



**Abraham Baldwin
Agricultural College**

**Review Report
For Fiscal Year Ended June 30, 2025**

ABRAHAM BALDWIN AGRICULTURAL COLLEGE
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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. Tracy L. Brundage, President
Abraham Baldwin Agricultural College

We have reviewed the accompanying financial statements of the business-type activities and the fiduciary funds of Abraham Baldwin Agricultural College, 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 Abraham Baldwin Agricultural College 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 Abraham Baldwin Agricultural College'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 Abraham Baldwin Agricultural College'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 Abraham Baldwin Agricultural College 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 Abraham Baldwin Agricultural College, 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 1, 2025

Financial Section

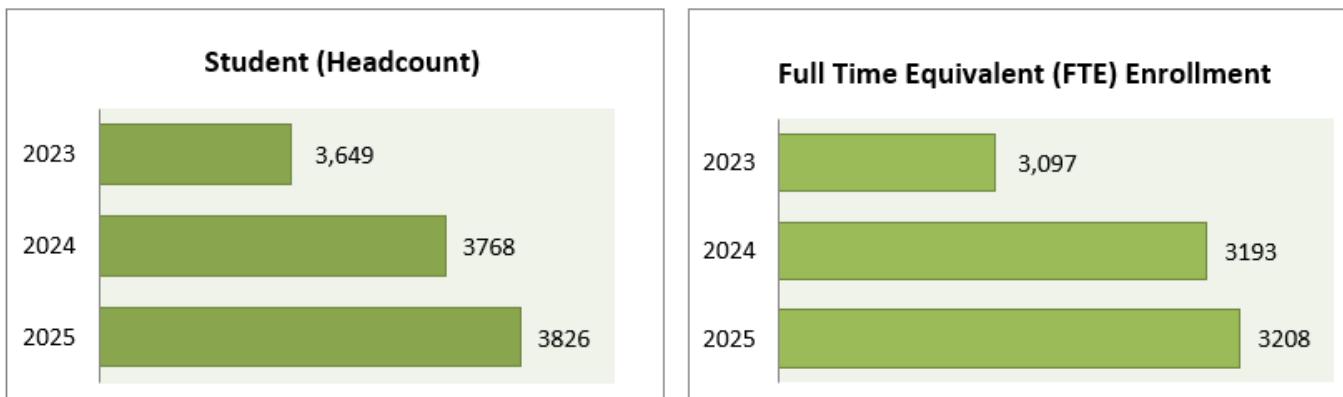
ABRAHAM BALDWIN AGRICULTURAL COLLEGE

Management's Discussion and Analysis

The Management's Discussion and Analysis (MD&A) of Abraham Baldwin Agricultural College's (the "College") annual financial report presents a discussion and analysis of the financial performance of the College during the fiscal years ended June 30, 2025, and 2024. This discussion has been prepared by management along with the financial statements and related note disclosures and should be read in conjunction with the financial statements and notes.

Introduction

Abraham Baldwin Agricultural College is one of the twenty-six institutions of higher education of the University System of Georgia. The College offering instruction on campuses in Tifton and Bainbridge, Georgia, was founded in 1908 as the Second District A&M School. The College provides unique, hands-on learning opportunities for students as the South's premier destination for Agricultural studies. Our offerings have grown a great deal since our founding, now including a wide range of more traditional 4-year degrees and paths to success including a highly sought after nursing program and innovative arts and science tracks. The College's faculty, staff, and administration are committed to providing an excellent education by engaging, teaching, coaching, mentoring, and providing relevant experiences that prepare the graduate for life. The institution has remained stable with enrollment growth in 2024 and 2025 but saw a decline in enrollment in 2023 that was attributed to declining demographics and changes in testing requirements in institutions across the state.



The College is accredited by and is a member of the Southern Association of Colleges and Schools. The College is governed by The Board of Regents of the University System of Georgia. The Board determines policy and approves operating budgets, educational programs, facilities, and capital financing, and sets the tuition and fee schedules for the College.

Overview of the Financial Statements

The College's financial statements present the financial condition of the College. The emphasis on discussions about these statements will be on the current year's data. There are three business-type financial statements presented: the Statement of Net Position, the Statement of Revenues, Expenses and Changes in Net Position, and the Statement of Cash Flows. There are two fiduciary financial statements presented: the Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position. The notes to the financial statements provide additional information that is essential to a full understanding of the financial statements. Comparative data is provided for fiscal year 2025 and 2024.

Condensed Statement of Net Position

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

From the data presented, readers of the Statement of Net Position are able to determine the assets available to continue the operations of the College and how much the College owes vendors. The difference between assets and deferred outflows of resources and liabilities and deferred inflow of resources (net position) is one indicator of

the College's financial health. Increases or decreases in net position provide an indicator of the improvement or decline of the College'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 of Net Position, net investment of capital assets, provides the College's equity in property, plant and equipment owned by the institution.

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 College 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 of Net Position is unrestricted. Unrestricted resources are available to the College for any lawful purpose.

The following table summarizes the Statement of Net Position:

Statement of Net Position, Condensed

	2025	2024	Percent Change
Assets:			
Current Assets	\$ 29,875,855	\$ 28,212,462	5.9%
<i>Non-Current Assets:</i>			
Capital Assets, Net	78,851,824	81,375,225	-3.1%
Intangible Right-to-Use Assets, Net	230,746	382,590	-39.7%
Other Non-Current Assets	2,347,129	2,228,115	5.3%
Total Assets	111,305,554	112,198,392	-0.8%
Deferred Outflows of Resources	11,576,419	15,203,470	-23.9%
<i>Liabilities:</i>			
Current Liabilities	4,250,248	3,700,763	14.8%
<i>Non-Current Liabilities:</i>			
Non-Current Liabilities	51,213,540	60,738,786	-15.7%
Total Liabilities	55,463,788	64,439,549	-13.9%
Deferred Inflows of Resources	20,210,621	18,890,973	7.0%
<i>Net Position:</i>			
Net Investment in Capital Assets	78,562,726	81,483,006	-3.6%
Restricted - Nonexpendable	2,149,128	2,030,115	5.9%
Restricted - Expendable	951,314	6,054,720	-84.3%
Unrestricted	(34,455,604)	(45,496,501)	24.3 %
Total Net Position	\$ 47,207,564	\$ 44,071,340	7.1%

Total assets decreased by \$892,838, which was primarily due to a decrease in capital assets of \$2,523,401. In current assets, accounts receivables increased by \$2,083,585 due to the other receivables increase of \$2,029,218 and in Georgia State Financing and Investment Commission fiscal year 2025 receivable of \$1,942,646.

Capital assets decreased by \$2,523,401. This decrease is primarily due to the accumulated depreciation expense of \$4,126,132 that exceeded current year additions of \$1,692,731 in fiscal year 2025. See Capital Assets later within this section and Note 6 within the Notes to the Financial Statements for more information on capital assets.

Total deferred outflows of resources decreased by \$3,627,051. The decrease in deferred outflows of resources was due to changes in actuarial assumptions for the Teachers' Retirement System of Georgia (TRS), Employees Retirement System (ERS) and Post-Employment Benefits Other than Pension Benefits (OPEB).

Total liabilities decreased for the year by \$8,975,761 which was due to the net effect of an increase of \$549,485 in current liabilities and a decrease of \$9,525,246 in non-current liabilities.

The decrease in non-current liabilities was due to a decrease of \$6,293,984 in net pension liability, which is primarily attributable to the College's proportionate share of net pension liability related to TRS and ERS changes in assumptions used to estimate the liability, including updated mortality projection scale, and updated actuarial experience study. Also, the net OPEB liability decreased \$3,114,220. The College's proportionate share of the net OPEB liability decreased due to changes in assumptions used to estimate the liability, including the removal of the excise tax, updated mortality projection scale, revised demographic assumptions based on the May 2024 experience study, and lowering the discount rate.

Total deferred inflows of resources increased by \$1,319,648 which was due to a decrease in the College's proportionate share of deferred inflow on OPEB of \$2,839,099 and an increase in deferred inflow on defined benefit pension plans of \$4,158,747. Deferred inflows for OPEB and pensions relate to changes in assumptions, experience, and investment earnings, which affect the corresponding liability and are recognized as revenue in future periods.

The combination of the change in total assets and deferred outflows of resources and the change in total liabilities and deferred inflow of resources yielded a increase in net position of \$3,136,224.

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 present in the Statement of Revenues, Expenses and Changes in Net Position. The purpose of the statement is to present the revenues received by the College, both operating and non-operating, and the expenses paid by the College, operating and non-operating, and any other revenues, expenses, gains, and losses received or spent by the College. Generally, operating revenues are received for providing goods and services to the various customers and constituencies of the College. 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 College. 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 College without the Legislature directly receiving commensurate goods and services for those revenues.

