ANNUAL FINANCIAL REPORT • FISCAL YEAR ENDING JUNE 30, 2025

State Road and Tollway Authority

A Component Unit of the State of Georgia

Including Independent Auditor's Reports

Greg S. Griffin I State Auditor

DOAA
Georgia Department
of Audits & Accounts

State Road and Tollway Authority

Table of Contents

Section I

Financial

Basic Financial Statements

Required Supplementary Information

State Road and Tollway Authority

Table of Contents

Section II

Compliance and Internal Control Reports

FINANCIAL SECTION

DOAA
Georgia Department
of Audits & Accounts

Greg S. Griffin
State Auditor

INDEPENDENT AUDITOR'S REPORT

The Honorable Brian P. Kemp, Governor of Georgia
Members of the General Assembly of the State of Georgia
Members of the Board of Directors of the State Road and Tollway Authority
and
Ms. Jannine Miller, Executive Director

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, business-type activities, and each major fund of the State Road and Tollway Authority (Authority), a component unit of the State of Georgia, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, and each major fund of the Authority as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 4, 2026 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

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

Respectfully submitted,

Greg S. Griffin

Greg S. Griffin
State Auditor

February 4, 2026

Introduction

The *Management's Discussion and Analysis* (MD&A) of the State Road and Tollway Authority ("SRTA" or "the Authority") presents an overview and analysis of the Authority's financial activities for the fiscal year ended June 30, 2025. Comparative data is provided for fiscal year 2024. The MD&A should be read in conjunction with the Authority's financial statements, including the notes to the financial statements, which are an integral part of the statements that follow this narrative.

The Authority is a public corporation and body corporate responsible for financing transportation projects and operating toll facilities in the State of Georgia. As of June 30, 2025, the Authority's proprietary statements consist of the Tolling System Fund, which accounts for tolling activities related to the I-85 Express Lanes, I-85 Extension Express Lanes, I-75 Northwest Corridor Project Express Lanes, and the I-75 South Express Lanes. The Tolling System Fund also includes SRTA tolling activities related to the State's Major Mobility Investment Program (MMIP). Future tolling facilities for SR 400 and I-285 Express Lanes (East and West) are under planning as part of that program and will be operated by a Developer.

As of June 30, 2025, the Authority's governmental statements include the general fund activities of the Authority, management of a bond financing program (debt service) and administration of the Georgia Transportation Infrastructure Bank (GTIB) program.

Financial Highlights

Fiscal year 2025 continued to demonstrate SRTA's growth as a preferred travel experience for commuters and travelers alike. With traffic patterns in the metro-Atlanta region stabilizing after several years of post-pandemic fluctuations, SRTA's trip counts continue to outpace traffic counts in the region. By the numbers, the fiscal year displayed the sustained popularity of SRTA's express lanes with over 31.8 million trips observed. SRTA also continued its long-lasting partnerships with the Georgia Department of Transportation (GDOT) and local governments by continuing to strengthen the State's transportation network through public-private partnerships and the GTIB program.

- Tolling revenue increased by $12.9 million year-over-year, with the Authority generating over $100 million in total toll revenue.
- Governmental funds continued to provide opportunities for innovative financing solutions to State Transportation needs. Debt principal on non-tolling road and bridge projects was reduced by $41.7 million during the fiscal year. Payments toward existing non-tolling projects totaled $520.1 million on a number of major state transportation projects. Work also began in fiscal year 2025 on the SR 400 Express Lanes, with $60 million in payments being processed for work performed during the fiscal year. The Georgia Transportation Infrastructure Bank (GTIB) awarded $12.4 million in grants and $15.5 million in low-interest loans to local governments for transportation projects during the fiscal year. Most of SRTA's Governmental activities are completed in partnership with the Governor's Office of Planning and Budget, Georgia General Assembly and GDOT through the State's annual Appropriations Act and funded with intergovernmental revenue.

Overview of the Financial Statements

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

Government-Wide Financial Statements – Reporting the Authority as a Whole

The Authority is considered a blended component unit of the State of Georgia for financial reporting purposes because of the significance of its legal, operational, and financial relationships with the State. These reporting entity relationships are defined in Section 2100 of the Governmental Accounting Standards Board's *Codification of Governmental Accounting and Financial Reporting Standards*.

- **Governmental Activities**. The Authority's basic services fall under this activity, including services related to general government, debt service, and the Georgia Transportation Infrastructure Bank (GTIB). Intergovernmental revenue is the major funding source for these programs.
  - SRTA's governmental funds include a general fund, a special revenue fund for the GTIB program, and a debt service fund.
  - The general fund is utilized mostly to facilitate contractual commitments and payments related to the State's Major Mobility Investment Program (MMIP) on non-tolling projects, along with facilitating other non-tolling Authority business processes related to the GO! Transit Program, SRTA's "Peach Pass Plus" airport parking program, and payments between SRTA and the Atlanta-region Transit Link Authority. The General fund also houses the administration of the Georgia Regional Transportation Authority (GRTA), which approves the allocation of state and federal transportation resources in the Atlanta area via the Atlanta Transportation Improvement Program and evaluates all Developments of Regional Impact within its metro Atlanta jurisdiction for their impacts on the surrounding transportation infrastructure. GRTA's appropriated funds were formally transferred to SRTA via the fiscal year 2025 Appropriations Act, House Bill 916 (2023-2024 Regular Legislative Session).
  - The GTIB fund is utilized to facilitate grant and loan activity between SRTA and local governments for transportation projects. SRTA operates the GTIB program and reviews applications from across the state annually for grant and loan funding, contingent upon State appropriations.
  - The debt service fund facilitates debt servicing on non-tolling debt held by SRTA for state road and bridge projects. This fund is financed in cooperation with GDOT via intergovernmental revenues.
- **Business-Type Activities**. The Authority operates tolling activities similar to private-sector businesses by charging fees to customers to recover all or a significant portion of its costs of providing goods and services. Operations falling under business-type activities are primarily funded by toll revenues.
  - SRTA operates a singular proprietary fund, which is known as the Tolling System Fund.
  - The Tolling System Fund accounts for all activity related to SRTA's Managed Lane System: I-85 Express Lanes, I-85 Extension Express Lanes, I-75 Northwest Corridor Project Express Lanes, and I-75 South Express Lanes. Violations revenue, violations processing, tolling capital expenses, and debt servicing activity related to SRTA tolling projects are also accounted for in the Tolling System Fund.
  - The Tolling System Fund also accounts for ongoing capital projects related to the Managed Lanes System and future tolling projects included in the MMIP.

Reconciliation Between Government-Wide and Fund Statements

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

- Capital outlays result in capital assets on the government-wide statements but are reported as expenditures in the governmental fund financial statements.

- Bond proceeds and arbitrage payable are recorded as long-term debt on the government-wide statements but are listed as current financial resources on the governmental fund statements.

Notes to the Financial Statements

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

Required Supplementary Information

In addition to this MD&A, the Basic Financial Statements are followed by a section containing required supplementary information which further explains and supports the information in the financial statements. This section of the report includes: (1) information on the Authority's defined benefit pension liability and contributions, and (2) information on the Authority's other postemployment benefit plans (OPEB) and State Employee Assurance Department (SEAD).

Government-Wide Financial Analysis

Net Position

State Road and Tollway Authority Statement of Net Position

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Cash and Investments	$ 715,964,084	$ 740,361,314	$ 273,812,595	$ 299,602,034	$ 989,776,679	$ 1,039,963,348
Receivables	463,922,139	215,320,198	5,548,215	3,317,716	469,470,354	218,637,914
Other Assets	68,560	63,970	1,740,045	960,385	1,808,605	1,024,355
Capital Assets	39,436,501	102,384,994	78,685,341	59,166,050	118,121,842	161,551,044
Total Assets	1,219,391,284	1,058,130,476	359,786,196	363,046,185	1,579,177,480	1,421,176,661
Deferred Outflows of Resources	162,087	408,248	3,890,099	4,913,588	4,052,186	5,321,836
Other Liabilities	471,570,151	270,748,250	42,986,901	35,559,841	514,557,052	306,308,091
Long-Term liabilities	407,767,644	460,404,683	452,692,326	445,121,664	860,459,970	905,526,347
Total Liabilities	879,337,795	731,152,933	495,679,227	480,681,505	1,375,017,022	1,211,834,438
Deferred Inflows of Resources	91,575	81,875	2,197,797	985,431	2,289,372	1,067,306
Net Position:						
Net Investment in						
Capital Assets	39,436,501	102,384,994	27,482,412	24,650,229	66,918,913	127,035,223
Restricted	312,455,043	511,024,349	36,242,655	35,751,358	348,697,698	546,775,707
Unrestricted (deficit)	(11,767,543)	(286,105,427)	(197,925,796)	(174,108,750)	(209,693,339)	(460,214,177)
Total Net Position	$ 340,124,001	$ 327,303,916	$ (134,200,729)	$ (113,707,163)	$ 205,923,272	$ 213,596,753

Total cash and investments decreased by $50.2 million year over year. This is mostly due to the continued spend-down on prefunded governmental activities related to GDOT non-tolling and debt service projects in partnership with GDOT, along with continued work in progress on SRTA tolling capital projects.

Overall, assets increased by $158.0 million. The increase in balance is reflected in the rise of receivables, which increased $250.8 million year-over-year. This growth in receivables is due to the fast-moving pace of non-tolling projects, which are funded with payments from GDOT. In particular, the I-285/I-20 East Interchange project has continued to complete milestones ahead of its payment schedule, thereby triggering a receivable balance due from GDOT.

Liabilities increased by $163.2 million. This increase in liabilities is also subject to the aforementioned increase in payables due for non-tolling projects, with contracts payable growing by $129.5 million in fiscal year 2025. This stems mostly from the East Interchange project above, along with accrued expenses for ongoing invoicing. Conversely, deposits from GDOT for ongoing non-tolling projects that have yet to be earned by respective developers classified as unearned revenue increased by $59.9 million. Intergovernmental payables also increased by $14.2 million due to project requisitions which are to be paid to GDOT on non-tolling projects funded with SRTA-held bond proceeds. On the opposite side of the increase in payables, long-term liabilities decreased by $45.1 million, mostly stemming from $41.7 million in payments on Governmental Bond Principal.

In total, net position decreased by $7.7 million in fiscal year 2025.

Statement of Activities

The Statement of Activities details the revenue/expense and the change in Net Position for SRTA. A breakdown of this activity and requisite highlights is detailed below.

State Road and Tollway Authority Statement of Activities

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues:						
General Government	$ 261,385,559	$ 95,292,838	$ -	$ -	$ 261,385,559	$ 95,292,838
Roadway Improvements per GDOT MOU	521,768,781	208,533,204	-	-	521,768,781	208,533,204
Infrastructure Grants	61,971,805	13,123,749	-	-	61,971,805	13,123,749
Interest on Long-Term Debt	15,547,044	21,212,925	-	-	15,547,044	21,212,925
Tolling Operations	-	-	100,485,160	87,530,257	100,485,160	87,530,257
Total Revenues	860,673,189	338,162,716	100,485,160	87,530,257	961,158,349	425,692,973
Expenses:						
General Government	262,698,606	97,876,756	-	-	262,698,606	97,876,756
Roadway Improvements per GDOT MOU	520,066,172	208,533,204	-	-	520,066,172	208,533,204
Infrastructure Grants Disbursed	5,905,464	7,631,645	-	-	5,905,464	7,631,645
Interest on Long-Term Debt	8,426,398	23,848,136	-	-	8,426,398	23,848,136
Tolling Operations	-	-	135,533,687	67,525,447	135,533,687	67,525,447
Total Expenses	797,096,640	337,889,741	135,533,687	67,525,447	932,630,327	405,415,188
General Revenues and Special Item:	(50,756,464)	29,949,066	14,554,961	17,491,524	(36,201,503)	47,440,590
Beginning of Year - Net Position	327,303,916	297,081,875	(113,707,163)	(151,203,497)	213,596,753	145,878,378
End of Year - Net Position	$ 340,124,001	$ 327,303,916	$ (134,200,729)	$ (113,707,163)	$ 205,923,272	$ 213,596,753

Total program revenues increased by $535.5 million in fiscal year 2025, mainly stemming from the General Government category. This increase is mainly driven by a major increase in Governmental Activities related to non-tolling projects in the "Roadway Improvements per GDOT MOU" category. This balance increased $313.2 million in aggregate in fiscal year 2025, signaling the increased volume of projects and their subsequent activity during the fiscal year. General Government Activities and GTIB Infrastructure Grants and Loans also increased substantially, netting a total increase of $166.1 million and $48.8 million increase, respectively. These increases were due to an increased volume of requisitions on GDOT-led projects with SRTA-held bonds and an increase in GTIB State appropriations in the State's Amended Fiscal Year 2025 budget.

Total expenses increased by $527.2 million in fiscal year 2025. As mentioned above, this is largely the product of a higher level of expense activity related to non-tolling projects and GDOT project requisitions on GDOT-led projects in comparison to the prior year. These expenses increased by $311.5 million and $87.2 million respectively in fiscal year 2025. The Authority also transferred a significant amount of capital assets to the Atlanta-region Transit Link Authority (ATL) from its Governmental Activities in fiscal year 2025, to better align transit assets formerly held by SRTA with the entity that operates and maintains those assets. This resulted in a net expense of $63.7 million in governmental activities.

Management does not believe that Governmental Activities and Business-Type Activities are comparable for analytical purposes. While the combined schedules show a total picture of SRTA responsibilities, the two activities should be viewed in their respective parts. This is due to the variety of funding sources and business activity that each side represents accordingly.

Financial Analysis of Business-Type Activities

The following table and highlights below show the results of operations for the last two years.

State Road and Tollway Authority Business Type Activities

	2025	2024
Revenues:		
Toll Revenues	$ 100,436,123	$ 87,489,280
Other	49,375	41,693
Total Revenues	100,485,498	87,530,973
Operating expenses:		
Personal Services	11,850,995	11,945,801
Other	110,751,673	42,501,657
Total Expenses	122,602,668	54,447,458
Nonoperating revenues/(expenses):		
Interest and Investment Revenue	14,541,782	17,553,859
Interest Expense	(12,931,019)	(13,077,989)
Transfers In/(Out)	12,841	(63,051)
Total Nonoperating	1,623,604	4,412,819
Net position - Beginning	(113,707,163)	(151,203,497)
Net position - Ending	$ (134,200,729)	$ (113,707,163)

The Tolling System Fund is the sole business-type activity fund for the Authority. Transactions within this fund capture all tolling-related activities of the Authority. Highlights for fiscal year 2025 include:

- Fiscal year 2025 showed a continuation of year-over-year increases in toll revenue, with an increase of $12.9 million. Toll Revenues, as described here, include revenues collected from both customers and violators.
- Increase in operating expenses of $68.2 million. Much of this increase is attributed to an increase in contract expenses related to the Authority's ongoing capital projects in pursuit of modernized commercial back office and tolling systems integrator network(s).
- Overall, SRTA Tolling activities ended fiscal year 2025 with an operating loss of $22.1 million. This decrease is due to the $60 million payment to Peach Partners for SR400 early work.
- Adding in nonoperating items related to interest and investment revenues and interest expense, SRTA ended the year with a net loss of $20.5 million in net position.

Financial Analysis of Governmental Funds

The following table and highlights below detail the revenues and expenditures in the governmental funds for the past two fiscal years.

