is attributed to an increase in advances for the Cooperative Development Energy Program (CDEP) and the accounts payable yearend accrual.

The decrease of $14.9 million in non-current liabilities is primarily attributable to a decrease in the net pension liability of $8.3 million and a decrease in the net other post employment benefits liability of $3.2 million. These liabilities represent the University's proportionate share of the actuarially determined liability for the Board of Regents. The pension liability decrease was the result of significant changes to actuarial assumptions, based on experience study revisions, that significantly reduced the pension liability across all institutions. There was also a decrease in the long-term notes payable liability of $3.4 million which contributed to overall decline in non-current liabilities. Current liabilities increased due to an increase in advances (prepaid summer tuition and fees) for GAAP purposes that is deferred until recognized.

Total deferred inflows of resources increased by $2.7 million, or 11.96%, to $25.3 million at June 30, 2025 from $22.6 million at June 30, 2024. The increase in deferred inflows is primarily due to the University's proportionate share of the actuarially determined deferred gain on defined benefit pension plan administered by Teachers Retirement System of Georgia.

Total net position increased by $4.4 million, or 21.24%, to $25.2 million at June 30, 2025 from $20.8 million at June 30, 2024. The overall increase is reflective of an increase in net investment of capital assets of $1.3 million, or 1.75% and an increase in unrestricted of $3.0 million, or 5.30%.

Statement of Revenues, Expenses and Changes in Net Position

Changes in total net position as presented on the Statement of Net Position are based on the activity presented in the Statement of Revenues, Expenses and Changes in Net Position. The purpose of the statement is to present the revenues received by the University, both operating and non-operating, and the expenses paid by the University, operating and non-operating, and any other revenues, expenses, gains and losses received or spent by the University. Generally, operating revenues are received for providing goods and services to the various customers and constituencies of the University. Operating expenses are those expenses paid to acquire or produce the goods and services provided in return for the operating revenues, and to carry out the mission of the University. 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 University without the Legislature directly receiving commensurate goods and services for those revenues.

The summary comparison of the University'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 (1)	Increase/ (Decrease)	% Change
Operating Revenue	$ 30,651,616	$ 30,526,052	$ 125,564	0.41 %
Operating Expense	102,106,366	102,536,641	(430,275)	(0.42)%
Operating Income/Loss	(71,454,750)	(72,010,589)	555,839	(0.77)%
Non-Operating Revenue and Expense	76,929,661	74,178,981	2,750,680	3.71 %
Income (Loss) before Other Revenues, Expenses, Gains, or Losses	5,474,911	2,168,392	3,306,519	152.49 %
Other Revenues, Expenses, Gains, Losses and Special Items	1,089,082	1,926,477	(837,395)	(43.47)%
Change in Net Position	6,563,993	4,094,869	2,469,124	60.30 %
Net Position at beginning of year, restated	18,633,499	16,687,855	1,945,644	11.66 %
Net Position at End of Year	$ 25,197,492	$ 20,782,724	$ 4,414,768	21.24 %

(1) The amounts reported in fiscal year 2024 were not adjusted for the restatement of beginning net position. See Note 1 in the Notes to the Financial Statements for more information regarding the restatement.

Revenues

The Statement of Revenues, Expenses and Changes in Net Position reflect a positive year, which is represented by an increase in net position at the end of the year. Shown below are highlights by source of revenue for the years ended June 30, 2025 and June 30, 2024.

REVENUES BY SOURCE	June 30, 2025	June 30, 2024 (1)	Increase/ (Decrease)	% Change
Tuition and Fees, net	$ 2,010,983	2,711,919	$ (700,936)	(25.85)%
Federal Appropriations	4,731,576	5,897,390	(1,165,814)	(19.77)%
Grants and Contracts	691,509	745,509	(54,000)	(7.24)%
Sales and Services	233,755	224,070	9,685	4.32 %
Auxiliary Enterprises	21,065,334	19,673,218	1,392,116	7.08 %
Other Operating Revenues	1,918,459	1,273,946	644,513	50.59 %
Total Operating Revenues	$ 30,651,616	$ 30,526,052	$ 125,564	0.41 %
State Appropriations	32,136,870	31,397,766	739,104	2.35 %
Grants and Contracts	47,381,429	45,542,388	1,839,041	4.04 %
Investment Income	11,353	26,678	(15,325)	(57.44)%
Other Nonoperating Revenues/Expense	(98,628)	(358,690)	260,062	(72.50)%
Total Nonoperating Revenues	$ 79,431,024	$ 76,608,142	$ 2,822,882	3.68 %
State Capital Gifts and Grants	983,556	1,906,757	(923,201)	(48.42)%
Federal Capital Gifts and Grants	105,526	19,720	85,806	435.12 %
Total Capital Gifts and Grants	1,089,082	1,926,477	$ (837,395)	(43.47)%
Total Revenues	$ 111,171,722	$ 109,060,671	$ 2,111,051	1.94 %

(1) The amounts reported in fiscal year 2024 were not adjusted for the restatement of beginning net position. See Note 1 in the Notes to the Financial Statements for more information regarding the restatement.

Total revenues increased by $2.1 million, or 1.94%, to $111.2 million for the fiscal year ended June 30, 2025, from $109.1 million for the fiscal year ended June 30, 2024. Total operating revenues increased by $0.1 million, or 0.41%, to $30.7 million for the year ended June 30, 2025, from $30.5 million for the year ended June 30, 2024. The decrease in tuition and fees is due to an increased in the FY2025 scholarship allowance and increased reliance in e-Core courses which reduces overall tuition and fees. The decrease in federal appropriations for the year ended June 30, 2025 is due to the timing of federal expenditures related to the institution's Agriculture programs.

The primary contributors to the increase in total revenues is the increase in nonoperating revenues. Total nonoperating revenues increased by $2.8 million, or 3.68%, to $79.4 million for the year ended June 30, 2025, from $76.6 million for the year ended June 30, 2024. The increase was largely attributed to an increase in state appropriation as well as grants and contracts of $739,104 and $1.8 million, or 2.35% and 4.04% respectively.

The increase in state appropriations is associated with an increase in funding for salary adjustments, restoration, and the Agriculture federal land grant match. The increase in grants and contracts was attributed to an increase in funding for the institution's federally funded capacity grants associated with the agriculture research and cooperative extension areas.

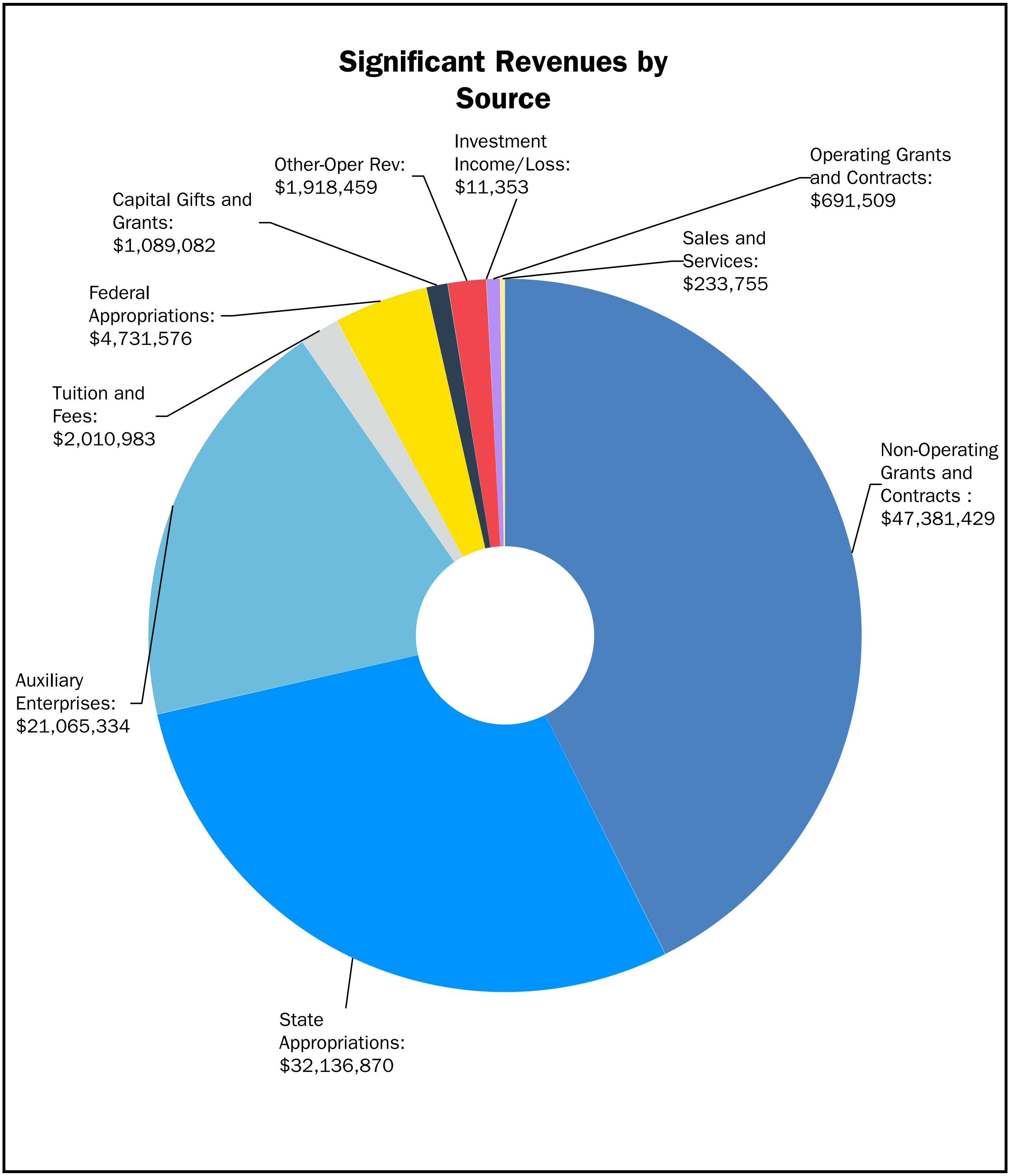
Total capital gifts and grants decreased by $837,395, or 43.47% to $1.1 million for the fiscal year ended June 30, 2025 compared to $1.9 million for the year ended June 30, 2024. This decrease is primarily attributed to a reduction in state capital gifts and grants related to the Davison, Founders Hall, and Bywaters GSFIC projects.