The Statement of Revenues, Expenses and Changes in Net Position reflects a year of financial growth. The statements for the fiscal year ended June 30, 2025, and the prior year are summarized as follows:

College Operations and Other Changes

	2025	2024	Percent Change
<i>Operating Revenues:</i>			
Tuition and Fees	\$ 11,319,284	\$ 10,151,128	11.5%
Grants and Contracts	260,076	277,140	-6.2%
Sales and Services	777,434	399,449	94.6%
Rents and Royalties	146,905	191,206	-23.2%
Auxiliary	9,752,220	9,421,172	3.5%
Other	235,115	144,386	62.8%
Total Operating Revenues	22,491,034	20,584,481	9.3%
Operating Expenses	62,909,664	61,343,062	2.6%
Operating Loss	(40,418,630)	(40,758,581)	0.8 %
<i>Nonoperating Revenues (Expenses):</i>			
State Appropriations	27,325,290	26,788,684	2.0%
Grants and Contracts	13,708,472	12,275,970	11.7%
Gifts	1,605,961	228,463	602.9%
Investment Income	1,008,442	1,067,530	-5.5%
Interest Expense (Capital Assets)	(3,201)	(4,916)	34.9 %
Other	(90,110)	(94,000)	4.1 %
Total Nonoperating Revenues (Expenses)	43,554,854	40,261,731	8.2%
Income Before Other Changes	3,136,224	(496,850)	731.2 %
<i>Capital Gifts and Grants:</i>			
State	-	11,875,693	-100.0%
Other Capital Gifts and Grants	-	1,360,418	-100.0%
Total Other Revenues, Expenses, Gains or Losses	-	13,236,111	-100.0%
Change in Net Position	3,136,224	12,739,261	-75.4%
Net Position at Beginning of Year, Restated	44,071,340	31,332,079	40.7%
Net Position at End of Year	\$ 47,207,564	\$ 44,071,340	7.1%

Operating Revenues

The operating revenues represent resources generated by the College in fulfilling its instruction mission. Operating revenues increased by \$1,906,553 in fiscal year 2025. Net student tuition and fees for fiscal year 2025 increased \$1,168,156 over the prior year total, because of change in the scholarship allowance calculation process. Auxiliary revenues include operations such as student housing, student dining, bookstore, student health services, parking and transportation, and student athletic fees. Auxiliary enterprises should operate on a self-supporting basis, where the combination of fees and other revenues is sufficient to meet costs. The total auxiliary revenue increased in fiscal year 2025 by \$331,048.

Operating Expenses

The College's operating expenses were \$62.9 million for the fiscal year ended June 30, 2025, an increase of 2.6% over the prior year. The operating expenses are reported by natural classification in the financial statements and by functional classification in Note 18. The largest increase by function was scholarship and fellowships, which was \$2.3 million due to a change in the calculation of the scholarship allowance. The largest decrease by function was

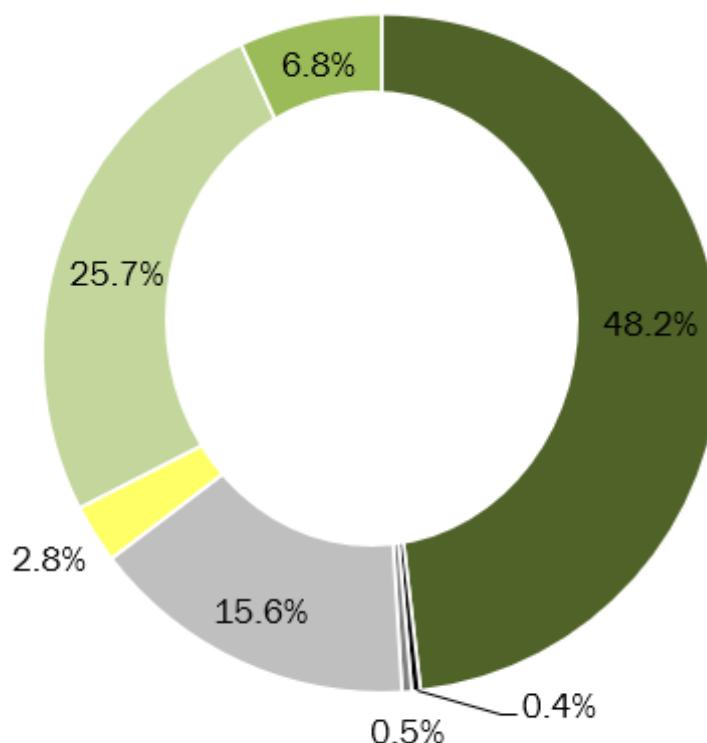
Institutional Support for \$2.1 million due to a decrease in employee benefits for OPEB. The following table illustrates the College's operating expenses by functional classification.

Operating Expenses by Function

	2025	2024	Percent Change
Instruction	\$ 19,375,030	\$ 18,363,185	5.5%
Public Service	1,121,524	1,202,210	-6.7%
Academic Support	5,366,129	6,373,425	-15.8%
Student Services	3,625,885	3,568,374	1.6%
Institutional Support	6,175,094	8,284,198	-25.5%
Plant Operations and Maintenance	8,626,774	7,826,754	10.2%
Scholarships and Fellowships	9,266,358	6,924,631	33.8%
Auxiliary Enterprises	9,352,870	8,800,285	6.3%
Total Operating Expenses	\$ 62,909,664	\$ 61,343,062	2.6%

Operating expense categories changed at varying rates although the overall rate of increase was 2.6%. The natural classification scholarships and fellowships category increased by \$2,526,005 and affected only the Scholarships and Fellowships functional classification. The College had a decrease of 28.4% in employee benefits due to the change in defined benefit pension plans and OPEB expenditures in fiscal year 2025. The following graph illustrates the College's operating expenses by nature.

2025 Operating Expenses By Nature: \$62,909,664



- Salaries and Benefits
\$30,306,609
- Other Personal Services
\$257,941
- Travel
\$290,242
- Scholarships and Fellowships
\$9,829,423
- Utilities
\$1,766,392
- Supplies and Other Services
\$16,181,081
- Depreciation
\$4,277,976

Nonoperating Revenues and Expenses

State appropriations, non-capital gifts and grants, and investment income are considered nonoperating because they were not generated by the College's principal, ongoing operations. The College received an amendment in fiscal year 2025 of \$217,088 for one-time funding to assist with academic program equipment needs.

Grants and contracts increased by \$1,432,502, which was largely due to the recognition of an additional \$1,609,743 in Pell awards in fiscal year 2025 over fiscal year 2024.

Capital Gifts and Grants decreased by \$13,236,111, mainly due the gift of the Agriculture Technology Building from the Georgia State Finance and Investment Commission of \$12,483,699 in fiscal year 2024.

Statement of Cash Flows

The final statement presented by Abraham Baldwin Agricultural College is the Statement of Cash Flows. The Statement of Cash Flows presents detailed information about the cash activity of the College during the year and is divided into five sections. Cash flow information can be used to evaluate the financial viability of the College's ability to meet financial obligations as they mature. The first part is concerned with operating cash flows and shows the net cash used by the operating activities of the institution. 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 financial activities and contains cash used for acquisition and construction of capital and related items. The fourth section is comprised of the cash flows from investing activities and includes the purchases, proceeds and interest received from investing activities. The fifth, and final, section reconciles the net cash used to the operating income or loss reflected on the Statement of Revenues, Expenses and Changes in Net Position.

Cash Flows, Condensed

	2025	2024	Percent Change
<i>Cash Provided (used) By:</i>			
Operating Activities	\$ (42,362,994)	\$ (38,212,063)	10.9 %
Non-capital Financing Activities	42,573,602	41,582,142	2.4 %
Capital and Related Financing Activities	(1,450,897)	(1,153,167)	-25.8 %
Investing Activities	889,368	970,487	-8.4 %
Increase in Net Position	(350,921)	3,187,399	-111.0 %
Net Position at Beginning of Year, Restated	23,767,254	20,579,855	15.5 %
Net Position at End of Year	\$ 23,416,333	\$ 23,767,254	-1.5 %

Capital Assets

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

Capital Assets, Net of Accumulated Depreciation

	2025	2024	Percent Change
Land	\$ 517,111	\$ 517,111	0.0%
Capitalized Collections	2,500,744	2,501,257	0.0%
Construction Work-in-Progress	1,147,515	-	100.0%
Building and Building Improvements	69,873,323	73,062,829	-4.4%
Facilities and Other Improvements	2,751,952	3,000,173	-8.3%
Equipment	1,992,671	2,199,200	-9.4%
Library Collections	68,508	94,655	-27.6%
Capital Assets, Net of Accumulated Depreciation	\$ 78,851,824	\$ 81,375,225	-3.1%

The overall decrease in capital assets was driven by the current year depreciation of \$4,126,132.