State Road and Tollway Authority Governmental Funds

	2025	2024
Revenues:		
Intergovernmental Revenue	$ 540,480,739	$ 272,556,066
Other	13,234,049	30,067,768
Total Revenues	553,714,788	302,623,834
Operating expenses:		
Roadway Improvements per GDOT MOU	520,066,172	208,533,204
Debt Service	60,441,500	80,192,925
Infrastructure Grants Disbursed	5,905,464	7,631,645
Payments to GDOT per Project Requisition	195,660,742	108,491,647
Payments to Peach Partners (SR400)	60,000,000	-
Other	2,789,290	5,348,202
Total Expenses	844,863,168	410,197,623
Nonoperating revenues/(expenses):		
Transfers In	-	63,051
Fund Balance - Beginning	570,321,563	677,832,301
Fund Balance - Ending	$ 279,173,183	$ 570,321,563

As stated, SRTA maintains three governmental funds. This includes the general fund, which mostly accounts for intergovernmental activity unrelated to debt service; the GTIB Fund, which accounts for grants and loans to local governments; and the debt service fund, which captures transactions as it relates to debt held by SRTA for GDOT-led State road and bridge projects. Highlights for fiscal year 2025 include:

- Increase in revenue of $251.1 million. This increase has been highlighted in sections above as being attributed to an increase in revenue and expense activity on non-tolling major transportation projects and an increase in GTIB appropriations.
- Decrease in "Other" Revenue is mostly due to lower interest earnings on SRTA bank accounts. Interest proceeds slowed in fiscal year 2025 in comparison with the prior year, with national average observed interest rates dropping from notably high rates in fiscal Year 2024.
- Increase in total expense of $434.7 million.
    - While debt service payments decreased slightly year-over-year, non-tolling project payments and payments to GDOT related to project requisitions increased substantially, totaling an increase of $458.7 million in fiscal year 2025.
    - Payments to non-tolling projects are paid to private developers on major road and bridge projects in conjunction with GDOT technical review of work performed and are paid with prefunded deposits from GDOT. Payments to GDOT for project requisitions are payments made to GDOT from SRTA-held bond proceeds for GDOT-led road and bridge projects statewide.
    - Also of significance were payments to SR400 Peach Partners, a consortium undertaking the construction and delivery of tolled express lanes in Georgia's State Route 400 corridor. Payments were made to SR400 Peach Partners during fiscal year 2025 to assist with early construction and other early works activities on this project.
- Debt service activity decreased in fiscal year 2025 as SRTA-held bonds continued to mature, totaling a year-over-year decrease in debt service of $19.8 million.
- Decrease in fund balance of $291.1 million.
    - As mentioned above, this decrease is consistent with trends of prior years, showing the maturation of projects funded with prefunded deposits from GDOT and the spenddown of bond proceeds held by SRTA.

Capital Assets and Debt Administration

Capital Assets

State Road and Tollway Authority Capital Assets and Right to Use Assets

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land	$ 2,406,231	$ 22,839,218	$ -	$ -	$ 2,406,231	$ 22,839,218
Construction in Progress	7,469,430	2,018,093	52,749,541	41,385,954	60,218,971	43,404,047
Buildings	-	9,874,840	-	-	-	9,874,840
Machinery and Equipment	29,515,235	35,655,039	4,657,731	6,278,401	34,172,966	41,933,440
Infrastructure	45,605	31,997,804	-	-	45,605	31,997,804
Lease Asset	-	-	6,096,678	6,978,125	6,096,678	6,978,125
Subscription Based IT Arrangements	-	-	15,181,391	4,523,570	15,181,391	4,523,570
Total	$ 39,436,501	$ 102,384,994	$ 78,685,341	$ 59,166,050	$ 118,121,842	$ 161,551,044

The Authority's capital assets decreased by $43.4 million during the fiscal year, with major changes occurring on the Governmental Activities and Business-Type Activities, respectively.

As mentioned in the Statement of Activities summary, the Governmental Activities of the Authority underwent a major transfer of capital assets in fiscal year 2025, transitioning a large number of transit assets to the Atlanta-region Transit Link Authority (ATL). The ATL is the State entity charged with the coordination of transit services in the Atlanta region, which includes the operation of the State's Xpress commuter bus service. This service has been operated by the ATL since fiscal year 2021, when it was legislatively transferred to the ATL from operations within SRTA.

Since fiscal year 2019, SRTA and the ATL have maintained shared administrative services, including the financial management of capital assets. Beginning in fiscal year 2025, SRTA began the transition of moving administrative functions to the ATL, including the management of its own capital assets. In June 2024, the ATL's board voted to transfer capital assets related to Xpress Park and Ride Lots, the Xpress South Operations Facility, and the underlying land and equipment related to those items from SRTA to the ATL, officially. As such, the transfer of said assets is recognized in the fiscal year 2025 government activities for SRTA, resulting in a net transfer of $63.7 million in asset value.

SRTA retains its ownership of commuter coach buses and the equipment related to those buses moving into fiscal year 2026, but plans to transfer ownership of those buses upon completion of ongoing grant procedures.

For Business-Type Activities, total capital assets increased $19.5 million. This increase is associated with ongoing implementation activity related to SRTA's commercial back office and tolling system integrator services. Additionally, new Subscription Based Information Technology Agreement (SBITA) items were added to SRTA's asset profile as a result of new commercial back office and ride declaration services for drivers utilizing High Occupancy Toll (HOT) lane options.

Debt Administration

The Authority's GARVEE debt is secured by Federal Highway Grant Revenues and Federal Highway Reimbursement Revenues. The Authority's GRB and GRRB bonds for GDOT-led projects are primarily secured by state motor fuel and transportation trust fund revenue.

At the end of the fiscal year, the Authority had $333.4 million in total outstanding governmental bonded debt and $367.4 million in outstanding business-type bonded debt.

Total governmental activities bonds payable, including premiums, decreased $55.6 million.

The Authority also recognized arbitrage payable in fiscal year 2025 at the amount of $25.7 million. This payable is the result of SRTA's investment of tax-exempt Series 2020 GARVEE proceeds (Governmental Activities) and Guaranteed Revenue Bonds (Business-Type Activities) generating excess earnings above calculated bond yield.

Total business-type activity bonds, including premium and discount activity, decreased $2.7 million. The small decrease is a result of premium and discount activity, as principal payments on the SRTA Series 2021AB Guaranteed Revenue Bonds do not begin until 2030.

Additional information on the Authority's long-term debt can be found in *Note 9 – Long-Term Liabilities* of the Notes to the Financial Statements section of this report.

Economic Factors Impacting SRTA

SRTA has continued to demonstrate its role in the State's transportation network throughout fiscal year 2025. The Tolling system's continued growth accompanied with several new and growing projects across the State has allowed SRTA to fulfill its role as the State's transportation financing arm. Highlights from the fiscal year include:

- Year-over-year Peach Pass transponder growth of 5.51 percent, marking a total of 1.4 million transponders issued.
- Year-over-year toll revenue growth of $12.9 million.
- Year-over-year trip growth of 1.4 million.
- Executed two non-tolling Design-Build agreements for highway construction projects in Fulton, Cobb, and Oconee counties.
- Executed a Design-Build-Finance-Operate-Maintain (DBFOM) agreement for the SR 400 Express Lanes Project, which is a future tolled facility in Fulton and Forsyth counties.
- $26.5 million in new grants and loans were awarded in GTIB's Round 12, accompanied by an added amended fiscal year appropriation of $46.5 million. The amended appropriation prioritized $7.5 million earmarked for airport projects in future years.

While traffic counts around the State and Atlanta region have begun to stabilize after a number of volatile years, SRTA's trip volume and continued revenue growth shows the staying power of the Peach Pass network. With increasing economic momentum all around the State, SRTA is well positioned to serve Georgia and its citizens moving into fiscal year 2026 and beyond.

Future Initiatives

Partnering with GDOT, SRTA continues to plan for future Express Lanes and MMIP projects, including the I-285 Express Lanes (East and West). The I-285 Express Lanes project began its procurement phase in September 2024. Meanwhile, the SR 400 Express Lanes Project progresses, with a Design, Build, Finance, Operate and Maintain (DBFOM) contract signed in November 2024. The project reached financial close on August 15, 2025. SRTA will continue to work alongside public and private partners across the region to integrate its existing Peach Pass network and associated toll infrastructure with new and planned tolling projects.

Regarding Governmental Activities, SRTA will continue its support of GDOT's MMIP program and its associated projects through GRB and GARVEE debt servicing and Public-Private Partnership agreements, along with offering unique funding solutions to high-performing and innovative transportation projects across the State using the GTIB program.

Requests for Information

This financial report is designed to provide a general overview of the Authority's finances for all those individuals who have an interest in the Authority's finances. This financial report seeks to demonstrate the Authority's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to: State Road and Tollway Authority, 245 Peachtree Center Avenue NE, Suite 2200, Atlanta, Georgia 30303.

BASIC FINANCIAL STATEMENTS

STATE ROAD AND TOLLWAY AUTHORITY

STATEMENT OF NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash and Cash Equivalents	$ 25,566,291	$ 46,285,599	$ 71,851,890
Restricted Cash and Cash Equivalents	450,869,845	220,009,348	670,879,193
Restricted Investments	239,527,948	7,517,648	247,045,596
Receivables, Net	91,435	5,541,225	5,632,660
Intergovernmental Receivables	134,814,164	6,990	134,821,154
Loans Receivable, Net - Restricted	3,778,770	-	3,778,770
Inventories	-	93,704	93,704
Other Assets	-	908	908
Total Current Assets	854,648,453	279,455,422	1,134,103,875
Noncurrent Assets:			
Long Term Receivable - GDOT	295,784,777	-	295,784,777
Long Term Loan Receivable, Net - Restricted	29,452,993	-	29,452,993
Net OPEB Asset	68,560	1,645,433	1,713,993
Capital Assets, Non-Depreciable	9,875,661	52,749,541	62,625,202
Capital Assets, Depreciable (Net of Accumulated Depreciation)	29,560,840	4,657,731	34,218,571
Right-to-Use Leased Assets, Amortizable (Net of Accumulated Amortization)	-	6,096,678	6,096,678
Right-to-Use Subscription Assets, Amortizable (Net of Accumulated Amortization)	-	15,181,391	15,181,391
Total Noncurrent Assets	364,742,831	80,330,774	445,073,605
Total Assets	1,219,391,284	359,786,196	1,579,177,480
DEFERRED OUTFLOWS OF RESOURCES			
Related to Defined Benefit Pension Plan	126,160	3,027,840	3,154,000
Related to Defined Benefit OPEB and SEAD Plans	35,927	862,259	898,186
Total Deferred Outflows of Resources	162,087	3,890,099	4,052,186
LIABILITIES			
Current Liabilities:			
Accounts Payable and Accrued Liabilities	52,923,832	13,440,329	66,364,161
Accrued Interest Payable	1,389,354	5,851,031	7,240,385
Contracts Payable	265,279,849	-	265,279,849
Funds Held for Others	-	1,002,895	1,002,895
Unearned Revenue	151,977,116	22,692,646	174,669,762
Total Current Liabilities	471,570,151	42,986,901	514,557,052
Noncurrent Liabilities:			
Net Pension Liability	448,778	10,770,670	11,219,448
Due within one year	78,991,595	7,762,078	86,753,673
Due in more than one year	328,327,271	434,159,578	762,486,849
Total Noncurrent Liabilities	407,767,644	452,692,326	860,459,970
Total Liabilities	879,337,795	495,679,227	1,375,017,022
DEFERRED INFLOWS OF RESOURCES			
Related to Defined Benefit Pension Plan	50,546	1,213,099	1,263,645
Related to Defined Benefit OPEB and SEAD Plans	41,029	984,698	1,025,727
Total Deferred Inflows of Resources	91,575	2,197,797	2,289,372
NET POSITION			
Net Investment in Capital Assets	39,436,501	27,482,412	66,918,913
Restricted for:			
Bond Covenants/Debt Service	431,653	35,277,762	35,709,415
Capital and Transportation Projects	153,500,223	-	153,500,223
Loan and Grant Programs	158,482,963	-	158,482,963
Nonexpendable:			
Other Benefits	40,204	964,893	1,005,097
Unrestricted (Deficit)	(11,767,543)	(197,925,796)	(209,693,339)
Total Net Position	$ 340,124,001	$ (134,200,729)	$ 205,923,272

The accompanying notes are an integral part of these financial statements.

STATE ROAD AND TOLLWAY AUTHORITY

STATEMENT OF ACTIVITIES
FOR FISCAL YEAR ENDED JUNE 30, 2025

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Functions/Programs							
Governmental Activities:							
General Government	$ 262,698,606	$ 173,330	$ 421,525	$ 260,790,704	$ (1,313,047)	$ -	$ (1,313,047)
Roadway Improvements per GDOT MOU	520,066,172	-	-	521,768,781	1,702,609	-	1,702,609
Infrastructure Loans and Grants Disbursed	5,905,464	-	-	61,971,805	56,066,341	-	56,066,341
Interest and Other Charges on Long-Term Debt	8,426,398	-	-	15,547,044	7,120,646	-	7,120,646
Total Governmental Activities	797,096,640	173,330	421,525	860,078,334	63,576,549	-	63,576,549
Business-Type Activities:							
Tolling	135,533,687	100,436,123	49,037	-	-	(35,048,527)	(35,048,527)
Total	$ 932,630,327	$ 100,609,453	$ 470,562	$ 860,078,334	63,576,549	(35,048,527)	28,528,022
General Revenues:							
Unrestricted Investment Income/(Loss)					12,949,569	14,541,782	27,491,351
Other					-	338	338
Transfers In					-	12,841	12,841
Transfers Out					(12,841)	-	(12,841)
Special Item:							
Net Loss on Disposal of Capital Assets					(63,693,192)	-	(63,693,192)
Total General Revenues and Special Item					(50,756,464)	14,554,961	(36,201,503)
Change in Net Position					12,820,085	(20,493,566)	(7,673,481)
Net Position - Beginning of Year					327,303,916	(113,707,163)	213,596,753
Net Position - End of Year					$ 340,124,001	$ (134,200,729)	$ 205,923,272

STATE ROAD AND TOLLWAY AUTHORITY

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025

	General Fund	GTIB Fund	Debt Service Fund	Governmental Funds
ASSETS				
Current Assets:				
Cash and Cash Equivalents	$ 22,851,169	$ 2,715,122	$ -	$ 25,566,291
Accounts Receivable, Net	91,435	-	-	91,435
Loans Receivable, Net - Restricted	-	3,778,770	-	3,778,770
Intergovernmental Receivables	134,814,164	-	-	134,814,164
Restricted Assets:				
Cash and Cash Equivalents	320,945,246	128,103,592	1,821,007	450,869,845
Investments	239,527,948	-	-	239,527,948
Noncurrent Assets:				
Loans Receivable, Net - Restricted	-	29,452,993	-	29,452,993
Total Assets	$ 718,229,962	$ 164,050,477	$ 1,821,007	$ 884,101,446
LIABILITIES:				
Accounts Payable and Other Accruals	334,261	873,024	-	1,207,285
Intergovernmental Payable	51,716,547	-	-	51,716,547
Contracts Payable	265,279,849	-	-	265,279,849
Unearned Revenue	151,977,116	-	-	151,977,116
Total Liabilities	469,307,773	873,024	-	470,180,797
DEFERRED INFLOWS OF RESOURCES:				
Unavailable Revenue - Roadway Improvements per GDOT MOU	134,747,466	-	-	134,747,466
FUND BALANCES				
Restricted:				
Loans and Grant Programs & Receivables	-	158,482,963	-	158,482,963
Debt Service	-	-	1,821,007	1,821,007
Capital and Transportation Projects	153,500,223	-	-	153,500,223
Unrestricted				
Assigned	13,217,308	4,694,490	-	17,911,798
Unassigned	(52,542,808)	-	-	(52,542,808)
Total Fund Balances	114,174,723	163,177,453	1,821,007	279,173,183
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 718,229,962	$ 164,050,477	$ 1,821,007	$ 884,101,446

The accompanying notes are an integral part of these financial statements.