A significant portion of the University's auxiliary revenues comes from fees for room and board. Occupancy rates for student housing as noted in the table below.

Residential Unit	Maximum Occupancy	Fall 2024 Occupancy	Fall 2023 Occupancy
Wildcat Commons 1	190	185	190
Wildcat Commons 2	190	170	190
Wildcat Commons 3	219	207	184
Wildcat Commons 4	219	224	182
Wildcat Commons 5	219	206	179
Wildcat Commons 6	219	230	215
Wildcat Commons 7	219	225	212
Ohio Hall	54	26	28
Total	1,529	1,473	1,380
Occupancy Rate		96.34%	90.26%

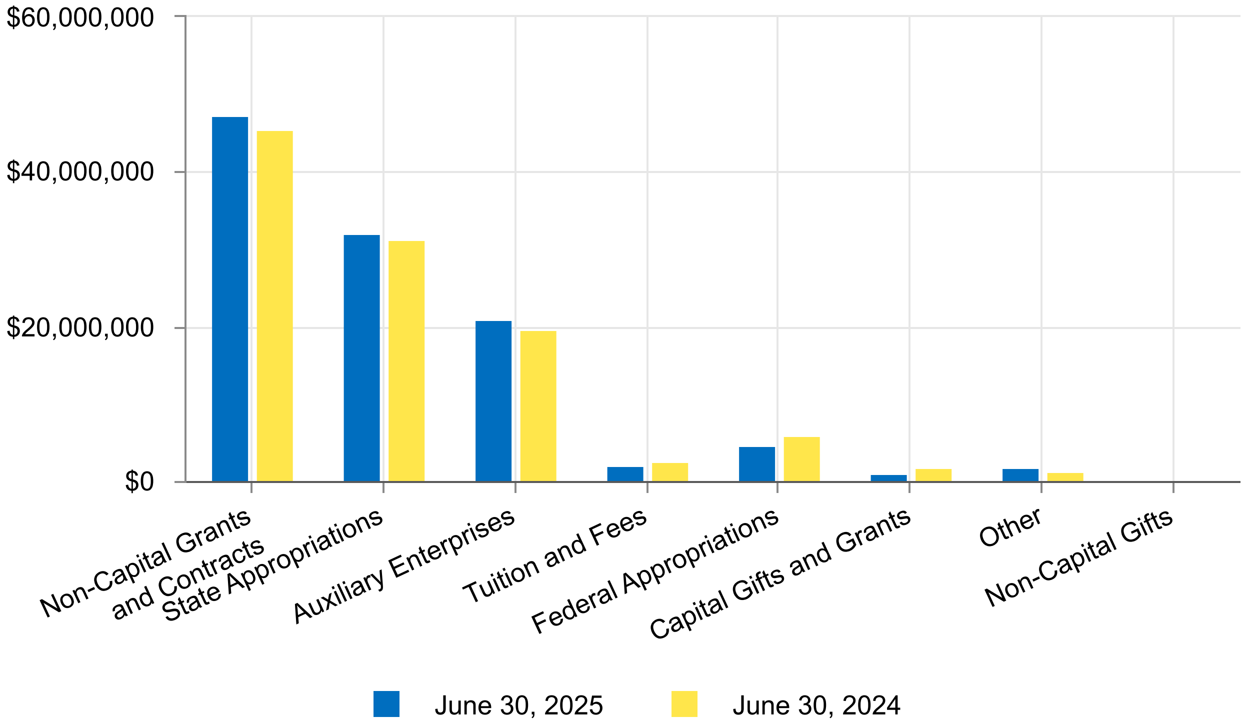
Note: In Fall 2024, Wildcat Common 5 saw an increase of 32 beds (taking the total from 189 to 219) from Fall 2023. In addition, beds were doubled in select rooms in WC 4, 6, and 7 to meet the higher demand for beds due to increased enrollment.

Revenue by major source - Operating and nonoperating revenues are shown in the pie chart below by major source.



Revenue by major source for the years ended June 30, 2025 and June 30, 2024 is depicted by the following chart:

Revenue Source by Major Source



Expenses

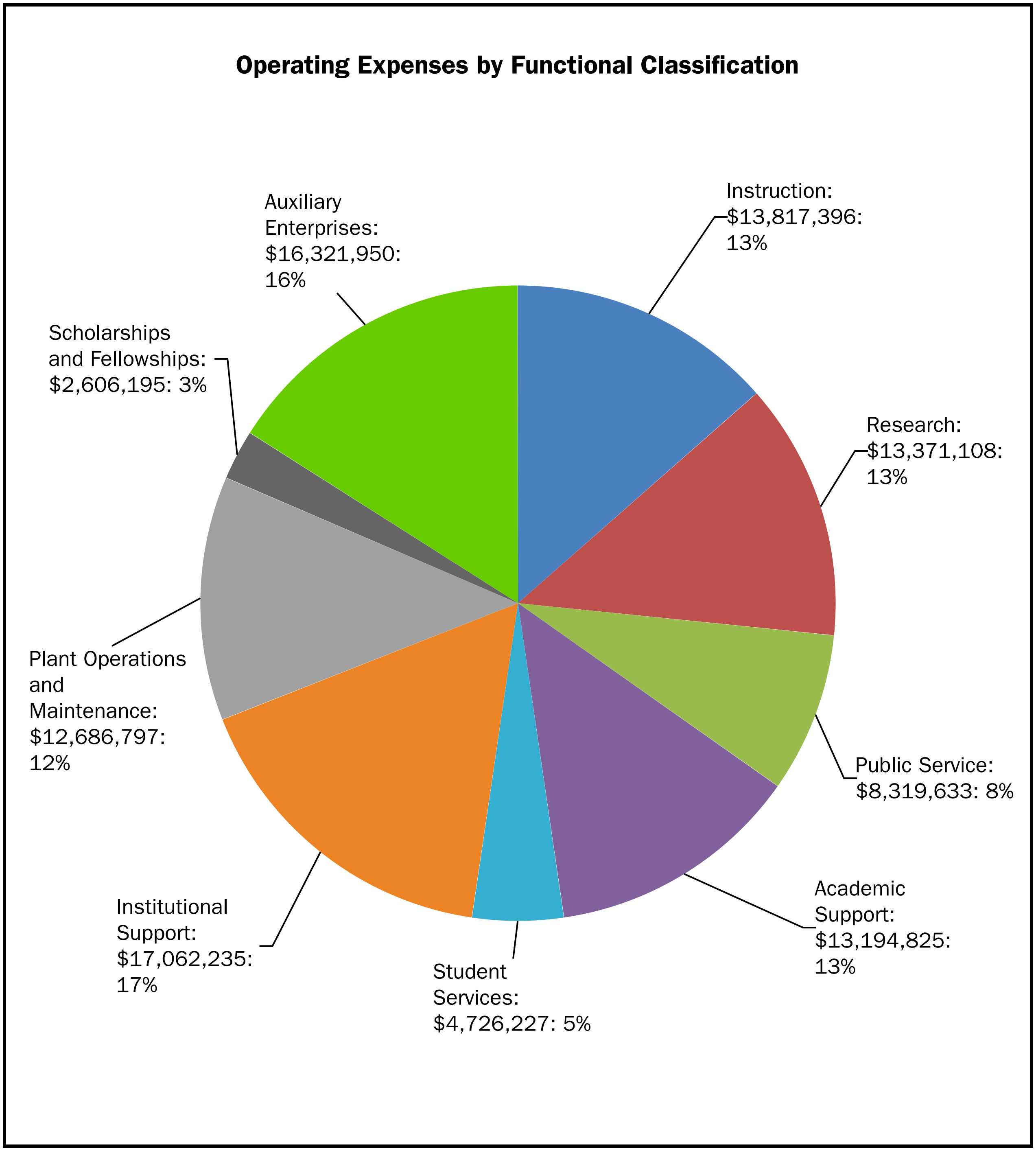
For the years ended June 30, 2025 and June 30, 2024, expenses by functional classification were as follows:

EXPENSES BY FUNCTIONAL CLASSIFICATION	June 30, 2025	June 30, 2024	Increase/ (Decrease)	% Change
Instruction	$ 13,817,396	$ 15,047,461	$ (1,230,065)	(8.17)%
Research	13,371,108	10,147,965	3,223,143	31.76 %
Public Service	8,319,633	7,401,769	917,864	12.40 %
Academic Support	13,194,825	13,986,912	(792,087)	(5.66)%
Student Services	4,726,227	4,816,879	(90,652)	(1.88)%
Institutional Support	17,062,235	21,866,502	(4,804,267)	(21.97)%
Plant Operations and Maintenance	12,686,797	10,871,094	1,815,703	16.70 %
Scholarships and Fellowships	2,606,195	2,281,786	324,409	14.22 %
Auxiliary Enterprises	16,321,950	16,116,273	205,677	1.28 %
Total Operating Expenses	$ 102,106,366	$ 102,536,641	$ (430,275)	(0.42)%
Interest Expense	2,501,363	2,429,161	72,202	2.97 %
Total Nonoperating Expenses	$ 2,501,363	$2,429,161	$ 72,202	2.97 %
Total Expenses	$ 104,607,729	$ 104,965,802	$ (358,073)	(0.34)%