Intangible Right to Use Assets

An intangible right-to-use asset represents the College's right to use an underlying asset for the lease term. In GASB issued Statement 96, Subscription- Based Information Technology Arrangements, the college has recognized \$230,746 of Intangible Right-to-Use Assets, net in fiscal year 2025.

Intangible Right To Use Assets, Net of Accumulated Depreciation

	2025	2024	Percent Change
Equipment	\$ —	\$ 14,791	-100.0%
Subscription-Based Information Technology Arrangements	230,746	367,799	-37.3%
Intangible Right To Use Assets, Net of Accumulated Depreciation	\$ 230,746	\$ 382,590	-39.7%

For additional information concerning capital and intangible right-to-use assets, see Notes 1, 6, 8, and 12 in the Notes to the Financial Statements.

Long Term Liabilities

The College has Long-Term Liabilities of \$1,503,545 excluding pension and OPEB liability; of which \$934,124 are current liabilities at June 30, 2025.

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

Notes to the Financial Statements

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

Economic Outlook

The College's overall financial position is strong, as evidenced by the College's fiscal year 2025 operating results.

The University System of Georgia (USG) operates under a funding formula that provides the Governor and General Assembly a basis for new system funding. Allocations to Abraham Baldwin Agricultural College and other USG institutions are determined by the Board of Regents' allocation strategy, which considers the enrollment of system schools. The College's original state appropriations budget for fiscal year 2025 was \$26,469,361, a net increase of \$1,373,361 from the prior year and this included funding for the Special Funding Initiative for the Center for Rural Prosperity and Innovations of \$2,130,908. Of this increase from fiscal year 2024 to 2025, cost of living allowance increases for full time employees was funded through state appropriations in the amount of \$780,510 for fiscal year 2025. The original fiscal year 2025 budget had an increase of \$525,865 in the Special Funding Initiative over fiscal year 2024 but this increase was reduced by \$500,000 in a fiscal year 2025 budget amendment. The College's state appropriations budget for fiscal year 2026 is \$25,222,216, a net increase of \$883,763 for the College from the prior year and did not include any funding for the Special Funding Initiative. Of the fiscal year 2025 allocation, \$657,661 was provided for the increase in enrollment for Fall 2023, and \$253,354 was provided for the increase in fringe benefits for employees and retirees.

The College has a cash ratio of 5.51, a current ratio of 7.03, and a capital liability burden ratio of 0.21%. A cash ratio of 1.0 indicates that the institution could pay off all its current liabilities with cash and cash equivalents. Outside of pension and OPEB liabilities, the College has \$569,421 in non-current liabilities, of which \$514,880 is compensated absences.

The College continues to take steps to enhance student recruitment, both in marketing efforts and in providing additional scholarship funding. Applications, acceptances, and retention are monitored closely to assess the potential impact of economic conditions on future enrollment. We are cautiously optimistic that we will hit our enrollment goals for Fall 2025.

Abraham Baldwin Agricultural College met its goal of fiscal year 2025 to graduate over 50% of students in Fall 2023 and Spring 2024 debt free. This could not have been possible without the commitment of the Abraham Baldwin Agricultural College Foundation that awarded over \$1 million in scholarships in fiscal year 2024 and 2025.

The College continues to strengthen its financial sustainability through the strategic expansion of diversified auxiliary revenue streams. In alignment with the presidential goal to increase gross revenue by 3% annually in FY25 and FY26, Abraham Baldwin Agricultural College has seen encouraging performance across several self-operated units.

While the overall diversified revenue declined slightly from \$1.95 million in FY24 to \$1.87 million in FY25, this decrease is primarily attributed to the continued impact of outsourcing course material sales in the Stallion Shop, which began in Summer 2023. Stallion Shop revenue dropped from \$600,264 in FY24 to \$443,668 in FY25, reflecting the shift away from textbook sales.

Excluding the Stallion Shop, however, diversified revenue increased from \$1.35 million in FY24 to \$1.42 million in FY25, representing a 6% year-over-year growth. This growth was driven by strong performance in several key auxiliary units:

- Conference Center and Rentals revenue rose by 68%, from \$89,659 in FY24 to \$150,619 in FY25, reflecting increased utilization and external engagement.
- The Forest Lakes Pro-Shop grew by 67%, from \$37,739 in FY24 to \$62,976 in FY25, demonstrating strong demand and operational success.
- Country Store and Ticketed Sales rebounded with a 13.6% increase, rising from \$202,343 in FY24 to \$229,797 in FY25.
- The Forest Lakes Golf Course also saw a healthy increase of 22%, from \$319,059 in FY24 to \$389,731 in FY25.

These gains underscore the effectiveness of Abraham Baldwin Agricultural College's diversification strategy and the operational strength of its auxiliary enterprises. As we move forward, we remain focused on optimizing these units through product and service expansion, targeted marketing, and enhanced customer engagement. These efforts are critical to achieving our revenue growth targets and ensuring long-term financial health.

Financial Statements (GAAP Basis)

ABRAHAM BALDWIN AGRICULTURAL COLLEGE
STATEMENT OF NET POSITION
JUNE 30, 2025

ASSETS

Current Assets

Cash and Cash Equivalents	\$	23,073,640
Cash and Cash Equivalents (Externally Restricted)		341,105
Short-term Investments		119,483
Accounts Receivable, net		
Federal Financial Assistance		710,544
Affiliated Organizations		86,722
Other		5,423,853
Inventories		119,189
Prepaid Items		1,319
Total Current Assets		<u>29,875,855</u>

Non-Current Assets

Notes Receivable, net	111,326
Non-current Cash (Externally Restricted)	1,588
Investments (Externally Restricted)	2,234,215
Capital Assets, net	78,851,824
Intangible Right-to-Use Assets, net	230,746
Total Non-Current Assets	<u>81,429,699</u>
TOTAL ASSETS	<u>111,305,554</u>

DEFERRED OUTFLOWS OF RESOURCES (See Note 9)

\$	11,576,419
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The notes to the financial statements are an integral part of this statement.

ABRAHAM BALDWIN AGRICULTURAL COLLEGE
STATEMENT OF NET POSITION
JUNE 30, 2025

LIABILITIES

Current Liabilities

Accounts Payable	\$ 1,306,259
Salaries Payable	167,686
Benefits Payable	122,650
Contracts Payable	248,518
Retainage Payable	114,253
Advances (Including Tuition and Fees)	1,163,894
Deposits	168,170
Deposits Held for Other Organizations	24,694
Subscription Obligations	102,532
Compensated Absences	831,592
Total Current Liabilities	4,250,248

Non-Current Liabilities

Subscription Obligations	54,541
Compensated Absences	514,880
Net Other Post Employment Benefits Liability	23,350,511
Net Pension Liability	27,293,608
Total Non-Current Liabilities	51,213,540

TOTAL LIABILITIES

DEFERRED INFLOWS OF RESOURCES (See Note 9)

NET POSITION

Investment in Capital Assets	78,562,726
Restricted for:	
Nonexpendable	2,149,128
Expendable	951,314
Unrestricted (Deficit)	(34,455,604)

TOTAL NET POSITION

\$ 47,207,564

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

**ABRAHAM BALDWIN AGRICULTURAL COLLEGE
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR FISCAL YEAR ENDED JUNE 30, 2025**

OPERATING REVENUES

Student Tuition and Fees (net)	\$	11,319,284
Grants and Contracts		
Federal		242,049
State		18,027
Sales and Services		777,434
Rents and Royalties		146,905
Auxiliary Enterprises		
Residence Halls		2,642,217
Bookstore		1,172,715
Food Services		3,996,078
Parking/Transportation		221,047
Health Services		552,375
Intercollegiate Athletics		690,728
Other Organizations		477,060
Other Operating Revenues		235,115
		<hr/>
Total Operating Revenues		22,491,034

OPERATING EXPENSES

Faculty Salaries	10,497,097
Staff Salaries	13,920,550
Employee Benefits	5,888,962
Other Personal Services	257,941
Travel	290,242
Scholarships and Fellowships	9,829,423
Utilities	1,766,392
Supplies and Other Services	16,181,081
Depreciation and Amortization	4,277,976
	<hr/>
Total Operating Expenses	62,909,664
	<hr/>
Operating Income (Loss)	\$ (40,418,630)

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

**ABRAHAM BALDWIN AGRICULTURAL COLLEGE
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR FISCAL YEAR ENDED JUNE 30, 2025**

NONOPERATING REVENUES (EXPENSES)

State Appropriations	\$	27,325,290
Grants and Contracts		
Federal		12,550,476
State		116,323
Other		1,041,673
Gifts		1,605,961
Investment Income		1,008,442
Interest Expense		(3,201)
Other Nonoperating Revenues (Expenses)		<u>(90,110)</u>
Net Nonoperating Revenues		<u>43,554,854</u>
Income (Loss) Before Other Revenues, Expenses, Gains, or Losses		<u>3,136,224</u>
Change in Net Position		<u>3,136,224</u>
Net Position, Beginning of Year		<u>44,071,340</u>
Net Position, End of Year	\$	<u>47,207,564</u>