STATE ROAD AND TOLLWAY AUTHORITY

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
JUNE 30, 2025

Total Governmental Fund Balances	$	279,173,183
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Cost of capital assets		75,261,224
Accumulated depreciation		(35,824,723)
Other long-term assets and accounts payable are not available to pay for current period expenditures and, therefore, are not reported in the funds.		295,784,777
Roadway Improvements per GDOT MOU grants that are not available to pay current period expenditures are deferred in the funds.		134,747,466
Certain liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Long-term liabilities		(407,295,132)
Compensated absences		(23,734)
Net pension and OPEB liabilities/assets		(380,218)
Accrued interest payable		(1,389,354)
Deferred inflows of resources are not available to pay for current period expenditures and, therefore, are not reported in the funds. These deferred inflows of resources consist of pension related experience differences, and assumption changes.		70,512
Net position of governmental activities	$	340,124,001

The accompanying notes are an integral part of these financial statements.

STATE ROAD AND TOLLWAY AUTHORITY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	General Fund	GTIB Fund	Debt Service Fund	Total Governmental Funds
REVENUES				
Intergovernmental Income	$ 421,387,890	$ 61,860,805	$ 57,232,044	$ 540,480,739
Interest and Other Investment Income	8,133,820	4,633,541	182,208	12,949,569
Other	173,480	111,000	-	284,480
Total Revenues	429,695,190	66,605,346	57,414,252	553,714,788
EXPENDITURES				
General Government	257,844,523	602,485	3,024	258,450,032
Infrastructure Grants Disbursed	-	5,905,464	-	5,905,464
Roadway Improvements per GDOT MOU	520,066,172	-	-	520,066,172
Debt Service:				
Principal	-	-	41,685,000	41,685,000
Interest	-	-	18,756,500	18,756,500
Total Expenditures	777,910,695	6,507,949	60,444,524	844,863,168
Net Change in Fund Balances	(348,215,505)	60,097,397	(3,030,272)	(291,148,380)
Fund Balances, Beginning of Year	462,390,228	103,080,056	4,851,279	570,321,563
Fund Balances, End of Year	$ 114,174,723	$ 163,177,453	$ 1,821,007	$ 279,173,183

The accompanying notes are an integral part of these financial statements.

STATE ROAD AND TOLLWAY AUTHORITY

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Total Net Change in Fund Balances - Governmental Funds	$	(291,148,380)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.		
Total depreciation		(4,793,797)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales and donations, transfers to enterprise funds) is to decrease net position.		(58,154,696)
Roadway Improvements per GDOT MOU grants reported in the Statement of Activities that are not available to pay current period expenditures are deferred in the funds.		102,934,317
Georgia State Financing and Investment Commission (GSFIC) grants that are not available to pay current period expenditures was previously deferred in the funds.		(2,553,426)
Repayment of long-term debt is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. In the current year, these amounts consist of:		
Bonds Principal Retirement		41,685,000
Debt Service Receivable/Payable (GDOT) Adjustment		213,975,742
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. The adjustments for these items are as follows:		
Amortization of Premium		13,963,988
Accrued interest on debt		173,688
Accrued Arbitrage Liability		(3,807,574)
Decrease in Compensated Absences		88,437
Net Decrease in Pension and OPEB Expense		456,786
Change in Net Position - Governmental Activities	$	12,820,085

STATE ROAD AND TOLLWAY AUTHORITY
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2025

		Tolling System Fund
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$	46,285,599
Accounts Receivable, Net		5,541,225
Inventories		93,704
Intergovernmental Receivable		6,990
Other Assets		908
Restricted Assets:		
Cash and Cash Equivalents		220,009,348
Investments		7,517,648
Total Current Assets		279,455,422
Noncurrent Assets:		
Net OPEB Asset		1,645,433
Capital and Right-to-Use Assets:		
Nondepreciable Capital Assets		52,749,541
Depreciable Capital Assets, net		4,657,731
Right-to-Use Leased Assets, net		6,096,678
Right-to-Use Subscription Assets, net		15,181,391
Total Noncurrent Assets		80,330,774
Total Assets		359,786,196
DEFERRED OUTFLOWS OF RESOURCES		
Related to Defined Benefit Pension Plan		3,027,840
Related to Defined Benefit OPEB and SEAD Plans		862,259
Total Deferred Outflows of Resources		3,890,099
LIABILITIES		
Current Liabilities:		
Accounts Payable and Other Accruals		13,252,367
Intergovernmental Payable		187,962
Unearned Revenue		22,692,646
Compensated Absences Payable		1,109,561
Lease Liability		810,446
Subscription Liability		3,135,793
Funds Held for Others		1,002,895
Accrued Interest Payable		5,851,031
Bonds premium amortized within one year		2,710,365
Bonds discount amortized within one year		(4,087)
Total Current Liabilities		50,748,979
Noncurrent Liabilities:		
Lease Liability		5,993,918
Subscription Liability		11,218,580
Revenue Bonds Payable		367,380,000
Bonds premium amortized in more than one year		46,654,208
Bonds discount amortized in more than one year		(25,861)
Arbitrage Payable		2,938,733
Net Pension Liability		10,770,670
Total Noncurrent Liabilities		444,930,248
Total Liabilities		495,679,227
DEFERRED INFLOWS OF RESOURCES		
Related to Defined Benefit Pension Plan		1,213,099
Related to Defined Benefit OPEB and SEAD Plans		984,698
Total Deferred Inflows of Resources		2,197,797
NET POSITION		
Net Investment in Capital Assets		27,482,412
Restricted for:		
Bond Covenants/Debt Service		35,277,762
Other Benefits		964,893
Unrestricted (Deficit)		(197,925,796)
Total Net Position	$	(134,200,729)

The accompanying notes are an integral part of these financial statements.

STATE ROAD AND TOLLWAY AUTHORITY

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

PROPRIETARY FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

		Tolling System Fund
Operating Revenues:		
Electronic Tolls	$	91,513,160
Intergovernmental Revenues		49,037
Violation Administration Fees		8,922,963
Other		338
Total Operating Revenues		100,485,498
Operating Expenses:		
Personal Services		11,850,995
Services and Supplies		4,078,526
Utilities, Rents, Insurance		1,061,519
Contracts		85,160,540
Software/Telecom		5,658,499
Managed Lane System Maintenance Agreement		7,482,800
Depreciation		2,532,018
Lease Amortization		881,447
Subscription Amortization		3,896,324
Total Operating Expenses		122,602,668
Operating (Loss)		(22,117,170)
Nonoperating Revenues (Expenses):		
Interest and Other Investment Income		14,541,782
Interest Expense		(12,931,019)
Total Nonoperating Revenues (Expenses)		1,610,763
Income Before Contributions and Transfers		39,493,593
Transfers:		
Transfers In		12,841
Change in Net Position		(20,493,566)
Net Position, Beginning of Year		(113,707,163)
Net Position, End of Year	$	(134,200,729)

STATE ROAD AND TOLLWAY AUTHORITY

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Tolling System Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	$ 98,701,510
Cash paid to intergovernmental agencies	(7,851,074)
Cash paid to vendors	(93,733,844)
Cash paid to employees	(8,047,492)
Net cash provided by operating activities	(10,930,900)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition and construction of capital assets	(12,262,094)
Bond Interest Paid	(12,700,840)
Lease/Subscription Principal Paid	(4,382,183)
Lease/Subscription Interest Paid	(55,204)
Net cash used in capital and related financing activities	(29,400,321)
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment purchases	(7,517,648)
Interest received	14,541,782
Net cash provided by investing activities	7,024,134
Decrease in cash and cash equivalents	(33,307,087)
Cash and cash equivalents:	
Beginning of year	299,602,034
End of year	$ 266,294,947

STATE ROAD AND TOLLWAY AUTHORITY

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

(Continued)		
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	$	(22,117,170)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation		2,532,018
Amortization		4,777,771
Changes in assets and liabilities:		
Receivables, Net		(2,230,499)
Inventories		107,206
Net OPEB/SEAD Asset		(885,958)
Intergovernmental Payable		(417,311)
Deferred Outflows of Resources		1,023,489
Unearned Revenues		495,546
Accounts Payable and Other Accruals		6,509,494
Accrued Liabilities		898,370
Other Assets		(908)
Compensated Absences		306,975
Net Pension Liability		(2,446,392)
Net OPEB liability		(695,897)
Deferred Inflows of Resources		1,212,366
Net cash provided by operating activities	$	(10,930,900)
Noncash capital and related financing activities:		
Subscription asset acquired by incurring debt	$	16,203,083
Reduction to subscription liability due to a modification of terms	$	(1,648,938.00)
Capital assets acquired through transfer from governmental activities	$	12,841.00

SRTA

State Road
& Tollway
Authority

NOTES TO THE FINANCIAL STATEMENTS INDEX

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Authority is an instrumentality of the State of Georgia and a public corporation created to construct, operate, and manage a system of roads, bridges and tunnels and facilities related thereto. The Authority's board consists of five (5) members: The Governor, Commissioner of the Georgia Department of Transportation (GDOT), Director of the Office of Planning and Budget, Appointee of Lieutenant Governor and Appointee of Speaker of the House. The Authority is considered a blended component unit of the State of Georgia for financial reporting purposes because of the significance of its legal, operational and financial relationships with the State of Georgia. These reporting entity relationships are defined in Section 2100 of the Governmental Accounting Standards Board (GASB) Codification of Governmental Accounting and Financial Reporting Standards.

B. Basis of Presentation

The Authority's financial statements have been prepared in conformity with GAAP as prescribed by the GASB. Preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

The Authority's fiscal year end is June 30.

The Authority's basic financial statements consist of government-wide statements, including a statement of net position, a statement of activities and fund financial statements. This combination is designed to accomplish two goals: (1) to provide information using the economic resources measurement focus and the accrual basis of accounting and (2) to provide net cost information by function for governmental activities.

C. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

When both restricted and unrestricted resources are available for use, generally it is the Authority's policy to use restricted resources first. The Statement of Activities demonstrates the degree to which the direct expense of a given function is offset by program revenues. Direct expenses are those that are clearly identifiable within a specific function. Program revenues include (a) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Items not meeting the definition of program revenues are reported as general revenues.

Fund Financial Statements

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements. The Authority did not have any non-major funds in fiscal year 2025.

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Governmental Funds

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they become both measurable and available. Revenues are considered to be "measurable" when the amount of the transaction can be determined and "available" when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Authority considers other revenues to be available if the revenues are collected within 30 days after fiscal year end. An exception to this policy is federal grant revenues, which generally are considered to be available if collection is expected within 12 months after year-end. All unearned revenues reported represent transactions for which assets have been received, but for which not all earnings criteria have been met. Capital purchases are recorded as expenditures and neither capital assets nor long-term liabilities, such as long-term debt, are reflected on the balance sheet. Major revenue sources susceptible to accrual include interest and other investment income.

Expenditures are generally recorded when the related fund liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims and judgments, and other long-term liabilities, are recorded only when payment is due or (for debt service expenditures), when amounts have been accumulated in the debt service fund for payments to be made early in the subsequent fiscal year. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the governmental fund statements.

The Authority reports the following major governmental funds:

General Fund – The principal operating fund of the Authority which accounts for all financial resources of the general government, except those required to be accounted for in another fund. This includes strategic business development, the activity related to non-Tolling Major Mobility and Investment Program (MMIP) projects, capital assets owned by the Authority not accounted for in another fund, as well as general governmental activities.

Debt Service Fund – Accounts for the accumulation of financial resources used to pay the principal and interest on long-term obligations.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Georgia Transportation Infrastructure Bank (GTIB) Fund – a special revenue fund used to account for grants and low interest loans to local governments for transportation infrastructure purposes.

Proprietary Funds

Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position and cash flows. Proprietary funds are classified as enterprise funds and distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The Authority's proprietary funds follow all GASB pronouncements, (including all National Council on Governmental Accounting (NCGA) Statements and Interpretations currently in effect).

The Authority reports the following major proprietary fund:

Tolling System Fund – Accounts for the activities for which tolls and fees are charged to the customers of the I-85 Express Lanes, the I-85 Extension Express Lanes, the I-75 Northwest Corridor Express Lanes, the I-75 South Metro Express Lanes, and the toll facilities under planning for the Major Mobility Investment Program (MMIP).

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

Cash and Cash Equivalents

Cash and cash equivalents include currency on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments with maturity dates within three months of the date acquired, such as certificates of deposit, money market certificates and repurchase agreements. Cash and cash equivalents also include the holdings of Georgia Fund 1, the state investment pool that has the general characteristics of demand deposit accounts in that the Authority may deposit additional cash at any time and also may withdraw cash at any time without prior notice or penalty.

The State of Georgia's Office of the State Treasurer (OST) manages the Georgia Fund 1 in accordance with policies and procedures established by state law and the State Depository Board, the oversight Board for OST. This investment is valued at the pool's share price, $1.00 per share, which approximates fair value.

The Authority does not have any risk exposure related to investments in derivatives or similar investments in Georgia Fund 1, as the investment policy of OST does not provide for investments in derivatives or similar investments through the Georgia Fund 1.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments

Investments include financial instruments with terms in excess of three months from the date of purchase and certain securities held for the production of revenue. Investments are presented at fair value. Accounting principles generally accepted in the United States require that investments be reported at fair value; however, the variance in amortized cost and fair value is deemed immaterial to the financial statements for the majority of the Authority's investments. Any variances in amortized cost and fair value deemed material to the financial statements were reported at fair value.

The state investment pool (Georgia Fund 1 or the Primary Liquidity Portfolio) is an external investment pool that is not registered with the Securities and Exchange Commission (SEC), and does not operate in a manner consistent with the SEC's Rule 2a-7 of the Investment Company Act of 1940. All investments except repurchase agreements, non-negotiable certificates of deposit ("CD"), direct-issued commercial paper, and other such nonparticipating investments are priced at fair value. Repurchase agreements, non-negotiable CD's, direct-issued commercial paper, and other such nonparticipating investments are carried at cost because they are nonparticipating contracts that do not capture interest rate changes in their value. Security transactions are accounted for on a trade date basis which means that the purchases and sales of securities are recorded on the day the trade takes place with a corresponding payable or receivable.

The Georgia Fund 1 primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal. The Pool operates and reports to participants on an amortized cost basis. The income, gains and losses, net of administration fees of the pool is allocated to participants monthly on the ratio of the participant's share of the total funds in the pool based on the participant's average daily balance. This method differs from the fair value method used to value investments in these financial statements because the amortized cost method is not designed to distribute to participants all unrealized gains and losses in the fair values of the pool's investments. Investments in the pool are reported as cash and cash equivalents on the financial statements.

The Authority may invest regular funds in such securities and in such manner as it determines to be in its best interest as follows:

1) Obligations issued by the United States government;
2) Obligations of any corporation of the United States government fully guaranteed by the United States government;
3) Obligations of the Federal Land Bank, the Federal Home Loan Bank, Federal Intermediate Credit Bank or the Central Bank for Cooperatives; and
4) Repurchase Agreements.

