Annual Comprehensive Financial Report
Fiscal Year Ended June 30, 2025

Georgia Technology Authority
Atlanta, Georgia
Submitted by the Georgia Technology Authority

Georgia Technology Authority, Atlanta, Georgia

GTA is led by the state's Chief Information Officer, who also serves as GTA's Executive Director, and is appointed by the Governor.
GTA is guided by a 12-member Board of Directors, including seven members appointed by the Governor, two appointed by the Lieutenant Governor, two appointed by the Speaker of the House of Representatives, and one non-voting member appointed by the Chief Justice of the Georgia Supreme Court. Who We Are | Georgia Technology Authority

State of Georgia

Annual Comprehensive Financial Report
For the fiscal year ended June 30, 2025

Prepared by:
State Accounting Office


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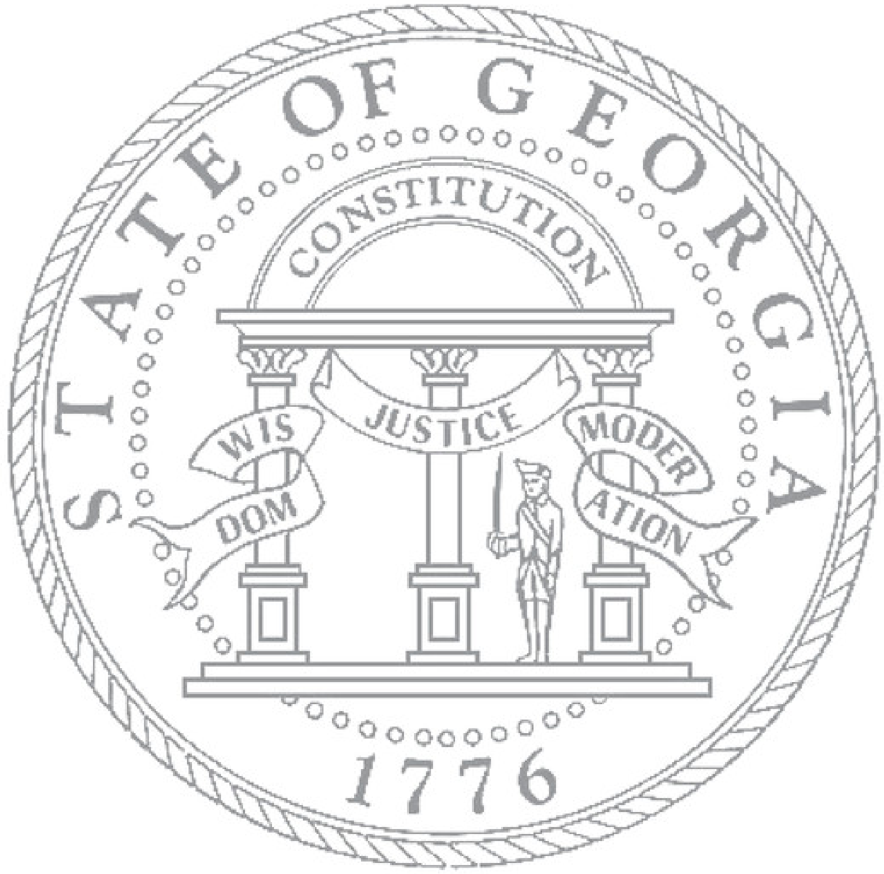
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For the Fiscal Year Ended June 30, 2025

STATISTICAL SECTION


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INTRODUCTORY SECTION

Nathan Deal Judicial Center
Atlanta, Georgia
Submitted by State Accounting Office

Brian P. Kemp
Governor

Gerlda B. Hines
State Accounting Officer

February 11, 2026

The Honorable Brian P. Kemp, Governor of Georgia

The Honorable Members of the General Assembly

Citizens of the State of Georgia

It is my privilege to present the *Annual Comprehensive Financial Report* on the operations of the State of Georgia (State) for the fiscal year ended June 30, 2025, in accordance with the Official Code of Georgia Annotated (OCGA), §50-5B-3(a)(7). The objective of this report is to provide a clear picture of our government as a single comprehensive reporting entity.

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

Internal Controls

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

Independent Audit

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

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

Management's Discussion and Analysis (MD&A)

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

PROFILE OF THE STATE OF GEORGIA

The State, founded on February 12, 1733, was the last of the original 13 colonies and became the fourth state by ratifying the U.S. Constitution on January 2, 1788. The State is an economic hub of the southeast. Atlanta, the state capital, is the major economic and population center of the State with major regional economic and population centers in Augusta, Savannah, and Macon. The State's economic base is diverse with major port facilities on the coast, agricultural resources throughout the State, manufacturing and service industries, and is a major transportation center with one of the busiest airports in the nation. The State is the eighth largest state with an estimated population of 11.2 million people.

Reporting Entity

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

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

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

Budgetary Control

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

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

The statutory basis of accounting required by state law differs materially from the basis used to report revenues and expenditures in accordance with GAAP. Detailed information on the statutory basis of accounting and the results of operations on that basis for fiscal year 2025 can be found in the separately issued Budgetary Compliance Report (BCR) dated January 30, 2026.

Budget Stabilization

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

Long-term Financial Planning - Debt Management

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

Fiscal Year Budget Overview

Georgia enters Fiscal Year 2026 (FY 2026) in a position of fiscal strength and continuing economic growth. Fiscal Year 2025 (FY 2025) ended with Georgia revenues once again out-performing initial expectations. By investing in Georgia for long-term growth instead of growing long-term liabilities, Governor Kemp placed the state in a fiscal position to implement the largest tax reduction for Georgia's citizens in history.

As the state invested heavily in capital infrastructure, education, public safety, and improving customer service in recent budgets, Governor Kemp requested that agencies maintain their current FY 2025 spending levels. Abiding by this plan helps in Georgia's goal of maintaining a structurally balanced budget and meeting mandatory funding needs in enrollment-based program areas like health and education while continuing to provide tax relief to citizens as they combat the impact of record high inflation nationwide. For the second straight calendar year, the state did not issue bonds and instead opted to pay for projects with cash. According to the Governor's office, this will save approximately $2.2 billion in debt service savings.

While the Governor remains committed to meeting the needs of its growing state, conservative fiscal management means prioritizing spending to live within the state's means and keeping more tax dollars in the pocketbooks of Georgia's citizens.

During fiscal year 2025 State General Fund receipts deposited with the Office of the State Treasurer were $37.2 billion, which was 4.1% more than the final amended revenue estimate of $35.7 billion and 2.1% more than prior year 2024. This increase was in line with the Governor's budget plan that expected strong economic performance and fiscal management in FY 2025 and keeps Georgia on solid financial footing. As a result, the balance of the Revenue Shortfall Reserve (RSR) as of June 30, 2025 represented an increase of $116.7 million (2.1%), as well as the maximum 15% legal limit as compared to the prior year. Receipts representing the excess $9.3 billion RSR were reported as undesignated, regular surplus.

By statute, up to 1% of fiscal year 2025 net revenue collections of $372.2 million may be appropriated from the RSR in fiscal year 2026 for K-12 needs. As of the date of this report, the $5.6 billion RSR balance has not been adjusted for this potential appropriation. In addition, the Governor may release, for appropriation in a subsequent year, funds in excess of 4% of current year (fiscal year 2025) revenue collections.

ECONOMIC FACTORS AND OUTLOOK

Looking ahead to the Amended FY 2026 and FY 2027 budgets, Georgia will continue to prioritize conservative fiscal management to ensure the state meets its ongoing financial commitments, plan for sustainable future growth, and provide further tax relief for Georgia families. Georgia remains committed to a structurally balanced budget.

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

ACKNOWLEDGMENTS

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

Respectfully submitted,

Gerlda B. Hines
State Accounting Officer

JUDICIAL

Supreme Court
Court of Appeals
Superior Courts
District Attorneys
Judicial Agencies

EXECUTIVE

Constitutional Officers

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

Governor

Office of Planning and Budget
Governor's Office

Department of Administrative Services
Department of Banking and Finance
Department of Behavioral Health & Developmental Disabilities
Department of Community Affairs
Department of Community Health
Department of Community Supervision
Department of Corrections
Department of Defense
Department of Driver Services
Department of Early Care and Learning
Department of Economic Development
Department of Education
Department of Human Services
Department of Juvenile Justice
Department of Natural Resources
Department of Public Health
Department of Public Safety
Department of Revenue
Department of Transportation
Department of Veterans' Services
Employees' Retirement System of Georgia
Georgia Bureau of Investigation
Georgia Forestry Commission
Georgia Lottery Corporation
Georgia State Financing and Investment Commission
Georgia Student Finance Commission
Georgia Technology Authority
Office of the State Treasurer
State Accounting Office
State Board of Pardons and Paroles
State Board of Workers' Compensation
Technical College System of Georgia
Teachers' Retirement System of Georgia
University System of Georgia
Examining and Licensing Boards
Advisory Boards
Other Executive Agencies
Interstate Agencies
Authorities

LEGISLATIVE

General Assembly
Senate
House of Representatives

Legislative Agencies

Department of Audits and Accounts

State of Georgia

Principal State Officials
June 30, 2025

Executive:

Brian P. Kemp............ *Governor*

Brad Raffensperger............ *Secretary of State*

Chris Carr............ *Attorney General*

Bárbara Rivera Holmes............ *Commissioner of Labor*

Richard Woods .... *State Superintendent of Schools*

John F. King............ *Commissioner of Insurance*

Tyler Harper .... *Commissioner of Agriculture*

Terrel "Fitz" Johnson (Vice Chairman)............ *Public Service Commissioner*
Tim Echols .... *Public Service Commissioner*
Lauren “Bubba” McDonald, Jr .... *Public Service Commissioner*
Tricia Pridemore .... *Public Service Commissioner*
Jason Shaw (Chairman) .... *Public Service Commissioner*

Legislative:

Burt Jones .... *Lieutenant Governor/President of the Senate*

Jon Burns .... *Speaker of the House of Representatives*

Judicial:

Nels S. D. Peterson .... *Chief Justice of the Supreme Court*


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ACKNOWLEDGMENTS

The Georgia Annual Comprehensive Financial Report for the fiscal year ending June 30, 2025 was prepared by:

STATE ACCOUNTING OFFICE

Kris Martins, Deputy State Accounting Officer, Financial Reporting

STATEWIDE ACCOUNTING AND REPORTING

Jocelyn Bautista	Josie Ann Librada
Chelsea Bennett	Bogdana Matano
Dylan Cleveland	Makaila McAlpin
Renita Coleman	Vesna Mesihovic
Imani DeVaughn	Akinola Morakinyo
Kristi Fuss	Tasharie Ormsby
Tessica Harvey	Caron Purvis
Kate Kim	Anna Read
Rachael Krizanek	Donna G. Winn

SPECIAL APPRECIATION

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

FINANCIAL SECTION

Stone Mountain
Stone Mountain, Georgia
Submitted by the State Accounting Office

DOAA
Georgia Department
of Audits & Accounts

Greg S. Griffin
State Auditor

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Disclaimer of Opinions and Unmodified Opinions

We have audited the accompanying financial statements of the governmental activities, aggregate discretely presented component units, each major fund (except the unemployment compensation fund), and aggregate remaining fund information, and we were engaged to audit the business-type activities and unemployment compensation fund, of the State of Georgia (State) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the State's basic financial statements as listed in the table of contents.

Summary of Opinions

Opinion Unit	***Type of Opinion***
Governmental Activities	Unmodified
Business-type Activities	Disclaimer
Aggregate Discretely Presented Component Units	Unmodified
Governmental - General Fund	Unmodified
Governmental – Capital Projects Fund	Unmodified
Enterprise - Higher Education Fund	Unmodified
Enterprise - State Health Benefit Fund	Unmodified
Enterprise - Unemployment Compensation Fund	Disclaimer
Aggregate Remaining Fund Information	Unmodified

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

We do not express an opinion on the accompanying financial statements of the business-type activities and unemployment compensation fund and the respective changes in financial position for the year ended June 30, 2025. Because of the significance of the matter described in the Basis for Disclaimer of Opinion on Business-type Activities and Unemployment Compensation Fund section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements of the business-type activities and unemployment compensation fund of the State.

Unmodified Opinion on Each of the Other Opinion Units

In our opinion, based on our audit and the reports of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, aggregate discretely presented component units, each major fund (except the unemployment compensation fund), and aggregate remaining fund information of the State as of June 30, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

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

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

Opinion Unit	Percent of Total Assets	Percent of Net Position/ Fund Balance	Percent of Total Revenues/ Additions
Governmental Activities	7%	9%	3%
Business-type Activities	2%	5%	0%
Aggregate Discretely Presented Component Units	86%	85%	92%
Governmental – Capital Projects Fund	100%	100%	98%
Aggregate Remaining Fund Information	79%	81%	35%

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

The State's Department of Labor was unable to provide sufficient appropriate audit evidence to support the balances and financial activity of the unemployment compensation fund. Internal controls over the recording and reporting of receivables, revenue, unearned revenue, benefit expenses, and payables were not adequately designed or operating effectively. In addition, as of the date of our audit report, management was still in the process of determining the receivable and payable balances related to overpayments of certain unemployment insurance claims. The State's records do not permit us, nor is it practical to extend or apply other auditing procedures, to obtain sufficient appropriate audit evidence to conclude that the reported receivables, revenue, unearned revenue, benefit expenses, payables and related cash flows of the unemployment compensation fund were free from material misstatement. Accordingly, we cannot conclude whether the financial statements are materially accurate or whether adjustments should have been made to the related financial statement accounts.

Basis for Unmodified Opinions

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

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

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

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

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the State's basic financial statements. The accompanying supplementary information, as listed in the table of contents, and statistical section are presented for the purposes of additional analysis and are not required parts of the basic financial statements.