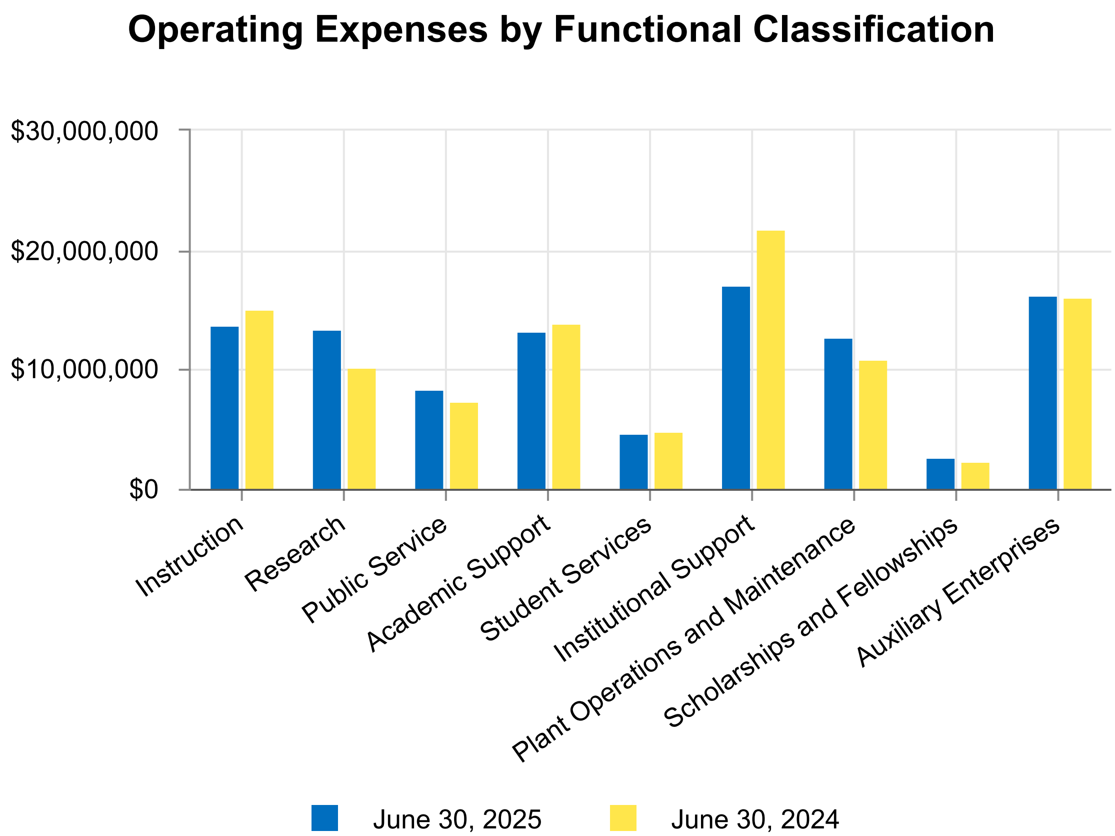
Total operating expenses decreased $0.4 million, or 0.42%, to $102.1 million for the fiscal year ended June 30, 2025, from $102.5 million for the fiscal year ended June 30, 2024. The decrease in operating expenses is largely related to decreases in instruction of $1,230,065, academic support of $792,087, student services of $90,652, and institutional support of $4.8 million. The decrease in expenses was partially offset by an increase in research of $3.2 million, public service of $917,864, plant operations and maintenance of $1.8 million, scholarship and fellowships of $324,409, and auxiliary enterprises of $205,677. The decrease in expenses is largely attributed to vacancies in instructional positions, the timing of Title III spending in academic support, and the FY2025 adjustment for the defined benefit pension plan administered by the Teachers Retirement System of Georgia. See Note 17 to the financial statements for more detailed information regarding functional and natural classifications.

The increase in research and public service is largely attributed to an increase in spending for major projects within the University's agricultural and cooperative extension units. Major projects being completed includes the construction of a smokehouse for meat research. The increase in plant operations and maintenance is due to campus-wide projects and upgrades including sidewalks and parking lots, security lights, flooring, painting, and HVAC controls. The increase in auxiliary enterprises is due to the increase in expenses for deferred maintenance projects.

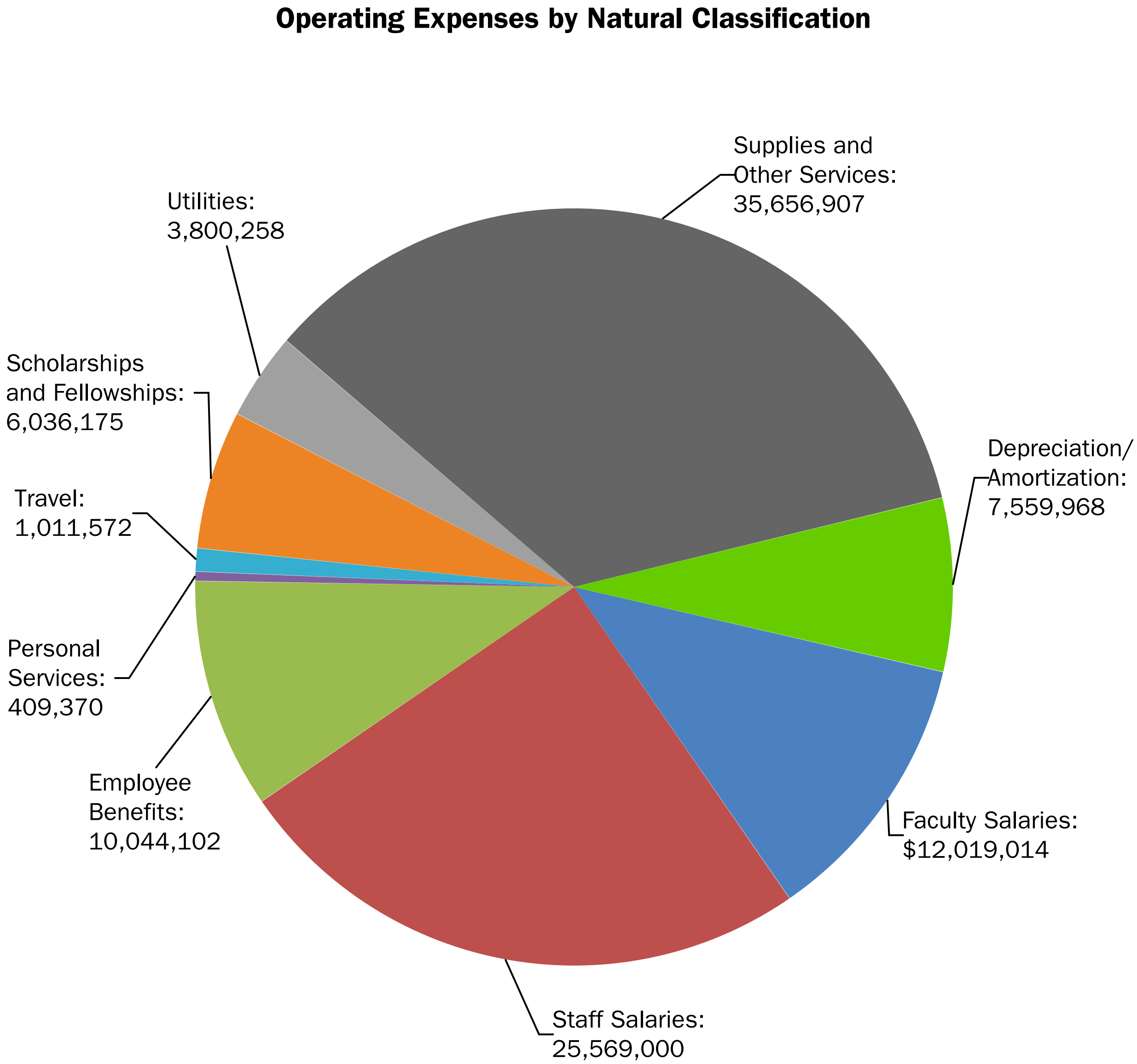
The following chart depicts operating expenses by functional classification for the year ended June 30, 2025:



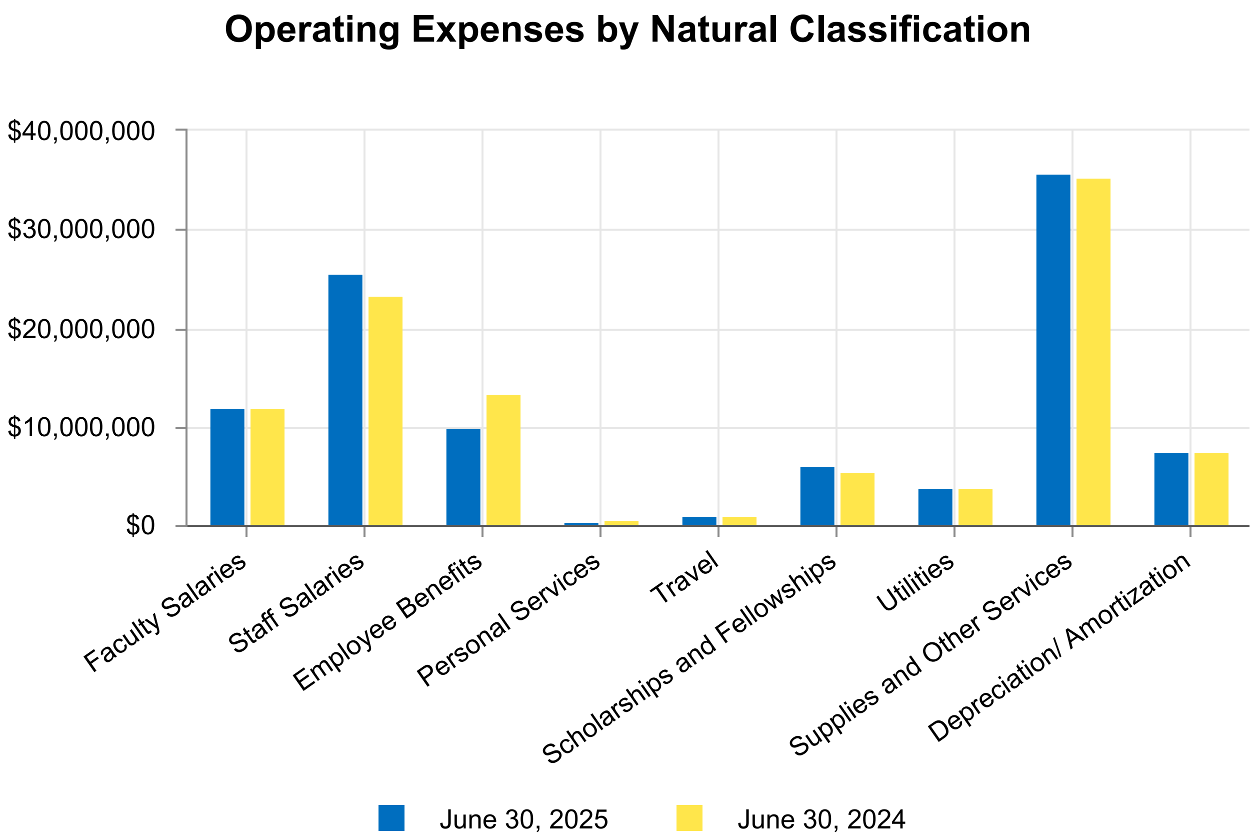
Operating expenses by functional classification for the years ended June 30, 2025 and June 30, 2024 is depicted by the following chart:



The following chart depicts the fiscal 2025 operating expenses by natural classification. See Note 17 to the financial statements.