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

**ABRAHAM BALDWIN AGRICULTURAL COLLEGE
STATEMENT OF CASH FLOWS
FOR FISCAL YEAR ENDED JUNE 30, 2025**

CASH FLOWS FROM OPERATING ACTIVITIES

Payments from Customers	\$ 20,582,018
Grants and Contracts (Exchange)	205,240
Payments to Suppliers	(28,575,059)
Payments to Employees	(24,736,863)
Payments for Scholarships and Fellowships	(9,829,423)
Other Receipts	(8,907)
Net Cash Used by Operating Activities	<u>(42,362,994)</u>

CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES

State Appropriations	27,325,290
Gifts and Grants Received for Other Than Capital Purposes	15,248,424
Other Non-Capital Financing Payments	(112)
Net Cash Flows Provided by Non-Capital Financing Activities	<u>42,573,602</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Purchases of Capital and Intangible Right-to-Use Assets	(1,329,960)
Principal Paid on Capital Debt and Leases	(117,736)
Interest Paid on Capital Debt and Leases	(3,201)
Net Cash Used by Capital and Related Financing Activities	<u>(1,450,897)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds from Sales and Maturities of Investments	119,423
Investment Income	889,428
Purchase of Investments	(119,483)
Net Cash Provided by Investing Activities	<u>889,368</u>
Net Decrease in Cash and Cash Equivalents	(350,921)
Cash and Cash Equivalents, Beginning of Year	<u>23,767,254</u>
Cash and Cash Equivalents, End of Year	<u>\$ 23,416,333</u>

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

**ABRAHAM BALDWIN AGRICULTURAL COLLEGE
STATEMENT OF CASH FLOWS
FOR FISCAL YEAR ENDED JUNE 30, 2025**

Abraham Baldwin
Agricultural College

RECONCILIATION OF OPERATING LOSS TO

NET CASH USED BY OPERATING ACTIVITIES:

Operating Loss	\$ (40,418,630)
Adjustments to Reconcile Net Operating Loss to	
Net Cash Used by Operating Activities	
Depreciation and Amortization	4,277,976
Change in Assets and Liabilities:	
Receivables, net	(1,962,049)
Inventories	64,028
Prepaid Items	5,304
Accounts Payable	(86,655)
Salaries Payable	(6,119)
Benefits Payable	18,241
Deposits	34,570
Advances (Including Tuition and Fees)	203,608
Funds Held for Others	(8,907)
Compensated Absences	(22,856)
Net Pension Liability	(6,293,984)
Other Post-Employment Benefit Liability	(3,114,220)
Change in Deferred Inflows/Outflows of Resources:	
Deferred Inflows of Resources	1,319,648
Deferred Outflows of Resources	3,627,051
Net Cash Used by Operating Activities	<u>\$ (42,362,994)</u>

**NON-CASH INVESTING, NON-CAPITAL FINANCING, AND CAPITAL AND
RELATED FINANCING TRANSACTIONS**

Noncapital Financing Activities Noncash Items:

Current Year Accruals Related to Non-operating Non-capital Grants and Gifts	\$ 3,539,927
Amortization of Non-capital Financing Activities Advances and Deferred Inflows	<u>\$ 32,247</u>
Capital Financing Activities Noncash Items:	
Gain (Loss) on Disposal of Capital Assets	\$ (90,000)
Accrual of Capital Asset Related Payables	<u>\$ 362,771</u>
Investing Activities Noncash Items:	
Unrealized Gain (Loss) on Investments	<u>\$ 119,014</u>

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

ABRAHAM BALDWIN AGRICULTURAL COLLEGE
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2025

	<u>Custodial Funds</u>
ASSETS	
Cash and Cash Equivalents	\$ —
Receivables	
Other	<u>835,450</u>
Total Assets	<u>835,450</u>
LIABILITIES	
Cash Overdraft	145,668
Accounts Payable	21,517
Deposits held for other organizations	<u>33,974</u>
Total Liabilities	<u>201,159</u>
NET POSITION	
Restricted for:	
Individuals, Organizations, and Other Governments	<u>\$ 634,291</u>

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

**ABRAHAM BALDWIN AGRICULTURAL COLLEGE
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR FISCAL YEAR ENDED JUNE 30, 2025**

	<u>Custodial Funds</u>
ADDITIONS	
Federal Financial Aid	\$ 5,145,402
State Financial Aid	5,159,360
Other Financial Aid	2,123,884
Clubs and Other Organizations Fund Raising	89,769
Public-Private Partnership Passthrough	<u>8,252,518</u>
 Total Additions	 <u>20,770,933</u>
 DEDUCTIONS	
Administrative Expense	2,941
Scholarships and Other Student Support	12,424,760
Student Organizations Support	69,614
Public-Private Partnership Passthrough	<u>8,202,730</u>
 Total Deductions	 <u>20,700,045</u>
 Net Increase (Decrease) in Fiduciary Net Position	 <u>70,888</u>
 Net Position, Beginning of Year	 <u>563,403</u>
 Net Position, End of Year	 <u>\$ 634,291</u>

Notes to the Financial Statements

ABRAHAM BALDWIN AGRICULTURAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

Note 1 Summary of Significant Accounting Policies

Nature of Operations

Abraham Baldwin Agricultural College (College) 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 College 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 College does not have the right to sue/be sued without recourse to the State. The College'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 College is not legally separate from the State. Accordingly, the College 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 College. 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 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 College's assets, deferred outflows, liabilities, deferred inflows, net position, revenues, expenses, changes in net position and cash flows.

The College'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 College reports the following fiduciary funds:

- Custodial Funds - Accounts for activities of resulting from the College 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.

Short-Term Investments

Short-Term Investments consist of investments of 90 days - 13 months. These include certificates of deposits or other time-restricted investments with original maturities of six months or more when purchased. Funds are not readily available and there is a penalty for early withdrawal.

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 College accounts for its investments at fair value. Changes in the fair value of investments are reported as a component of investment income in the Statement of Revenues, Expenses, and Changes in Net Position. The Board of Regents Balanced Income 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 College's grants and contracts. Accounts receivable are recorded net of estimated uncollectible amounts.

Inventories

Resale inventories are valued at cost using the average-cost basis.

Prepaid Items

Payments made to vendors and state and local government organizations for services that will benefit periods beyond June 30, 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 College'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 College, it is necessary to look at the activities of the Georgia State Financing and Investment Commission (GSFIC) - an organization that is external to the USG. GSFIC issues bonds for and on behalf of the State of Georgia, pursuant to powers granted to it in the Constitution of the State of Georgia and the Act creating the GSFIC. The bonds so issued constitute direct and general obligations of the State of Georgia, to the payment of which the full faith, credit and taxing power of the State are pledged.

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

Intangible Right-To-Use Assets

The College leases certain academic spaces, administrative offices, and equipment under lease agreements. The College has leases under which it is obligated as a lessee. 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 College 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 College 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 College's right to use an underlying asset for the lease or subscription term. Lease and/or subscription obligations represent the College'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.

Deferred Outflows of Resources

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

Deposits

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

Advances

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

Deposits Held for Other Organizations

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

Compensated Absences

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

Non-current Liabilities

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

Deferred Inflows of Resources

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

Other Post-Employment Benefit (OPEB) Liability

The net OPEB liability represents the College'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 College'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 College's net position is classified as follows:

Net Investment in capital assets represents the College'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 College-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 College 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 College 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 College, 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 College's policy is to first apply the expense towards unrestricted resources, and then towards restricted resources.

Income Taxes

The College, 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 College, 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 College's financial statements. To the extent that revenues from such programs are used to satisfy tuition, fees and other student charges, the College 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 in the amount of \$0 and waivers in the amount of \$3,833,460.

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 College adopted the revised principles outlined in NACUBO Advisory 2023-1 to ensure more accurate calculations of the scholarship allowance, resulting in a change in accounting estimate.

The change in estimate was implemented prospectively and reflects updated assumptions and methodologies based on the Advisory's recommendations. The impact of this change on the financial statements for the current fiscal year, as reflected in the Statement of Revenues and Expenditures, is an increase in Student Tuition and Fees (net) and 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.