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we will also issue our report dated February 11, 2026 on our consideration of the State's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. That report will be issued under separate cover. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the State's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the State's internal control over financial reporting and compliance.

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

Respectfully submitted,

Greg S. Griffin
State Auditor

February 11, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

INTRODUCTION

The *Management's Discussion and Analysis* (MD&A) of the State of Georgia's *Annual Comprehensive Financial Report* presents an overview and analysis of the financial activities of the State for the fiscal year ended June 30, 2025. It should be read in conjunction with the letter of transmittal, located in the Introductory Section of this report, and the State's financial statements, including the notes to the financial statements, which are an integral part of the statements that follow this narrative.

FINANCIAL HIGHLIGHTS – PRIMARY GOVERNMENT

Government-wide

- Net Position - Total assets and deferred outflows of resources of the State exceeded liabilities and deferred inflows of resources by $62.1 billion. Contributing to this amount, an excess of $9.5 billion was reported as unrestricted net position.

- Changes in Net Position - The State's total net position increased by $4.1 billion in fiscal year 2025 compared to the balances reported in the prior year. More specifically, net position of governmental activities increased by $2.6 billion while net position of business-type activities increased by $1.4 billion.

- Excess of Revenues over Expenses – Governmental Activities - The State's total revenues for governmental activities, which totaled $68.7 billion were $6.6 billion more than total expenses (excluding transfers). General revenues, which are primarily comprised of tax collections, totaled $36.9 billion, and program revenues, which primarily come from operating grants and contributions, totaled $31.9 billion.

Fund Level

- Governmental Funds – Fund Balances - The governmental funds reported combined ending fund balances of $29.6 billion. This amount represents an decrease of $1.5 billion ((4.9)%), when compared with the prior year. Of this total fund balance, $43.0 million (0.1%) represents nonspendable fund balance; $11.3 billion (38.2%) represents restricted fund balance; $24.3 million (0.1%) represents committed fund balance; $3.9 billion (13.3%) represents assigned fund balance; and $14.3 billion (48.3%) represents unassigned fund balance.

- General Fund – Fund Balances - The General Fund ended the fiscal year with a total fund balance of $24.7 billion, of which $14.3 billion was classified as unassigned fund balance. Total revenues represents an increase by $2.4 billion 3.6% over the prior year.

- Enterprise Funds – Net position - The Enterprise Funds ended the fiscal year with a total net position of $9.6 billion. More specifically, the major funds areas with significant net positions were the Higher Education Fund of $5.5 billion, the Unemployment Compensation Fund of $2.1 billion, and the State Health Benefit Plan (SHBP) of $1.6 billion.

Long-term Debt

The long-term bond debt of the primary government decreased $1.1 billion (9.9%) during the fiscal year. The decrease represents the State fully funding new capital projects with state appropriations, early retirements that retired old debt, along with the normal maturing of principal payments. The amount owed for general obligation (GO) bonds decreased by $1.0 billion (10.2%) for the primary government. The amount owed for Grant

Anticipation Revenue Vehicle (GARVEE) bonds/revenue bonds decreased $66.8 million (6.5%) for the primary government. In fiscal year 2025, the State issued no new bonded debt for the primary government. The State continues to balance the need to issue debt for capital improvements against State management's desire to maintain a conservative approach to debt management.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

- Governmental Activities - The majority of the State's basic services fall under this activity, including services related to general government, education, health and welfare, transportation, public safety, economic development and assistance, culture and recreation, and conservation. Taxes and intergovernmental revenues are the major funding sources for these programs.

- Business-Type Activities - The State operates certain activities similar to private-sector businesses by charging fees to customers to recover all or a significant portion of their costs of providing goods and services. The Unemployment Compensation Fund, the self-insured SHBP, and the Higher Education Fund are some examples of business-type activities. The Higher Education Fund consists of the University System of Georgia (USG) and the Technical College System of Georgia.

- Component Units - Certain organizations are legally separate from the State; however, the State remains financially accountable for them. The Georgia Environmental Finance Authority, Georgia Housing and Finance Authority, and Georgia Lottery Corporation are examples of component units.

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

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

- Governmental Funds - Most of the basic services provided by the State are financed through governmental funds and are essentially the same functions reported as governmental activities in the government-wide financial statements. Governmental funds use the modified accrual basis of accounting, and focus on short-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. These statements provide a detailed short-term view of the State's finances that assist in determining whether there will be adequate financial resources available to meet the current needs of the State.

- Proprietary Funds - The Proprietary funds, which include enterprise funds and internal service funds, account for state activities that are similar to private-sector businesses. Like government-wide statements, proprietary fund statements are presented using the full-accrual basis of accounting. Activities whose customers are mostly outside of state government are accounted for in enterprise funds and are the same functions reported as business-type activities. The enterprise fund financial statements provide more detail and additional information than in the government-wide statements, such as cash flows. Activities whose customers are mostly other state organizations are accounted for in internal service funds. The internal service fund activities are allocated proportionately between the governmental activities (predominately) and the business-type activities in the government-wide statements based on the benefit of the services provided to those activities.

- Fiduciary Funds - These funds are used to account for resources held for the benefit of parties outside the state government. The State is responsible for ensuring these assets are used for their intended purposes. Fiduciary funds use full-accrual accounting but are not reflected in the government-wide financial statements because the resources from these funds are not available to support the State's own programs.

Reconciliation between Government-wide and Fund Statements

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

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

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

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

Notes to the Financial Statements

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

Required and Other Supplementary Information

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

FINANCIAL ANALYSIS OF THE STATE AS A WHOLE

Net Position

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

As shown in Table 1 on the following page, the State reported a total net position of $62.1 billion, which is comprised of $37.9 billion in net investment in capital assets, $14.7 billion in restricted net position, and an unrestricted portion of net position excess of $9.5 billion.

Based on the positive balance in unrestricted net position, funds were available to the state for discretionary purposes. In fiscal year 2025, the state exceeded the maximum legal limit of state general receipts with the excess reported as surplus for a fifth year in a row. The following table was derived from the current and prior year government-wide *Statement of Net Position*.

(Table on next page)

Table 1 - Net Position As of June 30, 2025 and 2024 (amounts in thousands)	Governmental Activities		Business-type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Assets						
Non-Capital Assets	$ 45,573,020	$ 48,316,242	$ 9,350,103	$ 8,605,103	$ 54,923,123	$ 56,921,345
Capital and Right-to-Use Assets, net	34,123,902	31,199,506	13,449,957	13,015,456	47,573,859	44,214,962
Total Assets	79,696,922	79,515,748	22,800,060	21,620,559	102,496,982	101,136,307
Deferred Outflows of Resources	1,685,610	2,251,977	1,950,829	2,436,138	3,636,439	4,688,115
Liabilities						
Noncurrent Liabilities	15,445,027	18,130,736	11,006,518	12,141,350	26,451,545	30,272,086
Current Liabilities	11,254,449	12,063,341	1,760,925	1,659,404	13,015,374	13,722,745
Total Liabilities	26,699,476	30,194,077	12,767,443	13,800,754	39,466,919	43,994,831
Deferred Inflows of Resources	1,780,470	1,319,275	2,772,082	2,469,983	4,552,552	3,789,258
Net Position						
Net Investment in Capital Assets (1)	30,619,276	28,146,729	10,359,669	9,913,820	37,925,242	34,658,528
Restricted	11,387,669	11,061,086	3,344,209	2,969,200	14,731,878	14,030,286
Unrestricted (1)	10,895,641	11,046,558	(4,492,514)	(5,097,060)	9,456,830	9,351,519
Total Net Position	$ 52,902,586	$ 50,254,373	$ 9,211,364	$ 7,785,960	$ 62,113,950	$ 58,040,333
Percent Change in Total:						
Net Position from Prior Year	5.3 %		18.3 %		7.0 %	

(1) Refer to Note 3 for additional details

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

Net position for governmental activities increased by $2.6 billion (5.3%). The excess unrestricted balance of $10.9 billion is primarily the result of the following types of transactions:

- GASB Statement No. 68 (GASB 68), as related to pensions, required the State to recognize its proportionate share of the net pension liability of the pension plans applicable to said standard. As of June 30, 2025, this liability, along with associated deferred outflows of resources and deferred inflows of resources, resulted in a $3.70 billion impact to unrestricted net position.

- GASB Statement No. 75 (GASB 75), as related to OPEB, required the State to recognize its proportionate share of the net OPEB liability of the OPEB plans applicable to said standard. As of June 30, 2025, this liability, along with associated deferred outflows of resources and deferred inflows of resources, resulted in a $22.6 million impact to unrestricted net position.

- The above excess net position includes $5.6 billion in Revenue Shortfall Reserves (RSR) and an additional $9.1 billion that was in excess of the 15% legal limit in the RSR.

Net position for business-type activities increased by $1.4 billion (18.3%). The deficit unrestricted balance of $4.5 billion is primarily due to net pension and OPEB liabilities as follows:

- GASB 68, as related to pensions, required the State to recognize its proportionate share of the net pension liability of the pension plans applicable to said standard. As of June 30, 2025, this liability, along with associated deferred outflows of resources and deferred inflows of resources, resulted in a $3.6 billion impact to unrestricted net position.

- GASB 75, as related to OPEB, required the State to recognize its proportionate share of the net OPEB liability of the OPEB plans applicable to said standard. As of June 30, 2025, this liability, along with associated deferred outflows of resources and deferred inflows of resources, resulted in a $4.0 billion impact to unrestricted net position.

Changes in Net Position

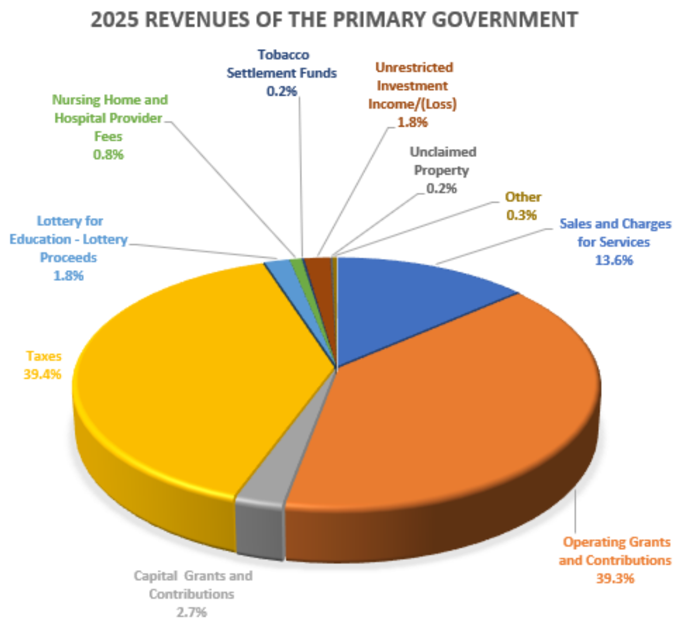
The revenue and expense information, as shown in Table 2 on the following page, was derived from the government-wide *Statement of Activities* and summarizes the State's total revenues, expenses and changes in net position for fiscal year 2025. Consistent with the prior year, the State received a majority of its $83.0 billion in revenues from taxes and operating grants and contributions. Expenses of the primary government during fiscal year 2025 were $79.0 billion. As a result of the excess revenues over expenses, the total net position of the primary government increased by $4.1 billion, before contributions to permanent endowments and transfers.

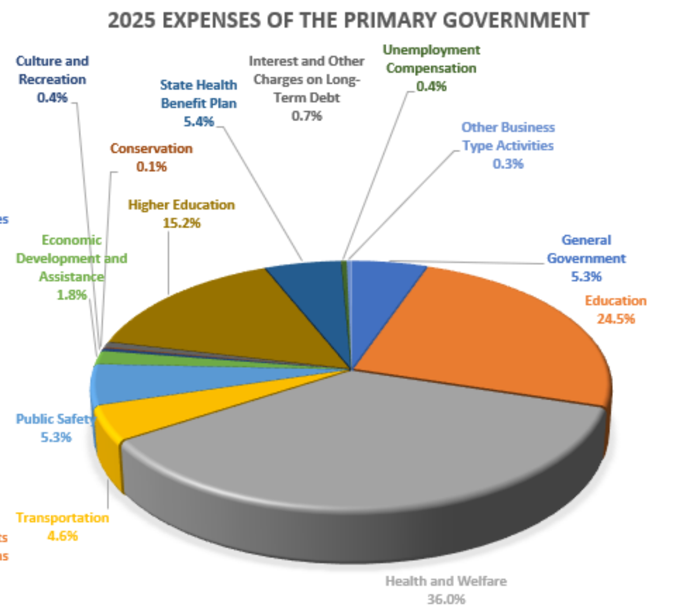
(Table on next page)