In addition, certain revenue bonds issued by the Authority include covenants which restrict the Authority to investments in the state investment pool or to the following forms of investments:

1) The Local Government Investment Pool;
2) Government Obligations;
3) Certificates of Deposit;

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4) Repurchase Agreements;
5) Investment Agreements or Guaranteed Investment Contracts; and
6) Money Market Funds.

Accounts Receivable

Receivables consist primarily of amounts due from local governments for loans made under the GTIB program, intergovernmental agreements and toll patrons. Receivables are recorded, net of allowances for uncollectible accounts, when either the asset or revenue recognition criteria have been met. Receivables from GTIB are reasonably assured; an allowance for uncollectible accounts is not typically established for these receivables. In the governmental fund financial statements, the portion considered "available" is recorded as revenue; the remainder, if any, is recorded as a deferred inflow of resources-unavailable.

Inventories

Inventory, which is comprised of transponders used in electronic toll collection, is determined by physical count and is valued at cost, using the first-in, first-out method. The Authority utilizes the purchases method to recognize inventory usage. Under the purchases method, inventories are recorded as expenses when purchased rather than when consumed. The Authority recognizes inventory at year end based on physical count values.

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

Restricted Assets

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

This classification includes certain toll revenue collections and other resources that will be used for debt service because their use is limited by applicable bond covenants. Amounts also include customer deposits paid to the Authority, and amounts received from other intergovernmental sources to be used solely for disbursement by the Debt Service fund, GTIB fund, and contract commitments for capital construction.

Capital Assets

Capital assets of governmental funds are recorded as expenditures at the time of purchase and capitalized in the governmental activities column of the government-wide Statement of Net Position. Capital assets of the Authority's proprietary funds are capitalized in the fund in which they are utilized. Capital assets, which include property, machinery and equipment, and computer software, are reported at historical

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

cost. Donated capital assets are stated at acquisition value at the time of donation and disposals are deleted at recorded cost. Assets that are transferred from other state agencies or authorities are recorded at actual cost and the associated accumulated depreciation is also recorded. For donated assets that are not fully depreciated, the Authority recognizes donated capital contributions equal to the net book value of the donated asset.

Land and non-depreciable land improvements are capitalized regardless of cost. Amounts for other asset categories are capitalized when the cost or value equals or exceeds the following thresholds. Items acquired through capital leases or donations are subject to these capitalization thresholds, using the classifications most closely related to the leased or donated assets.

Asset Category	Threshold
Infrastructure other than bridges and roadways	$ 1,000,000
Software	$ 1,000,000
Intangible assets, other than software	$ 100,000
Buildings and building improvements	$ 100,000
Improvements other than buildings	$ 100,000
Machinery and equipment	$ 10,000

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives is not capitalized. Major outlays for construction of toll facilities are capitalized as projects are constructed. Interest incurred during construction is not capitalized in governmental funds or proprietary funds.

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

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

Asset Category	Years
Infrastructure other than bridges and roadways	10 -100
Software	3 - 10
Intangible assets, other than software	20
Buildings and building improvements	5 - 60
Improvements other than buildings	15 - 50
Machinery and equipment	3 - 20

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Intangible Right-To-Use Assets

Leases, as a lessee, are included as intangible right-to-use assets and lease obligations on the Statement of Net Position. Subscription-based information technology arrangements (SBITAs) result in an intangible right-to-use subscription asset and a subscription liability on the Statement of Net Position.

An intangible right-to-use asset represents the Authority's right to use an underlying asset for the lease or subscription term. Lease and subscription obligations represent the Authority's liability to make lease and subscription payments arising from the lease or subscription agreement. Intangible right-to-use assets and lease obligations and subscription liabilities are recognized based on the present value of lease 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 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 or subscription liability. Intangible right-to-use assets are amortized using a straight-line basis over the shorter of the lease or subscription term or useful life of the underlying asset. Prepayments made before the commencement of the lease or subscription are reported as intangible right-to-use assets-in-progress.

Leases as Lessee

The Authority is a lessee for a noncancellable lease of certain space within a building owned by a third party.

At the commencement of a lease, the Authority initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The right-to-use lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on the straight-line basis over the shorter of the useful life of the asset or the lease term.

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

The lease agreement entered into by the Authority as lessee does not contain a stated interest rate. Therefore, the Authority has used its estimated incremental borrowing rate as the discount rate for the lease. The Authority has estimated this incremental borrowing rate to be 3.42% for the lease in which the Authority is currently involved as the lessee.

The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments the Authority will make over the lease term.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Authority monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and lease liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with current and long-term debt on the statement of net position.

Deferred Outflows of Resources

In addition to assets, the government-wide and fund financial statements will sometimes report a separate section of deferred outflows of resources. This separate financial statement element represents a consumption of net position or fund balance that applies to a future period(s) and so will not be recognized as an outflow of resources expense or expenditure until that time. Included are amounts for defined benefit pension plan activity and defined OPEB/SEAD plan activity.

Unearned Revenue

Unearned Revenue is primarily composed of prepaid tolls collected from Peach Pass customers (Proprietary Fund) and funds received from GDOT (General Fund).

For prepaid tolls, revenue is recognized when Peach Pass customers use a toll facility, and a toll is posted to their account.

GDOT provides roadway improvement revenue for non-tolling projects throughout a fiscal year for anticipated project costs. Revenue received from GDOT is recognized as expenses are incurred and paid to vendors. Unspent funds are available for use in a future period and therefore recognized as unearned.

Compensated Absences

Employees earn annual leave ranging from 10 to 14 hours each month depending upon the employees' length of continuous State service with a maximum accumulation of 360 hours. Employees are paid for unused accumulated annual leave upon retirement or termination of employment. Funds are budgeted and allocated each fiscal year to cover the cost of annual leave of terminated employees. The obligation for accumulated unpaid annual leave is reported as a liability in the government-wide and proprietary fund financial statements based on current rates of pay in effect at the end of the reporting period.

Employees earn 10 hours of sick leave each month with a maximum accumulation of 720 hours. Sick leave does not vest with the employee. Unused accumulated sick leave is forfeited upon retirement or termination of employment. However, certain employees who retire with 960 hours or more of forfeited annual and sick leave are entitled to additional service credit in the Employees' Retirement System. A liability is recorded for sick leave only to the extent that it is more likely than not to be used for time off or otherwise paid to employees.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Certain non-exempt employees working over 40 hours per week accrue compensatory time at the rate of 1.5 times the overage hours.

Compensated absence liabilities include annual leave, eligible sick leave, and compensatory time, together with salary related costs such as social security, Medicare, and health insurance contributions. At the end of the year, these liabilities are recorded at the current salary rates and applicable salary related costs. The current portion of compensated absence liabilities is calculated as a three-year average of annual reductions. The total compensated absences liability is reported on the government-wide and proprietary fund financial statements.

Accrued Liabilities and Long-Term Obligations

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

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

Deferred Inflows of Resources

In addition to liabilities, the government-wide and fund financial statements will sometimes report a separate section of deferred inflows of resources. This separate financial statement element represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. This classification includes amounts related to defined benefit pension plan activity and defined OPEB/SEAD plan activity.

Pensions

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 fiduciary net position of the Employees' Retirement System (ERS) and additions to/deductions from ERS's fiduciary net position have been determined on the same basis as they are reported by ERS. 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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Other Post-Employment Benefits (OPEB)

For purposes of measuring both the net OPEB liability and net SEAD-OPEB asset, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Georgia State Employees Post-Employment Benefit Fund (State OPEB Fund) and the Georgia State Employees' Assurance Department Retired and Vested Inactive Members Trust Fund (SEAD-OPEB), and additions to/deductions from the fiduciary net position of the State OPEB Fund and SEAD-OPEB Fund, has been determined on the same basis as they are reported by the State OPEB Fund and SEAD-OPEB Fund. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Net Position

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

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

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

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

When both restricted and unrestricted resources are available for use, generally it is the Authority's policy to use restricted resources first.

Fund Balances

Generally, fund balance represents the difference between the assets, deferred outflows of resources, liabilities and deferred inflows of resources under the current financial resources measurement focus of accounting. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the Authority is bound to honor constraints

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

on the specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows:

> **Nonspendable** – Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted into cash) or (b) legally or contractually required to be maintained intact, such as inventory, prepaid items, and the principal in a permanent fund.
>
> **Restricted** – Fund balances are reported as restricted when there are limitations imposed on their use either through constitutional provisions or the enabling legislation adopted by the Authority or through external restrictions imposed by creditors, grantors or law or regulations of other governments.
>
> **Committed** – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the governing board of the Authority through the adoption of a resolution. Only the governing board of the Authority may modify or rescind the commitment by taking the same type of action it employed to previously commit the amounts (e.g., legislation).
>
> **Assigned** – Fund balances are reported as assigned when amounts are constrained by the Authority's intent to be used for specific purposes, but they are neither restricted nor committed. Assignments may be made under statutory authority of management. Through resolution, the governing board of the Authority has authorized the Authority's Executive Director to declare funds as assigned.
>
> **Unassigned** – The residual amount of fund balance is reported as unassigned for balances that do not meet the above constraints. The Authority reports positive unassigned fund balance only in the general fund. Negative unassigned fund balances may be reported in all funds.
>
> Committed, assigned and unassigned fund balances are collectively considered to be unrestricted funds.

As with net position, when both restricted and unrestricted resources are available for use, generally it is the Authority's policy to use restricted resources first.

Interfund Activity and Balances

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

In the fund financial statements, transfers represent flows of assets without equivalent flows of assets in return or requirements for repayment. In addition, transfers are recorded when a fund receiving revenue provides it to the fund which expends the resources. Transfers of balances between funds are made to accomplish various provisions of law. Interfund transfers are reported as other financing sources/uses. Interfund transfers have been eliminated from the Statement of Net Position.

NOTE 2 – CHANGES IN FINANCIAL ACCOUNTING AND REPORTING

A. *Implementation of New Accounting Standards*

In fiscal year 2025, the Authority implemented the following GASB Statements:

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*, effective for fiscal years beginning after December 15, 2023. The objective 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 did 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 did not have an impact on the financial statements.

NOTE 3 – BUDGET

Legal adoption of The Authority budget is not required for the General Fund; however, the Authority Board of Directors approves an operating budget for management purposes. The operating budget is not subject to review or approval by the Legislature of the State of Georgia, except for those limited portions that consist of appropriated funds received indirectly from other State entities. Operating budgets are adopted on the cash basis of accounting. The Authority's Board approves the operating budget annually in the spring for the following fiscal year.

NOTE 4 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Compliance with Bond Covenants

The Authority is subject to certain covenants with regard to the issuance of the aggregation of its revenue bonds issued and outstanding as of June 30, 2025.

Funds of the State of Georgia cannot be placed in a depository paying interest longer than 10 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.) Section 50-17-59:

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

(2) Bonds, bills, certificates or indebtedness, notes, 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

NOTE 4 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

statute that created the authority authorized the use of the bonds for this purpose, the bonds have been duly validated and they are not in default;

(4) Industrial revenue bonds and bonds of development authorities created by the laws of the State 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, or debt obligations issued by or securities guaranteed by the Federal Land Bank, the Federal Home Loan Bank, the Federal Intermediate Credit Bank, the Central Bank for Cooperatives, the Farm Credit Banks, the Federal Home Loan Mortgage Corporation, or the Federal National Mortgage Association; and

(6) Guarantee or insurance of accounts provided by the Federal Deposit Insurance Corporation.

O.C.G.A. Section 45-8-11 provides that the Authority may waive the requirements for security in the case of operating funds placed in demand deposit checking accounts.

The Authority's bond funds are properly collateralized in accordance with the terms of the applicable indentures.

Pledged Revenue

The net toll revenue derived from the operation of the Managed Lane System secure the Managed Lane System State of Georgia Guaranteed Revenue Bonds Series 2021A and 2021B. The bond indenture requires the Authority to establish, charge, and collect tolls for the privilege of traveling on the Managed Lane System at rates sufficient to produce net revenues in each fiscal year that are at least one hundred fifty percent (150%) of the Annual Debt Service with respect to all outstanding bonds for such fiscal year. Net revenues are defined and set forth in the Flow of Funds.

NOTE 5 – DEPOSITS AND INVESTMENTS

Cash and cash equivalents and investments as of June 30, 2025, are classified in the accompanying financial statements as follows:

	Governmental Activities	Proprietary Funds	Total
Cash and Cash Equivalents	$ 25,566,291	$ 46,285,599	$ 71,851,890
Restricted Assets			
Cash and Cash Equivalents	450,869,845	220,009,348	670,879,193
Investments	239,527,948	7,517,648	247,045,596
Total	$ 715,964,084	$ 273,812,595	$ 989,776,679

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

	Governmental Activities	Proprietary Funds	Total
Cash on Hand	$ -	$ 875	$ 875
Deposits with Financial Institutions	10,820,391	3,742,783	14,563,174
Investments	244,400,048	42,907,501	287,307,549
Investments with Georgia Fund 1	460,743,645	227,161,436	687,905,081
Total	$ 715,964,084	$ 273,812,595	$ 989,776,679

Deposits include demand deposit accounts, including certain interest-bearing demand deposit accounts. Funds belonging to the State of Georgia (and thus the Authority) 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 securities numerated in the official code of Georgia Annotated (O.C.G.A.) §50-17-59.

The Authority 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 the State Treasurer (OST) sets the collateral requirements and pledging level for each covered depository. There are four tiers of collateralization levels specifying

NOTE 5 – DEPOSITS AND INVESTMENTS (CONTINUED)

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 custodian.

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 insured.

Categorization of Cash Equivalents. The Authority reported investments of $687,905,081 in Georgia Fund 1, a local government investment pool, which is included in the cash balances reported. Georgia Fund 1 is not registered with the SEC as an investment company and does not operate in a manner consistent with the SEC's Rule 2a-7 of the Investment Company Act of 1940. The investment is valued at the pool's share price, $1.00 per share, which approximates fair value. The pool is an AAAf rated investment pool by Fitch. The weighted average maturity of Georgia Fund 1 may not exceed 60 days. The weighted average maturity for Georgia Fund 1, was 51 days. Additional information on the Georgia Fund 1 is disclosed in the State of Georgia Annual Comprehensive Financial Report, which is publicly available at https://sao.georgia.gov/statewide-reporting/acfr.

Categorization of Investments.

At June 30, 2025, the Authority had the following investments:

Investment Type	Cost-Based	Investment Maturity More than 10 Years
Debt Securities		
U.S. Treasuries	$ 247,045,596	$ 247,045,596

Fair Value of Investments. Investments are measured at fair value on a recurring basis and the Authority categorizes its fair value measurements within the fair value hierarchy established by GASB Statement No. 72 and Generally Accepted Accounting Principles (GAAP). The hierarchy is based on the inputs used in valuation and gives the highest priority to unadjusted quoted prices in active markets and requires that observable inputs be used in the valuation when available. The disclosure of fair value estimates in the hierarchy is based on whether the significant inputs into valuations are observable. In determining the level of the hierarchy, in which the estimate is disclosed, the highest level, Level 1, is given to unadjusted quoted prices in active markets and the lowest level, Level 3, to unobservable inputs.

• Level 1: Quoted prices for identical investments in active markets;

• Level 2: Observable inputs other than quoted market prices; and,

NOTE 5 – DEPOSITS AND INVESTMENTS (CONTINUED)

• Level 3: Unobservable inputs.

The Authority has the following recurring fair value measurements as of June 30, 2025: Money Market Mutual Funds of $40,261,952 are valued using quoted market prices (Level 1 inputs).