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	\$	23,073,640
Cash and Cash Equivalents (Externally Restricted)		341,105
Short-term Investments		119,483

Noncurrent

Cash (Externally Restricted)	1,588
Investments (Externally Restricted)	2,234,215

Statement of Fiduciary Net Position

Cash and Cash Equivalents	<u>(145,668)</u>
	<u>\$ 25,624,363</u>

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

Cash on Hand	11,910
Deposits with Financial Institutions	3,289,654
Investments	22,322,799
	<u>\$ 25,624,363</u>

A. Deposits with Financial Institutions

Deposits include certificates of deposits and demand deposit accounts, including certain interest bearing demand deposit accounts. The custodial credit risk for deposits is the risk that in the event of a bank failure, the College's deposits may not be recovered. Funds belonging to the State of Georgia (and thus the College) 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 College 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 College's deposits totaled \$4,743,654. This balance includes deposits in Fiduciary funds as these balances are not separable from the holdings of the USG. Of the College's deposits, \$4,328,134 were uninsured. Of these uninsured deposits, \$4,328,134 were collateralized with securities held by the financial institution's trust department or agent but not in the College's name.

B. Investments

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

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

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

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

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

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

	<u>Fair Value</u>	<u>Fair-Value Hierarchy</u>
		<u>Level 2</u>
Investment type:		
Reverse Repurchase Agreement	\$ 20,088,584	<u>\$ 20,088,584</u>
Investment Pools		
Balanced Income Fund	<u>2,234,215</u>	
Total Investments	<u>\$ 22,322,799</u>	

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 College's position in the pooled investment fund is described below.

1. Balanced Income Fund

The Balanced Income Fund is available to both University System of Georgia institutions and their affiliated organizations. The Fund is designed to be a vehicle to invest funds that are not subject to the state regulations concerning investing in equities. This pool is appropriate for investing longer term funds that require a more conservative investment strategy. Permitted investments in the fund are domestic US equities, domestic investment grade fixed income, and cash equivalents.

The equity allocation shall range between 20% and 40%, with a target of 30% of the total portfolio. The fixed income (bond) portion of the portfolio shall range between 60% and 80%, with a target of 70% of the total portfolio. Cash reserves and excess income are invested at all times in the highest quality par stable (A1, P1) institutional money market mutual funds, or other high quality short term instruments. The market value of the College's position in the Balanced Income Fund at June 30, 2025 was \$2,234,215, of which 66% is invested in debt securities. The Effective Duration of the Fund is 5.22 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 College does not have a formal policy for managing interest rate risk for investments.

	Fair Value
Investment type:	
Debt Securities	
Reverse Repurchase Agreements	\$ 20,088,584
Investment Pools	
Board of Regents	
Balanced Income Fund	\$ 2,234,215
Total Investments	<u>\$ 22,322,799</u>

Credit Quality Risk

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

1. In the Balanced Income 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 as least AA+.

The investments subject to credit quality risk are reflected below:

	Fair Value	AAA
Related Debt Investments		
Reverse Repurchase Agreement	<u>\$ 20,088,584</u>	<u>\$ 20,088,584</u>

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The College does not have a formal policy for diversification of investments to reduce overall portfolio risk while maintaining market rates of return.

At June 30, 2025, approximately 90% of business-type activity investments were investments in Fannie Mae.

Note 3 Accounts Receivable

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

	Business Type Activities	Fiduciary Fund
Student Tuition and Fees	\$ 164,984	\$ 331,686
Auxiliary Enterprises and Other Operating Activities	55,265	—
Federal Financial Assistance	710,544	—
Georgia Student Finance Commission	—	457,682
Georgia State Financing and Investment Commission	1,942,646	—
Due from Affiliated Organizations	86,722	—
Due From Other USG Institutions	65,800	—
Other	<u>3,308,380</u>	<u>46,082</u>
	<u>6,334,341</u>	<u>835,450</u>
Less: Allowance for Doubtful Accounts	<u>113,222</u>	<u>—</u>
Net Accounts Receivable	<u><u>\$ 6,221,119</u></u>	<u><u>\$ 835,450</u></u>

Other accounts receivable includes approximately \$2,681,320 of Employee Retention Credit funds.

Note 4 Inventories

Inventories consisted of the following at June 30, 2025:

Merchandise for Resale	<u><u>\$ 119,189</u></u>
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Note 5 Notes and Loans Receivable

Notes receivable consists of resources made available for financial loans to students of the Institution. Allowances for uncollectible loans are reported based on management's best estimate considering type, age, collection history, and other factors considered appropriate.

The Federal Perkins Loan Program (the Program) comprises substantially all of the loans receivable at June 30, 2025. The Program provides for cancellation of a loan at rates of 10% to 30% per year up to a maximum of 100% if the participant complies with certain provisions. The Federal government reimburses the College for amounts canceled under these provisions. As the College determines that loans are uncollectible and not eligible for reimbursement by the federal government, the loans are written off and assigned to the U.S. Department of Education.

Note 6 Capital and Intangible Right-to-Use Assets

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

	Balance July 1, 2024	Additions	Reductions	Balance June 30, 2025
Capital Assets, Not Being Depreciated:				
Land	\$ 517,111	\$ —	\$ —	\$ 517,111
Capitalized Collections	1,602,283	—	—	1,602,283
Construction Work-in-Progress	—	1,147,515	—	1,147,515
Total Capital Assets Not Being Depreciated	2,119,394	1,147,515	—	3,266,909
Capital Assets, Being Depreciated:				
Building and Building Improvements	117,490,729	—	—	117,490,729
Facilities and Other Improvements	5,317,992	—	—	5,317,992
Equipment	8,624,258	545,195	260,179	8,909,274
Library Collections	2,135,412	21	—	2,135,433
Capitalized Collections	945,100	—	—	945,100
Total Capital Assets Being Depreciated	134,513,491	545,216	260,179	134,798,528
Less: Accumulated Depreciation				
Building and Building Improvements	44,427,900	3,189,506	—	47,617,406
Facilities and Other Improvements	2,317,819	248,221	—	2,566,040
Equipment	6,425,058	661,724	170,179	6,916,603
Library Collections	2,040,757	26,168	—	2,066,925
Capitalized Collections	46,126	513	—	46,639
Total Accumulated Depreciation	55,257,660	4,126,132	170,179	59,213,613
Total Capital Assets, Being Depreciated, Net	79,255,831	(3,580,916)	90,000	75,584,915
Capital Assets, net	\$ 81,375,225	\$ (2,433,401)	\$ 90,000	\$ 78,851,824

For projects managed by GSFIC, GSFIC retains construction-in-progress on its books throughout the construction period and transfers the entire project to the College when complete. For projects managed by the College, the College retains construction-in-progress on its books and is reimbursed by GSFIC. For the year ended June 30, 2025, GSFIC had construction in progress for incomplete GSFIC managed projects for the College.

Changes in intangible right-to-use 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, Being Amortized:				
Equipment	\$ 53,249	\$ —	\$ 27,795	\$ 25,454
Subscription Based IT Arrangements (SBITAs)	555,419	—	—	555,419
Total Leased Assets Being Amortized	608,668	—	27,795	580,873
Less: Accumulated amortization				
Equipment	38,458	14,791	27,795	25,454
Subscription Based IT Arrangements (SBITAs)	187,620	137,053	—	324,673
Total Accumulated Amortization	226,078	151,844	27,795	350,127
Total Intangible Right-to-use Assets, Being Amortized, Net	382,590	(151,844)	—	230,746
Intangible Right-to-use Assets, net	<u>\$ 382,590</u>	<u>\$ (151,844)</u>	<u>\$ —</u>	<u>\$ 230,746</u>

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

Fiscal Year	Depreciation & Amortization Expense
2025	4,277,976
2024	4,349,295
2023	4,103,070

Note 7 Advances (Including Tuition and Fees)

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

	Current Liabilities
Prepaid Tuition and Fees	\$ 1,070,286
Other - Advances	93,608
Totals	<u>\$ 1,163,894</u>

Note 8 Long-Term Liabilities

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

	Balance July 1, 2024	Additions	Reductions	Balance June 30, 2025	Current Portion
Lease & Subscription Obligations					
Lease Obligations	\$ 10,018	\$ —	\$ 10,018	\$ —	\$ —
Subscription Obligations	264,791	—	107,718	157,073	102,532
Total	274,809	—	117,736	157,073	102,532
Other Liabilities					
Compensated Absences	1,369,327	983,438	1,006,293	1,346,472	831,592
Total	1,369,327	983,438	1,006,293	1,346,472	831,592
Total Long-Term Obligations	\$ 1,644,136	\$ 983,438	\$ 1,124,029	\$ 1,503,545	\$ 934,124

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.

Note 9 Deferred Outflows and Inflows of Resources

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

Deferred Outflows of Resources

Deferred Outflow on Defined Benefit Pension Plans (See Note 13)	\$ 8,652,533
Deferred Outflow on OPEB Plan (See Note 16)	2,923,886
Total Deferred Outflows of Resources	\$ 11,576,419

Deferred Inflows of Resources

Deferred Inflow on Defined Benefit Pension Plans (See Note 13)	\$ 5,119,809
Deferred Inflow on OPEB Plan (See Note 16)	15,090,812
Total Deferred Inflows of Resources	\$ 20,210,621

Service Concessions Arrangements

At June 30, 2025, the College had no service concession arrangements that met the materiality threshold for discrete financial reporting.