Table 2 - Changes in Net Position For the Years Ended June 30, 2025 and 2024 (amounts in thousands)	Governmental Activities		Business-type Activities		Total Primary Government		Total Percentage Change
	2025	2024	2025	2024	2025	2024	2024 to 2025
Revenues:							
Program Revenues:							
Sales and Charges for Services	$ 1,882,071	$ 1,968,525	$ 9,412,776	$ 8,498,312	$ 11,294,847	$ 10,466,837	7.9%
Operating Grants/Contributions	27,913,060	26,739,917	4,755,390	4,453,037	32,668,450	31,192,954	4.7%
Capital Grants/Contributions	2,076,069	2,050,874	129,447	62,545	2,205,516	2,113,419	4.4%
General Revenues:							
Taxes	32,680,358	33,056,643	—	—	32,680,358	33,056,643	(1.1%)
Lottery for Education - Lottery Proceeds	1,467,972	1,133,615	—	—	1,467,972	1,133,615	29.5%
Nursing Home and Hospital Provider Fees	698,086	529,614	—	—	698,086	529,614	31.8%
Tobacco Settlement Funds	139,447	147,000	—	—	139,447	147,000	(5.1%)
Unrestricted Investment Income	1,512,696	1,736,128	—	—	1,512,696	1,736,128	(12.9%)
Unclaimed Property	131,486	220,261	—	—	131,486	220,261	(40.3%)
Other	231,050	244,412	—	—	231,050	244,412	(5.5%)
Total Revenues	68,732,295	67,826,989	14,297,613	13,013,894	83,029,908	80,840,883	2.7%
Expenses:							
General Government	4,198,063	4,707,029	—	—	4,198,063	4,707,029	(10.8%)
Education	19,340,517	19,703,715	—	—	19,340,517	19,703,715	(1.8%)
Health and Welfare	28,442,241	25,531,417	—	—	28,442,241	25,531,417	11.4%
Transportation	3,592,627	3,870,558	—	—	3,592,627	3,870,558	(7.2%)
Public Safety	4,204,215	3,303,259	—	—	4,204,215	3,303,259	27.3%
Economic Development and Assistance	1,391,341	1,098,961	—	—	1,391,341	1,098,961	26.6%
Culture and Recreation	328,069	406,637	—	—	328,069	406,637	(19.3%)
Conservation	97,277	86,456	—	—	97,277	86,456	12.5%
Interest and Other Charges on Long-Term Debt	544,090	73,740	—	—	544,090	73,740	637.8%
Higher Education Fund	—	—	11,997,350	11,592,480	11,997,350	11,592,480	3.5%
State Health Benefit Plan	—	—	4,256,835	3,908,324	4,256,835	3,908,324	8.9%
Unemployment Compensation Fund	—	—	304,174	376,486	304,174	376,486	(19.2%)
Nonmajor Enterprise Funds	—	—	261,577	176,767	261,577	176,767	48.0%
Total Expenses	62,138,440	58,781,772	16,819,936	16,054,057	78,958,376	74,835,829	5.5%
Increase (Decrease) in Net Position Before Contributions and Transfers	6,593,855	9,045,217	(2,522,323)	(3,040,163)	4,071,532	6,005,054	
Contributions to Permanent Endowments	—	—	2,085	273	2,085	273	
Transfers	(3,945,642)	(3,950,949)	3,945,642	3,950,949	—	—	
Change in Net Position	2,648,213	5,094,268	1,425,404	911,059	4,073,617	6,005,327	
Net Position July 1	50,254,373	45,160,105	7,785,960	6,874,901	58,040,333	52,035,006	
Net Position June 30	$ 52,902,586	$50,254,373	$ 9,211,364	$ 7,785,960	$ 62,113,950	$ 58,040,333	7.0 %

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

(Charts on next page)





Governmental Activities

The State's total revenues for governmental activities from all sources increased by $905.3 million (1.3%). The primary driver of this change was an increase in operating grants and contributions of $1.2 billion (4.4%), which was primarily related to the following:

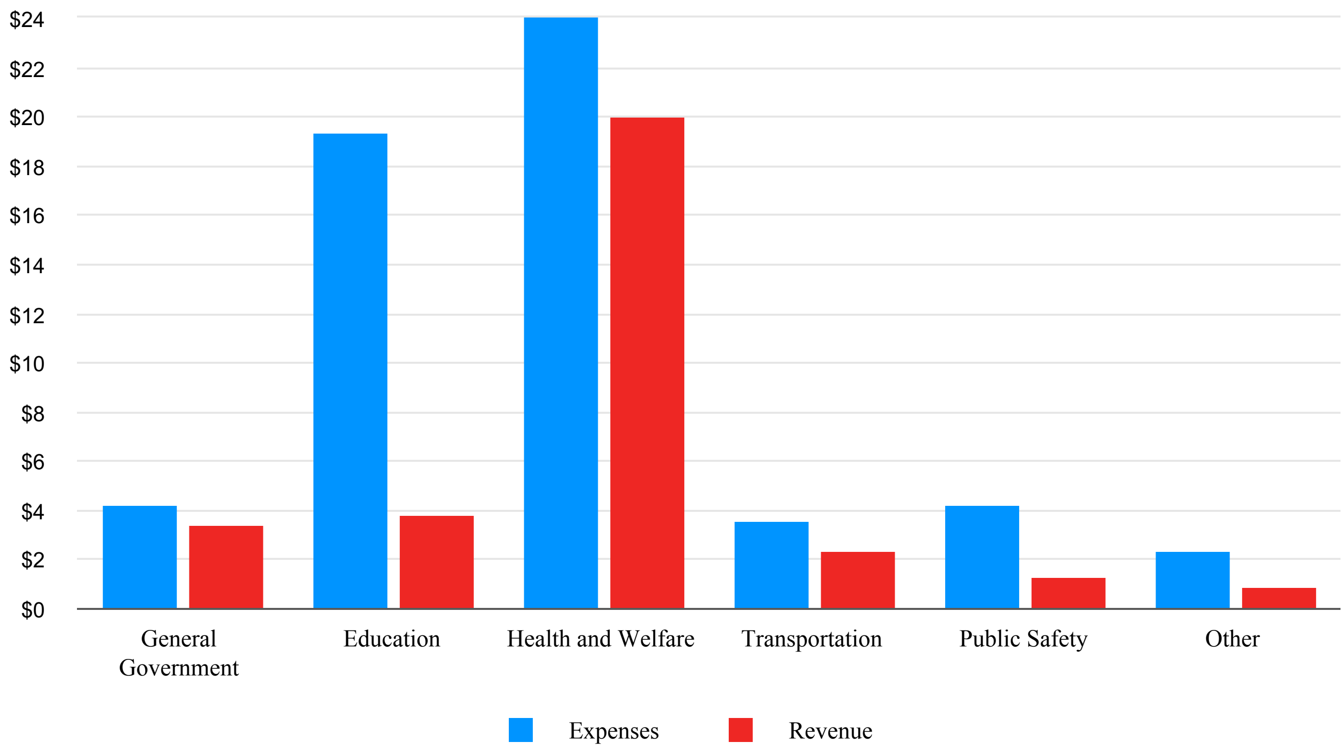
- The Department of Community Health had an increase of $1.6 billion revenue, which was primarily due to a backlog of CMO rate adjustments ultimately approved for fiscal years 2020 - 2024.
- The Department of Education had an offsetting decrease of approximately $469.0 million, primarily due to a Covid-related grant that expired in September 2024.

These increases in operating grants and contributions revenue were partially offset by an decrease in general revenues of $206.6 million (0.6%). The drivers of this general revenues decrease was primarily due to a $255.0 million reduction in corporate income tax collections in fiscal year 2025. Additionally, unrestricted investment income decreased by $223.4 million due to decreases in investment income for multiple portfolios in fiscal year 2025.

The following table shows to what extent program revenues (charges for services and grants) covered program expenses. During fiscal year 2025, program revenues covered $31.9 billion (51.3%) of the $62.1 billion in total program expenses. For the remaining $30.3 billion (48.7%) of the total program expenses, the State relied on taxes and other general revenues.

(Chart on next page)

Table 3 – Net Program Revenue
For the Year Ended June 30, 2025 (amounts in billions)



The State's expenses for governmental activities increased $3.4 billion (5.4%) The primary driver of this change was as follows:

- Total Health and Welfare expenses increased by $2.9 billion in this fiscal year 2025. The primary reason is due to $2.0 billion rise in benefits payable expenses at the Department of Community Health due to the approval of fiscal years 2020 - 2024 CMO rate adjustments. Additionally, there was an increase in D-snap benefits due to Hurricane Helene of $404.0 million. Furthermore, lower rebates of $130.0 million and a CMS ruling that increased MedBuy expenses by $81.0 million further reduced benefits payable expenses.
- Public Safety expenses increased by $0.9 billion were largely due to a variety of increased expenses at the Department of Corrections to cover: the rising costs of a project transferred to GSFIC's management, personnel costs for correctional officers and supplies and equipment to support public safety. Also, expenditures at Georgia Emergency Management Agency increased by approximately $588.0 million to cover the costs of natural disasters and associated management costs of Hurricane Helene and Storm Debby.

<u>Business-type Activities</u>

The State's revenues for business-type activities increased $1.3 billion (9.9%), primarily driven by sales and charges for services increases at the State Health Benefit Plan of $584.9 million, due to CMO rate adjustments accrued in fiscal years 2020 - 2024, that were not approved and executed until fiscal year 2025.

The State's expenses for business-type activities showed an increase of $765.9 million (4.8%). Of this increase, $404.9 million was attributable to increases in expenses in Higher Education, which primarily was attributable to increases in operational expenses of $219.6 million at the Board of Regents. This increase was a result of increases in salaries and benefits expenses due to a combination of increases in overall employee head count as well as cost-of-living and retention adjustments that went into effect during the fiscal year. Additionally, the State Health Benefit

Plan had approximately $364.2 million increase in benefits expenses due to the affect of CMO revenue rate adjustments on expenses.

As a result of the excess revenues over expenses, the total net position of the business-type activities increased by $1.4 billion (18.3%) during the fiscal year.

In fiscal year 2025, business-type activities expenses were funded 85.0% from program revenues compared to 81.1% in the prior year. The remaining expenses were funded by $3.9 billion in transfers from governmental activities, of which the majority were State Appropriations to the Higher Education Fund.

FINANCIAL ANALYSIS OF THE STATE'S GOVERNMENTAL FUNDS

Fund Balances

As of June 30, 2025, the State's governmental funds reported a combined ending fund balance of $29.6 billion. Of this amount $11.3 billion (38.2%) is restricted for specific programs by constitutional provisions, external constraints, or contractual obligations and $14.3 billion (48.3%) of fund balance is unassigned.

General Fund

The General Fund is the chief operating fund of the State and had a total fund balance of $24.7 billion as of fiscal year end. The net change in fund balance during the fiscal year was an increase by $1.7 billion (6.3%). The following major revenues, expenditures and other sources/uses contributed to the change in fund balance:

- Revenues - Revenues of the General Fund totaled $68.4 billion in the fiscal year, which represents an increase of $2.4 billion 3.6% over the prior year. These increases are primarily related to the following:

    - The $1.1 billion increase in Intergovernmental - Federal revenues are primarily due to CMO rate adjustments at the Department of Community Health that were eventually approved in fiscal year 2025, resulting in a $1.5 billion increase. Additionally the Department of Human Services received approximately $404.0 million in disaster recovery grants after Hurricane Helene as well as Office of Planning and Budget receiving $6.4 million in disaster recovery grants after the hurricane. Offsetting this increase, the Department of Education received $1.0 billion less in COVID-related grants due to their expiration.
    - The $1.0 billion increase in Intergovernmental - Other revenues are primarily due to the Department of Community Health having approximately $500.0 million of funds collected in fiscal year 2024 that were not collected during the availability period which were recognized in fiscal year 2025 and approximately a $200.0 million increase in UPL payments.
    - Lottery Proceeds experienced a $334.4 million increase in fiscal year 2025, due to increases in total lottery ticket sales, e-Instant (Diggi) game sales and total product sales in the interactive channel.

- Expenditures - Expenditures of the General Fund totaled $62.5 billion in the fiscal year, an increase of $3.9 billion 6.6% over the prior year.

    - Total Health and Welfare expenses increased $3.1 billion, primarily due to a $2.0 billion rise in benefits payable expenses due to the approval of fiscal years 2020 - 2024 CMO rate adjustments as well as a $404.0 million increase in D-snap benefits due to Hurricane Helene.

Additionally, lower rebates of $130.0 million and a CMS ruling that increased MedBuy by $81.0 million further reduced benefits payable expenses.

- Total public safety expenditures increased $994.9 million due to increased expenses at the department of Corrections of $194.3 million. This increase was primarily to cover the rising costs of a project transferred to GSFIC's management, personnel costs for correctional officers and supplies and equipment to support public safety. Additionally, expenditures at Georgia Emergency Management Agency increased by approximately $588.0 million to cover the costs of Hurricane Helene, Storm Debby and associated management costs.
- Transportation expenditures increased $436.6 million largely due to rises in project costs due to inflation, as well as cleanup costs due to Hurricane Helene.
- Conversely, costs of the General Government decreased by $665.0 million, largely due to the carry-over of fiscal year 2023 HTRG grants into fiscal year 2024 to the Department of Revenue that were not issued in fiscal year 2025.

Capital Projects Fund

Fund balance in the Capital Projects Fund increased by $407.1 million (12.3%) from the prior year. This was primarily due to a net increase to capital projects, fully funded from the general fund with State appropriations, as the State funded all capital outlay expenditures during the fiscal year in lieu of issuing new General Obligation Bond debt in calendar year 2025. Over half of these expenditures included projects for Local Boards of Education, the Board of Regents, and the Technical College System of Georgia.

FINANCIAL ANALYSIS OF THE STATE'S PROPRIETARY FUNDS

Higher Education Fund

The total net position of the Higher Education Fund increased $799.1 million (16.9%).

Operating revenues of the Higher Education Fund increased by $305.1 million (4.7%). Of this increase, $128.4 million is generated from operating grants and contract activities at the USG, which is largely due to research activities primarily at four of the research institutions. Auxiliary enterprises increased $87.3 million driven primarily by intercollegiate athletics, food services, parking and implementation of the Online Learning Fee. Tuition and Fees increased by $46.3 million primarily due to tuition rate adjustments and increased enrollment. Sales and services increased $9.1 million due to expanded educational offerings. Other operating revenues, including rents and royalties, increased by $25.8 million due to insurance recoveries related to Hurricane Helene and increased employee premiums for the USG self-fund health and dental plans.

Operating expenses increased by $322.5 million (2.8%) primarily a result of changes at the USG as follows.

- Increase in Faculty salaries of $125.3 million and staff salaries of $142.6 million, mostly due to cost-of-living and retention adjustments approved by the state legislature for eligible state employees.
- Increase in supplies and other services of $128.4 million, primarily due to increase in Research and Public Service grants and contracts.
- Decrease in Instruction, Public Service and Academic Support of Scholarships and Fellowship of $35.5 million, $80.0 million and $18.2 million, respectively.