Operating expenses by natural classification for the years ended June 30, 2025 and June 30, 2024 is depicted by the following chart:



Statement of Cash Flows

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

Cash Flows for the Years Ended June 30, 2025 and 2024, Condensed:

CONDENSED STATEMENT OF NET CASH FLOWS	June 30, 2025	June 30, 2024
Cash Provided (Used) by:		
Operating Activities	$ (66,182,814)	(65,801,124)
Non-Capital Financing Activities	80,131,980	81,903,070
Capital and Related Financing Activities	(13,037,120)	(13,035,459)
Investing Activities	3,069	19,139
NET CHANGE IN CASH	$ 915,115	$ 3,085,626
Cash, beginning of year	18,252,185	15,166,559
CASH, end of year	$ 19,167,300	$ 18,252,185

Capital & Intangible Right-to-Use Assets

Capital assets, net of accumulated depreciation, at June 30, 2025 and June 30, 2024 were as follows:

CAPITAL ASSETS, net of accumulated depreciation	June 30, 2025	June 30, 2024 (1)	Increase (Decrease)	% Change
Land	$ 3,822,848	3,822,848	$ —	— %
Construction Work-in-Progress	16,370,946	13,980,483	2,390,463	17.10 %
Building and Building Improvements	105,930,162	111,183,370	(5,253,208)	(4.72)%
Facilities and Other Improvements	2,183,424	2,316,453	(133,029)	(5.74)%
Equipment	8,345,794	7,399,275	946,519	12.79 %
Library Collections	614,159	567,078	47,081	8.30 %
Capital Assets, net of accumulated depreciation	$ 137,267,333	$ 139,269,507	$ (2,002,174)	(1.44)%

(1) The amounts reported in fiscal year 2024 were not adjusted for the restatement of beginning net position. See Note 1 in the Notes to the Financial Statements for more information regarding the restatement.

During the fiscal year ended June 30, 2025, ongoing capital projects included Davidson building renovation, Kell building renovation that will house the Center for Agriculture Innovation and Entrepreneurship, campus wide HVAC improvements and roof replacements, and a central energy plant.

For additional information concerning fiscal year capital asset activity, see Note 5 to the Financial Statements.

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	Increase (Decrease)	% Change
Intangibles in Progress	$ 83,819	$ 83,819	$ —	— %
Infrastructure	118,293	130,845	(12,552)	(9.59)%
Equipment	384,254	445,107	(60,853)	(13.67)%
Intangible Right-to-Use Assets, net of accumulated amortization	$ 586,366	$ 659,771	$ (73,405)	(11.13)%

Fort Valley State University: Economic Outlook and Strategic Growth

Fort Valley State University's leadership remains optimistic about the institution's economic outlook for the upcoming fiscal year, driven by sustained enrollment growth and improved financial performance. Fall 2024 marked the second consecutive year of enrollment increases—the first such trend in over a decade—with overall enrollment rising by 6.5% in Fall 2023 and 5.6% in Fall 2024. Retention among first-time, full-time freshmen also improved significantly, climbing from 72.6% to 78.5%.

In May 2025, the University celebrated a major academic milestone with the graduation of its inaugural nursing cohort. This achievement, alongside increased state appropriations, expanded grant and contract revenue, and reduced operating expenses, contributed to an $6.6 million improvement in the University's financial position compared to the prior fiscal year ending June 30, 2024.

Preliminary data for Fall 2025 indicates continued momentum, with the University on track to enroll one of its largest freshman classes in the past decade—marking three consecutive years of enrollment growth. Retention for returning students has also risen to 78.5%, an 8.1% increase over the previous year, with projections suggesting a further rise to 82.7%.

However, this growth has placed pressure on both on-campus and off-campus housing. In response, the University commissioned a housing study that confirmed the need for additional student accommodations. A new 32-bed facility is currently under construction, and Fort Valley State continues to work closely with the University System of Georgia to secure approval for further expansion. These developments are expected to generate additional tuition, fees, and auxiliary revenue.

With a strengthened financial outlook supported by enrollment-driven appropriations, the University is positioned to fill critical faculty roles, enhancing academic quality and student success. Looking ahead, Fort Valley State will maintain its strategic focus on enrollment and retention, expand academic offerings, and invest in housing infrastructure to support continued growth.

FINANCIAL STATEMENTS

FORT VALLEY STATE UNIVERSITY
STATEMENT OF NET POSITION
JUNE 30, 2025

		Fort Valley State University
ASSETS		
Current Assets		
Cash and Cash Equivalents	$	12,563,774
Cash and Cash Equivalents (Externally Restricted)		6,603,526
Accounts Receivable, net		
Federal Financial Assistance		5,948,156
Affiliated Organizations		1,648,411
Other		3,786,495
Prepaid Items		1,526,953
Total Current Assets		32,077,315
Non-Current Assets		
Accounts Receivable, net		
Due From USO - Capital Liability Reserve Fund		650,273
Investments		—
Notes Receivable, net		(6,303)
Investments (Externally Restricted)		103,583
Capital Assets, net		137,267,333
Intangible Right-to-Use Assets, net		586,366
Total Non-Current Assets		138,601,252
TOTAL ASSETS		170,678,567
DEFERRED OUTFLOWS OF RESOURCES (See Note 9)	$	16,987,593

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

FORT VALLEY STATE UNIVERSITY
STATEMENT OF NET POSITION
JUNE 30, 2025

		Fort Valley State University
LIABILITIES		
Current Liabilities		
Accounts Payable	$	4,738,744
Salaries Payable		162,885
Benefits Payable		116,899
Contracts Payable		(18,893)
Retainage Payable		34,377
Advances (Including Tuition and Fees)		5,099,335
Deposits		1,336
Other Liabilities		125,781
Subscription Obligations		—
Notes Payable		3,363,817
Lease Obligations		11,290
Compensated Absences		1,531,270
Total Current Liabilities		15,166,841
Non-Current Liabilities		
Subscription Obligations		—
Notes Payable		54,994,762
Lease Obligations		109,567
Compensated Absences		728,108
Net Other Post Employment Benefits Liability		28,073,448
Net Pension Liability		38,095,674
Total Non-Current Liabilities		122,001,559
TOTAL LIABILITIES		137,168,400
DEFERRED INFLOWS OF RESOURCES (See Note 9)		25,300,268
NET POSITION		
Net Investment in Capital Assets		77,303,250
Restricted for:		
Nonexpendable		—
Expendable		1,693,645
Unrestricted (Deficit)		(53,799,403)
TOTAL NET POSITION	$	25,197,492

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

FORT VALLEY STATE UNIVERSITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR FISCAL YEAR ENDED JUNE 30, 2025

	Fort Valley State University
OPERATING REVENUES	
Student Tuition and Fees (net)	$ 2,010,983
Federal Appropriations	4,731,576
Grants and Contracts	
Federal	618,626
State	63,245
Other	9,638
Sales and Services	233,755
Rents and Royalties	427,710
Auxiliary Enterprises	
Residence Halls	9,783,398
Bookstore	63,501
Food Services	7,225,823
Parking/Transportation	180,035
Health Services	433,417
Intercollegiate Athletics	1,899,927
Other Organizations	1,479,233
Other Operating Revenues	1,490,749
Total Operating Revenues	$ 30,651,616
OPERATING EXPENSES	
Faculty Salaries	12,019,014
Staff Salaries	25,569,000
Employee Benefits	10,044,102
Other Personal Services	409,370
Travel	1,011,572
Scholarships and Fellowships	6,036,175
Utilities	3,800,258
Supplies and Other Services	35,656,907
Depreciation and Amortization	7,559,968
Total Operating Expenses	102,106,366
Operating Income (Loss)	$ (71,454,750)

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

FORT VALLEY STATE UNIVERSITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR FISCAL YEAR ENDED JUNE 30, 2025

	Fort Valley State University
NONOPERATING REVENUES (EXPENSES)	
State Appropriations	$ 32,136,870
Grants and Contracts	
Federal	44,770,073
State	114,196
Other	2,497,160
Investment Income	11,353
Interest Expense	(2,501,363)
Other Nonoperating Revenues	(98,628)
Net Nonoperating Revenues	76,929,661
Income Before Other Revenues, Expenses, Gains, or Losses	5,474,911
Capital Grants and Gifts	
Federal	105,526
State	983,556
Total Other Revenues, Expenses, Gains or Losses	1,089,082
Change in Net Position	6,563,993
Net Position, Beginning of Year	20,782,724
Prior Year Adjustments	(2,149,225)
Net Position, Beginning of Year	18,633,499
Net Position, End of Year	$ 25,197,492

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

FORT VALLEY STATE UNIVERSITY
STATEMENT OF CASH FLOWS
FOR FISCAL YEAR ENDED JUNE 30, 2025

	Fort Valley State University
CASH FLOWS FROM OPERATING ACTIVITIES	
Payments from Customers	$ 25,527,787
Federal Appropriations	4,731,576
Grants and Contracts (Exchange)	365,239
Payments to Suppliers	(52,119,230)
Payments to Employees	(38,652,012)
Payments for Scholarships and Fellowships	(6,036,174)
Net Cash Used by Operating Activities	(66,182,814)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
State Appropriations	32,136,870
Gifts and Grants Received for Other Than Capital Purposes	47,995,110
Net Cash Flows Provided by Non-Capital Financing Activities	80,131,980
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Capital Gifts and Grants Received	608,312
Purchases of Capital Assets and Intangible Right-to-Use Assets	(7,736,138)
Principal Paid on Capital Debt and Leases	(3,234,870)
Interest Paid on Capital Debt and Leases	(2,674,424)
Net Cash Used by Capital and Related Financing Activities	(13,037,120)
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment Income	3,069
Net Cash Provided by Investing Activities	3,069
Net Increase in Cash and Cash Equivalents	915,115
Cash and Cash Equivalents, Beginning of Year	18,252,185
Cash and Cash Equivalents, End of Year	$ 19,167,300