Custodial Credit Risk - Deposits. The custodial credit risk for deposits is the risk that, in the event of a bank failure, the Authority's deposits may not be recovered. The OST Investment Policy specifies safety of capital as the first priority in investing funds and liquidity as the second priority, followed by investment return and diversification. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S government, or bonds of public authorities, counties, or municipalities. As of June 30, 2025, the Authority's cash and deposit bank balances totaled $14.6 million. Of these deposits, none were exposed to custodial credit risk.

NOTE 6 – RECEIVABLES

Receivables at June 30, 2025 consisted of the following:

	Notes and Loans	Other	Inter-governmental Receivables	Total Receivables
Governmental Activities				
General fund	$ -	$ 91,435	$ 134,814,164	$ 134,905,599
GTIB	33,231,763	-	-	33,231,763
Total - Governmental Funds	33,231,763	91,435	134,814,164	168,137,362
Long-Term Receivable from GDOT	-	-	295,784,777	295,784,777
Total - Governmental Activities	$ 33,231,763	$ 91,435	$ 430,598,941	$ 463,922,139
Business-Type Activities				
Tolling System	$ -	$ 5,541,225	$ 6,990	$ 5,548,215

NOTE 7 – INTERFUND BALANCES

Interfund Transfers

Interfund transfers for the fiscal year ended June 30, 2025 consist of the following:

Funds	Transfer In	Transfer Out	Total
Governmental Activities	$ -	$ 12,841	$ 12,841
Tolling System Fund	(12,841)	-	(12,841)
Total	$ (12,841)	$ 12,841	$ -

One vehicle was transferred from Governmental Activities to the Tolling System fund as part of a larger transfer of capital assets between the Authority and the Atlanta-region Transit Link Authority. As such, one vehicle titled to SRTA was to remain at SRTA, serving the tolling system. Upon the transfer of assets to the ATL, the vehicle that had been reported in Governmental Activities was subsequently transferred to the Tolling System fund to align its activity.

NOTE 8 – CAPITAL ASSETS AND INTANGIBLE RIGHT-TO-USE ASSETS

Capital Asset Activity

Capital asset activity for the fiscal year ended June 30, 2025 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities:					
Capital Assets Not Being Depreciated:					
Land	$ 22,839,218	$ -	$ (20,432,987)	$ -	$ 2,406,231
Construction in Progress	2,018,093	5,551,337	(100,000)	-	7,469,430
Total Capital Assets Not Being Depreciated	24,857,311	5,551,337	(20,532,987)	-	9,875,661
Capital Assets Being Depreciated:					
Buildings	11,799,637	-	(11,799,637)	-	-
Machinery and Equipment	105,744,646	-	(40,383,732)	(25,261)	65,335,653
Infrastructure	48,604,098	-	(48,554,188)	-	49,910
Total Capital Assets Being Depreciated	166,148,381	-	(100,737,557)	(25,261)	65,385,563
Less Accumulated Depreciation:					
Buildings	(1,924,797)	-	1,924,797	-	-
Machinery and Equipment	(70,089,607)	(4,791,281)	39,048,050	12,420	(35,820,418)
Infrastructure	(16,606,294)	(2,516)	16,604,505	-	(4,305)
Total Accumulated Depreciation	(88,620,698)	(4,793,797)	57,577,352	12,420	(35,824,723)
Total Capital Assets Being Depreciated, Net	77,527,683	(4,793,797)	(43,160,205)	(12,841)	29,560,840
Total Governmental Activities Capital Assets	$ 102,384,994	$ 757,540	$ (63,693,192)	$ (12,841)	$ 39,436,501
Business-Type Activities:					
Capital Assets Not Being Depreciated:					
Construction in Progress	$ 41,385,954	$ 22,122,177	$ (10,758,590)	$ -	$ 52,749,541
Capital Assets Being Depreciated:					
Machinery and Equipment	82,814,444	898,507	-	25,261	83,738,212
Computer Software	8,610,898	-	-	-	8,610,898
Total Capital Assets Being Depreciated	91,425,342	898,507	-	25,261	92,349,110
Less Accumulated Depreciation For:					
Machinery and Equipment	(76,536,043)	(2,532,018)	-	(12,420)	(79,080,481)
Computer Software	(8,610,898)	-	-	-	(8,610,898)
Total Accumulated Depreciation	(85,146,941)	(2,532,018)	-	(12,420)	(87,691,379)
Total Capital Assets Being Depreciated, Net	6,278,401	(1,633,511)	-	12,841	4,657,731
Total Business-Type Activities Capital Assets	$ 47,664,355	$ 20,488,666	$ (10,758,590)	$ 12,841	$ 57,407,272

NOTE 8 – CAPITAL ASSETS AND INTANGIBLE RIGHT-TO-USE ASSETS (CONTINUED)

Depreciation expense for the fiscal year ended June 30, 2025 was $4,793,797 and $2,532,018 respectively for Governmental Activities and Business-Type Activities. The total of depreciation expense in Governmental Activities was charged to the General Government function of the Authority. The total of depreciation expense in Business-Type Activities was charged to the Tolling function of the Authority.

Lease Asset Activity

Lease asset activity, as a result of the implementation of GASB No. 87, for the fiscal year ended June 30, 2025 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities:				
Right-to-Use Leased Assets - Building	$ 9,475,559	$ -	$ -	$ 9,475,559
Less: Accumulated Amortization				
Right-to-Use Leased Assets - Building	(2,497,434)	(881,447)	-	(3,378,881)
Total Leased Assets, Net	$ 6,978,125	$ (881,447)	$ -	$ 6,096,678

The total amortization expense of $881,447 was charged to the Tolling function of the Authority.

Subscription Asset Activity

Subscription asset activity, as a result of the implementation of GASB No. 96, for the fiscal year ended June 30, 2025 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities:				
Right-to-Use Leased Assets - SBITA	$ 8,653,016	$ 16,203,083	$ (2,119,628)	$ 22,736,471
Less: Accumulated Amortization				
Right-to-Use Leased Assets - SBITA	(4,129,446)	(3,896,324)	470,690	(7,555,080)
Total Leased Assets, Net	$ 4,523,570	$ 12,306,759	$ (1,648,938)	$ 15,181,391

The total amortization expense of $3,896,324 was charged to the Tolling function of the Authority.

NOTE 9 – LONG-TERM LIABILITIES

Changes in long-term liabilities for the fiscal year ended June 30, 2025 are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
GARVEE Bonds Payable	$ 375,130,000	$ -	$ (41,685,000)	$ 333,445,000	$ 43,770,000
Arbitrage Payable	18,950,745	3,807,574	-	22,758,319	22,758,319
Deferred Amounts:					
Net Unamortized Premiums	65,055,801	-	(13,963,988)	51,091,813	12,439,542
Total Bonds Payable	459,136,546	3,807,574	(55,648,988)	407,295,132	78,967,861
Net OPEB liability	57,819	-	(57,819)	-	-
Net Pension Liability	1,098,147	-	(649,369)	448,778	-
Compensated Absences	112,171	-	(88,437)	23,734	23,734
Governmental Activity Long-Term Liabilities	$ 460,404,683	$ 3,807,574	$ (56,444,613)	$ 407,767,644	$ 78,991,595
Business-Type Activities					
Revenue Bonds Payable	$ 367,380,000	$ -	$ -	$ 367,380,000	$ -
Arbitrage Payable	-	2,938,733	-	2,938,733	-
Deferred Amounts:					
Net Unamortized Premiums	52,074,321	-	(2,709,748)	49,364,573	2,710,365
Net Unamortized Discount	(34,035)	-	4,087	(29,948)	(4,087)
Total Bonds Payable	419,420,286	2,938,733	(2,705,661)	419,653,358	2,706,278
Net OPEB Liability	695,897	-	(695,897)	-	-
Net Pension Liability	13,217,062	-	(2,446,392)	10,770,670	-
Compensated Absences	854,147	-	255,414	1,109,561	1,109,561
Leased Liabilities	7,562,813	-	(758,449)	6,804,364	810,446
Subscription Obligations	3,371,459	16,203,083	(5,220,169)	14,354,373	3,135,793
Business-Type Activity Long-Term Liabilities	$ 445,121,664	$ 19,141,816	$ (11,571,154)	$ 452,692,326	$ 7,762,078

Revenue Bonds

Governmental Activities

Federal Highway Grant Anticipation Revenue Bonds Series 2017A and Federal Reimbursement Revenue Bonds Series 2017A. On August 1, 2017, the Authority issued Federal Highway Grant Anticipation Revenue Bonds Series 2017A and Federal Highway Reimbursement Revenue Bonds Series 2017A in the amounts of $51,005,000 and $12,845,000, respectively. The bonds were issued for the purpose of providing funds to finance a portion of: (1) the cost of the planning, design, engineering, acquisition and construction of two express lanes for certain segments of Interstate Highway 285 ("I-285") in the State of Georgia, particularly, the right-of-way acquisition associated therewith, and (2) paying the costs of issuance of the bonds. Interest on these bonds is payable semiannually on June 1 and December 1 of each year, commencing on December 1, 2017 with interest rates ranging from 4.00% to 5.00%. Principal on these bonds is payable on June 1, of each year, commencing on June 1, 2018 and maturing on June 1, 2029. As of June 30, 2025, the outstanding principal balances for the Series 2017A Grant Anticipation Revenue Bonds and the Series 2017A Reimbursement Revenue Bonds are $20,610,000 and $5,155,000 respectively. These bonds are pledged

NOTE 9 – LONG-TERM LIABILITIES (CONTINUED)

and payable solely from grant and reimbursement revenues received from the Federal Highway Administration. These bonds do not constitute a pledge of the faith and credit of the Authority or the State of Georgia.

Grant Anticipation Revenue Bonds Series 2020 and Federal Reimbursement Revenue Bonds Series 2020. On December 22, 2020, the Authority issued Federal Highway Grant Anticipation Revenue Bonds Series 2020 and Federal Highway Reimbursement Revenue Bonds Series 2020 in the amounts of $387,355,000 and $96,805,000, respectively. The bonds were issued for the purpose of providing funds to finance a portion of: (1) the cost of the planning, design, engineering, acquisition, and construction of express lanes for certain segments of Interstate Highway 285 ("I-285") and State Route 400 in the State of Georgia, particularly, the right-of-way acquisition associated therewith, and (2) paying the costs of issuance of the bonds. Interest on these bonds is payable semiannually on June 1 and December 1 of each year, commencing on June 1, 2021, with an interest rate of 5.00%. Principal on these bonds is payable on June 1, of each year, commencing on June 1, 2021, and maturing on June 1, 2032. As of June 30, 2025, the outstanding principal balances for the Series 2020 Grant Anticipation Revenue Bonds and the Series 2020 Federal Reimbursement Revenue Bonds are $246,160,000 and $61,520,000 respectively. These bonds are pledged and payable solely from grant and reimbursement revenues received from the Federal Highway Administration. These bonds do not constitute a pledge of the faith and credit of the Authority or the State of Georgia.

Business-Type Activities

Managed Lane System State of Georgia Guaranteed Revenue Bonds, Series 2021AB

On July 1, 2021, the Authority issued Managed Lane System State of Georgia Guaranteed Revenue Bonds, Series 2021A (Full Faith and Credit) and Series 2021B (Full Faith and Credit, Federally Taxable) in the amounts of $330,160,000 and $37,220,000, respectively. The bonds were issued for the purposes of 1) to repay in-full the remaining debt on the TIFIA loan related to the I-75 Northwest Corridor Express Lanes project; 2) defeasance of outstanding I-75 South Toll Revenue Bonds; 3) pay the costs of certain tolling infrastructure related to the existing managed lane system; 4) pay the costs of certain tolling infrastructure related to certain future tolling facilities planned in the State's Major Mobility Investment Program; 5) to fund capitalized interest on the 2021A Bonds; and 6) to pay a portion of the costs of issuance of the bonds. The Series 2021A bonds mature on July 15, 2051 and the Series 2021B bonds mature on July 15, 2034. As of June 30, 2025, the outstanding principal balance in total is $367,380,000. These bonds are secured by the net toll revenue derived from the operation of the Managed Lane System. Further, the State of Georgia has guaranteed the full payment of the bonds and the interest thereon in accordance with the Constitution of the State of Georgia and has reserved $25,335,403 in the State of Georgia Guaranteed Revenue Debt Common Reserve Fund that is on deposit at the OST.

NOTE 9 – LONG-TERM LIABILITIES (CONTINUED)

Summary of Long-Term Debt

Revenue bonds outstanding as of June 30, 2025 are as follows:

Governmental Activities:				
Grant Anticipation Revenue Bonds, Series 2017A	Improvement of roads and bridges	5.00%	$	20,610,000
Reimbursement Revenue Bonds, Series 2017A	Improvement of roads and bridges	4.00 - 5.00%		5,155,000
Grant Anticipation Revenue Bonds, Series 2020	Improvement of roads and bridges	5.00%		246,160,000
Reimbursement Revenue Bonds, Series 2020	Improvement of roads and bridges	5.00%		61,520,000
Total Governmental Activities			$	**333,445,000**
Business-Type Activities:				
Guaranteed Revenue Bonds, Series 2021A	Defeasance of TIFIA debt; Tolling Capital Infrastructure	3.00 - 4.00%	$	330,160,000
Guaranteed Revenue Bonds, Series 2021B	Defeasance of I-75S TRB debt	1.70 - 1.90%		37,220,000
Total Business-Type Activities			$	**367,380,000**

NOTE 9 – LONG-TERM LIABILITIES (CONTINUED)

Debt Service Requirements

Governmental Activities

GARVEE bonds

Annual debt service requirements to maturity for GARVEE bonds are as follows as of June 30, 2025:

GARVEE Fiscal Year Payable	Total	Principal	Interest
2026	$ 60,442,250	$ 43,770,000	$ 16,672,250
2027	60,438,750	45,955,000	14,483,750
2028	60,436,000	48,250,000	12,186,000
2029	60,438,500	50,665,000	9,773,500
2030	53,175,250	45,935,000	7,240,250
2031 - 2032	106,345,500	98,870,000	7,475,500
	$ 401,276,250	$ 333,445,000	$ 67,831,250

Business-Type Activities

State Road and Tollway Authority Managed Lane System Guaranteed Revenue Bonds, Series 2021AB

Annual debt service requirements to maturity for the SRTA Managed Lane System GRB, Series 2021AB is as follows as of June 30, 2025:

Revenue Fiscal Year Payable	Total	Principal	Interest
2026	$ 12,700,840	$ -	$ 12,700,840
2027	12,700,840	-	12,700,840
2028	12,700,840	-	12,700,840
2029	12,700,840	-	12,700,840
2030	12,700,840	-	12,700,840
2031 - 2035	105,694,235	43,790,000	61,904,235
2036 - 2040	126,156,050	74,500,000	51,656,050
2041 - 2045	125,832,050	90,640,000	35,192,050
2046 - 2050	125,791,875	109,600,000	16,191,875
2051 - 2052	50,326,300	48,850,000	1,476,300
	$ 597,304,710	$ 367,380,000	$ 229,924,710

NOTE 10 – LEASES

In December 2016, the Authority executed an agreement to lease office space. As of June 30, 2025, the value of the lease liability was $6,804,364. The Authority is required to make monthly payments that include principal and interest. As the lease does not contain a specific interest rate, the Authority has used its incremental borrowing rate of 3.42% as the discount rate for the lease. The right-to-use lease asset as of the end of the current fiscal year was $9,475,559 and had accumulated amortization of $3,378,881.