Non-operating revenues (net of expenses) increased $278.1 million (22.3%) primarily due to non-operating grants and contracts increases of $137.9 million at the USG, mostly due to an increase in Pell Grants across most institutions. This growth is driven by provisions in the Free Application for Federal Student Aid Simplification Act and the Consolidated Appropriations Act, which streamline the application process and broaden eligibility criteria. Additionally, State appropriations increased $102.8 million and included an increase related to formula funding (the accepted calculation for the state's funding portion of specific USG growth metrics) and an increase related to the 4% cost-of-living adjustment not to exceed $3,000 for state funded employees. Non-capital gifts increased $38.8 million primarily related to private non-capital gifts.

State Health Benefit Plan

Operating revenues for SHBP increased by $584.9 million (14.5%) and operating expenses increased by $348.5 million (8.9%). The revenue increases are driven by increased rates. Expenses were higher, which is consistent with the national average, as well as the plan having some high dollar claims during the year. These changes resulted in a corresponding increase in operating income of $236.4 million.

Unemployment Compensation Fund

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

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The State's capital assets increased by a net $3.2 billion (7.5%) during the year. The change consisted of a net increase in infrastructure of $723.0 million and a net increase in machinery and equipment of $93.2 million, as well as net increases in land and buildings and building improvements of $321.9 million and $536.9 million, respectively. Additionally, construction in progress increased by $1.6 billion.

As of June 30, 2025, the State had General Fund commitments of $627.8 million and Capital Project Fund commitments of $5.8 billion for highway infrastructure and bridge construction. The State Road and Tollway Authority had $1.9 billion of commitments, which is comprised of $451.7 million for the I-285/I-20 East Interchange Reconstruction Project, $79.4 million for the SR 316 Bundle 1 Project, $10.2 million for the I-16 at I-95 Interchange and I-16 Widening from I-95 to I-516 Reconstruction Project, $26.3 million for the I-285 at SR 400 Interchange Reconstruction Project, $1.1 billion for I-285/I-20 West Interchange Project, $155.0 million for SR400 Express Lanes Project, and $127.1 million for SR316 Bundle 2 Project. Also, the USG had $631.0 million in outstanding encumbrances at fiscal year end. In addition to these encumbrances, the USG had other significant unearned outstanding construction or renovation contracts in the amount of $45.6 million executed as of June 30, 2025.

Additional information on the State's capital assets can be found in *Note 8 – Capital Assets and Intangible-Right-to-Use Assets* of the Notes to the Financial Statements section of this report.

(Tables on next page)

Table 4 - Capital Assets, Net of Accumulated Depreciation As of June 30, 2025 and 2024 (amounts in thousands)						
	Governmental Activities		Business-type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Buildings/Building Improvements	$ 3,026,626	$ 2,503,738	$ 9,921,323	$ 9,907,262	$ 12,947,949	$ 12,411,000
Improvements Other Than Buildings	142,006	162,987	291,352	290,805	433,358	453,792
Infrastructure	15,676,420	14,955,972	222,471	219,891	15,898,891	15,175,863
Intangibles - Other Than Software	163,755	155,858	—	—	163,755	155,858
Land	5,991,263	5,687,656	557,039	538,741	6,548,302	6,226,397
Library Collections	—	—	160,676	159,508	160,676	159,508
Machinery and Equipment	589,519	537,110	811,203	770,401	1,400,722	1,307,511
Software	125,998	195,740	38,988	51,424	164,986	247,164
Works of Art and Collections	1,433	1,421	67,220	63,568	68,653	64,989
Construction in Progress	7,358,930	5,977,025	680,554	446,102	8,039,484	6,423,127
Total	$ 33,075,950	$ 30,177,507	$ 12,750,826	$ 12,447,702	$ 45,826,776	$ 42,625,209

Table 5 - Intangible Right-To-Use Assets, Net of Accumulated Amortization As of June 30, 2025 and 2024 (amounts in thousands)						
	Governmental Activities		Business-type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Land	$ 135	$ 157	$ 1,311	$ 1,368	$ 1,446	$ 1,525
Infrastructure	—	—	3,394	4,443	3,394	4,443
Buildings and Building Improvements	761,156	706,923	417,628	445,260	1,178,784	1,152,183
Improvements Other Than Buildings	—	—	6,833	7,640	6,833	7,640
Machinery and Equipment	70,501	95,700	11,577	11,863	82,078	107,563
Software Development in progress	52,309	28,015	3,132	1,116	55,441	29,131
Subscription Based IT Arrangements (SBITAs)	163,851	191,204	255,256	96,064	419,107	287,268
Total	$ 1,047,952	$ 1,021,999	$ 699,131	$ 567,754	$ 1,747,083	$ 1,589,753

Debt Administration

The Constitution authorizes issuing general obligation debt only as approved by the legislature and prohibits the issuance of general obligation bonds for operating purposes. The Constitution requires the State to maintain a reserve sufficient to pay annual debt service requirements on all general obligation debt. If for any reason the reserve balance is insufficient to make all debt service payments when due, the first revenues received thereafter in the General Fund will be set aside for such use. The Constitution also stipulates that no debt may be incurred when the highest aggregate annual debt service requirements for any year for outstanding general obligation debt and guaranteed revenue debt, including proposed debt, exceed 10% of the total revenue receipts, less refunds in the state treasury, in the fiscal year immediately preceding the year in which any such debt is to be incurred. There were no bonds issued in fiscal year 2025. Even so, at June 30, 2025, the State was $2.7 billion below the annual debt service limit established by the Constitution.

(Table on next page)

Table 6 - Net Outstanding Bond Debt As of June 30, 2024 and 2023 (amounts in thousands)						
	Governmental Activities		Business-type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
General Obligation Bonds	$ 9,172,886	$10,218,749	$ —	$ —	$ 9,172,886	$10,218,749
GARVEE Bonds	384,537	440,186	—	—	384,537	440,186
Revenue Bonds	—	—	577,373	588,530	577,373	588,530
	$ 9,557,423	$10,658,935	$ 577,373	$ 588,530	$10,134,796	$11,247,465

At the end of the fiscal year, the State had $10.1 billion in total outstanding bonded debt. Of this amount $9.2 billion (net of premiums and discounts) (90.5%), is secured by the full faith and credit of the government for general obligation bonds. Guaranteed revenue bonds of $577.4 million (5.7%) are secured primarily by toll revenues or applicable security deeds and related assignment of contract documents; and $384.5 million (3.8%) in State Road and Tollway Authority GARVEE bonds are secured by Federal Highway Administration grant funds and state motor fuel funds.

Total general obligation bonds, GARVEE bonds, and revenue bonds payable, net of premiums and discounts, decreased $1.0 billion (10.2%), decreased $55.6 million (12.6%), and decreased $11.2 million (1.9%) respectively. During fiscal year 2025, the State did not issue general obligation bonds, as capital projects were fully funded by state appropriations.

Because the state did not issue new general obligation bonds for the calendar year 2025, Fitch Ratings and Moody's Investors Service did not issue formal reports for Georgia's bond ratings. However, S&P Global Ratings reaffirmed the AAA rating. In calendar year 2023, all rating agencies gave Georgia the highest possible ratings in their analyses of the State's credit worthiness. These ratings, the highest available, help the State achieve the lowest possible interest rates. Additional information regarding the State’s outstanding debt can be found in *Note 9 – Long-Term Liabilities* of the notes to the financial statements section.

BUDGETARY HIGHLIGHTS

Fiscal Year 2025 Budget Highlights

The Amended Fiscal Year 2025 (AFY 2025) appropriations bill was signed by the Governor on March 6, 2025 as passed by the General Assembly.

Revenues

The AFY 2025 budget increased the total general fund revenue estimate over the original budget by $1.3 billion, based on FY 2024 actual revenue performance.

(Table on next page)

Revenue Estimates Since FY 2024
(In millions)

	AFY 2024 Estimate	FY 2024 Actuals	FY 2025 Original Estimate	AFY 2025 Estimate	Change Over FY 2024 Actuals	FY 2026 Estimate	Change Over AFY 2025 Estimate
General Funds							
Taxes: Revenue							
Income Tax - Individual	$ 15,505.16	$ 16,018.88	$ 15,808.93	$ 15,655.70	-2.3%	$ 15,693.80	0.2%
Income Tax - Corporate	3,047.67	3,614.95	3,062.91	3,440.62	-4.8%	3,254.36	-5.4%
Sales and Use Tax-General	8,149.22	9,004.59	8,369.25	9,185.37	2.0%	9,434.97	2.7%
Motor Fuel	1,556.63	1,759.94	2,067.47	2,162.69	22.9%	2,308.24	6.7%
Tobacco Taxes	224.51	223.11	221.14	215.52	-3.4%	208.22	-3.4%
Alcoholic Beverages Tax	222.99	223.55	222.55	220.81	-1.2%	218.16	-1.2%
Property Tax	0.17	0.23	-	-		-	
Motor Vehicle License Tax	412.19	408.57	416.72	410.76	0.5%	413.05	0.6%
Title Ad Valorem Tax	774.37	862.65	788.31	860.97	-0.2%	884.11	2.7%
Insurance Premium Tax	682.55	769.49	680.83	681.21	-11.5%	750.71	10.2%
Total Net Taxes	**$ 30,575.46**	**$ 32,885.96**	**$ 31,638.11**	**$ 32,833.65**	**-0.2%**	**$ 33,165.62**	**1.0%**
Total Interest Fees and Sales	**2,915.25**	**3,555.77**	**2,787.12**	**2,903.68**	**-18.3%**	**2,732.34**	**-5.9%**
Total State General Funds	**$ 33,490.71**	**$ 36,441.73**	**$ 34,425.23**	**$ 35,737.33**	**-1.9%**	**$ 35,897.96**	**0.4%**
Lottery Funds	1,511.93	1,609.44	1,560.27	1,575.80	-2.1%	1,662.49	5.5%
Tobacco Settlement Funds	148.57	156.96	148.62	148.62	-5.3%	148.62	0.0%
Brain and Spinal Injury Trust Fund	1.91	1.91	1.85	1.85	-3.1%	2.01	8.6%
Safe Harbor for Children Trust Fund	0.20	0.20	0.25	0.25	25.0%	0.13	-48.0%
Other State Revenue	-	2.48	-	-		-	
Total State Treasury Receipts	**$ 35,153.32**	**$ 38,212.72**	**$ 36,136.22**	**$ 37,463.85**	**-2.0%**	**$ 37,711.21**	**0.7%**
Supplemental Fund Sources							
Return of Audited Surplus	-	350.64	-	-		-	
Mid-year Adjustment Reserve	359.45	359.45	-	364.42	1.4%	-	
Unreserved, Undesignated Surplus	2,000.00	2,000.00	-	2,726.28	36.3%		
TOTAL STATE TREASURY RECEIPTS	**$ 37,512.77**	**$ 40,922.81**	**$ 36,136.22**	**$ 40,554.55**	**-0.9%**	**$ 37,711.21**	**-7.0%**

Source: Governor's Office of Planning and Budget

Expenditures

The Amended FY 2025 budget increased the revenue estimate over the original budget by $1.3 billion in general fund revenue, based on FY 2024 actual revenue performance. The Amended budget prioritizes restoring funds for health care and K-12 education needs, funding recruitment and retention initiatives, and continuing economic development investment opportunities.

Statewide Changes:

- $867.0 million for Hurricane Helene response costs and relief

Educated Georgia:

- $114.3 million for a midterm adjustment in the Quality Basic Education Program
- $50.0 million in one-time funds for additional school security grants to K-12 public schools to improve school safety
- $99.8 million for design and construction of a research building at Augusta University to assist in bringing medical research into results that directly benefit patients

Safe Georgia:

- $51.0 million to add correctional officer positions to improve staff to offender ratios and reflect increased retention
- $80.2 million for construction of four 126-bed modular correctional units to facilitate offender population movement necessary for capital and security improvements
- $46.5 million for furniture, fixtures and equipment for Washington State Prison
- $43.0 million for construction of the Central Medical Examiner Building

Responsible and Efficient Government:

- $500.0 million to support state retirees and improve long-term pension system viability by increasing the funded ratio with strategic investments

- $225.0 million for the Liability and Property risk pools to reduce outstanding obligations and meet the costs of future claims expenses
- $58.5 million in the Technology Empowerment Fund for the Department of Community Health Integrated Eligibility System (IES) modernization and the Department of Human Services $TARS modernization

Growing Georgia:

- $266.1 million for the Georgia Fund to support water and wastewater infrastructure development across the state through low-interest loans and grants to local communities
- $501.7 million for investment in the development and construction of surface water resources for Georgia's Coastal region to meet growth in demand

Mobile Georgia:

- $500.0 million for infrastructure projects that enhance economic development while promoting freight and logistics efficiency and safety for the agricultural, manufacturing, and distribution industries
- $265.0 million for local maintenance and improvement grants through the Department of Transportation's Local Road Assistance program
- $244.0 million for the Department of Transportation to reflect updated FY 2025 motor fuel revenue projected collections
- $46.5 million for the Georgia Transportation Infrastructure Bank's competitive grant and loan program to support local transportation infrastructure projects

Revenue Shortfall Reserve (RSR)