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

FORT VALLEY STATE UNIVERSITY
STATEMENT OF CASH FLOWS
FOR FISCAL YEAR ENDED JUNE 30, 2025

		Fort Valley State University
RECONCILIATION OF OPERATING LOSS TO		
NET CASH USED BY OPERATING ACTIVITIES:		
Operating Loss	$	(71,454,750)
Adjustments to Reconcile Net Operating Loss to		
Net Cash Used by Operating Activities		
Depreciation		7,559,968
Change in Assets and Liabilities:		
Receivables, net		(3,015,094)
Prepaid Items		(263,346)
Accounts Payable		2,094,576
Salaries Payable		42,317
Benefits Payable		14,726
Deposits		(332)
Advances (Including Tuition and Fees)		2,687,120
Other Liabilities		(272,828)
Compensated Absences		(23,644)
Net Pension Liability		(8,314,280)
Other Postemployment Benefit Liability		(3,196,131)
Change in Deferred Inflows/Outflows of Resources:		
Deferred Inflows of Resources		2,885,616
Deferred Outflows of Resources		5,073,268
Net Cash Used by Operating Activities	$	(66,182,814)
NON-CASH INVESTING, NON-CAPITAL FINANCING, AND CAPITAL AND		
RELATED FINANCING TRANSACTIONS		
Noncapital Financing Activities Noncash Items:		
Amortization of Non-capital Financing Activities Advances and Deferred Inflows	$	1,313,940
Capital Financing Activities Noncash Items:		
Current Year Accruals Related to Capital Financing Activities	$	431,679
Gain (Loss) on Disposal of Capital Assets	$	(115,325)
Amortization of Deferred Gain (Loss) of Capital Debt Refunded	$	164,124
Accrual of Capital Financing Interest Payable	$	(8,937)
Other Capital Financing Activities Noncash Items	$	12,804
Investing Activities Noncash Items:		
Unrealized Gain (Loss) on Investments	$	3,573

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

FORT VALLEY STATE UNIVERSITY
STATEMENT OF FIDUCIARY NET POSITION
FOR FISCAL YEAR ENDED JUNE 30, 2025

	Custodial Funds
ASSETS	
Receivables	
Other	$ 1,095,662
Total Assets	1,095,662
LIABILITIES	
Cash Overdraft	423,927
Accounts Payable	(80)
Total Liabilities	423,847
NET POSITION	
Restricted for:	
Individuals, Organizations, and Other Governments	$ 671,815

FORT VALLEY STATE UNIVERSITY
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR FISCAL YEAR ENDED JUNE 30, 2025

		Custodial Funds
ADDITIONS		
Federal Financial Aid	$	19,286,370
State Financial Aid		4,847,101
Other Financial Aid		1,863,390
Clubs and Other Organizations Fund Raising		66,017
Total Additions		26,062,878
DEDUCTIONS		
Scholarships and Other Student Support		25,519,867
Student Organizations Support		44,125
Total Deductions		25,563,992
Net Increase (Decrease) in Fiduciary Net Position		498,886
Net Position, Beginning of Year		172,929
Net Position, End of Year	$	671,815

NOTES TO THE FINANCIAL STATEMENTS

FORT VALLEY STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

Note 1 Summary of Significant Accounting Policies

Nature of Operations

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

Reporting Entity

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

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

The accompanying basic financial statements are intended to supplement the State's Annual Comprehensive Financial Report (ACFR) by presenting the financial position and changes in financial position and cash flows of only that portion of the business-type activities of the State that is attributable to the transactions of the University. 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.

Basis of Accounting and Financial Statement Presentation

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

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

The University reports the following fiduciary fund:

- Custodial Funds - Accounts for activities of resulting from the University 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 petty cash, demand deposits and time deposits in authorized financial institutions, and cash management pools that have the general characteristics of demand deposit accounts. 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 University accounts for its investments at fair value. Changes in unrealized gain (loss) on the carrying value of investments are reported as a component of investment income in the Statement of Revenues, Expenses, and Changes in Net Position. The Board of Regents Diversified Fund is included as investments. Investments that cannot be used to pay current liabilities are classified as non-current assets in the Statement of Net Position. Investments restricted as to use by a third party are reported as externally restricted.

Accounts Receivable

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

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

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

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

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

Intangible Right-To-Use Assets

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

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

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

Capital Liability Reserve Fund

The Capital Liability Reserve Fund (Fund) was established by the Board of Regents to protect the fiscal integrity of the USG to maintain the strongest possible credit ratings associated with Public Private Venture (PPV) projects and to ensure that the Board of Regents can effectively support its long-term capital lease obligations. All USG institutions participating in the PPV program finance the Fund. The Fund serves as a pooled reserve that is managed by the Board of Regents. The Fund shall only be used to address significant shortfalls and only insofar as a requesting USG institution is unable to make the required PPV capital lease payment to the designated affiliated organization. The Fund will continue as long as the Board of Regents has rental obligations under the PPV program and at the conclusion of the program, funds will be returned to each institution. The balance of $650,273 included on the University's Statement of Net Position as Due from USO - Capital Liability Reserve Fund represents the University's contribution to the Fund.

Deferred Outflows of Resources

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

Deposits

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

Advances

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

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 obligations with contractual maturities greater than one year; and (3) other liabilities that, although payable within one year, are to be paid from funds that are classified as non-current assets.

Deferred Inflows of Resources

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

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

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

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

Pensions and Net Pension Liability

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

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

Net Position

The University’s net position is classified as follows:

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

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

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

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

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

Income Taxes

The University, 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 following criteria:

- Operating revenue includes activities that have the characteristics of exchange transactions, such as (1) student tuition and fees, net of scholarship allowances, (2) certain federal, state and local grants and contracts, and (3) sales and services.

- Nonoperating revenue includes activities that have the characteristics of non-exchange transactions, such as gifts and contributions, and other revenue sources that are defined as non-operating revenue by GASB Statements No. 9, *Reporting Cash Flows of Proprietary and Non-expendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting,* and No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments,* such as state appropriations and investment income.

- Operating expense includes activities that have the characteristics of exchange transactions.

- Nonoperating expense includes activities that have the characteristics of non-exchange transactions, such as capital financing costs and costs related to investment activity.

Scholarship Allowances

Scholarship allowances are the difference between the stated charge for goods and services provided by the University, and the amount that is paid by students and/or third parties making payments on the students' behalf. Certain governmental grants, such as Pell grants, and other Federal, state or nongovernmental programs are recorded as either operating or non-operating revenues in the University's financial statements. To the extent that revenues from such programs are used to satisfy tuition, fees and other student charges, the University has recorded contra revenue for scholarship allowances. 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 $12,548,119.57 and waivers in the amount of $2,293,837.

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 University 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 a decrease in Student Tuition and Fees (net) and an 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.

Restatement of Prior Year Net Position

The University made the following restatements:

	Business-type Activities
Net position, beginning of year, as originally reported	$ 20,782,724
Correction of prior year errors	
Capital Assets	(2,149,225)
Net position, beginning of year, restated	$ 18,633,499

Correction of Prior Year Error

Business-type activity balances reported at June 30, 2024 were overstated for capital assets, net by $7,327,090 due to an error in misclassifying expenses as capital assets in the amount of $2,149,225 and understating depreciation in the amount of $5,177,865. Beginning net position has been decreased by $7,327,090 to reflect correction of prior year amounts. This change is in accordance with generally accepted accounting principles.

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	$	12,563,774
Cash and Cash Equivalents (Externally Restricted)		6,603,526
Noncurrent		
Investments (Externally Restricted)		103,583
Statement of Fiduciary Net Position		
Cash and Cash Equivalents		(423,927)
	$	18,846,956

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

Cash on Hand	$	1,795
Deposits with Financial Institutions		18,741,578
Investments		103,583
	$	18,846,956

A. Deposits with Financial Institutions

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

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

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

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

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

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

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

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

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

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

At June 30, 2025, the bank balances of the University's deposits totaled $21,243,677. Of these deposits, $0 were exposed to custodial credit risk.

B. Investments

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

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

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

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

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

   The equity allocation shall range between 60% and 80% of the portfolio, with a target of 70% of the total portfolio. The fixed income (bond) portion of the portfolio shall range between 20% and 40%, with a target of 30% of the total portfolio. Cash reserves and excess income are invested at all times in the highest quality par stable (A1, P1) institutional money market mutual funds, or other high quality short term instruments. The market value of the University's position in the Diversified Fund at June 30, 2025 was $103,583, of which 29% is invested in debt securities. The Effective Duration of the Fund is 5.03 years.

Interest Rate Risk
Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. The University does not have a formal policy for managing interest rate risk for investments since its investment are part of the Board of Regents investment pool.

Credit Quality Risk

Credit quality risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Institution’s policy for managing credit quality risk is contained in the investment policy guidelines for the various pooled investment funds, colleges, universities, and foundations:

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

Note 3 Accounts Receivable

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

	Business Type Activities	Fiduciary Fund
Student Tuition and Fees	$ 1,112,515	$ —
Auxiliary Enterprises and Other Operating Activities	1,580,691	—
Federal Financial Assistance	5,948,156	520,118
Georgia Student Finance Commission	—	566,965
Georgia State Financing and Investment Commission	2,439,519	—
Due from Affiliated Organizations	1,648,411	—
Due From Other USG Institutions	650,273	—
Lease Receivable	303,261	—
Other	234,386	8,579
	13,917,212	1,095,662
Less: Allowance for Doubtful Accounts	1,883,877	—
Net Accounts Receivable	$ 12,033,335	$ 1,095,662

Note 5 Capital and Intangible Right-to-Use Assets

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

	(Restated) Balance July 1, 2024	Additions	Reductions	Balance June 30, 2025
Capital Assets, Not Being Depreciated:				
Land	$ 3,822,848	$ —	$ —	$ 3,822,848
Construction Work-in-Progress	11,831,258	4,539,688		16,370,946
Total Capital Assets Not Being Depreciated	15,654,106	4,539,688	—	20,193,794
Capital Assets, Being Depreciated:				
Building and Building Improvements	204,631,689	—	337,058	204,294,631
Facilities and Other Improvements	4,586,886	8,336	8,336	4,586,886
Equipment	29,225,105	3,097,697	109,150	32,213,652
Library Collections	6,198,312	103,218		6,301,530
Total Capital Assets Being Depreciated	244,641,992	3,209,251	454,544	247,396,699
Less: Accumulated Depreciation				
Building and Building Improvements	93,448,319	5,219,502	303,352	98,364,469
Facilities and Other Improvements	2,270,433	133,029	—	2,403,462
Equipment	21,825,830	2,138,748	96,720	23,867,858
Library Collections	5,631,234	56,137	—	5,687,371
Total Accumulated Depreciation	123,175,816	7,547,416	400,072	130,323,160
Total Capital Assets, Being Depreciated, Net	121,466,176	(4,338,165)	54,472	117,073,539
Capital Assets, net	$ 137,120,282	$ 201,523	$ 54,472	$ 137,267,333

For projects managed by GSFIC, GSFIC retains construction-in-progress on its books throughout the construction period and transfers the entire project to the University when complete. For projects managed by the University, the University retains construction-in-progress on its books and is reimbursed by GSFIC. For the year ended June 30, 2025, GSFIC did not transfer any capital additions to the University related to GSFIC managed projects. In addition, at June 30, 2025 GSFIC had construction in progress of approximately $11.9 million for uncompleted GSFIC managed projects for the University.