Debt service to maturity on the Authority's outstanding lease is as follows:

Fiscal Year Payable	Total	Principal	Interest
2026	$ 1,030,563	$ 810,446	$ 220,117
2027	1,056,231	864,675	191,556
2028	1,082,676	921,577	161,099
2029	1,109,864	981,212	128,652
2030	1,137,472	1,043,344	94,128
2031 - 2033	2,259,007	2,183,110	75,897
	$ 7,675,813	$ 6,804,364	$ 871,449

The Authority has entered into subscription-based information technology arrangements (SBITAs) covering periods ranging from 2 to 10 years. Through these SBITAs, the Authority acquired the right to use the following vendor-provided software as of June 30, 2025: an Express Lane occupancy mobile application, business intelligence software, and various desktop and security software. The Authority also has acquired subscription software and maintenance services to support functionality related to its toll system integrator and customer back office system(s).

The total of the Authority's subscription assets recorded at cost as of June 30, 2025 was $22,736,471 less accumulated amortization of $7,555,080. Future subscription payments under SBITAs are as follows:

Fiscal Year Payable	Total	Principal	Interest
2026	$ 3,509,992	$ 3,135,793	$ 374,199
2027	3,325,946	3,036,801	289,145
2028	1,881,612	1,659,110	222,502
2029	1,959,554	1,789,087	170,467
2030	1,402,822	1,284,107	118,715
2031-2035	3,692,641	3,449,476	243,165
	$ 15,722,567	$ 14,354,374	$ 1,418,193

NOTE 11 – RETIREMENT SYSTEMS

Defined Benefit Plans

Substantially all of the Authority employees participate in various retirement plans administered by the State of Georgia under the Employees' Retirement System (ERS). This system issues a separate, publicly available financial report that includes applicable financial statements and required supplementary information. The report may be obtained by visiting www.ers.ga.gov/post/annual-financial-reports.

The significant retirement plans that the Authority 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.

Employees' Retirement System of Georgia

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 www.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 the ERS plan.

NOTE 11 – RETIREMENT SYSTEMS (CONTINUED)

Contributions

Member contribution rates are set by State law. Member contributions under the old plan are 4% of annual compensation, up to $4,200, plus 6% of annual compensation in excess of $4,200. Under the old plan, the state pays member contributions in excess of 1.25% of annual compensation. Under the old plan, these state contributions are included in the members' accounts for refund purposes and are used in the computation of the members' earnable compensation for the purpose of computing retirement benefits. Member contributions under the new plan and GSEPS are 1.25% of annual compensation. The Authority's total required contribution rate for the year ended June 30, 2025 was 29.20% of annual covered payroll for old plan members and new plan members and 25.51% for GSEPS members. The Authority's contributions to ERS totaled $2,272,874 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 Authority reported a liability for its proportionate share of the net pension liability in the amount of $11,219,448 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 Authority's proportion of the net pension liability was based on contributions to ERS during the fiscal year ended June 30, 2024. At June 30, 2024, the Authority's proportion was 0.249218%, which was an increase of 0.009255% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the Authority recognized pension expense of $744,587. At June 30, 2025, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 601,368	$ -
Net difference between projected and actual earnings on pension plan investments	-	1,263,645
Changes in proportion and differences between Employer contributions and proportionate share of contributions	279,758	-
Employer contributions subsequent to the measurement date	2,272,874	-
Total	$ 3,154,000	$ 1,263,645

NOTE 11 – RETIREMENT SYSTEMS (CONTINUED)

Authority contributions subsequent to the measurement date of $2,272,874 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30:		
2026	$	20,811
2027	$	857,739
2028	$	(769,007)
2029	$	(492,062)

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:

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

Mortality rates are as follows:

- The Pub-2010 General Employee Table, with no adjustments, projected generationally with the MP-2019 scale is used for both males and females while in active service.
- The Pub-2010 Family of Tables projected generationally with the MP-2019 Scale and with further adjustments are used for post-retirement mortality assumptions as follows:

Participant Type	Membership Table	Set Forward (+) / Setback (-)		Adjustment to Rates	
Service Retirees	General Healthy Annuitant	Male: +1;	Female: +1	Male: 105%;	Female: 108%
Disability Retirees	General Disabled	Male: -3;	Female: 0	Male: 103%;	Female: 106%
Beneficiaries	General Contingent Survivors	Male: +2;	Female: +2	Male: 106%;	Female: 105%

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 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 weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

NOTE 11 – RETIREMENT SYSTEMS (CONTINUED)

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	Target allocation	Long-term expected real rate of return*
Fixed income	30.00%	1.50%
Domestic large stocks	46.40%	9.10%
Domestic small stocks	1.10%	13.00%
International developed market stocks	13.60%	9.10%
International emerging market stocks	3.90%	11.10%
Alternative	5.00%	10.60%
Total	100.00%	

* Rates shown are net of inflation

Discount Rate

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and non-employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the 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 Authority's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Authority's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

Employees' Retirement System:	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Authority's proportionate share of the net pension liability	$16,903,453	$11,219,448	$6,439,212

NOTE 11 – RETIREMENT SYSTEMS (CONTINUED)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued ERS financial report which is publicly available at www.ers.ga.gov/post/annual-financial-reports.

GSEPS 401(k) Defined Contribution Component of ERS

In addition to the ERS defined benefit pensions described above, GSEPS members may also participate in the Peach State Reserves 401(k) defined contribution plan and receive an employer matching contribution. The 401(k) plan is administered by the ERS and was established by the Georgia Employee Benefit Plan Council in accordance with State law and Section 401(k) of the (IRC). The GSEPS segment of the 401(k) plan was established by State law effective January 1, 2009. Plan provisions and contribution requirements specific to GSEPS can be amended by State law. Other general 401(k) plan provisions can be amended by the ERS Board of Trustees as required by changes in federal tax law or for administrative purposes. The Authority was not required to make significant contributions to the 401(k) plans prior to GSEPS because most members under other segments of the 401(k) plan either were not state employees or were not eligible to receive an employer match on their contributions.

The GSEPS plan includes automatic enrollment in the 401(k) plan at a contribution rate of 5% of salary unless the participating member elects otherwise. The member may change such level of participation at any time. In addition, the member may make such additional contributions as he or she desires, subject to limitations imposed by federal law. The State will match 100% of the employee's contribution up to 5% of employee salary. Therefore, the State will match 5% of salary when an employee contributes at least 5% to the 401(k) plan. GSEPS members with at least six years of service, and who are contributing at least 5%, will get an additional half percentage point employer match for every full year of service in excess of five years, up to a maximum match of 9%.

GSEPS employer contributions are subject to a vesting schedule that determines eligibility to receive all or a portion of the employer contribution balance at the time of any distribution from the account after separation from all State service. Vesting is determined based on the table below:

GSEPS Employer Contributions Vesting: Years of Service	% Vested
Less than 1 year	0%
1 year	20%
2 years	40%
3 years	60%
4 years	80%
5 or more years	100%

NOTE 11 – RETIREMENT SYSTEMS (CONTINUED)

Employee contributions and earnings thereon are 100% vested at all times. The GSEPS 401(k) plan also allows participants to roll over amounts from other qualified plans to their respective account in the GSEPS 401(k) plan on approval of the 401(k) plan administrator. Such rollovers are 100% vested at the time of transfer. Participant contributions are invested according to the participant's election from among the available core investment options. If the participant does not make an election, investments are automatically defaulted to a Lifecycle fund based on the participant's date of birth. The participants may receive the value of their vested accounts upon attaining age 59.5, qualifying financial hardship, or 30 days after retirement or other termination of service (employer contributions are only eligible for distribution upon separation from service). Upon the death of a participant, his or her beneficiary shall be entitled to the vested value of his or her accounts. Employees who die while actively employed and eligible for 401(k) employer matching contributions become fully vested in employer contributions upon death. Distributions are made in installments or in a lump sum.

NOTE 12 – OTHER POST-EMPLOYMENT BENEFITS (OPEB)

The Authority participates in the following State of Georgia other post-employment benefit (OPEB) plans:

Administered by Georgia Department of Community Health (DCH):

Georgia State Employees Post-Employment Benefit Fund (State OPEB Fund)

Administered by the Employees' Retirement System (ERS) of Georgia:

Georgia State Employees' Assurance Department Retired and Vested Inactive Members Trust Fund (SEAD-OPEB)

Plan	Net OPEB Liability/(Asset)	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
State-OPEB Plan	$ (592,777)	$ 893,681	$ 905,103	$ (172,193)
SEAD-OPEB	(1,121,216)	4,505	120,624	(137,477)
Totals	$ (1,713,993)	$ 898,186	$ 1,025,727	$ (309,670)

Georgia State Employees Post-Employment Health Benefit Fund (State OPEB Fund)

Plan Description

Employees of State organizations as defined in §45-18-25 of the Official Code of Georgia Annotated (O.C.G.A.) are provided OPEB through the State OPEB Fund—a cost-sharing multiple-employer defined benefit post-employment healthcare plan, reported as an employee trust fund and administered by a Board of Community Health (Board). Title 45 of the O.C.G.A. assigns the authority to establish and amend the benefit terms of the group health plan to the Board.

Benefits Provided

The State OPEB Fund provides healthcare benefits for retirees and their dependents due under the group health plan for employees of State organizations (including technical colleges) and other entities

NOTE 12 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

authorized by law to contract with DCH for inclusion in the plan. Retiree medical eligibility is attained when an employee retires and is immediately eligible to draw a retirement annuity from Employees' Retirement System (ERS), Georgia Judicial Retirement System (JRS), Legislative Retirement System (LRS), Teachers Retirement System (TRS) or Public-School Employees Retirement System (PSERS). If elected, dependent coverage starts on the same day as retiree coverage. Medicare-eligible retirees are offered Standard and Premium Medicare Advantage plan options. Non-Medicare eligible retiree plan options include Health Reimbursement Arrangement (HRA), Health Maintenance Organization (HMO) and a High Deductible Health Plan (HDHP). The State OPEB Fund also pays for administrative expenses of the fund. By law, no other use of the assets of the State OPEB Fund is permitted.

Contributions

As established by the Board, the State OPEB Fund is substantially funded on a pay-as-you-go basis; that is, annual cost of providing benefits will be financed in the same year as claims occur. Contributions to the State OPEB Fund from the Authority were $411,221 for the year ended June 30, 2025. Active employees are not required to contribute to the State OPEB Fund.

OPEB Liability, OPEB Asset, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2025, the Authority reported an asset of $592,777 for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2024. The total OPEB liability used to calculate the net OPEB asset was based on an actuarial valuation as of June 30, 2023. An expected total OPEB asset as of June 30, 2024 was determined using standard roll-forward techniques. The Authority's proportion of the net OPEB asset was actuarially determined based on employer contributions during the fiscal year ended June 30, 2024. At June 30, 2024, the Authority's proportion was 0.235191%. This was a decrease of 0.235161% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the Authority recognized OPEB expense of ($172,193). At June 30, 2025, the Authority 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	$ 160,481	$ 240,326
Changes of assumptions	276,931	700
Net difference between projected and actual earnings on OPEB plan investments	-	437,279
Changes in proportion and differences between Employer contributions and proportionate share of contributions	45,048	226,798
Employer contributions subsequent to the measurement date	411,221	-
Total	$ 893,681	$ 905,103

NOTE 12 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

The Authority's contributions subsequent to the measurement date of $411,221 are reported as deferred outflows of resources and will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30:		
2026	$	(151,929)
2027	$	(25,308)
2028	$	(137,307)
2029	$	(108,099)

Actuarial Assumptions

The total OPEB asset as of June 30, 2024 was determined by an actuarial valuation as of June 30, 2023 using the following actuarial assumptions and other inputs, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2024:

Inflation	2.50%
Salary increases	3.00% – 6.75%, including inflation
Long-term expected rate of return	7.00%, compounded annually, net of investment expense, and including inflation
Healthcare cost trend rate	6.75%
Ultimate trend rate	4.50%
Year of Ultimate trend rate	2032

Pre-retirement mortality rates were based on the Pub-2010 General Employee Mortality Table, with no adjustment, with the MP-2019 Projection scale applied generationally. Post-retirement mortality rates for service retirements were based on the Pub-2010 General Healthy Annuitant Mortality Table (ages set forward one year and adjusted 105% for males and 108% for females) with the MP-2019 Projection scale applied generationally. Post-retirement mortality rates for disability retirements were based on the Pub-2010 General Disabled Mortality Table (ages set back three years for males and adjusted 103% for males and 106% for females) with the MP-2019 Projection scale applied generationally. Post-retirement mortality rates for beneficiaries were based on the Pub-2010 General Contingent Survivor Mortality Table (ages set forward two years and adjusted 106% for males and 105% for females) with the MP-2019 Projection scale applied generationally.

The actuarial assumptions used in the June 30, 2023 valuation are based on the results of the most recent actuarial experience studies for the pension systems, which covered the five-year period ending June 30, 2019 and adopted by the pension Board on December 17, 2020.

The remaining actuarial assumptions (e.g., initial per capita costs, healthcare cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2023 valuation were based on a review of recent plan experience done concurrently with the June 30, 2023 valuation.

NOTE 12 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Projection of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculation.

The long-term expected rate of return on OPEB 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 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	Target allocation	Long-Term Expected Real Rate of Return*
Fixed income	30.00%	2.60%
Equities	70.00%	9.10%
Total	100.00%	

*Net of inflation

Discount Rate

In order to measure the total OPEB liability, as of June 30, 2024, for the State OPEB fund, a single discount rate of 7.00% was used, the same as last year's rate. The projection of cash flows used to determine the discount rate assumed that contributions from members and from the employer will be made at the current level as averaged over the last five years, adjusted for annual projected changes in headcount. Based on those assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on investments was applied to all periods of projected benefit payments to determine the total OPEB liability. Projected future benefit payments for all current plan members were projected through 2123.

NOTE 12 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Sensitivity of the Authority's Proportionate Share of the Net OPEB Asset to Changes in the Discount Rate:

The following presents the Authority's proportionate share of the net OPEB asset calculated using the discount rate of 7.00%, as well as what the Authority's proportionate share of the net OPEB asset would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1- percentage-point higher (8.00%) than the current discount rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Authority's proportionate share of the net OPEB asset	$ (39,303)	$ (592,777)	$ (1,069,090)

Sensitivity of the Authority's Proportionate Share of the Net OPEB Asset to Changes in the Healthcare Cost Trend Rates:

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

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Authority's proportionate share of the net OPEB asset	$ (1,145,459)	$ (592,777)	$ 56,802

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available in the Annual Comprehensive Financial Report (ACFR) which is publicly available at https://sao.georgia.gov/swar/acfr.

Georgia State Employees' Post-Employment Health Benefit Fund (SEAD-OPEB)

Plan Description

SEAD-OPEB was created in 2007 by the Georgia General Assembly to amend Title 47 of the O.C.G.A., relating to retirement, so as to establish a fund for the provision of term life insurance to retired and vested inactive members of the Employees' Retirement System of Georgia (ERS), the Legislative Retirement System (LRS), and the Georgia Judicial Retirement System (GJRS). The plan is a cost-sharing multiple-employer defined benefit other postemployment benefit plan as defined in Governmental Accounting Standards Board (GASB) Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than OPEB Plans*. The SEAD-OPEB trust fund accumulates the premiums received from the aforementioned retirement plans, including interest earned on deposits and investments of such payments.

NOTE 12 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Benefits Provided

The amount of insurance for a retiree with creditable service prior to April 1, 1964 is the full amount of insurance in effect on the date of retirement. The amount of insurance for a service retiree with no creditable service prior to April 1, 1964 is 70% of the amount of insurance in effect at age 60 or at termination, if earlier. Life insurance proceeds are paid in a lump sum to the beneficiary upon death of the retiree.