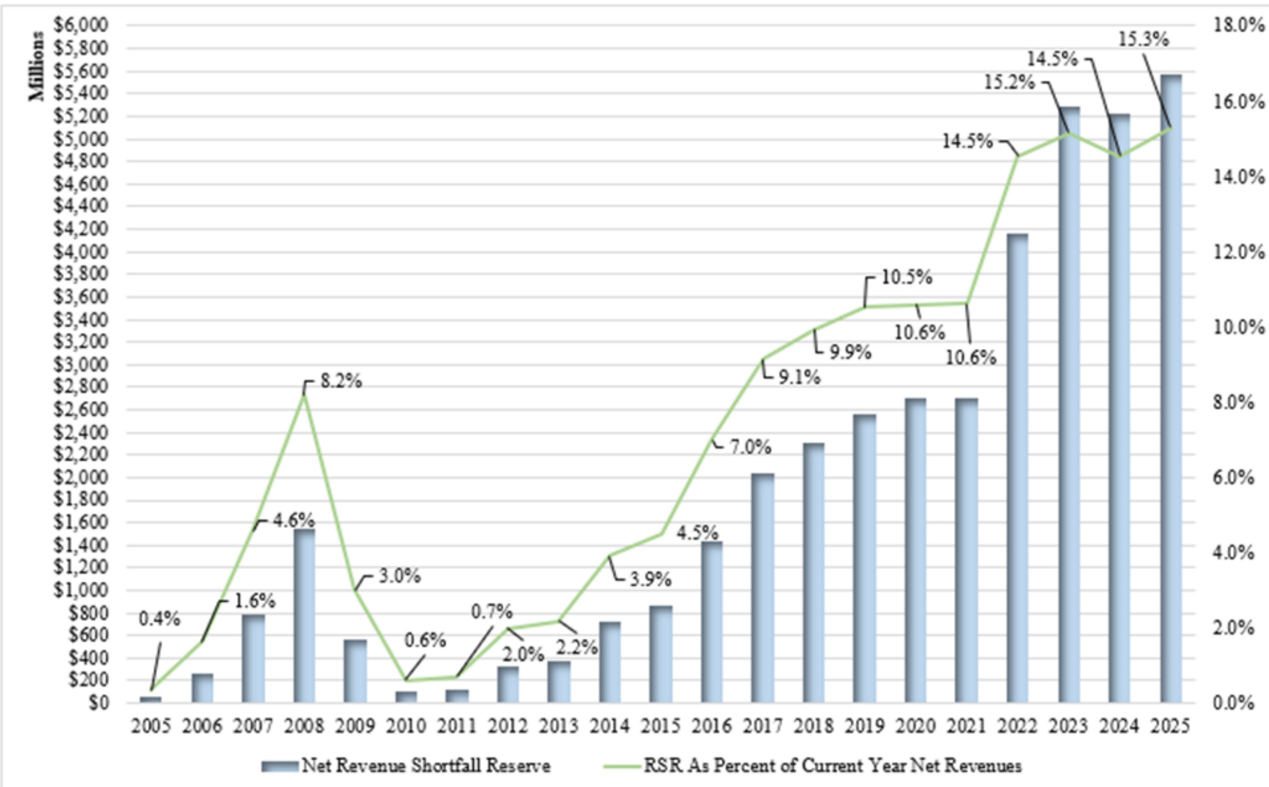
The RSR provides for the sound management of excess revenue collections in any given fiscal year. By statute, all surplus State funds existing at the end of each fiscal year shall be reserved and added to the RSR. Each fiscal year, the General Assembly may appropriate from the RSR an amount up to 1%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

By statute, 1% of fiscal year 2025 state general fund receipts/net revenue collections ($372.2 million) is available from the RSR for the mid-year K-12 education appropriation adjustment in the amended fiscal year 2026 budget. This amount had not been appropriated as of the date of this report, however, it has been included in the chart below.

The ending balance in the Revenue Shortfall Reserve (RSR), or "rainy day" fund, is a critical tool in helping to address budget shortfalls. While combating the impact of inflation and warnings of a potential recession, the State remained focused on maintaining the RSR. After adjusting for the current year agency lapse less the mid-year adjustment for education, the RSR balance as of June 30, 2025 is $5.6 billion. Current state law provides that the reserve cannot exceed 15% of the previous fiscal year's net revenue. In fiscal year 2025, the 15% legal limit was exceeded and the receipts in excess of the 15% ($9.3 billion) were reported as unreserved, undesignated surplus. Prior to mid-year adjustment for education, this increase in the RSR represents an increase of $116.7 million from fiscal year 2024, and after the mid-year adjustment for education, a decrease of $242.7 million from fiscal year 2024.

(Chart on next page)

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

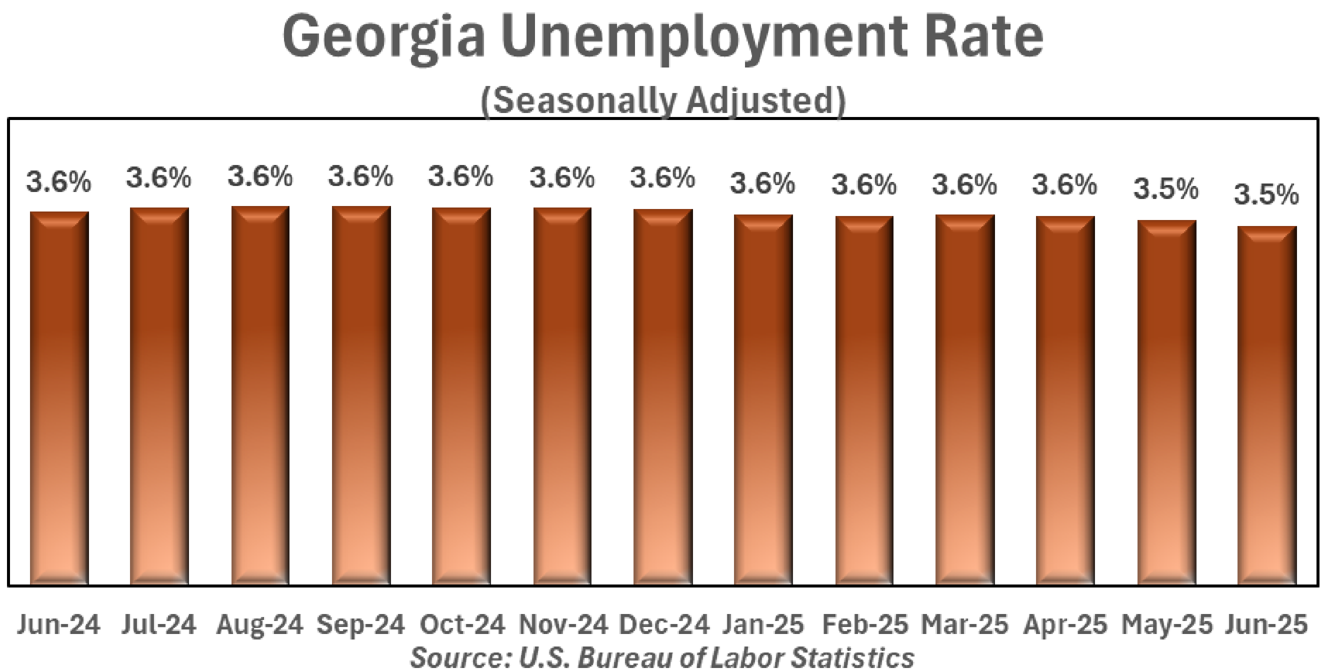


Source: State Accounting Office

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Economic Outlook

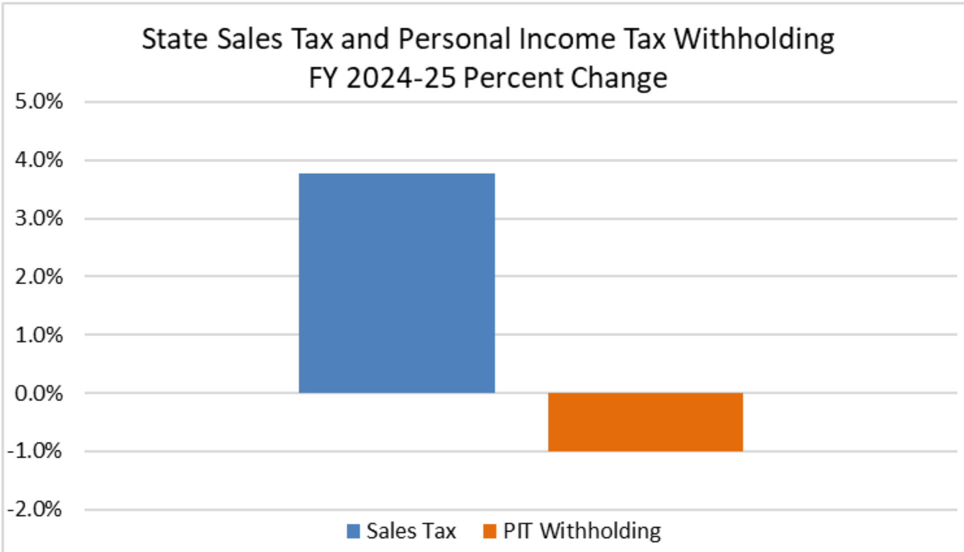
The Georgia economy in 2025 has been steady but growing more slowly than in the earlier years of recovery from the pandemic. Total employment in the state grew by 24,700 jobs during the fiscal year, the largest gains coming in health care and local government followed by arts, entertainment and recreation, and private education. Industries losing jobs were led by transportation, warehousing and utilities followed by retail trade. The state's unemployment rate remained in a narrow, historically low range of 3.5 to 3.6 percent for the fiscal year (FY), ending at the low for the period, 3.5% (see second figure below).



Still-tight labor markets and core inflation (CPI less food and energy) of 2.9 percent for the 12 months through June helped push wage and salary income 4.8 percent higher in Georgia in fiscal year 2025 compared to the year before, according to U.S. Bureau of Economic Analysis data. This income growth helped to offset the effects of tax cuts that reduced personal income tax rates from 5.75% in 2023 to 5.19% in 2025. Despite these rate cuts, withholding tax collections declined by only 1.0% in FY 2025 from FY 2024.

Continuing labor market strength and rising wage incomes continued to support a strong consumer sector in Georgia, as evidenced by 6.0% growth in personal consumption expenditures (PCE) in the state in calendar year (CY) 2024 over 2023, the latest period of data available. US PCE growth in the first half of CY 2025 remained strong at 5.5% growth compared to the same period in 2024. However, the shift in consumption to tangible goods from generally nontaxable services that boosted sales tax revenues in the first two years after the start of the pandemic has generally reversed, creating a drag on sales taxable collections mostly in FY 2024 but continuing into FY 2025 and restraining sales tax collection gains in FY 2025 to 3.8%. Based on more recent national PCE figures, the shift back to services has brought the goods share of PCE back to slightly below 2019 levels.

(Chart on next page)



In the first three months of FY 2026, according to BLS data, Georgia lost 7,200 jobs, but unemployment has continued to fall slowly to 3.4% as of September, the latest monthly reading available due to the federal government shutdown. Concerns over the jobs outlook, as well as continuing concerns over inflation and the impact of tariffs, have kept consumer sentiment relatively low, according to The Conference Board's (TCB) Consumer Confidence Survey. TCB's present situation index fell in December below the previous post-recovery low of late 2024 and to the lowest level since early 2021. Their expectations index as of December was, for the eleventh consecutive month, below the level that signals an expected recession.

Federal Reserve monetary policy has eased in the current fiscal year, with interest-rate cuts in September, November, and December, as unemployment rose decisively above 4%, reaching 4.6% in November. New forecasts released after the December FOMC meeting show members' median expectation is for only one 25 basis point cut in CY 2026, though there was one more participant calling for 2 or more cuts than were calling for no further cuts and Fed Funds futures prices going into the year's end imply two cuts in 2026.

In short, Georgia's economy is stable with unemployment remaining well below national levels, but job growth has stalled nationally and turned negative in the state in recent months. While few forecasters are currently predicting a recession in the coming year, consumers are concerned about jobs and persistent inflation, thus continuing growth is vulnerable if one or both doesn't improve or should new policy, geopolitical, or other shocks arise.

Fiscal Year 2026 Budget Highlights

The $37.7 billion FY 2026 budget was signed by Governor Brian Kemp on May 9, 2025. The FY 2026 budget provides an additional $1.6 billion in funding over the original FY 2025 budget.

Educated Georgia:

- $172.6 million to fund the state share of employer increases on certified educators who participate in SHBP.
- $300.4 million for enrollment growth and training and experience to recognize a 0.07 percent increase in enrollment, bringing the total number of full-time equivalent (FTE) students funded in FY 2026 to 1.74 million students and over 148,000 teachers and administrators.
- $49.7 million for new student support services, including mental health support grants, out-of-school care, funds for social workers, and a one-time pilot grant for economically disadvantaged students.
- $176.1 million for construction and renovation projects for local school systems.

- $169.5 million for resident instruction to reflect a 2.7 percent increase in credit hour enrollment and a 0.5 percent increase in square footage at University System institutions.
- $171.0 million for capital projects at various institutions.

Healthy Georgia:
- $39.2 million to annualize funding for provider rate study recommendations for the New Options Waiver (NOW) and Comprehensive Supports Waiver Program (COMP) and Community Behavioral Health Rehabilitation Services providers
- $256.6 million f or Medicaid and PeachCare, including $7 million for skilled nursing centers to reflect 2023 cost reports, $28 million for the Medicare Part D Clawback, $36 million for new high-cost drugs, and $22,806,215 for 12 months of continuous eligibility for children under the age of 19
- $23.4 million to increase reimbursement rates for emergency medical services and air ambulance transports, neonatologists and maternal fetal medicine specialists, applied behavioral analysis, select primary care and dental codes, privately-owned intermediate care facilities for individuals with intellectual disabilities, and newborn deliveries in rural counties

Safe Georgia:
- $44.1 million to add correctional officer positions to improve staff to offender ratios.
- $16 million for renovations and site improvements at six Readiness Centers and other department facilities.

Responsible and Efficient Government:
- $44.5 million for the renovation of the Department of Agriculture building.