Note 10 Net Position

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

Net Position

Net Investment in Capital Assets	\$ 78,562,726
<hr/>	
Restricted for	
Nonexpendable	
Permanent Endowment	2,149,128
<hr/>	
Expendable	
Sponsored and Other Organized Activities	296,233
Federal Loans	549,226
Institutional Loans	19,180
Quasi-Endowments	86,675
Sub-Total	951,314
<hr/>	
Unrestricted	
Auxiliary Enterprises Operations	16,138,732
Reserve for Encumbrances	2,834,040
Other Unrestricted	(53,428,376)
Sub-Total	(34,455,604)
<hr/>	
Total Net Position	\$ 47,207,564

Other unrestricted net position is reduced by \$35,517,437 related to the recording of net OPEB liability, deferred inflow on OPEB plan, and deferred outflow on OPEB plan. Other unrestricted net position is also reduced by \$23,760,884 related to the recording of net pension liability, deferred inflow on defined benefit pension plans, and deferred outflow on defined benefit pension plans. These OPEB and pension balances are mostly funded through state appropriation, student tuition and fees that are subject to State surplus rules which prevents the accumulation of budgetary fund balance. Therefore, the College is statutorily unable to maintain accumulated net position to offset these OPEB and pension balances.

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

	Balance July 1, 2024	Additions	Reductions	Balance June 30, 2025
Net Investments in Capital Assets	\$ 81,483,006	\$ 1,810,467	\$ 4,730,747	\$ 78,562,726
Restricted Net Position	8,084,835	13,968,548	18,952,941	3,100,442
Unrestricted Net Position (Deficit)	(45,496,501)	52,170,651	41,129,754	(34,455,604)
Total Net Position	\$ 44,071,340	\$ 67,949,666	\$ 64,813,442	\$ 47,207,564

Note 11 Endowments

Donor Restricted Endowments

Investments of the College's endowment funds are pooled, unless required to be separately invested by the donor. For College controlled, donor-restricted endowments, where the donor has not provided specific instructions, the Board of Regents permits Institutions to develop policies for authorizing and spending realized and unrealized endowment income and appreciation as they determined to be prudent. Realized and unrealized appreciation in excess of the amount budgeted for current spending is retained by the endowments. Current year net appreciation for the endowment accounts was \$119,013 and is reflected as expendable restricted net position.

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

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

Note 12 Significant Commitments

See the Net Position note for amounts reserved for outstanding encumbrances at June 30, 2025. In addition to these encumbrances, the College had no other significant unearned outstanding construction or renovation contracts as of June 30, 2025.

Note 13 Leases and Subscriptions

The College leases equipment. The College also enters into certain subscription-based contracts to use vendor-provided information technology (IT). Although lease and/or subscription terms vary, many leases and/or subscription agreements are subject to appropriation from the General Assembly to continue the obligation. In accordance with O.C.G.A. § 50-5-64, these agreements shall terminate absolutely and without further obligation at the close of the fiscal year in which it was executed and at the close of each succeeding fiscal year for which it may be renewed. These agreements may be renewed only by a positive action taken by the College. In addition, these agreements shall terminate if the State does not provide adequate funding, but that is considered a remote possibility. The College's principal and interest payments related to leases for fiscal year 2025 were \$10,018 and \$176, respectively. Interest rate is 4.20%. The College's principal and interest payments related to SBITAs for fiscal year 2025 were \$107,718 and \$3,025, respectively. Interest rate is 2.26%.

There were no residual guaranteed payments based on performance nor termination penalties expensed for fiscal year June 30, 2025.

Lease Obligations

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 Equipment	\$ 25,454	\$ 25,454	\$ —	\$ —
Total Assets Held Under Lease	\$ 25,454	\$ 25,454	\$ —	\$ —

The following schedule lists the pertinent information for each of the College's leases.

Description	Lessor	Original Principal	Lease Term	Begin Month/Year	End Month/Year	Outstanding Principal
30 Forest Lakes Golf Carts	Yamaha	\$ 31,819	3 yrs	April 2022	March 2025	\$ —
Forest Lakes Range Picker Cart	Yamaha	7,191	3 yrs	April 2022	March 2025	—
Forest Lakes Golf Cart	Yamaha	5,500	3 yrs	April 2022	March 2025	—
Georgia Museum of Ag Golf Cart	Yamaha	4,649	3 yrs	April 2022	March 2025	—
Georgia Museum of Ag 6 Passenger Golf Cart	Yamaha	6,624	3 yrs	April 2022	March 2025	—
Total Leases		\$ 55,783				\$ —

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

Subscription Obligations

The College has \$0 in outstanding subscription obligations due to affiliated organizations and other related party organizations.

There were 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 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)	\$ 555,419	\$ 324,673	\$ 230,746	\$ 157,073

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

	Principal	Interest
Year Ending June 30:		
2026	\$ 102,532	\$ 7,110
2027	54,541	5,100
Total Minimum Subscription Payments	\$ 157,073	\$ 12,210

Note 14 Retirement Plans

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

The College also provides one other retirement plan - the Regents Retirement Plan.

The significant retirement plans that the College 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 College 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 College's contractually required contribution rate for the year ended June 30, 2025 was 20.78% of the annual College payroll. The College's contributions to TRS totaled \$3,574,176 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 College's contributions to ERS totaled \$40,454 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 College reported a liability for its proportionate share of the net pension liability for TRS and ERS. The net pension liability was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2023. An expected total pension liability as of June 30, 2024 was determined using standard roll-forward techniques. The College'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 College's TRS proportion was 0.107226%, which was a decrease of 0.004124% from its proportion measured as of June 30, 2023. At June 30, 2024, the College's ERS proportion was 0.007614%, which was a decrease of 0.004326% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the College recognized pension expense of \$3,891,841 for TRS and \$(85,807) for ERS. At June 30, 2025, the College 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	\$ 3,049,675	\$ 80,550	\$ 18,373	\$ —
Changes of assumptions	1,874,839	—	—	—
Net difference between projected and actual earnings on pension plan investments	—	3,757,528	—	38,606
Changes in proportion and differences between contributions and proportionate share of contributions	93,674	1,115,318	1,342	127,807
Contributions subsequent to the measurement date	3,574,176	—	40,454	—
Total	\$ 8,592,364	\$ 4,953,396	\$ 60,169	\$ 166,413

The College'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	\$ 4,470	\$ (111,682)
2027	\$ 3,213,203	\$ 3,511
2028	\$ (1,829,699)	\$ (23,494)
2029	\$ (1,323,182)	\$ (15,033)

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

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

* Rates shown are net of inflation

Discount rate

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

Sensitivity of the Institute's proportionate share of the net pension liability to changes in the discount rate:
 The following presents the College's proportionate share of the net pension liability calculated using the discount rate of 6.90% for TRS and 7.00% for ERS, as well as what the College'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	\$ 46,387,785	\$ 26,950,837	\$ 11,084,338

Employees' Retirement System:

	1% Decrease 6.00%	Current discount rate 7.00%	1% Increase 8.00%
Proportionate share of the net pension liability	516,427	342,772	196,728

Pension plan fiduciary net position

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

B. Defined Contribution Plan:

Regents Retirement Plan

Plan Description

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

Funding Policy

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

The College and the covered employees made the required contributions of \$495,812 (9.24%) and \$708,771 (6.00%), respectively.

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

Note 15 Risk Management

The USG offers its employees and retirees under the age of 65 access to three self insured healthcare plan options and one fully insured plan option. For the USG's Plan Year 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 College'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 College is part of the State of Georgia reporting entity, and as such, is covered by the State of Georgia risk management program administered by DOAS. Premiums for the risk management program are charged to the various state organizations by DOAS to provide claims servicing and claims payment.