Intangible Right-to-Use Assets

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

	Beginning Balances July 1, 2024	Additions	Reductions	Ending Balance June 30, 2025
Intangible Right-to-use Assets, Not Being Amortized:				
Intangibles in Progress	$ 83,819	$ —	$ —	$ 83,819
Intangible Right-to-use Assets, Being Amortized:				
Infrastructure	132,843	—	—	132,843
Equipment	684,121	—	172,676	511,445
Total Leased Assets Being Amortized	816,964	—	172,676	644,288
Less: Accumulated Amortization				
Infrastructure	1,998	12,552	—	14,550
Equipment	239,014	—	111,823	127,191
Total Accumulated Amortization	241,012	12,552	111,823	141,741
Total Intangible Right-to-use Assets, Being Amortized, Net	575,952	(12,552)	60,853	502,547
Intangible Right-to-use Assets, net	$ 659,771	$ (12,552)	$ 60,853	$ 586,366

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

Fiscal Year	Depreciation & Amortization Expense
2025	$ 7,559,968
2024	$ 7,599,429
2023	$ 7,372,961

Note 6 Advances (Including Tuition and Fees)

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

	Current Liabilities
Prepaid Tuition and Fees	$ 638,548
Research	(1,742)
Other - Advances	4,462,529
Totals	$ 5,099,335

There were no fiduciary fund advances for student support received prior to eligibility requirements being met.

Note 7 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	$ 168,947	$ —	$ 48,090	$ 120,857	$ 11,290
Total	168,947	—	48,090	120,857	11,290
Other Liabilities					
Compensated Absences	2,283,023	1,542,355	1,566,000	2,259,378	1,531,270
Notes and Loans Payable	61,549,254	—	3,190,675	58,358,579	3,363,817
Total	63,832,277	1,542,355	4,756,675	60,617,957	4,895,087
Total Long-Term Obligations	$ 64,001,224	$ 1,542,355	$ 4,804,765	$ 60,738,814	$ 4,906,377

See Note 13, Retirement Plans, for information related to net pension liability. See Note 16, Post-Employment Benefits Other Than Pension Benefits, for information related to net other post-employment benefits liability.

Notes Payable

Financing Lease Agreements

The University is obligated under various multi-year financing lease agreements for the acquisition or use of real property and equipment, whereby the 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 University In addition, these agreements shall terminate if the State does not provide adequate funding, but that is considered a remote possibility. The University's principal and interest payments related to financing lease agreements for fiscal year 2025 were $3,190,675 and $2,674,412, respectively. Interest rates range from 4.2% to 5.74%.

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

Description	Gross Amount	Less: Amortization	Net Assets Held Under Financing Lease Arrangements at June 30, 2025	Outstanding Balances per Lease Schedules at June 30, 2025
	(+)	(-)	(=)	
Financed Facilities and Other Improvements	$ 82,821,775	$ 41,560,789	$ 41,260,986	$ 58,358,579

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

Description	Lessor	Original Principal	Lease Term	Begin Month/ Year	End Month/ Year	Outstanding Principal	
Wildcat Housing Phase 1	USG Real Estate Fdn IV, LLC	$38,622,249	21 years	October 2016	June 2037	$27,648,879	(1)
Wildcat Housing Phase 2	FVSU Fdn LLC	19,603,070	30 years	April 2009	March 2038	14,801,749	(1)
Student Center/Stadium	USG Real Estate Fdn I, LLC	19,451,021	30 years	July 2010	June 2040	15,907,951	(1)
Total Financed Leases		$77,676,340				$58,358,579	

(1) These financing lease agreements are related party transactions.

Below is the annual debt service related to the outstanding notes and loans payable at June 30, 2025.

	Principal	Interest
Year Ending June 30:		
2026	$ 3,363,817	$ 2,536,074
2027	3,527,573	2,390,257
2028	3,706,762	2,239,279
2029	3,885,268	2,075,960
2030	4,086,904	1,906,726
2031 through 2035	23,839,622	6,664,267
2036 through 2040	15,948,633	1,503,557
2041 through 2045	—	—
Total Minimum Lease Payments	$ 58,358,579	$ 19,316,120

Note 8 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 Outflow of Resources		
Deferred Loss on Debt Refunding	$	230,252
Deferred Outflows on Defined Benefit Pension Plans (See Note 13)		12,952,731
Deferred Outflows on OPEB Plan (See Note 16)		3,804,610
Total Deferred Outflows of Resources	$	16,987,593

Deferred Inflow of Resources		
Deferred Gain on Debt Refunding	$	2,301,266
Deferred Inflow on Defined Benefit Pension Plans (See Note 13)		6,923,786
Deferred Inflow on OPEB Plan (See Note 16)		15,771,955
Deferred Inflows of Resources - Leases		303,261
Other Deferred Inflows of Resources		—
Total Deferred Inflows of Resources	$	25,300,268

Deferred Loss/Gain on Debt Refunding

The unamortized deferred gain or loss on debt refunding related to changes in the provisions of various leases that resulted from a refunding by the lessor of tax-exempt debt in which a portion of the perceived economic advantages of the refunding where passed through to the Institution.

Leases

In September 2023, Fort Valley State University entered into an agreement with Georgia Institute of Technology for the building space located at the institution's Warner Robins campus. The agreement is renewable for 5 years for a total of payable to the University. The amortized revenue recorded in fiscal year 2025 was $0 and the remaining deferred inflow of resources was $303,261.

Note 9 Net Position

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

Net Investment in Capital Assets	$ 77,303,250
Expendable	
Sponsored and Other Organized Activities	(633,730)
Federal Loans	699,170
Quasi-Endowments	1,628,205
Sub-Total	1,693,645
Unrestricted	
Auxiliary Enterprises Operations	3,869,193
Reserve for Encumbrances	9,821,980
Capital Liability Reserve Fund	650,273
Other Unrestricted	(68,140,849)
Sub-Total	(53,799,403)
Total Net Position	$ 25,197,492

Other unrestricted net position is reduced by $40,040,793 related to the recording of net OPEB liability, deferred inflows of resources, and deferred outflows of resources related to the OPEB plan. Other unrestricted net position is also reduced by $32,066,729 related to the recording of net pension liability, deferred inflows of resources, and deferred outflows of resources on defined benefit pension plans. These OPEB and pension balances are mostly funded through state appropriation and student tuition and fees that are subject to State surplus rules which prevents the accumulation of budgetary fund balance. Therefore, the University is statutorily unable to maintain accumulated net position to offset these OPEB and pension balances.

Changes in Net Position for the year ended June 30, 2025 are as follows:

	(Restated) Balance July 1, 2024	Additions	Reductions	Balance June 30, 2025
Net Investments in Capital Assets	$ 73,826,714	$ 10,987,705	$ 7,511,169	$ 77,303,250
Restricted Net Position	1,619,934	49,162,020	49,088,309	1,693,645
Unrestricted Net Position	(56,813,149)	62,108,331	59,094,585	(53,799,403)
Total Net Position	$ 18,633,499	$ 122,258,056	$ 115,694,063	$ 25,197,492

Note 10 Endowments

The University did not have donor restricted endowments at June 30, 2025. Donor restricted endowments are reported in the financial statements for Fort Valley State University Foundation.

Note 11 Significant Commitments

See the Net Position note for amounts reserved for outstanding encumbrances at June 30, 2025. In addition to these encumbrances, the University had no other significant unearned outstanding construction or renovation contracts executed as of June 30, 2025. All of the University's unearned outstanding construction and renovation contract balances are included in the outstanding encumbrances totals.

Note 12 Leases and Subscriptions

Lease Obligations

The University leases land, facilities, office and computer equipment, and other assets. Although lease terms vary, many leases are subject to appropriation from the General Assembly to continue the obligation.In accordance with O.C.G.A. § 50-5-64, these agreements shall terminate absolutely and without further obligation at the close of the fiscal year in which it was executed and at the close of each succeeding fiscal year for which it may be renewed. These agreements may be renewed only by a positive action taken by the University. In addition, these agreements shall terminate if the State does not provide adequate funding, but that is considered a remote possibility. The University's principal and interest payments related to leases for fiscal year 2023 were $48,090 and $12 respectively. Interest rate ranges from .0005% to .5%.

For the fiscal year 2025, there were no residual guaranteed payment, variable payments based on performance, nor termination penalties expensed for fiscal year ended June 30, 2025.

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 Amortization	Net, Assets Held Under Lease at June 30, 2025	Outstanding Balance per Lease Schedules at June 30, 2025
	(+)	(-)	(=)	
Leased Infrastructure	$ 132,843	$ 14,644	$ 118,199	$ 120,857
Leased Equipment	511,445	127,097	384,348	—
Total Assets Held Under Lease	$ 644,288	$ 141,741	$ 502,547	$ 120,857

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

Description	Original Principal	Lease Term	Begin Month/ Year	End Month/Year	Outstanding Principal
American Tower	$ 171,564	20 years	July 2021	June 2034	$ 120,857
12 Passenger Shuttle	104,734	6 years	December 2019	February 2025	—
Starcraft Shuttle	104,734	6 years	December 2019	February 2025	—
Total Leases	$ 381,032				$ 120,857

Below is the future commitments related to outstanding lease obligations as of June 30, 2025:

	Principal	Interest
Year Ending June 30:		
2026	$ 11,290	$ 2
2027	11,685	2
2028	12,094	2
2029	12,518	2
2030	12,956	2
2031 through 2035	60,314	2
Total Minimum Lease Payments	$ 120,857	$ 12

Subscription Obligations

The University has $0 in outstanding subscription obligations due to component units. The University has $0 in outstanding lease obligations due to affiliated organizations and other related party organizations.