Mobile Georgia:
- $275.0 million for the Department of Transportation to reflect projected FY 2026 motor fuel revenue collections

REQUESTS FOR INFORMATION

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

BASIC FINANCIAL STATEMENTS

Statement of Net Position
June 30, 2025
(amounts in thousands)

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
Assets				
Cash and Cash Equivalents	$ 3,075,594	$ 1,380,739	$ 4,456,333	$ 982,183
Pooled Investments with State Treasury	28,392,815	2,461,311	30,854,126	4,223,835
Investments	4,021,553	838,908	4,860,461	1,848,241
Receivables (Net)	7,072,237	1,141,088	8,213,325	8,762,087
Due from Primary Government	—	—	—	4,774
Due from Component Units	115,614	457,860	573,474	—
Internal Balances	448,591	(448,591)	—	—
Inventories	61,906	19,769	81,675	17,879
Prepaid Items	152,780	268,802	421,582	57,887
Other Assets	101,687	165	101,852	287,894
Restricted Assets				
Cash and Cash Equivalents	4,872	2,642,681	2,647,553	1,076,955
Pooled Investments with State Treasury	525,160	184,619	709,779	588,642
Investments	239,528	332,988	572,516	5,581,109
Receivables (Net)	577,022	—	577,022	366,884
Net Pension Asset	107,822	13,376	121,198	9,108
Net OPEB Asset	675,839	56,388	732,227	6,327
Capital Assets				
Non-depreciable Capital Assets	13,513,210	1,301,995	14,815,205	2,108,593
Depreciable Capital Assets (Net)	19,562,740	11,448,831	31,011,571	4,564,316
Non-amortized Right-to-Use Assets	52,309	3,132	55,441	239
Amortized Right-to-Use Assets (Net)	995,643	695,999	1,691,642	250,643
Total Assets	79,696,922	22,800,060	102,496,982	30,737,596
Deferred Outflows of Resources	1,685,610	1,950,829	3,636,439	128,409

(continued)

Statement of Net Position
June 30, 2025
(amounts in thousands)

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
Liabilities				
Accounts Payable and Accrued Liabilities	2,289,782	591,570	2,881,352	697,540
Local Education Agencies Payable	2,035,724	—	2,035,724	—
Due to Primary Government	—	—	—	573,474
Due to Component Units	1,279	3,495	4,774	—
Policy Claims and Uninsured Liabilities	3,064,209	501,418	3,565,627	—
Accrued Interest Payable	573,920	8,152	582,072	37,228
Contracts Payable	327,904	47,325	375,229	102,106
Funds Held for Others	170,865	21,319	192,184	179,446
Unearned Revenue	2,457,162	572,680	3,029,842	903,405
Other Liabilities	333,604	14,966	348,570	1,094,574
Long-term Liabilities:				
Current Portion of Long-term Liabilities	1,336,516	497,220	1,833,736	289,323
Noncurrent:				
Net Pension Liability	4,356,664	4,323,810	8,680,474	226,417
Net OPEB Liability	—	2,903,672	2,903,672	89,540
Noncurrent Portion of Long-term Liabilities	9,751,847	3,281,816	13,033,663	7,369,748
Total Liabilities	26,699,476	12,767,443	39,466,919	11,562,801
Deferred Inflows of Resources	1,780,470	2,772,082	4,552,552	816,286
Net Position				
Net Investment in Capital Assets [(1)]	30,619,276	10,359,669	37,925,242	4,157,409
Restricted for:				
Bond Covenants/Debt Service	434	35,278	35,712	103,594
Capital Projects	2,138,320	29,200	2,167,520	286,571
Guaranteed Revenue Debt Common Reserve Fund	25,335	—	25,335	—
Higher Education	—	—	—	900
Loan and Grant Programs	—	—	—	2,998,057
Lottery for Education	2,157,563	—	2,157,563	—
Motor Fuel Tax Funds	3,676,157	—	3,676,157	—
National Opioid Settlement	796,620	—	796,620	—
Nonexpendable:				
Permanent Trust	—	237,310	237,310	3,923,679
Other Programs	—	—	—	1,550
Other Benefits	—	495,775	495,775	—
Other Purposes	1,829,060	458,850	2,287,910	962,250
Permanent Trust Expendable	—	—	—	1,527,653
Transportation Investment Act	764,180	—	764,180	—
Unemployment Compensation Benefits	—	2,087,796	2,087,796	—
Unrestricted [(1)]	10,895,641	(4,492,514)	9,456,830	4,525,255
Total Net Position	$ 52,902,586	$ 9,211,364	$ 62,113,950	$ 18,486,918

[(1)] Refer to Note 3 for additional details

Statement of Activities
For the Fiscal Year Ended June 30, 2025
(amounts in thousands)

		Program Revenues		
	Expenses	Sales and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Functions/Programs				
Primary Government				
Governmental Activities:				
General Government	$ 4,198,063	$ 1,143,771	$ 2,193,224	$ 109,142
Education	19,340,517	9,650	3,808,173	—
Health and Welfare	28,442,241	177,664	19,843,207	14,969
Transportation	3,592,627	43,538	378,470	1,947,320
Public Safety	4,204,215	203,338	1,131,728	201
Economic Development and Assistance	1,391,341	90,906	397,045	3
Culture and Recreation	328,069	200,231	129,958	2,789
Conservation	97,277	12,973	31,255	1,645
Interest and Other Charges on Long-Term Debt	544,090	—	—	—
Total Governmental Activities	62,138,440	1,882,071	27,913,060	2,076,069
Business-type Activities:				
Higher Education	11,997,350	3,958,935	4,604,213	129,447
State Health Benefit Plan	4,256,835	4,609,488	76,450	—
Unemployment Compensation	304,174	505,586	9,277	—
Other Business-type Activities	261,577	338,767	65,450	—
Total Business-type Activities	16,819,936	9,412,776	4,755,390	129,447
Total Primary Government	$ 78,958,376	$ 11,294,847	$ 32,668,450	$ 2,205,516
Component Units				
Georgia Environmental Finance Authority	107,959	39,067	1,054,044	—
Geo. L. Smith II Georgia World Congress Center Authority	200,756	124,662	11,894	—
Georgia Housing and Finance Authority	430,642	127,509	344,942	—
Georgia Lottery Corporation	5,947,881	5,944,886	7,186	—
Georgia Ports Authority	661,398	798,854	61,817	22,572
Georgia Tech Foundation, Incorporated	221,333	40,393	383,250	—
Georgia Tech Research Corporation	1,505,784	20,319	1,469,088	—
Nonmajor Component Units	2,164,139	868,637	1,661,299	72,099
Total Component Units	$ 11,239,892	$ 7,964,327	$ 4,993,520	$ 94,671
General Revenues:				
Taxes				
Income Taxes - Individual				
Sales and Use Taxes - General				
Motor Fuel Taxes				
Motor Vehicle License and Title Ad Valorem Taxes				
Corporate Taxes				
Other Taxes				
Lottery for Education - Lottery Proceeds				
Nursing Home and Hospital Provider Fees				
Tobacco Settlement Funds				
Unrestricted Investment Income/(Loss)				
Unclaimed Property				
Other				
Payments from the Primary Government				
Contributions to Permanent Endowments				
Transfers				
Total General Revenues, Contributions to Permanent Endowments and Transfers				
Change in Net Position				
Net Position, July 1				
Net Position, June 30				

Net (Expense) Revenue and Changes in Net Position			
Primary Government			
Governmental Activities	Business-Type Activities	Total	Component Units
$ (751,926)		$ (751,926)	
(15,522,694)		(15,522,694)	
(8,406,401)		(8,406,401)	
(1,223,299)		(1,223,299)	
(2,868,948)		(2,868,948)	
(903,387)		(903,387)	
4,909		4,909	
(51,404)		(51,404)	
(544,090)		(544,090)	
(30,267,240)		(30,267,240)	
	$ (3,304,755)	(3,304,755)	
	429,103	429,103	
	210,689	210,689	
	142,640	142,640	
	(2,522,323)	(2,522,323)	
(30,267,240)	(2,522,323)	(32,789,563)	
			$ —
			985,152
			(64,200)
			41,809
			4,191
			221,845
			202,310
			(16,377)
			437,896
			1,812,626
15,310,427	—	15,310,427	—
9,393,731	—	9,393,731	—
2,229,457	—	2,229,457	—
1,297,763	—	1,297,763	—
3,284,695	—	3,284,695	—
1,164,285	—	1,164,285	56,847
1,467,972	—	1,467,972	—
698,086	—	698,086	—
139,447	—	139,447	—
1,512,696	—	1,512,696	195,655
131,486	—	131,486	—
231,050	—	231,050	—
—	—	—	201,616
—	2,085	2,085	163,861
(3,945,642)	3,945,642	—	—
32,915,453	3,947,727	36,863,180	617,979
2,648,213	1,425,404	4,073,617	2,430,605
50,254,373	7,785,960	58,040,333	16,056,313
$ 52,902,586	$ 9,211,364	$ 62,113,950	$ 18,486,918

Balance Sheet
Governmental Funds
June 30, 2025
(amounts in thousands)

	General Fund	Capital Projects Fund	Nonmajor Funds	Total
Assets				
Cash and Cash Equivalents	$ 379,944	$ 1,649,422	$ 994,322	$ 3,023,688
Pooled Investments with State Treasury	27,237,921	—	24,843	27,262,764
Investments	1,143,579	2,410,240	467,295	4,021,114
Receivables (Net)	6,906,601	—	54,362	6,960,963
Due from Other Funds	119,600	—	134,747	254,347
Due from Component Units	41,630	73,875	67	115,572
Inventories	35,582	—	—	35,582
Restricted Assets				
Pooled Investments with State Treasury	79,162	—	445,998	525,160
Cash and Cash Equivalents	—	—	4,871	4,871
Investments	—	—	239,528	239,528
Receivables	—	—	577,022	577,022
Other Assets	506,253	—	—	506,253
Total Assets	$ 36,450,272	$ 4,133,537	$ 2,943,055	$ 43,526,864
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts Payable and Other Accruals	$ 2,115,899	$ 87,915	$ 11,772	$ 2,215,586
Due to Other Funds	503,102	137,648	64,663	705,413
Due to Component Units	1,091	—	188	1,279
Local Education Agencies Payable	2,035,724	—	—	2,035,724
Policy Claims and Uninsured Liabilities	2,072,120	—	—	2,072,120
Contracts Payable	20,281	42,344	265,280	327,905
Bonds Payable	—	—	376,480	376,480
Interest Payable	—	—	96,716	96,716
Undistributed Local Government Sales Tax	8,900	—	—	8,900
Funds Held for Others	169,111	—	—	169,111
Unearned Revenue	2,450,761	3,517	151,977	2,606,255
Other Liabilities	158,285	58,124	34	216,443
Total Liabilities	$ 9,535,274	$ 329,548	$ 967,110	$ 10,831,932
Deferred Inflows of Resources	2,249,600	73,875	764,293	3,087,768
Fund Balances:				
Nonspendable	43,037	—	—	43,037
Restricted	7,057,431	3,053,883	1,210,426	11,321,740
Unrestricted				
Committed	24,280	—	—	24,280
Assigned	3,254,047	676,231	1,226	3,931,504
Unassigned	14,286,603	—	—	14,286,603
Total Fund Balances	24,665,398	3,730,114	1,211,652	29,607,164
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 36,450,272	$ 4,133,537	$ 2,943,055	$ 43,526,864

Reconciliation of Fund Balances
To the Statement of Net Position
June 30, 2025
(amounts in thousands)

Total Fund Balances - Governmental Funds (from previous page)		$ 29,607,164
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital Assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. These assets consist of:		
Land	$ 5,975,948	
Buildings and Building Improvements	4,540,036	
Improvements Other Than Buildings	232,807	
Machinery and Equipment	1,672,894	
Infrastructure	40,483,051	
Construction in Progress	7,352,155	
Works of Art	159	
Intangibles - Other Than Software	164,791	
Software	601,573	
Accumulated Depreciation	(28,618,374)	32,405,040
Right-To-Use Assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. These assets consist of:		
SBITA In Progress - Right-to-Use	52,309	
Land	40	
Buildings and Building Improvements	1,049,741	
Machinery and Equipment	5,248	
SBITAs	315,898	
Accumulated Amortization	(476,268)	946,968
Deferred inflows of resources are not reported in the governmental funds:		
Revenues are not available soon enough after year end to pay for current period's expenditures	2,248,713	
Related to OPEB	(299,975)	
Related to Pensions	(628,154)	1,320,584
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.		1,757,248
Deferred outflows of resources are not reported in the governmental funds:		
Related to OPEB	322,533	
Related to pensions	1,282,342	1,604,875
Other assets not available in the current period and therefore are not reported in the governmental funds:		
Net OPEB Asset	665,022	
Net Pension Asset	107,822	772,844
Certain long-term liabilities and related accrued interest are not due and payable in the current period and, therefore, are not reported in the funds.		
General Obligation Bonds	(7,905,365)	
Premiums	(891,041)	
Deferred Amount on Refundings	61,329	
Accrued Interest Payable	(471,448)	
Revenue Bonds	(333,445)	
Premiums	(51,092)	
Accrued Interest Payable	(1,389)	
Lease Obligations	(773,102)	
Accrued Interest Obligation (leases)	(1,205)	
Subscription Obligations	(134,888)	
Accrued Interest Obligation (subscriptions)	(1,226)	
Compensated Absences	(422,311)	
Long-Term Notes	(16,950)	
Net OPEB Liability	—	
Net Pension Liability	(4,300,716)	
Other	(60,860)	
Pollution Remediation	(208,428)	(15,512,137)
Total Net Position - Governmental Activities		$ 52,902,586

Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2025
(amounts in thousands)