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

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

Note 16 Contingencies

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

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

Note 17 Post-Employment Benefits Other Than Pension Benefits

Board of Regents Retiree Health Benefit Plan

Plan Description and Funding Policy

The Board of Regents Retiree Health Benefit Plan (Plan) is a single-employer, defined-benefit, 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 College's membership in the Plan consisted of the following at June 30, 2025:

Active Employees	343
Retirees or Beneficiaries Receiving Benefits	225
Retirees or Beneficiaries Eligible But Not Receiving Benefits	—
Retirees Receiving Life Insurance Only	43
Total	<u>611</u>

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

The College 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 College contributed \$738,327 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 College 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 College'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 College's proportion was 0.804172%, which was a decrease of 0.028747% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the College recognized OPEB expense of \$(3,914,585). At June 30, 2025, the College 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	\$ 590,200	\$ 123,604
Changes of assumptions	1,540,296	11,868,284
Net difference between projected and actual earnings on OPEB plan investments	55,063	—
Changes in proportion and differences between contributions and proportionate share of contributions	—	3,098,924
Contributions subsequent to the measurement date	<u>738,327</u>	<u>—</u>
Total	<u>\$ 2,923,886</u>	<u>\$ 15,090,812</u>

The College's contributions subsequent to the measurement date of \$738,327 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	\$ (5,311,137)
2027	\$ (3,973,210)
2028	\$ (2,463,028)
2029	\$ (1,042,707)
2030	\$ (115,171)

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	<p>Interest Rate as of 6/30/2024 of 3.93% from Bond Buyers GO 20-Bond Municipal Bond Index; Discount Rate 3.96%</p> <p>Interest Rate as of 6/30/2023 of 3.65% from Bond Buyers GO 20-Bond Municipal Bond Index; Discount Rate 3.69%</p> <p>Long-term Rate of Return 6.02%</p> <p>General Inflation 2.30%</p> <p>Salary Increase 3.75%</p>
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%

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

	1% Decrease	Current Rate	1% Increase
	2.96%	3.96%	4.96%
Proportionate Share of the Net OPEB Liability	\$ 27,018,968	\$ 23,350,511	\$ 20,348,106

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

The following presents the College's proportionate share of the net OPEB liability, as well as what the College'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	\$ 20,537,075	\$ 23,350,511	\$ 26,836,703
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 18 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	\$ 10,269,983	\$ 2,435,135	\$ 3,161,421	\$ 14,023	\$ 93,040
Public Service	72,207	410,582	68,559	—	28,859
Academic Support	104,980	2,950,580	595,401	6,746	74,776
Student Services	5,000	1,953,319	420,888	—	23,843
Institutional Support	195	2,730,920	921,101	226,752	38,043
Plant Operations and Maintenance	—	100,000	27,893	—	1,813
Scholarships and Fellowships	—	—	—	—	—
Auxiliary Enterprises	44,732	3,340,014	693,699	10,420	29,868
Total Operating Expenses	\$ 10,497,097	\$ 13,920,550	\$ 5,888,962	\$ 257,941	\$ 290,242

Functional Classification	Natural Classification				
	Scholarships and Fellowships	Utilities	Supplies and Other Services	Depreciation/Amortization	Total Operating Expenses
Instruction	\$ 243,305	\$ 49,876	\$ 2,608,444	\$ 499,803	\$ 19,375,030
Public Service	165,665	2,829	371,185	1,638	1,121,524
Academic Support	1,225	39,731	1,183,600	409,090	5,366,129
Student Services	4,460	—	1,167,808	50,567	3,625,885
Institutional Support	—	28,064	1,108,925	1,121,094	6,175,094
Plant Operations and Maintenance	—	1,578,695	5,418,904	1,499,469	8,626,774
Scholarships and Fellowships	9,266,358	—	—	—	9,266,358
Auxiliary Enterprises	148,410	67,197	4,322,215	696,315	9,352,870
Total Operating Expenses	\$ 9,829,423	\$ 1,766,392	\$ 16,181,081	\$ 4,277,976	\$ 62,909,664

Required Supplementary Information

ABRAHAM BALDWIN AGRICULTURAL COLLEGE
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	\$ 40,454	\$ 40,454	\$ —	\$ 142,425	28.40%
	June 30, 2024	\$ 59,747	\$ 59,747	\$ —	\$ 204,947	29.15%
	June 30, 2023	\$ 95,394	\$ 95,394	\$ —	\$ 309,639	30.81%
	June 30, 2022	\$ 65,229	\$ 65,229	\$ —	\$ 263,839	24.72%
	June 30, 2021	\$ 62,604	\$ 62,604	\$ —	\$ 253,416	24.70%
	June 30, 2020	\$ 78,001	\$ 78,001	\$ —	\$ 315,330	24.74%
	June 30, 2019	\$ 63,328	\$ 63,328	\$ —	\$ 255,358	24.80%
	June 30, 2018	\$ 68,712	\$ 68,712	\$ —	\$ 276,951	24.81%
	June 30, 2017	\$ 66,602	\$ 66,602	\$ —	\$ 268,450	24.81%
	June 30, 2016	\$ 105,597	\$ 105,597	\$ —	\$ 427,171	24.72%
Teachers' Retirement System	June 30, 2025	\$ 3,574,176	\$ 3,574,176	\$ —	\$ 17,160,266	20.83%
	June 30, 2024	\$ 3,345,614	\$ 3,345,614	\$ —	\$ 16,740,508	19.99%
	June 30, 2023	\$ 3,211,711	\$ 3,211,711	\$ —	\$ 16,192,969	19.83%
	June 30, 2022	\$ 2,972,572	\$ 2,972,572	\$ —	\$ 14,875,358	19.98%
	June 30, 2021	\$ 2,803,600	\$ 2,803,600	\$ —	\$ 14,778,534	18.97%
	June 30, 2020	\$ 3,270,677	\$ 3,270,677	\$ —	\$ 15,466,280	21.15%
	June 30, 2019	\$ 3,099,698	\$ 3,099,698	\$ —	\$ 14,875,195	20.84%
	June 30, 2018	\$ 2,579,777	\$ 2,579,777	\$ —	\$ 15,287,744	16.87%
	June 30, 2017	\$ 2,214,537	\$ 2,214,537	\$ —	\$ 15,476,443	14.31%
	June 30, 2016	\$ 2,143,126	\$ 2,143,126	\$ —	\$ 15,027,926	14.26%

ABRAHAM BALDWIN AGRICULTURAL COLLEGE
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	0.007614%	\$ 342,772	\$ 204,947	167.25%	78.75%
	June 30, 2024	0.011940%	\$ 712,291	\$ 309,639	230.04%	71.20%
	June 30, 2023	0.011630%	\$ 776,705	\$ 263,839	294.39%	67.44%
	June 30, 2022	0.010890%	\$ 254,707	\$ 253,416	100.51%	87.62%
	June 30, 2021	0.012507%	\$ 527,165	\$ 315,330	167.18%	76.21%
	June 30, 2020	0.010130%	\$ 418,018	\$ 255,358	163.70%	76.74%
	June 30, 2019	0.010858%	\$ 446,376	\$ 276,951	161.18%	76.68%
	June 30, 2018	0.010944%	\$ 444,473	\$ 268,450	165.57%	76.33%
	June 30, 2017	0.008300%	\$ 869,072	\$ 427,171	203.45%	72.34%
	June 30, 2016	0.007300%	\$ 791,441	\$ 448,608	176.42%	76.20%
Teachers Retirement System	June 30, 2025	0.107226%	\$ 26,950,837	\$ 16,740,508	160.99%	80.86%
	June 30, 2024	0.011135%	\$ 32,875,302	\$ 16,192,969	203.02%	76.29%
	June 30, 2023	0.110508%	\$ 35,884,084	\$ 14,875,358	241.23%	72.85%
	June 30, 2022	0.113585%	\$ 10,045,836	\$ 14,778,534	67.98%	92.03%
	June 30, 2021	0.119905%	\$ 29,045,684	\$ 15,466,280	187.80%	77.01%
	June 30, 2020	0.121763%	\$ 26,182,337	\$ 14,875,195	176.01%	78.56%
	June 30, 2019	0.128820%	\$ 23,911,751	\$ 15,287,744	156.41%	80.27%
	June 30, 2018	0.134852%	\$ 25,062,659	\$ 15,476,443	161.94%	79.33%
	June 30, 2017	0.087000%	\$ 28,259,470	\$ 15,027,926	188.05%	76.06%
	June 30, 2016	0.088000%	\$ 22,474,440	\$ 15,583,000	144.22%	81.44%

**ABRAHAM BALDWIN AGRICULTURAL COLLEGE
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%.

**ABRAHAM BALDWIN AGRICULTURAL COLLEGE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS FOR OPEB PLAN
BOARD OF REGENTS RETIREE HEALTH BENEFIT PLAN
FOR THE LAST NINE FISCAL YEARS***

Year Ended	Contractually Required Contribution (a)	Contributions in Relation to the Contractually Required Contribution (b)	Contribution Deficiency (Excess) (b-a)	Covered Employee Payroll (c)	Contributions as a Percentage of Covered Employee Payroll (b/c)
June 30, 2025	\$ 738,327	\$ 738,327	\$ —	\$ 22,941,758	3.22%
June 30, 2024	\$ 751,908	\$ 751,908	\$ —	\$ 22,602,167	3.33%
June 30, 2023	\$ 845,297	\$ 845,297	\$ —	\$ 21,337,307	3.96%
June 30, 2022	\$ 1,250,968	\$ 1,250,968	\$ —	\$ 21,429,906	5.84%
June 30, 2021	\$ 1,006,278	\$ 1,006,278	\$ —	\$ 20,355,757	4.94%
June 30, 2020	\$ 917,113	\$ 917,113	\$ —	\$ 20,927,062	4.38%
June 30, 2019	\$ 1,470,039	\$ 1,470,039	\$ —	\$ 21,118,261	6.96%
June 30, 2018	\$ 1,567,781	\$ 1,567,781	\$ —	\$ 19,820,361	7.91%
June 30, 2017	\$ 1,000,672	\$ 1,000,672	\$ —	\$ 20,370,255	4.91%