For fiscal year 2025, the University had no variable payments based on performance, nor termination penalties expensed for fiscal year ended June 30, 2025.

The following is a summary of the carrying values of intangible right-to-use assets held under SBITA's 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)	$ 83,819	$ —	$ 83,819	$ —

Note 13. Retirement Plans

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

The University also provides the Regents Retirement Plan.

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

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

General Information about the Teachers Retirement System

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

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

Contributions
Per Title 47 of the O.C.G.A., contribution requirements of active employees and participating employers, as actuarially determined, are established and may be amended by the TRS Board. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employees were required to contribute 6% of their annual pay during fiscal year 2025.
The University's contractually required contribution rate for the year ended June 30, 2025 was 20.78% of the University's annual payroll. The University's contributions to TRS totaled $5,207,587 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 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 University's contributions to ERS totaled $24,820 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 University reported a liability for its proportionate share of the net pension liability for TRS. 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 University'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 University's TRS proportion was 0.150891%, which was an decrease of (0.005651)% from its proportion measured as of June 30, 2023. At June 30, 2024, the University's ERS proportion was 0.003772%, which was an increase of 0.000553% from its proportion measured as of June 30, 2024.

For the year ended June 30, 2025, the University recognized pension expense of $5,661,984 for TRS and $82,880 for ERS. At June 30, 2025, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	TRS		ERS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 4,291,575	$ 113,352	$ 9,102	$ —
Changes of assumptions	2,638,319	—	—	—
Net difference between projected and actual earnings on pension plan investments		5,287,684	—	19,126
Changes in proportion and differences between contributions and proportionate share of contributions	751,055	1,503,624	30,273	—
Contributions subsequent to the measurement date	5,207,587	—	24,820	—
Total	$ 12,888,536	$ 6,904,660	$ 64,195	$ 19,126

The University's contributions subsequent to the measurement date are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year 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	$	272,511	$	24,320
2027	$	4,805,576	$	15,015
2028	$	(2,442,974)	$	(11,639)
2029	$	(1,858,824)	$	(7,447)

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
Post-retirement benefit increases	1.50% semi-annually

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

The actuarial assumptions used in the June 30, 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
Cost-of-living-adjustment	1.05%, annually

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

The actuarial assumptions used in the June 30, 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 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 %	

* 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%. 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 pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

Teachers Retirement System:

	1% Decrease 5.90%	Current discount rate 6.90%	1% Increase 7.90%
Proportionate share of the net pension liability	$ 65,278,004	$ 37,925,864	$ 15,598,146

Employees' Retirement System:

	1% Decrease 6.00%	Current discount rate 7.00%	1% Increase 8.00%
Proportionate share of the net pension liability	$ 255,840	$ 169,810	97,460

Pension plan fiduciary net position
Detailed information about the pension plan's fiduciary net position is available in the separately issued TRS 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 University and the covered employees made the required contributions of $629,114 (9.24%) and $408,522 (6.00%), respectively.

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

Note 14 Risk Management

The USG offers its employees and retirees under the age of 65 access to three self-insured healthcare plan options and one fully insured plan option. For the USG's Plan Year 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 University's participating employees and eligible retirees pay premiums into the plan fund to access benefits coverage. All units of the USG share the risk of loss for claims associated with these plans. The plan fund is considered to be a self-sustaining risk fund. The USG has contracted with Blue Cross and Blue Shield of Georgia, a wholly owned subsidiary of Anthem, Inc., to serve as the claims administrator for the self-insured healthcare plan options. In addition to the self-insured healthcare plan options offered to the employees and eligible retirees of the USG, a fully insured HMO healthcare plan option also is offered through Kaiser Permanente. The Comprehensive Care plan has a carved-out prescription drug plan administered through CVS Caremark. Pharmacy drug claims are processed in accordance with guidelines established for the Board of Regents' Prescription Drug Benefit Program. Generally, claims are submitted by participating pharmacies directly to CVS Caremark for verification, processing and payment. CVS Caremark maintains an eligibility file based on information furnished by Blue Cross and Blue Shield of Georgia on behalf of the various organizational units of the University System of Georgia. The self-insured dental plan is administered through Delta Dental.

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

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

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

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

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

Note 15 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 Institution expects such amounts, if any, to be immaterial to its overall financial position.

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

Note 16 Post-Employment Benefits Other Than Pension Benefits

Board of Regents Retiree Health Benefit Plan

Plan Description and Funding Policy

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

Pursuant to the general powers conferred by the OCGA § 20-3-31, the USG has established group health and life insurance programs for regular employees of the USG. It is the policy of the USG to permit employees of the USG eligible for retirement or who become permanently and totally disabled to continue as members of the group health and life insurance programs. The USG offers its employees and retirees under the age of 65 access to three self-insured healthcare plan options and one fully insured plan option. For the USG's Plan Year 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 healthcare coverage for Medicare-eligible retirees and dependents provided through a retiree health care exchange option. The USG makes contributions to the retirees' health reimbursement account, which can be used by the retiree to pay premiums and out-of-pocket healthcare related expenses.

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

Active Employees	518
Retirees or Beneficiaries Receiving Benefits	202
Retirees Receiving Life Insurance Only	107
Total	827

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

The University pays the employer portion for group insurance for eligible retirees. The employer portion of health insurance for its eligible retirees is based on rates that are established annually by the Board for the upcoming plan year. For the 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%. 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 University contributed $886,688 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 University 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 University'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 University's proportion was 0.966826%, which was an decrease of (0.017315)% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the University recognized OPEB expense of $(3,218,036). At June 30, 2025, the University 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	$ 709,575	$ 148,604
Changes of assumptions	1,851,840	14,268,795
Net difference between projected and actual earnings on OPEB plan investments	66,200	—
Changes in proportion and differences between contributions and proportionate share of contributions	290,307	1,354,556
Contributions subsequent to the measurement date	886,688	—
Total	$ 3,804,610	$ 15,771,955

The University's contributions subsequent to the measurement date of $886,688 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	$	(5,158,254)
2027	$	(4,122,045)
2028	$	(2,402,300)
2029	$	(1,054,170)
2030	$	(117,264)
Thereafter	$	—

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 Healthcare 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.

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%

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 the University's proportionate share of the net OPEB liability, as well as what the University's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1% lower (2.96%) or 1% 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	$ 32,483,897	$ 28,073,448	$ 24,463,769

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

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

	1% Decrease	Current Rate	1% Increase
Proportionate Share of the Net OPEB Liability	$ 24,690,959	$ 28,073,448	$ 32,264,767
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 Consolidated Annual Financial Report which is publicly available at usg.edu/fiscal_affairs/financial_reporting/.

Note 17 Operating Expenses with Functional Classifications

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

Functional Classification	Natural Classification				
	Faculty Salaries	Staff Salaries	Employee Benefits	Personal Services	Travel
Instruction	$ 8,948,462	$ 1,241,930	$ 2,415,630	$ 4,494	$ 6,103
Research	1,791,119	4,207,871	1,699,117	—	369,447
Public Service	307,198	3,148,953	1,312,057	798	274,179
Academic Support	803,732	4,961,365	2,217,557	—	75,809
Student Services	55,211	2,240,945	798,048	—	93,423
Institutional Support	94,133	5,285,520	94,527	403,531	135,909
Plant Operations and Maintenance	—	2,370,805	900,582	547	7,124
Scholarships and Fellowships	—	—	—	—	—
Auxiliary Enterprises	19,159	2,111,611	606,584	—	49,578
Total Operating Expenses	$ 12,019,014	$ 25,569,000	$ 10,044,102	$ 409,370	$ 1,011,572

Functional Classification	Natural Classification				
	Scholarships and Fellowships	Utilities	Supplies and Other Services	Depreciation/ Amortization	Total Operating Expenses
Instruction	$ 243,288	$ 12,835	$ 665,091	$ 279,563	$ 13,817,396
Research	756,326	18,458	3,627,020	901,750	13,371,108
Public Service	7,000	152,937	2,798,034	318,477	8,319,633
Academic Support	260,902	153,463	4,415,270	306,727	13,194,825
Student Services	386,095	18,192	1,110,616	23,697	4,726,227
Institutional Support	1,542,141	56,017	8,973,927	476,530	17,062,235
Plant Operations and Maintenance	—	2,804,755	3,835,063	2,767,921	12,686,797
Scholarships and Fellowships	2,606,195	—	—	—	2,606,195
Auxiliary Enterprises	234,228	583,601	10,231,886	2,485,303	16,321,950
Total Operating Expenses	$ 6,036,175	$ 3,800,258	$ 35,656,907	$ 7,559,968	$ 102,106,366

FORT VALLEY STATE UNIVERSITY
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REQUIRED SUPPLEMENTARY INFORMATION

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

	Year Ended	Actuarially Determined Contribution (a)	Contributions in Relation to the Actuarially Determined Contribution (b)	Contribution Deficiency (Excess) (b-a)	Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
Employees' Retirement System	June 30, 2025	$ 24,820	$ 24,820	$ —	$ 85,000	29.20%
	June 30, 2024	$ 24,067	$ 24,067	$ —	$ 82,000	29.35%
Teachers' Retirement System	June 30, 2025	$ 5,207,587	$ 5,207,587	$ —	$ 24,902,602	20.91%
	June 30, 2024	$ 4,705,353	$ 4,705,353	$ —	$ 23,526,314	20.00%
	June 30, 2023	$ 4,543,597	$ 4,543,597	$ —	$ 22,789,134	19.94%
	June 30, 2022	$ 4,046,352	$ 4,046,352	$ —	$ 20,269,352	19.96%
	June 30, 2021	$ 3,783,722	$ 3,783,722	$ —	$ 19,911,567	19.00%
	June 30, 2020	$ 4,462,949	$ 4,462,949	$ —	$ 21,108,517	21.14%
	June 30, 2019	$ 4,255,295	$ 4,255,295	$ —	$ 20,504,446	20.75%
	June 30, 2018	$ 3,341,095	$ 3,341,095	$ —	$ 19,875,640	16.81%
	June 30, 2017	$ 2,581,905	$ 2,581,905	$ —	$ 18,080,567	14.28%
	June 30, 2016	$ 2,542,103	$ 2,542,103	$ —	$ 17,795,629	14.28%