Contributions

Georgia law provides that employee contributions to the plan shall be in an amount established by the Board of Trustees not to exceed one-half of one percent of the member's earnable compensation. There were no employer contributions required for the fiscal year ended June 30, 2025.

OPEB Liability, OPEB Asset, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2025, the Authority reported an asset of $1,121,216 for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2024. The total OPEB liability used to calculate the net OPEB asset was based on an actuarial valuation as of June 30, 2023. An expected total OPEB liability as of June 30, 2024 was determined using standard roll-forward techniques. The Authority's proportion of the net OPEB asset was based on actual member salaries reported to the SEAD-OPEB plan during the fiscal year ended June 30, 2024. At June 30, 2024, the Authority's proportion was 0.199767%, which was an increase of 0.013244% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the Authority recognized OPEB expense of ($137,477). At June 30, 2025, the Authority 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	$ 4,505	$ -
Net difference between projected and actual earnings on OPEB plan investments	-	99,979
Changes in proportion and differences between Employer contributions and proportionate share of contributions	-	20,645
Total	$ 4,505	$ 120,624

NOTE 12 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

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	$	(71,016)
2027	$	54,135
2028	$	(60,603)
2029	$	(38,635)

Actuarial Assumptions

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

Inflation	2.50%
Salary increases:	3.00% - 6.75%
Investment rate of return	7.00%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rate	N/A

Mortality rates are as follows:

- The Pub-2010 General Employee Table, with no adjustments, projected generationally with the MP-2019 scale is used for both males and females while in active service.
- The Pub-2010 Family of Tables projected generationally with the MP-2019 Scale and with further adjustments are used for post-retirement mortality assumptions as follows:

Participant Type	Membership Table	Set Forward (+) / Setback (-)		Adjustment to Rates	
Service Retirees	General Healthy Annuitant	Male: +1;	Female: +1	Male: 105%;	Female: 108%
Disability Retirees	General Disabled	Male: -3;	Female: 0	Male: 103%;	Female: 106%
Beneficiaries	General Contingent Survivors	Male: +2;	Female: +2	Male: 106%;	Female: 105%

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 pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan 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.

NOTE 12 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

The target asset allocation and estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

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

* Rates shown are net of inflation.

Discount Rate:

The discount rate used to measure the total OPEB liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and State of Georgia contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the OPEB 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 OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the Authority's Proportionate Share of the Net OPEB Asset to Changes in the Discount Rate:

The following presents the Authority's proportionate share of the net OPEB asset calculated using the discount rate of 7.00%, as well as what the Authority's proportionate share of the net OPEB asset would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Authority's proportionate share of the net OPEB asset	$ (858,688)	$ (1,121,216)	$ (1,336,919)

SEAD-OPEB Plan Fiduciary Net Position: Detailed information about the OPEB plan's fiduciary net position is available in the separately issued ERS Comprehensive Annual Financial Report which is publicly available at www.ers.ga.gov/post/annual-financial-reports.

NOTE 13 – RISK MANAGEMENT

Public Entity Risk Pool

For its employee health insurance coverage, the Authority is a participant in the State of Georgia's Health Benefit Plan (SHBP), a public entity risk pool operated by the Department of Community Health (DCH) for the benefit of employees of the State of Georgia (O.C.G.A. Section 45-18-2), county governments and local education agencies located within the state. The SHBP is primarily a self-insured, self-funded plan that pays benefits out of the money contributed from members (through monthly premiums) and from monthly contributions from the employers that offer the Plan (e.g., state, county and local educational agencies). The SHBP acts as the Plan Administrator of health insurance coverage for approximately 460 organizations (state employees, teachers, school system employees and retirees who continued coverage (including annuitants and former employees on extended coverage), and covered dependents. An employee may withdraw from the plan if they become eligible for coverage under the aged program of the Social Security Administration (O.C.G.A. 45-18-17). SHBP accepts all risk of insuring its employees.

Other Risk Management

The Authority is exposed to various risks of loss related to torts: theft of, damage to and destruction of assets; errors and omissions; and injuries to employees. The State of Georgia utilizes self-insurance programs established by individual agreement, statute or administrative action to provide property insurance covering fire and extended coverage and automobile insurance and to pay losses that might occur from such causes; liability insurance for employees against personal liability for damages arising out of performance of their duties; cyber insurance for losses and out of pocket expenses incurred as a result of damage to data, systems or income defense and liability incurred as a result of employee's actions; survivors' benefits for eligible members of the Employee's Retirement System; consolidating processing of unemployment compensation claims against state agencies and the payment of sums due to the Department of Labor; and worker's compensation statutes of the State of Georgia. These self-insurance funds are accounted for as internal service funds of the State of Georgia where assets are set aside for claim settlements. The majority of the risk management programs are funded by assessments charged to participating organizations. A limited amount of commercial insurance is purchased by the self-insurance funds applicable to property, employee and automobile liability, fidelity, and certain other risks to limit the exposure to catastrophic losses. Otherwise, the risk management programs service all claims against the State and/or Authority for injuries and property damage.

Financial information relative to self-insurance funds is presented in the financial reports of the Department of Administrative Services and the ERS for the year ended June 30, 2025.

NOTE 14 – LITIGATION, CONTINGENCIES AND COMMITMENTS

Grants and Contracts

The amounts received or receivable from grantor agencies are subject to audit and review by grantor agencies, principally the federal government. This could result in a request for reimbursement by the grantor agency for any expenditures which are disallowed under grant terms.

NOTE 14 – LITIGATION, CONTINGENCIES AND COMMITMENTS (CONTINUED)

Litigation

The Authority had no litigation, claims or assessments filed against it for the year ended June 30, 2025.

Arbitrage Rebate Tax

The *Tax Reform Act of 1986* requires governmental organizations issuing tax-exempt bonds to remit to the U.S. Treasury, interest earnings on bond proceeds in excess of the yield on those bonds. Governmental organizations must comply with arbitrage rebate requirements in order for their bonds to maintain tax-exempt status. Organizations are required to remit arbitrage rebate payments for non-purpose interest to the federal government at least once every five years over the life of the bonds.

Arbitrage liability is treated as an expense in the government-wide and proprietary fund financial statements when the liability is incurred and measurable. In the governmental fund financial statements, arbitrage (classified as other debt service) is recorded as an expenditure when the liability is paid. For the year ended June 30, 2025, the authority had $25,697,052 in arbitrage liability.

Contractual Commitments

The Georgia Constitution permits State organizations to enter into contractual commitments. Commitments are defined as "existing arrangements to enter into future transactions or events, such as long-term contractual obligations with suppliers for future purchases at specified prices and sometimes at specified quantities." As of June 30, 2025, the Authority had remaining contractual commitments for transportation, tolling, and other construction projects as detailed below:

Remaining Contractual Commitments	Amounts
I - 285 at SR 400 Interchange Reconstruction Project	$ 26,286,225
I - 16 at I - 95 Interchange and I - 95 to I - 516 Reconstruction Projec	$ 10,185,530
I - 285 / I - 20 East Interchange Reconstruction Project	$ 451,657,339
SR316, Bundle 1 Project	$ 79,405,467
I - 285 / I - 20 West Interchange Project	$ 1,143,654,963
SR400 Express Lanes Project	$ 155,000,000
SR316, Bundle 2 Project	$ 127,140,286
Total Remaining Contractual Commitments	$ 1,993,329,810

I-285 at SR 400 Interchange Reconstruction Project

The I-285 at SR 400 Reconstruction Project is a design-build-finance project being jointly delivered by GDOT and the Authority and will not be tolled upon completion. The Authority entered into an agreement with North Perimeter Contractors to engage the developer for the completion of project work. Additionally, the Authority has entered into intergovernmental agreements with GDOT, designating GDOT as the project manager of the project and detailing how GDOT makes funds available to SRTA to fulfill SRTA's payment obligations as detailed within the Design-Build-Finance Agreement. The GDOT owns the asset and records construction in progress (CIP) based upon current year expenditures. As of June 30, 2025, the total contractual commitment for the project was $691,879,356, with $26,286,225 remaining to be paid out.

NOTE 14 – LITIGATION, CONTINGENCIES AND COMMITMENTS (CONTINUED)

I-16 at I-95 Interchange and I-16 Widening from I-95 to I-516 Reconstruction Project

The I-16 at I-95 Interchange and I-16 Widening from I-95 to I-516 Project is a design-build project being jointly delivered by GDOT and the Authority and will not be tolled upon completion. In 2018, the Authority entered into an agreement with Savannah Mobility Contractors to engage the developer for the completion of project work. Additionally, the Authority has entered into intergovernmental agreements with GDOT, designating GDOT as the project manager of the project and detailing how GDOT makes funds available to SRTA to fulfill SRTA's payment obligations as detailed within the Design-Build Agreement. The GDOT owns the asset and records construction in progress (CIP) based upon current year expenditures. As of June 30, 2025, the total contractual commitment for the project was $289,873,759 with $10,185,530 remaining to be paid out.

I-285/I-20 East Interchange Reconstruction Project

The I-285 / I-20 East Interchange Project is a design-build-finance project being jointly delivered by GDOT and the Authority and will not be tolled upon completion. In June 2022, the Authority entered into an agreement with East Interchange Builders, LLC, to engage the developer for the completion of project work. Additionally, the Authority has entered into intergovernmental agreements with GDOT, designating GDOT as the project manager of the project and detailing how GDOT makes funds available to SRTA to fulfill SRTA's payment obligations as detailed within the Design-Build-Finance Agreement. As of June 30, 2025, the total contractual commitment for the project was $698,579,420, with $451,657,339 remaining to be paid out.

SR 316 Bundle 1 Project

The SR 316 Bundle 1 Project is a design-build project being jointly delivered by GDOT and the Authority and will not be tolled upon completion. In April 2024, the Authority entered into an agreement and engaged E. R. Snell Contractor, Inc., for the completion of project work. Additionally, the Authority has entered into intergovernmental agreements with GDOT, designating GDOT as the project manager of the project and detailing how GDOT makes funds available to SRTA to fulfill SRTA's payment obligations as detailed within the Design-Build Agreement. As of June 30, 2025, the total contractual commitment for the project was $105,972,800, with $79,405,467 remaining to be paid out.

I-285/I-20 West Interchange Project

The I-285 / I-20 West Interchange Project is a design-build-finance project being jointly delivered by GDOT and the Authority and will not be tolled upon completion. In October 2024, the Authority entered into an agreement with Legacy Infrastructure Contractors, LLC, to engage the developer for the completion of project work. Additionally, the Authority has entered into intergovernmental agreements with GDOT, designating GDOT as the project manager of the project and detailing how GDOT makes funds available to SRTA to fulfill SRTA's payment obligations as detailed within the Design-Build-Finance Agreement. As of June 30, 2025, the total contractual commitment for the project was $1,249,604,707 with $1,143,654,963 remaining to be paid out.

NOTE 14 – LITIGATION, CONTINGENCIES AND COMMITMENTS (CONTINUED)

SR 400 Express Lanes Project

The SR 400 Express Lanes Project is a design-build-finance-operate-maintain (DBFOM) project for the delivery of 16 miles of Express Lanes on SR 400. It is being jointly delivered by GDOT and the Authority The project will be tolled upon completion by the developer. In November 2024, the Authority entered into an agreement and engaged SR 400 Peach Partners, LLC, for the completion of project work. Commercial Close for the SR 400 Express Lanes Project occurred on November 13, 2024. The DBFOM contract, otherwise known in the industry as Demand Risk, is a first in the State of Georgia and will have a 50-year contract term. Additionally, the Authority has entered into intergovernmental agreements with GDOT, designating GDOT as the project manager of the project and detailing the funding obligations of each agency. As of June 30, 2025, the total contractual commitment for the project was $275,000,000, with $155,000,000 remaining to be paid out.

SR 316 Bundle 2 Project

The SR 316 Bundle 2 Project is a design-build project being jointly delivered by GDOT and the Authority and will not be tolled upon completion. In April 2025, the Authority entered into an agreement and engaged Archer Western Construction, LLC, for the completion of project work. Additionally, the Authority has entered into intergovernmental agreements with GDOT, designating GDOT as the project manager of the project and detailing how GDOT makes funds available to SRTA to fulfill SRTA's payment obligations as detailed within the Design-Build Agreement. As of June 30, 2025, the total contractual commitment for the project was $139,409,700, with $127,140,286 remaining to be paid out.

Other Financing Commitments

Georgia Transportation Infrastructure Bank (GTIB)

Pursuant to the Georgia Transportation Infrastructure Bank Act, O.C.G.A 32-10-120 et seq, the State Road and Tollway Authority has been authorized to create and operate the GTIB. Modeled after programs used in 32 other states, the GTIB was developed as a revolving infrastructure fund to provide grants and low-interest loans for local government transportation projects. Since its inception in 2010, the GTIB has provided over $200 million in grants and loans to highly competitive transportation projects that have enhanced mobility in local communities throughout Georgia. Funding for the GTIB comes from state motor fuel fund and transportation fee sources appropriated in the State of Georgia budget.

In fiscal year 2025, the GTIB received $61,860,805 through the annual appropriations process, which includes a base budget of $15,399,805 and an additional amended fiscal year 2025 budget of $46,461,000 in funds to support local transportation infrastructure. In addition, $12,481,102 in grants and $15,478,472 in loans were approved to be awarded to local governments in the twelfth round of GTIB awards. These awards will be disbursed in future periods as the awardees request reimbursement for the approved projects.