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

**ABRAHAM BALDWIN AGRICULTURAL COLLEGE
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	0.804172%	\$ 23,350,511	\$ 22,602,167	103.31%	7.19%
June 30, 2024	0.832919%	\$ 26,464,731	\$ 21,337,307	124.03%	6.44%
June 30, 2023	0.854820%	\$ 33,862,173	\$ 21,429,906	158.01%	5.08%
June 30, 2022	0.857277%	\$ 43,147,443	\$ 20,355,757	211.97%	3.74%
June 30, 2021	0.892203%	\$ 47,587,603	\$ 20,927,062	227.40%	2.91%
June 30, 2020	0.916580%	\$ 40,985,498	\$ 21,118,261	194.08%	3.13%
June 30, 2019	0.989636%	\$ 43,650,380	\$ 19,820,361	220.23%	1.69%
June 30, 2018	1.004900%	\$ 42,402,042	\$ 20,370,255	208.16%	0.19%

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

**ABRAHAM BALDWIN AGRICULTURAL COLLEGE
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

**ABRAHAM BALDWIN AGRICULTURAL COLLEGE
BALANCE SHEET (NON-GAAP BASIS)
BUDGET FUNDS
JUNE 30, 2025**

ASSETS

Cash and Cash Equivalents	\$ 4,243,152.53
Accounts Receivable	
Federal Financial Assistance	625,685.15
Other	6,017,163.64
Prepaid Expenditures	1,928.27
Other Assets	<u>152,521.85</u>
Total Assets	\$ 11,040,451.44

LIABILITIES AND FUND EQUITY

Liabilities	
Accrued Payroll	\$ 132,708.45
Encumbrance Payable	2,379,526.43
Accounts Payable	360,183.47
Deferred Revenue	1,063,081.78
Funds Held for Others	<u>19,637.74</u>
Total Liabilities	<u>3,955,137.87</u>
Fund Balances	
Department Sales and Services	678,491.49
Indirect Cost Recoveries	484,031.78
Technology Fees	190,238.78
Restricted/Sponsored Funds	5,380,901.03
Uncollectible Accounts Receivable	66,008.53
Tuition Carry - Forward	284,938.97
Unreserved	
Surplus	<u>702.99</u>
Total Fund Balances	<u>7,085,313.57</u>
Total Liabilities and Fund Balances	<u>\$ 11,040,451.44</u>

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

**ABRAHAM BALDWIN AGRICULTURAL COLLEGE
STATEMENT OF FUNDS AVAILABLE AND EXPENDITURES COMPARED TO BUDGET
BY PROGRAM AND FUNDING SOURCE
BUDGET FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	Original Appropriation	Final Budget	Funds Available Compared to Budget		
			Current Year Revenues	Prior Year Reserve	Carry-Over
Public Service/Special Funding Initiatives					
State Appropriation					
State General Funds	\$ 2,130,908.00	\$ 1,630,908.00	\$ 1,630,908.00	\$ —	\$ —
Teaching					
State Appropriation					
State General Funds	24,338,453.00	25,696,541.00	25,696,541.00		—
Federal Funds					
Federal Funds Not Specifically Identified	10,336,701.00	13,820,085.00	12,792,525.61		—
Federal Funds - COVID-19					
Federal Funds Not Specifically Identified – COVID-19	—	—	—		48,373.04
Other Funds	15,708,951.00	17,313,301.00	14,582,057.00		6,962,727.41
Total Teaching	50,384,105.00	56,829,927.00	53,071,123.61		7,011,100.45
Total Operating Activity	\$ 52,515,013.00	\$ 58,460,835.00	\$ 54,702,031.61		\$ 7,011,100.45

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.

ABRAHAM BALDWIN AGRICULTURAL COLLEGE
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	Total	Variance	Current Year	Variance	Available	
	or Adjustments	Funds Available	Positive (Negative)	Actual	Positive (Negative)	Over/(Under) Expenditures	
Public Service/Special Funding Initiatives							
State Appropriation							
State General Funds		\$ 1,630,908.00	\$ —	\$ 1,630,908.00	\$ —	\$ —	\$ —
Teaching							
State Appropriation							
State General Funds	—	25,696,541.00	—	25,696,541.00	—	—	—
Federal Funds							
Federal Funds Not Specifically Identified	—	12,792,525.61	(1,027,559.39)	12,792,525.61	1,027,559.39	—	—
Federal Funds - COVID-19							
Federal Funds Not Specifically Identified – COVID-19	(48,373.04)	—	—	—	—	—	—
Other Funds	48,373.04	21,593,157.45	4,279,856.45	14,535,791.27	2,777,509.73	7,057,366.18	
Total Teaching	—	60,082,224.06	3,252,297.06	53,024,857.88	3,805,069.12	7,057,366.18	
Total Operating Activity	\$ —	\$ 61,713,132.06	\$ 3,252,297.06	\$ 54,655,765.88	\$ 3,805,069.12	\$ 7,057,366.18	

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.

**ABRAHAM BALDWIN AGRICULTURAL COLLEGE
STATEMENT OF CHANGES TO FUND BALANCE
BY PROGRAM AND FUNDING SOURCE
BUDGET FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	Fund Balance					
	Beginning Fund Balance/(Deficit)	Carried Over from Prior Year July 1	Return of June 30, 2024 Surplus	Prior Year Adjustments	Other Adjustments	
Public Service/Special Funding Initiatives						
State Appropriation						
State General Funds	\$ 2,092.42	\$ —	\$ (2,092.42)	\$ —	\$ —	\$ —
Teaching						
State Appropriation						
State General Funds	66.55	—	(66.55)	16.00	—	—
Federal Funds						
Federal Funds Not Specifically Identified	—	—	—	—	—	—
Federal Funds - COVID-19						
Federal Funds Not Specifically Identified – COVID-19	48,373.04	(48,373.04)	—	—	—	—
Other Funds	6,962,727.53	(6,962,727.41)	(0.12)	(38,833.89)	756.75	
Total Teaching	7,011,167.12	(7,011,100.45)	(66.67)	(38,817.89)	756.75	
Total Operating Activity	7,013,259.54	(7,011,100.45)	(2,159.09)	(38,817.89)	756.75	
Prior Year Reserve						
Not Available for Expenditure						
Uncollectible Accounts Receivable	66,765.28	—	—	—	—	(756.75)
Budget Unit Totals	\$ 7,080,024.82	\$ (7,011,100.45)	\$ (2,159.09)	\$ (38,817.89)	\$ —	

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.

**ABRAHAM BALDWIN AGRICULTURAL COLLEGE
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
Public Service/Special Funding Initiatives						
State Appropriation						
State General Funds	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Teaching						
State Appropriation						
State General Funds	—	—	16.00		16.00	16.00
Federal Funds						
Federal Funds Not Specifically Identified	—	—	—	—	—	—
Federal Funds - COVID-19						
Federal Funds Not Specifically Identified – COVID-19	—	—	—	—	—	—
Other Funds	—	7,057,366.18	7,019,289.04	7,018,602.05	686.99	7,019,289.04
Total Teaching	—	7,057,366.18	7,019,305.04	7,018,602.05	702.99	7,019,305.04
Total Operating Activity	—	7,057,366.18	7,019,305.04	7,018,602.05	702.99	7,019,305.04
Prior Year Reserve						
Not Available for Expenditure						
Uncollectible Accounts Receivable	—	—	66,008.53	66,008.53	—	66,008.53
Budget Unit Totals	\$ —	\$ 7,057,366.18	\$ 7,085,313.57	\$ 7,084,610.58	\$ 702.99	\$ 7,085,313.57

Summary of Ending Fund Balance

Reserved			
Department Sales and Services	\$ 678,491.49	\$ —	\$ 678,491.49
Indirect Cost Recoveries	484,031.78	—	484,031.78
Technology Fees	190,238.78	—	190,238.78
Restricted/Sponsored Funds	5,380,901.03	—	5,380,901.03
Uncollectible Accounts Receivable	66,008.53	—	66,008.53
Tuition Carry - Forward	284,938.97	—	284,938.97
Unreserved, Undesignated			
Surplus	—	702.99	702.99
Total Ending Fund Balance - June 30	\$ 7,084,610.58	\$ 702.99	\$ 7,085,313.57

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.

ABRAHAM BALDWIN AGRICULTURAL COLLEGE

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