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

FORT VALLEY STATE UNIVERSITY
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	0.003772%	$ 169,810	$ 82,000	207.09%	78.75%
	June 30, 2024	0.003219%	$ 192,032	$ 82,000	234.19%	71.20%
Teachers Retirement System	June 30, 2025	0.150891%	$ 37,925,864	$ 23,526,314	161.21%	80.86%
	June 30, 2024	0.156542%	$ 46,217,922	$ 23,526,314	196.45%	76.29%
	June 30, 2023	0.149791%	$ 48,640,033	$ 22,789,134	213.44%	72.85%
	June 30, 2022	0.152917%	$ 13,524,489	$ 20,269,352	66.72%	92.03%
	June 30, 2021	0.163029%	$ 39,492,005	$ 19,911,567	198.34%	77.01%
	June 30, 2020	0.167887%	$ 36,100,245	$ 21,108,517	171.02%	78.56%
	June 30, 2019	0.166575%	$ 30,919,888	$ 20,504,446	150.80%	80.27%
	June 30, 2018	0.156959%	$ 29,171,314	$ 19,875,640	146.77%	79.33%
	June 30, 2017	0.160000%	$ 33,447,370	$ 18,080,567	184.99%	76.06%
	June 30, 2016	0.170000%	$ 26,490,990	$ 17,795,629	148.86%	81.44%

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

FORT VALLEY STATE UNIVERSITY
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO THE REQUIRED SUPPLEMENTAL INFORMATION
DEFINED BENEFIT PENSION PLAN
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%.

FORT VALLEY STATE UNIVERSITY
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	Contributions as a Percentage of Covered Payroll (b/c)
June 30, 2025	$ 886,688	$ 886,688	$ —	$ 33,701,252	2.63%
June 30, 2024	$ 903,990	$ 903,990	$ —	$ 32,064,237	2.82%
June 30, 2023	$ 998,766	$ 998,766	$ —	$ 30,673,057	3.26%
June 30, 2022	$ 1,425,974	$ 1,425,974	$ —	$ 30,152,441	4.73%
June 30, 2021	$ 1,161,159	$ 1,161,159	$ —	$ 28,035,023	4.14%
June 30, 2020	$ 1,046,591	$ 1,046,591	$ —	$ 28,534,756	3.67%
June 30, 2019	$ 1,639,020	$ 1,639,020	$ —	$ 27,900,177	5.87%
June 30, 2018	$ 1,619,104	$ 1,619,104	$ —	$ 23,365,780	6.93%
June 30, 2017	$ 986,367	$ 986,367	$ —	$ 24,217,459	4.07%

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

FORT VALLEY STATE UNIVERSITY
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	0.966826%	$ 28,073,448	$ 32,064,237	87.55%	7.19%
June 30, 2024	0.984141%	$ 31,269,579	$ 30,673,057	101.94%	6.44%
June 30, 2023	0.974406%	$ 38,599,359	$ 30,152,441	128.01%	5.08%
June 30, 2022	0.989225%	$ 49,788,492	$ 28,035,023	177.59%	3.74%
June 30, 2021	1.018164%	$ 54,306,009	$ 28,534,756	190.32%	2.91%
June 30, 2020	1.021941%	$ 45,696,787	$ 27,900,177	163.79%	3.13%
June 30, 2019	1.022033%	$ 45,079,332	$ 23,365,780	192.93%	1.69%
June 30, 2018	0.990488%	$ 41,795,878	$ 24,217,459	172.59%	0.19%

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

FORT VALLEY STATE UNIVERSITY
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

FORT VALLEY STATE UNIVERSITY
BALANCE SHEET (NON-GAAP BASIS)
BUDGET FUNDS
JUNE 30, 2025

	ASSETS	
Cash and Cash Equivalents	$	5,102,854.32
Accounts Receivable		
State Appropriation		
Federal Financial Assistance		8,378,974.18
Other		6,144,581.76
Prepaid Expenditures		363,106.44
Total Assets		19,989,516.70
	LIABILITIES AND FUND EQUITY	
Liabilities		
Accrued Payroll		150,645.71
Encumbrance Payable		9,236,666.45
Accounts Payable		715,397.92
Deferred Revenue		4,900,188.66
Other Liabilities		125,781.29
Total Liabilities		15,128,680.03
Fund Balances		
Reserved		
Department Sales and Services		400,967.00
Indirect Cost Recoveries		1,881,001.39
Technology Fees		1,174,644.47
Restricted/Sponsored Funds		713.46
Uncollectible Accounts Receivable		906,299.01
Tuition Carry - Forward		397,146.96
Unreserved		
Surplus		100,064.38
Total Fund Balances		4,860,836.67
Total Liabilities and Fund Balances	$	19,989,516.70

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 comprehensive basis of accounting other than generally accepted accounting principles.

FORT VALLEY STATE UNIVERSITY
STATEMENT OF FUNDS AVAILABLE AND EXPENDITURES COMPARED TO BUDGET
BY PROGRAM AND FUNDING SOURCE
BUDGET FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

			Funds Available Compared to Budget	
	Original Appropriation	Final Budget	Current Year Revenues	Prior Year Reserve Carry-Over
Teaching				
State Appropriation				
State General Funds	30,293,265.00	32,197,265.00	32,197,265.00	—
Federal Funds				
Federal Funds Not Specifically Identified	71,983,510.00	74,070,197.00	47,654,518.70	—
Federal Funds - COVID-19				
Federal Funds Not Specifically Identified – COVID-19	—	6,359,468.00	2,457,118.45	643,682.37
Other Funds	20,434,927.00	24,277,636.00	20,271,669.57	4,991,091.45
Total Teaching	122,711,702.00	136,904,566.00	102,580,571.72	5,634,773.82
Total Operating Activity	$ 122,711,702.00	$ 136,904,566.00	$ 102,580,571.72	$ 5,634,773.82

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.

FORT VALLEY STATE UNIVERSITY
STATEMENT OF FUNDS AVAILABLE AND EXPENDITURES COMPARED TO BUDGET
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
	Program Transfers or Adjustments	Total Funds Available	Variance Positive (Negative)	Current Year Actual	Variance Positive (Negative)	Available Over/(Under) Expenditures
Teaching						
State Appropriation						
State General Funds	$ —	$ 32,197,265.00	$ —	$ 32,190,652.06	$ 6,612.94	$ 6,612.94
Federal Funds						
Federal Funds Not Specifically Identified	—	47,654,518.70	(26,415,678.30)	47,651,930.70	26,418,266.30	2,588.00
Federal Funds - COVID-19						
Federal Funds Not Specifically Identified – COVID-19	(643,682.37)	2,457,118.45	(3,902,349.55)	2,457,118.45	3,902,349.55	—
Other Funds	643,682.37	25,906,443.39	1,628,807.39	22,029,498.56	2,248,137.44	3,876,944.83
Total Teaching	—	108,215,345.54	(28,689,220.46)	104,329,199.77	32,575,366.23	3,886,145.77
Total Operating Activity	$ —	$ 108,215,345.54	$ (28,689,220.46)	$ 104,329,199.77	$ 32,575,366.23	$ 3,886,145.77

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.

FORT VALLEY STATE UNIVERSITY
STATEMENT OF CHANGES TO FUND BALANCE
BY PROGRAM AND FUNDING SOURCE
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
Teaching					
State Appropriation					
State General Funds	$ 47,643.56	$ —	$ (47,643.56)	$ 88,166.18	—
Federal Funds		—			
Federal Funds Not Specifically Identified	—	—	—	—	—
Federal Funds - COVID-19		—			
Federal Funds Not Specifically Identified – COVID-19	643,682.37	(643,682.37)	—	—	—
Other Funds	5,003,843.87	(4,991,091.45)	(12,752.42)	7,338.36	(27,112.65)
Total Teaching	5,695,169.80	(5,634,773.82)	(60,395.98)	95,504.54	(27,112.65)
Total Operating Activity	5,695,169.80	(5,634,773.82)	(60,395.98)	95,504.54	(27,112.65)
Prior Year Reserve					
Not Available for Expenditure					
Uncollectible Accounts Receivable	879,186.36	—	—	—	27,112.65
Budget Unit Totals	$ 6,574,356.16	$ (5,634,773.82)	$ (60,395.98)	$ 95,504.54	$ —

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.

FORT VALLEY STATE UNIVERSITY
STATEMENT OF CHANGES TO FUND BALANCE
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
Teaching						
State Appropriation						
State General Funds	$ —	$ 6,612.94	94,779.12		$ 94,779.12	$ 94,779.12
Federal Funds						
Federal Funds Not Specifically Identified	—	2,588.00	2,588.00	2,588.00		2,588.00
Federal Funds - COVID-19						
Federal Funds Not Specifically Identified – COVID-19	—	—	—	0		—
Other Funds	—	3,876,944.83	3,857,170.54	3,851,885.28	5,285.26	3,857,170.54
Total Teaching	—	3,886,145.77	3,954,537.66	3,854,473.28	100,064.38	3,954,537.66
Total Operating Activity	—	3,886,145.77	3,954,537.66	3,854,473.28	100,064.38	3,954,537.66
Prior Year Reserve						
Not Available for Expenditure						
Inventories	—	—	—		—	—
Uncollectible Accounts Receivable	—	—	906,299.01	906299.01	—	906,299.01
Budget Unit Totals	$ —	$ 3,886,145.77	$ 4,860,836.67	$ 4,760,772.29	$ 100,064.38	$ 4,860,836.67

Summary of Ending Fund Balance	Reserved	Surplus/(Deficit)	Total
Reserved			
Department Sales and Services	$ 400,967.00		400,967.00
Indirect Cost Recoveries	$ 1,881,001.39		1,881,001.39
Technology Fees	$ 1,174,644.47		1,174,644.47
Restricted/Sponsored Funds	$ 713.46		713.46
Uncollectible Accounts Receivable	$ 906,299.01		906,299.01
Tuition Carry - Forward	$ 397,146.96		397,146.96
Unreserved,Undesignated			
Surplus	—	$ 100,064.38	100,064.38
Total Ending Fund Balance - June 30	$ 4,760,772.29	$ 100,064.38	$ 4,860,836.67

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.

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