	General Fund	Capital Projects Fund	Nonmajor Funds	Total
Revenues:				
Taxes	$ 32,746,253	$ —	$ —	$ 32,746,253
Licenses and Permits	641,373	—	—	641,373
Intergovernmental - Federal	27,797,368	12,624	—	27,809,992
Intergovernmental - Other	1,798,482	126,375	244,073	2,168,930
Sales and Services	647,350	—	92,632	739,982
Fines and Forfeits	466,138	—	—	466,138
Interest and Other Investment Income	1,598,608	163,934	54,203	1,816,745
Unclaimed Property	143,745	—	—	143,745
Lottery Proceeds	1,467,972	—	—	1,467,972
Nursing Home Provider Fees	133,699	—	—	133,699
Hospital Provider Payments	564,387	—	—	564,387
Other	439,680	—	9,170	448,850
Total Revenues	$ 68,445,055	$ 302,933	$ 400,078	$ 69,148,066
Expenditures:				
Current:				
General Government	$ 3,164,313	$ 77,009	$ 1,247	$ 3,242,569
Education	19,365,221	—	—	19,365,221
Health and Welfare	28,716,496	—	175,827	28,892,323
Transportation	5,095,596	—	851,361	5,946,957
Public Safety	4,221,095	—	—	4,221,095
Economic Development and Assistance	1,405,152	—	—	1,405,152
Culture and Recreation	465,778	—	—	465,778
Conservation	100,123	—	—	100,123
Capital Outlay	—	973,361	—	973,361
Debt Service				
Principal	—	—	971,605	971,605
Interest	—	—	369,805	369,805
Accrued Interest on Bonds Retired in Advance	—	—	638	638
Discount on Bonds Retired in Advance	—	—	2,507	2,507
Other Debt Service Expenditures	—	12,816	—	12,816
Intergovernmental	—	257,472	—	257,472
Total Expenditures	$ 62,533,774	$ 1,320,658	$ 2,372,990	$ 66,227,422
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,911,281	(1,017,725)	(1,972,912)	2,920,644
Other Financing Sources (Uses):				
Lease Obligations Issuance	$ 86,155	$ —	$ —	$ 86,155
Subscription Obligations Issuance	91,390	—	—	91,390
Transfers In	221,196	1,565,393	1,822,954	3,609,543
Transfers Out	(7,972,784)	(140,521)	(121,177)	(8,234,482)
Net Other Financing Sources (Uses)	(7,574,043)	1,424,872	1,701,777	(4,447,394)
Net Change in Fund Balances	(1,662,762)	407,147	(271,135)	(1,526,750)
Fund Balances, July 1	26,328,160	3,322,967	1,482,787	31,133,914
Fund Balances, June 30	$ 24,665,398	$ 3,730,114	$ 1,211,652	$ 29,607,164

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

Governmental Funds to the Statement of Activities

For the Fiscal Year Ended June 30, 2025

(amounts in thousands)

Net Change in Fund Balances - Governmental Funds (from previous page)		$ (1,526,750)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Capital outlays including leases are reported as expenditures in governmental funds. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		
Capital outlay (net of losses), net of transfers to Business-Type Activities, Component Units and outside organizations.	$ 4,309,271	
Depreciation - Amortization expense	(1,393,725)	2,915,546
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenue in the governmental funds.		(629,134)
Some capital additions were financed through leases. In governmental funds, a lease arrangement is considered a source of financing, but in the Statement of Net Position, the lease obligation is reported as a liability.		(177,545)
Repayment of long-term debt is reported as an expenditure in governmental funds, but the repayment reduces the long-term liabilities in the Statement of Net Position. Payments were made on the following long-term liabilities:		
General Obligation Bonds	929,920	
Revenue Bonds	41,685	
Notes	2,190	
Lease Obligations	58,675	1,032,470
Internal service funds are used by management to charge the costs of certain activities to individual funds. The incorporation of the external activities of these funds, and the elimination of profit/loss generated by primary government customers results in net revenue (expense) for Governmental Activities.		272,329
Some items reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. This adjustment combines the net changes in the following balances:		
Compensated Absences	(57,778)	
Accrued Interest on Bonds Payable	(258,272)	
Arbitrage Rebate	(6,615)	
Amortization of Deferred Amount on Refunding	(10,122)	
Bond Premiums	115,166	
OPEB costs, net	272,714	
Pension costs, net	620,970	
Other	85,233	761,296
Change in Net Position - Governmental Activities		$ 2,648,212

Statement of Net Position
Proprietary Funds
June 30, 2025
(amounts in thousands)

	Business-type Activities - Enterprise Funds					Governmental Activities -
	Higher Education Fund	State Health Benefits Plan	Unemployment Compensation Fund	Nonmajor Funds	Total	Internal Service Funds
Assets						
Current Assets:						
Cash and Cash Equivalents	$ 1,337,561	$ 39,202	$ —	$ 3,976	$ 1,380,739	$ 51,905
Pooled Investments with State Treasury	470,709	1,893,381	—	97,221	2,461,311	1,130,042
Investments	30,917	—	—	495,735	526,652	10
Receivables (Net)	543,908	97,431	450,133	11,905	1,103,377	91,070
Due from Other Funds	103,698	—	—	61	103,759	502,070
Due from Component Units	307,785	—	—	150,075	457,860	43
Inventories	19,675	—	—	94	19,769	26,323
Prepaids	268,802	—	—	—	268,802	37
Other Current Assets	164	—	—	1	165	404
Restricted Assets:						
Cash and Cash Equivalents	526,419	—	2,077,273	35,390	2,639,082	—
Pooled Investments with State Treasury	—	—	—	184,619	184,619	—
Investments	279	—	—	7,518	7,797	—
Total Current Assets	3,609,917	2,030,014	2,527,406	986,595	9,153,932	1,801,904
Noncurrent Assets:						
Investments	312,256	—	—	—	312,256	429
Receivables (Net)	37,650	—	—	—	37,650	20,204
Restricted Assets:						
Cash and Cash Equivalents	3,599	—	—	—	3,599	—
Investments	325,191	—	—	—	325,191	—
Net Pension Asset	13,376	—	—	—	13,376	—
Net OPEB Asset	53,939	804	—	1,645	56,388	10,817
Capital Assets						
Non-Depreciable Capital Assets	1,249,245	—	—	52,750	1,301,995	23,364
Depreciable Capital Assets (Net)	11,444,173	—	—	4,658	11,448,831	647,545
Non-Amortizable Right-to-Use Assets	3,132	—	—	—	3,132	—
Amortizable Right-to-Use Assets (Net)	508,818	—	—	187,181	695,999	100,983
Total Noncurrent Assets	13,951,379	804	—	246,234	14,198,417	803,342
Total Assets	17,561,296	2,030,818	2,527,406	1,232,829	23,352,349	2,605,246
Deferred Outflows of Resources	1,931,616	1,737	—	17,476	1,950,829	19,407

(continued)

Statement of Net Position
Proprietary Funds
June 30, 2025
(amounts in thousands)

	Business-type Activities - Enterprise Funds					Governmental Activities -
	Higher Education Fund	State Health Benefits Plan	Unemployment Compensation Fund	Nonmajor Funds	Total	Internal Service Funds
Liabilities						
Current Liabilities:						
Accounts Payable and Other Accruals	316,375	20,925	236,868	17,402	591,570	65,251
Accrued Interest Payable	1,664	—	—	6,488	8,152	1,936
Contracts Payable	47,325	—	—	—	47,325	—
Policy Claims and Uninsured Liabilities	56,722	434,055	10,641	—	501,418	992,090
Unearned Revenue	346,404	9,746	188,133	22,693	566,976	2,885
Due to Other Funds	154,682	—	—	—	154,682	19
Due to Component Units	3,495	—	—	—	3,495	—
Funds Held for Others	16,340	8	3,968	1,003	21,319	1,754
Other Current Liabilities	14,966	—	—	—	14,966	236
Current Portion of Long-term Liabilities	460,086	536	—	36,598	497,220	40,210
Total Current Liabilities	1,418,059	465,270	439,610	84,184	2,407,123	1,104,381
Noncurrent Liabilities:						
Unearned Revenue	5,704	—	—	—	5,704	—
Other Noncurrent Liabilities	—	—	—	—	—	8,912
Long-term Liabilities:						
Net OPEB Liability	2,903,672	—	—	—	2,903,672	—
Net Pension Liability	4,308,221	4,818	—	10,771	4,323,810	55,948
Noncurrent Portion of Long-term Liabilities	2,553,961	4	—	727,851	3,281,816	63,015
Total Noncurrent Liabilities	9,771,558	4,822	—	738,622	10,515,002	127,875
Total Liabilities	11,189,617	470,092	439,610	822,806	12,922,125	1,232,256
Deferred Inflows of Resources	2,768,960	924	—	2,198	2,772,082	32,756
Net Position						
Net Investment in Capital Assets	10,328,525	—	—	31,144	10,359,669	672,691
Restricted for:						
Bond Covenants/Debt Service	—	—	—	35,278	35,278	—
Capital Projects	29,200	—	—	—	29,200	—
Other Purpose	400,519	804	—	57,527	458,850	7,773
Nonexpendable:						
Permanent Trust	237,310	—	—	—	237,310	—
Other Benefits	—	—	—	495,775	495,775	—
Unemployment Compensation Benefits	—	—	2,087,796	—	2,087,796	—
Unrestricted	(5,461,219)	1,560,735	—	(194,423)	(4,094,907)	679,177
Total Net Position	$ 5,534,335	$ 1,561,539	$ 2,087,796	$ 425,301	9,608,971	$ 1,359,641
Adjustment to reflect the consolidation of Internal Service Fund activities related to Enterprise Funds.					(397,607)	
Net Position of Business-type Activities					$ 9,211,364	

STATE OF GEORGIA

CONSTITUTION

WISDOM JUSTICE MODERATION

1776

Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2025
(amounts in thousands)

	Business-type Activities - Enterprise Funds					Governmental Activities -
	Higher Education Fund	State Health Benefits Plan	Unemployment Compensation Fund	Nonmajor Funds	Total	Internal Service Funds
Operating Revenues:						
Operating Contributions/Premiums	$ 160,993	$ 4,609,489	$ 505,586	$ 521	$ 5,276,589	$ 114,940
Operating Grants	2,840,442	—	(51,267)	8	2,789,183	3,475
Rents and Royalties	13,225	—	—	—	13,225	35,890
Sales and Services	1,415,084	—	—	338,246	1,753,330	352,364
Tuition and Fees	2,978,927	—	—	—	2,978,927	—
Less: Scholarship Allowances	(667,646)	—	—	—	(667,646)	—
Other	58,352	—	—	—	58,352	2,075
Total Operating Revenues	6,799,377	4,609,489	454,319	338,775	12,201,960	508,744
Operating Expenses:						
Personal Services	6,660,804	5,707	—	18,929	6,685,440	48,751
Services and Supplies	2,998,851	105,215	—	154,250	3,258,316	347,439
Scholarships and Fellowships	641,119	—	—	—	641,119	—
Benefits Expense	541,057	4,145,913	304,176	3,082	4,994,228	—
Claims and Judgments	—	—	—	—	—	287,850
Interest Expense	—	—	—	6,709	6,709	1,052
Amortization/Depreciation	801,227	—	—	26,773	828,000	73,947
Other	—	—	—	98,250	98,250	2,774
Total Operating Expenses	11,643,058	4,256,835	304,176	307,993	16,512,062	761,813
Operating Income (Loss)	(4,843,681)	352,654	150,143	30,782	(4,310,102)	(253,069)
Nonoperating Revenues (Expenses):						
Grants and Contributions	1,584,380	—	—	—	1,584,380	1,596
Interest and Other Investment Income/(Loss)	177,038	78,270	60,543	65,442	381,293	19,868
Interest Expense	(108,611)	—	—	(13,582)	(122,193)	—
Other	(127,877)	(1,820)	—	—	(129,697)	6,757
Net Nonoperating Revenues (Expenses)	1,524,930	76,450	60,543	51,860	1,713,783	28,221
Income (Loss) Before Contributions and transfers	(3,318,751)	429,104	210,686	82,642	(2,596,319)	(224,848)
Contributions to Permanent Endowments	2,085	—	—	—	2,085	—
Capital Grants and Contributions	299,106	—	—	—	299,106	115,807
Total Contributions	301,191	—	—	—	301,191	115,807
Transfers:						
Transfers In	3,898,259	6,200	—	54	3,904,513	310,653
Transfers Out	(81,584)	—	(472)	—	(82,056)	(31,208)
Net Transfers	3,816,675	6,200	(472)	54	3,822,457	279,445
Change in Net Position	799,115	435,304	210,214	82,696	1,527,329	170,404
Net Position, July 1	4,735,220	1,126,235	1,877,582	342,605		1,189,237
Net Position, June 30	$ 5,534,335	$ 1,561,539	$ 2,087,796	$ 425,301		$ 1,359,641
Adjustment to reflect the consolidation of Internal Service Fund activities related to Enterprise Funds.					(101,925)	
Change in Net Position of business-type activities					$ 1,425,404	

Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2025
(amounts in thousands)