NOTE 14 – LITIGATION, CONTINGENCIES AND COMMITMENTS (CONTINUED)

Outstanding commitments for GTIB grants on active projects as of June 30, 2025, are as follows:

Awardee	Total Award	Expenditures Prior	Expenditures Current	Accrued	Outstanding Commitments 6/30/2025
City of Dunwoody - Westside Connector Project	$ 500,000	$ 309,061	$ 190,939	$	$ -
Coweta County - Madras Connector Phase I	1,500,000	-	-		1,500,000
Midtown Alliance - Juniper Street Streetscape	1,312,500	329,881	547,012		435,607
Red Top CID - Stars Way Corridor Extension	1,497,990	7,000			1,490,990
Town Center CID - South Barrett Reliever Phase 3	1,500,000	509,069	42,602	18,812	929,517
City of Avondale Estates - US 278 Roadway, Streetscape and Pedestrian Enhancements	1,500,000	762,008	575,100	6,000	156,892
Grady County - SR 188, CR 320 and CR 325 Roundabout	550,000	-	-	-	550,000
City of Johns Creek - McGinnis Ferry Road Widening, Phase I	1,000,000	-	-	-	1,000,000
City of Statesboro - Fair Road and South Main Street Intersection Improvements	1,000,000	-	-	-	1,000,000
City of Thomasville - Remington Avenue Streetscape Improvements	1,000,000	250,000	-	-	750,000
Cobb County - Old 41 Highway Realignment	750,000	6,000	1,500	-	742,500
Gwinnett County - Sugarloaf Parkway Widening	750,000	490,671	83,428	-	175,901
Hall County - White Sulphur Road Improvement Project	1,000,000	-	621,135	75,000	303,865
Macon County - Old Perry Road Improvement, Phase II	500,000	-	-		500,000
Metro South CID - Constitution Road Freight Corridor Improvements	1,000,000	285,201	209,194		505,605
Midtown Alliance CID - 5th Street Complete Street	750,000	189,053	560,946		1
Worth County - Jones Road Transportation Connector	150,000	-	-		150,000
ADID - Courtland Street Bus Lane	500,000	-	-		500,000
City of East Point - Janice Drive Intersection Improvements	504,002	98,326	-		405,676
City of Union City - McClure Road Paving, Dirt Road Improvements	750,000	-	-		750,000
City of Woodstock - Neese Road Northern Segment	1,000,000	-	-		1,000,000
Fayette County - SR 92 at Hampton Road Improvements	300,000	-	-		300,000
Gateway 85 CID - I-85 at Beaver Ruin Road Interchange Improvements	750,000	150,000	-		600,000
Lilburn CID - Bryson Park/Hood Road Realignment at Lawrenceville Highway	1,000,000	869,441	130,559		-
Town Center CID - Big Shanty Road Widening	500,000	32,776	49,023	8,697	409,504
Union County - Pat Haralson Drive Roundabout	1,000,000	240,000	-	-	760,000
City of Colquitt - 4th Street Resurfacing and Widening	400,000	-	94,077	-	305,923
City of Woodstock - Hub Transformation Key Extension	825,000	-	-	-	825,000
Monroe County - Old Brent Road Bridge Project	794,930	-	176,532	100,000	518,398
Pike County - Pike County Resurfacing Project	993,532	-	691,371	302,161	-
City of Locust Grove - Peeksville Connector	2,000,000	-	-		2,000,000
City of Sandy Springs - Boylston Drive between Hilderbrand Drive and Hammond Drive	650,000	-	-		650,000
City of Watkinsville - Simonton Bridge Road Pedestrian & Safety Improvements	1,530,405	-	-		1,530,405
Peach County - Lilly Creek Road Project	1,000,000	-	-		1,000,000
Barrow County - State Route 53 at Mulberry Road Rondabout	1,000,000	-	-		1,000,000
Dougherty County - Road and Bridge Infrastructure Improvements	580,659	-	-		580,659
Athens-Clarke County - Hawthorne Avenue and Oglethorpe Avenue Intersection	1,700,000	-	-		1,700,000
City of Twin City - Paving Improvements	700,000	-	-		700,000
City of LaGrange - Project Eagle	1,000,000	-	-		1,000,000
City of Mount Vernon - Mt. Vernon Roadway Connectivity	1,406,242	-	-		1,406,242
City of Mount Zion - 2025 Street Repairs	162,500	-	-		162,500
Colquitt County - GTIV and LMIG Resurfacing Improvements	2,000,000	-	-		2,000,000
Dodge County - Dodge County Road Improvement Program	2,000,000	-	-		2,000,000
Stewart County - Moores Store Road Box Culvert Removal and Replacement	250,000	-	-		250,000
Town of Iron City - Dunham and Broad	260,325	-	-		260,325
Georgia Department of Transportation - Transportation Alternatives Program Grants	1,421,376	-	1,421,376		-
Totals	**$ 43,239,461**	**$ 4,528,487**	**$ 5,394,794**	**$ 510,670**	**$ 32,805,510**

NOTE 14 – LITIGATION, CONTINGENCIES AND COMMITMENTS (CONTINUED)

GO! Transit Capital Program

During the 2015 Legislative Session, the Georgia General Assembly appropriated $75 million in General Obligation bond funds for the program to the Authority. The GO! Transit Capital Program is a competitive funding program designed to address some of the critical capital-related public transit requests throughout Georgia. Existing public transit operators that are government units such as local, regional, and state government units, including Community Improvement Districts, were all eligible to apply for the GO! Transit Capital Program. These bond funds can only be used for public transit capital projects with a useful life of at least 10 years, allowing the Authority to have legally sufficient ownership interest, and be operated by an existing public transit operator.

During fiscal year 2016, the Authority worked with the Georgia Regional Transportation Authority (GRTA) to establish an application process and administer the $75.0 million transit bond program. Eleven awards were made to nine transit entities across the state of Georgia. At this time, there is $12,166,639 in bond funds remaining for transit initiatives.

NOTE 15: SPECIAL ITEM

During fiscal year 2025, the Authority transferred capital assets from its Governmental Activities to the Atlanta-region Transit Link Authority (ATL), a separate entity. These assets included transit assets operated and maintained by ATL. These assets included the infrastructure at 11 park and ride lots, the Xpress South Operations facility, 10 parcels of land, and equipment associated with the aforementioned assets. These items were removed from the capital assets records at their net carrying values and resulted in a net loss of $63,693,192. This amount is reflected as a net loss on disposal of capital assets and is reported as a special item on the Statement of Activities.

NOTE 16 – SUBSEQUENT EVENTS

The window for the thirteenth (13th) round of GTIB applications is expected to be opened on December 8, 2025, and applications will be accepted by the Authority through February 13, 2026. Awards are expected to occur in June 2026 and will be a combination of loans and grants. The amount of awards available for this round will be up to $50M.

Financial Close for the SR400 Express Lanes project occurred on August 15, 2025. SRTA received a concession fee in the amount of $3,799,312,095 from SR 400 Peach Partners, LLC, on August 15, 2025.

The Georgia Department of Transportation (GDOT) announced in May 2025 that C.W. Matthews Contracting Company, Inc. was selected to Design and Build the SR316 Bundle 3 project. The contract was signed by the Authority in September 2025. The total cost of the contract is $148,556,852. The Authority is the contract holder for the project and GDOT will serve as the Authority's agent.

NOTE 16 – SUBSEQUENT EVENTS (CONTINUED)

The federal exemption allowing certified Alternative Fuel Vehicles (AFVs) to ride toll-free in the I-85 High Occupancy Toll (HOT) Lanes expired at 11:59 pm on September 29, 2025. This change, based on 23 United States Code 166(b), means that all certified AFV riders must pay tolls or meet the occupancy requirements to ride in the I-85 HOT Lanes starting on September 30, 2025.

On July 9, 2025, the Authority issued the Managed Lane System Guaranteed Revenue Bonds, Series 2025 (Full Faith and Credit), in the amount of $94,785,000. The bonds were issued for the purposes of 1) to continue to transition to a new roadside tolling system integrator, 2) pay costs for Managed Lane System enhancements and expansion, and 3) to pay continued capital costs for the State's Major Mobility Investment Program. The Series 2025 bonds will mature in fiscal year 2056.

On November 25, 2025, the Authority closed on the sale of the Jonesboro/Mt. Carmel property. The property was sold to Henry County in the amount of $1,610,000.

REQUIRED SUPPLEMENTARY INFORMATION

STATE ROAD AND TOLLWAY AUTHORITY

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITIY
EMPLOYEES' RETIREMENT SYSTEM OF GEORGIA
FOR THE YEAR ENDED JUNE 30, 2025

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Authority's proportion of the net pension liability	0.249218%	0.239963%	0.238501%	0.248509%	0.270664%	0.257580%	0.238991%	0.229695%	0.243532%	0.140406%
Authority's proportionate share of net pension liability	$ 11,219,448	$ 14,315,209	$ 15,928,206	$ 5,812,387	$ 11,408,371	$ 10,629,119	$ 9,824,999	$ 9,328,683	$ 11,520,087	$ 5,688,406
Authority's covered-employee payroll	8,275,528	7,262,303	6,399,967	6,534,673	7,423,558	7,040,308	6,548,444	6,014,727	3,451,110	3,413,651
Authority's proportionate share of the net pension liability as a percentage of its covered-employee payroll	135.57%	197.12%	248.88%	88.95%	153.68%	150.98%	150.04%	155.10%	333.81%	166.64%
Plan fiduciary net position as a percentage of the total pension liability	78.75%	71.20%	67.44%	87.62%	76.21%	76.74%	76.68%	76.33%	72.34%	76.20%

STATE ROAD AND TOLLWAY AUTHORITY

SCHEDULE OF CONTRIBUTIONS
EMPLOYEES' RETIREMENT SYSTEM OF GEORGIA
FOR THE YEAR ENDED JUNE 30, 2025

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Statutorily required contribution	$ 2,272,874	$ 2,151,196	$ 2,020,822	$ 1,490,116	$ 1,468,948	$ 1,682,855	$ 1,608,919	$ 1,512,384	$ 1,397,816	$ 808,022
Contributions in relation to the statutorily required contribution	2,272,874	2,151,196	2,020,822	1,490,116	1,468,948	1,682,855	1,608,919	1,512,384	1,397,816	808,022
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
Covered employee payroll	8,668,238	8,275,528	7,262,303	6,399,967	6,534,673	7,423,558	7,040,308	6,548,444	6,014,727	3,451,110
Contributions as a percentage of covered employee payroll	26.22%	25.99%	27.83%	23.28%	22.48%	22.67%	22.85%	23.10%	23.24%	23.41%

See Notes to the Required Supplementary Information.

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - METHODS AND ASSUMPTIONS FOR THE YEAR ENDED JUNE 30, 2025

EMPLOYEES' RETIREMENT SYSTEM

Changes of assumptions:

On December 17, 2015, the Board adopted recommended changes to the economic and demographic assumptions utilized by the System. Primary among the changes were the updates to rates of mortality, retirement, disability, withdrawal, and salary increases. The expectation of retired life mortality was changed from the RP-2000 Mortality Tables to the RP-2000 Combined Mortality Table projected to 2025 with projection scale BB (set forward 2 years for both males and females).

A new funding policy was initially adopted by the Board on March 15, 2018, and most recently amended on June 18, 2020. Because of this new funding policy, the assumed investment rate of return was reduced from 7.50% to 7.40% for the June 30, 2017 actuarial valuation and further reduced from 7.40% to 7.30% for the June 30, 2018 actuarial valuation.

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 rates of mortality, retirement, withdrawal, and salary increases. This also included a change to the long-term assumed investment rate of return to 7.00%. These assumption changes are 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.

STATE ROAD AND TOLLWAY AUTHORITY

SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITIY
STATE OPEB FUND
FOR THE YEAR ENDED JUNE 30, 2025

	2025	2024	2023	2022	2021	2020	2019	2018
Authority's proportion of the collective net OPEB liability (asset)	0.235161%	0.265915%	0.299138%	0.299545%	0.268979%	0.254316%	0.228825%	0.212634%
Authority's proportionate share of the net OPEB liability (asset)	$ (592,777)	$ 753,716	$ 1,344,080	$ 823,316	$ 3,027,084	$ 3,156,868	$ 5,985,117	$ 8,663,146
Authority's covered-employee payroll for the measurement period	8,356,757	7,349,481	6,718,644	6,534,481	7,399,219	7,040,308	6,548,444	5,961,670
Authority's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	-7.09%	10.26%	20.01%	12.60%	40.91%	44.84%	91.40%	145.31%
Plan fiduciary net position as a percentage of the net OPEB liability	110.27%	87.75%	80.03%	87.58%	59.71%	56.57%	31.48%	17.34%

Note: Schedule is intended to show information for the last 10 fiscal years
Additional years will be displayed as they become available.

STATE ROAD AND TOLLWAY AUTHORITY

SCHEDULE OF CONTRIBUTIONS
STATE OPEB FUND
FOR THE YEAR ENDED JUNE 30, 2025

	2025	2024	2023	2022	2021	2020	2019	2018
Statutorily required contribution	$ 411,221	$ 1,057,291	$ 472,512	$ 483,686	$ 454,468	$ 404,784	$ 1,359,758	$ 1,147,728
Contributions in relation to the statutorily required contribution	411,221	1,057,291	472,512	483,686	454,468	404,784	1,359,758	1,147,728
Contribution deficiency (excess)	-	-	-	-	-	-	-	-
State's covered payroll	8,861,094	8,356,757	7,349,481	6,718,644	6,534,481	7,399,219	7,040,308	6,548,444
Contributions as a percentage of covered-employee payroll	4.64%	12.65%	6.43%	7.20%	6.95%	5.47%	19.31%	17.53%

Note: Schedule is intended to show information for the last 10 fiscal years.
Additional years will be displayed as they become available.

STATE ROAD AND TOLLWAY AUTHORITY

SCHEDULE OF PROPORTIONATE SHARE OF THE NET SEAD OPEB LIABILITIY
STATE SEAD-OPEB FUND
FOR THE YEAR ENDED JUNE 30, 2025

	2025	2024	2023	2022	2021	2020	2019	2018
Authority's proportion of the net OPEB liability (asset)	0.199767%	0.186523%	0.183970%	0.177499%	0.212293%	0.197387%	0.178996%	0.196848%
Authority's proportionate share of the net OPEB liability (asset)	$ (1,121,216)	$ (822,576)	$ (676,250)	$ (1,093,085)	$ (602,950)	$ (558,141)	$ (484,446)	$ (511,618)
Authority's covered-employee payroll for the measurement period	2,003,884	1,919,751	1,884,417	1,924,086	2,529,568	2,517,615	2,477,963	2,866,622
Authority's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	(55.95%)	(42.85%)	(35.89%)	(56.81%)	(23.84%)	(22.17%)	(19.55%)	(17.85%)
Plan fiduciary net position as a percentage of the net OPEB liability	155.14%	144.49%	138.03%	164.76%	129.20%	129.73%	129.46%	130.17%

Note: Schedule is intended to show information for the last 10 fiscal years
Additional years will be displayed as they become available.

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - METHODS AND ASSUMPTIONS
FOR THE YEAR ENDED JUNE 30, 2025

State OPEB Fund

Changes of benefit terms: There have been no changes in benefit terms.

Changes in assumptions:

• June 30, 2023 valuation: Medicare health care trend rates were updated.
• June 30, 2022 valuation: The tobacco use assumption and aging factors were revised.
• June 30, 2020 valuation: Decremental assumptions were changed to reflect the Employees Retirement Systems experience study.
• June 30, 2019 valuation: The inflation assumption was lowered from 2.75% to 2.50% in anticipation of the upcoming ERS Experience Study. Additionally, decremental assumptions were changed to reflect the Teachers Retirement Systems experience study. Approximately 6.0% of employees are members of the Teachers Retirement System.
• June 30, 2017 valuation: The participation assumption, tobacco use assumption and morbidity factors were revised.
• June 30, 2015 valuation: Decremental and underlying inflation assumptions were changed to reflect the Retirement Systems' experience studies.
• June 30, 2012 valuation: A data audit was performed, and data collection procedures and assumptions were changed.
• The discount rate was updated from 3.09% as of June 30, 2016 to 3.60% as of June 30, 2017; to 5.22% as of June 30, 2018; to 7.30% as of June 30, 2019; to 7.06% as of June 30, 2020; and to 7.00% as of June 30, 2021.

SEAD-OPEB

Changes of assumptions:
On December 17, 2015, the Board of Trustees adopted recommended changes to the economic and demographic assumptions utilized by the Plan. Primary among the changes were the updates to rates of mortality, retirement, disability, withdrawal and salary increases. The expectation of retired life mortality was changed to the RP-2000 Combined Mortality Table projected to 2025 with projection scale BB (set forward 2 years for both males and females).

A new funding policy was initially adopted by the Board on March 15, 2018. Because of this new funding policy, the assumed investment rate of return was reduced from 7.50% to 7.40% for the June 30, 2017 actuarial valuation and further reduced from 7.40% to 7.30% for the June 30, 2018 actuarial valuation.

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

COMPLIANCE SECTION

DOAA
Georgia Department
of Audits & Accounts

Greg S. Griffin
State Auditor

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Honorable Brian P. Kemp, Governor of Georgia
Members of the General Assembly of the State of Georgia
Members of the Board of Directors of the State Road and Tollway Authority
and
Ms. Jannine Miller, Executive Director

We have audited the financial statements of the governmental activities, business-type activities, and each major fund of the State Road and Tollway Authority (Authority), a component unit of the State of Georgia, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated February 4, 2026. We conducted our audit in accordance with the auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Authority's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

Greg S. Griffin
State Auditor

February 4, 2026