	Business-type Activities - Enterprise Funds					Governmental Activities -
	Higher Education Fund	State Health Benefits Plan	Unemployment Compensation Fund	Nonmajor Funds	Total	Internal Service Funds
Cash Flows from Operating Activities:						
Cash Received from Customers	$ 67,533	$ —	$ —	$ 341,949	$ 409,482	$ 257,555
Cash Received from Other Funds (Internal Activity)	—	—	—	—	—	369,313
Cash Received from Grants and Required Contributions/ Premiums	2,764,572	4,605,501	444,678	—	7,814,751	—
Cash Received from Tuition and Fees	3,869,176	—	—	—	3,869,176	—
Cash Paid to Vendors	(4,995,071)	(86,265)	—	(254,848)	(5,336,184)	(336,115)
Cash Paid to Employees	(5,614,545)	(6,928)	—	(14,959)	(5,636,432)	(70,293)
Cash Paid for Benefits	—	(4,161,124)	(304,652)	—	(4,465,776)	—
Cash Paid for Claims and Judgments	—	—	—	—	—	(216,645)
Cash Paid for Scholarships, Fellowships and Loans	(660,012)	—	—	—	(660,012)	—
Other Operating Receipts	(7,712)	—	(88)	—	(7,800)	208
Other Operating Payments	63,663	—	—	(7,892)	55,771	5
Net Cash Provided by (Used in) Operating Activities	(4,512,396)	351,184	139,938	64,250	(3,957,024)	4,028
Cash Flows from Noncapital Financing Activities:						
Interest Paid on Debt	—	—	—	(6,724)	(6,724)	—
Transfers from Other Funds	3,898,259	6,200	—	54	3,904,513	310,653
Transfers to Other Funds	(81,584)	—	(472)	—	(82,056)	(31,208)
Payments on Noncapital Financing Debt	—	—	—	(7,125)	(7,125)	—
Other Noncapital Receipts	1,465,083	—	—	—	1,465,083	18,163
Other Noncapital Payments	(48,279)	—	—	—	(48,279)	(1,596)
Net Cash Provided by (Used in) Noncapital Financing Activities	5,233,479	6,200	(472)	(13,795)	5,225,412	296,012
Cash Flows from Capital and Related Financing Activities:						
Capital Contributions	—	—	—	—	—	917
Capital Grants and Gifts Received	92,369	—	—	—	92,369	—
Proceeds from Sale of Capital Assets	5,939	—	—	—	5,939	18
Proceeds from Capital Debt	—	—	—	179,898	179,898	—
Acquisition and Construction of Capital Assets	(801,191)	—	—	(198,087)	(999,278)	(22,044)
Principal Paid on Capital Debt	(249,449)	—	—	(22,411)	(271,860)	(37,274)
Interest Paid on Capital Debt	(108,964)	—	—	(15,897)	(124,861)	1,302
Net Cash Used in Capital and Related Financing Activities	(1,061,296)	—	—	(56,497)	(1,117,793)	(57,081)
Cash Flows from Investing Activities:						
Proceeds from Sales of Investments	861,097	—	—	(4,819)	856,278	572
Purchase of Investments	(787,326)	—	—	—	(787,326)	(439)
Interest and Dividends Received	144,979	76,449	60,544	15,215	297,187	19,867
Other Investing Activities	—	—	—	13,770	13,770	—
Net Cash Provided by (Used in) Investing Activities	218,750	76,449	60,544	24,166	379,909	20,000
Net Increase (Decrease) in Cash and Cash Equivalents	(121,463)	433,833	200,010	18,124	530,504	262,959
Cash and Cash Equivalents, July 1 -	2,459,751	1,498,750	1,877,263	303,082	6,138,846	918,988
Cash and Cash Equivalents, June 30	$ 2,338,288	$ 1,932,583	$ 2,077,273	$ 321,206	$ 6,669,350	$ 1,181,947

(continued)

Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2025
(amounts in thousands)

	Business-type Activities - Enterprise Funds					Governmental Activities -
	Higher Education Fund	State Health Benefits Plan	Unemployment Compensation Fund	Nonmajor Funds	Total	Internal Service Funds
Reconciliation of Operating Income (Loss) to Net Cash provided by (Used in) Operating Activities						
Operating Income (Loss)	$ (4,843,681)	$ 352,654	$ 150,143	$ 30,782	$ (4,310,102)	$ (253,069)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:						
Amortization/Depreciation Expense	801,227	—	—	26,773	828,000	73,947
Other Reconciling Items	3,890	—	—	—	3,890	—
Changes in Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources:						
Accounts Receivable	(140,361)	(5,295)	(52,203)	9,410	(188,449)	25,154
Due from Other Funds	(685)	(3,368)	—	1	(4,052)	100,437
Due from Component Units	—	—	—	—	—	(2)
Notes Receivable	2,594	—	—	—	2,594	—
Net OPEB Asset	(31,976)	(386)	—	(886)	(33,248)	(3,627)
Other Assets	(13,407)	—	—	106	(13,301)	(432)
Deferred Outflows of Resources	479,580	460	—	1,023	481,063	6,943
Accounts Payable and Other Accruals	29,654	18,948	63,591	(2,730)	109,463	17,536
Due to Other Funds	10,661	—	—	—	10,661	(31)
Benefits Payable	4,797	(15,211)	(478)	—	(10,892)	—
Unearned Revenue	6,275	4,676	(21,027)	496	(9,580)	(5,481)
Claims and Judgments Payable	(30)	—	—	—	(30)	71,206
Compensated Absences Payable	21,899	76	—	307	22,282	(7,148)
Net OPEB Liability	(304,594)	(281)	—	(696)	(305,571)	(4,164)
Net Pension Liability	(838,057)	(1,405)	—	(2,446)	(841,908)	(20,575)
Other Liabilities	(20,268)	(106)	(88)	898	(19,564)	288
Deferred Inflows of Resources	320,086	422	—	1,212	321,720	3,047
Net Cash Provided by (Used in) Operating Activities	$ (4,512,396)	$ 351,184	$ 139,938	$ 64,250	$ (3,957,024)	$ 4,029
Noncash Investing, Capital, and Financing Activities:						
Gift of Capital Assets Reducing Proceeds of Capital Grants and Gifts	$ 228,100	$ —	$ —	$ —	$ 228,100	$ —
Gifts other than Capital Assets Reducing Proceeds of Grants and Gifts for Other than Capital Assets	3,372	—	—	—	3,372	—
Change in Receivable from Grantor Agency Affecting Proceeds of Capital Debt	16,122	—	—	—	16,122	—
Change in Accrued Interest Payable Affecting Interest Paid	(785)	—	—	—	(785)	—
Capital Assets Acquired by Incurring Lease Obligations	64,880	—	—	16,203	81,083	—
Change in Fair Value of Investments	32,025	—	—	—	32,025	17,673
Special Item - Equipment-Capital Asset Transfer	16,448	—	—	—	16,448	—
Early Extinguishment of Capital Debt	5,821	—	—	(1,649)	4,172	—
Loss on Disposal of Capital Assets Reducing Proceeds from Sale of Capital Assets	(22,746)	—	—	—	(22,746)	—
Other	63,447	—	—	13	63,460	—
Total Noncash Investing, Capital and Financing Activities	$ 406,684	$ —	$ —	$ 14,567	$ 421,251	$ 17,673

Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2025
(amounts in thousands)

	Pension and Other Employee Benefits Trust	Investment Trust	Private Purpose Trust	Custodial Funds	
				Custodial	External Investment Pool
Assets					
Cash and Cash Equivalents	$ 2,603,237	$ —	$ 604	$ 5,205	$ —
Pooled Investments with State Treasury	1,239,823	21,839,987	308,584	207,615	—
Receivables, Net					
Interest and Dividends	326,157	85,788	—	—	—
Due from Brokers for Securities Sold	28,627	—	—	—	—
Taxes for Other Governments	—	—	—	1,106,432	—
Other	427,238	—	5,545	163,897	—
Due from Other Funds	385	—	—	—	—
Investments, at Fair Value					
Certificates of Deposit	—	—	—	1,583	—
Pooled Investments	22,243,895	—	—	271,952	58,654
Mutual Funds	4,397,623	—	—	—	—
Government Obligations	20,773,892	—	—	30,912	—
Corporate Bonds/Notes/Debentures	7,400,792	—	—	—	—
Stocks	89,920,525	—	—	—	—
Asset-backed Securities	36,904	—	—	—	—
Mortgage Investments	81,499	—	—	—	—
Real Estate Investment Trusts	1,231,328	—	—	—	—
Capital Assets					
Land	183	—	—	—	—
Buildings	2,193	—	—	—	—
Software	29,325	—	—	—	—
Machinery and Equipment	8,649	—	—	—	—
Works of Art	114	—	—	—	—
Accumulated Depreciation	(36,498)	—	—	—	—
Intangible Right-to-Use Assets					
Subscription Asset	6,293	—	—	—	—
Accumulated Amortization	(2,891)	—	—	—	—
Net OPEB Asset	11,022	—	411	—	—
Other Assets	—	—	—	17,847	—
Total Assets	150,730,315	21,925,775	315,144	1,805,443	58,654
Deferred Outflows of Resources	12,681	—	319	—	—
Liabilities					
Accounts Payable and Other Accruals	73,808	—	6	17,290	—
Due to Other Funds	447	—	—	—	—
Due to Brokers for Securities Purchased	33,319	—	—	—	—
Due to Local Governments	—	—	—	1,167,602	—
Salaries/Withholding Payable	—	—	—	29	—
Benefits Payable	62,725	—	—	—	—
Unearned Revenue	366	—	—	4,266	—
Compensated Absences Payable	81	—	136	—	—
Subscription Obligations	632	—	—	—	—
Net Pension Liability	33,756	—	995	—	—
Other Liabilities	—	—	—	3,137	—
Total Liabilities	205,134	—	1,137	1,192,324	—
Deferred Inflows of Resources	7,867	—	247	—	—
Net Position					
Restricted for:					
Pension Benefits	144,309,280	—	—	—	—
Other Postemployment Benefits	6,220,715	—	—	—	—
Pool Participants	—	21,925,775	—	—	58,654
Individuals, Organizations, and Other Governments	—	—	—	613,119	—
Other Purposes	—	—	314,079	—	—
Total Net Position	$ 150,529,995	$ 21,925,775	$ 314,079	$ 613,119	$ 58,654

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

Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2025
(amounts in thousands)

	Pension and Other Employee Benefits Trust	Investment Trust	Private Purpose Trust	Custodial Funds: Custodial	Custodial Funds: External Investment Pool
Additions:					
Contributions/Assessments					
Child Support Recovery Program	$ —	$ —	$ —	$ 785,028	$ —
Collections for Local Governments	—	—	—	10,325,603	—
Detainees' Accounts	—	—	—	171,791	—
Employer	5,521,195	—	—	—	—
Fees	824	—	—	—	—
Insurance Premiums	2,449	—	—	—	—
NonEmployer	158,596	—	—	—	—
Plan Members/Participants	1,349,353	—	347	157,731	—
Pool Participant Deposits	—	21,085,683	—	—	1,239
Student Financial Aid	—	—	—	2,375,311	—
Student Support	—	—	—	129,665	—
Miscellaneous	1,487	—	—	94,749	—
Interest and Other Investment Income					
Dividends and Interest	3,008,002	1,004,435	14,785	32,688	2,041
Net Appreciation (Depreciation) in					
Investments Reported at Fair Value	13,459,772	—	—	—	6,659
Less: Investment Expense	(112,203)	(11,740)	—	(10,050)	(74)
Transfers from Other Funds	529,594	—	—	—	—
Total Additions	23,919,069	22,078,378	15,132	14,062,516	9,865
Deductions:					
Distributions					
Benefits	9,374,141	—	15,856	149,496	—
Child Support Recovery Program	—	—	—	729,795	—
Detainees' Accounts	—	—	—	166,308	—
Distributions to Local Governments	—	—	—	10,325,603	—
General and Administrative Expenses	56,921	—	1,428	—	—
Pool Participant Withdrawals	287	20,179,916	—	—	31,679
Refunds	123,661	—	—	—	—
Student Financial Aid	—	—	—	2,375,058	—
Student Support	—	—	—	125,621	—
Miscellaneous	—	—	—	65,692	—
Transfers to Other Funds	—	—	—	6,557	—
Total Deductions	9,555,010	20,179,916	17,284	13,944,130	31,679
Net Increase (Decrease) in Fiduciary Net Position	14,364,059	1,898,462	(2,152)	118,386	(21,814)
Net Position, July 1	136,165,936	20,027,313	316,231	494,733	80,468
Net Position, June 30	$ 150,529,995	$ 21,925,775	$ 314,079	$ 613,119	$ 58,654

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

Statement of Net Position
Component Units
June 30, 2025
(amounts in thousands)

	Georgia Environmental Finance Authority	Geo. L. Smith II Georgia World Congress Center Authority	Georgia Housing and Finance Authority	Georgia Lottery Corporation
Assets				
Current Assets:				
Cash and Cash Equivalents	$ 14,140	$ 446	$ 142,804	$ 82,982
Pooled Investments with State Treasury	2,133,310	58,510	—	204,007
Investments	—	—	320,198	—
Receivables (Net)	32,195	21,549	64,691	227,281
Due from Primary Government	—	—	—	—
Due from Component Units	—	—	—	—
Inventory	—	459	—	—
Prepaid	—	134	—	15,564
Other Current Assets	4	—	139,920	—
Restricted for:				
Cash and Cash Equivalents	—	—	391,401	—
Pooled Investments with State Treasury	—	—	329,316	—
Investments	—	—	—	—
Other Receivables (Net)	—	8,055	—	—
Total Current Assets	2,179,649	89,153	1,388,330	529,834
Noncurrent Assets:				
Investments	—	—	323,798	—
Receivables (Net)	2,223,196	53,263	2,375,555	3,814
Other Noncurrent Assets	—	—	—	—
Restricted Assets				
Cash and Cash Equivalents	—	93,550	—	21,725
Investments	—	10,000	—	146,064
Net Pension Asset	—	—	—	—
Net OPEB Asset	1,051	2,005	—	—
Receivables (Net)	—	15,986	—	—
Capital Assets				
Non-depreciable Capital Assets	—	66,383	800	—
Depreciable Capital Assets (Net)	1,054	1,423,338	1,333	2,141
Non-Amortized Right-to-Use Assets	—	—	—	—
Right-to-Use Assets (Net)	—	1,794	—	31,033
Total Noncurrent Assets	2,225,301	1,666,319	2,701,486	204,777
Total Assets	4,404,950	1,755,472	4,089,816	734,611
Deferred Outflows of Resources	1,978	7,846	—	41

Georgia Ports Authority	Georgia Tech Foundation, Incorporated	Georgia Tech Research Corporation	Nonmajor Component Units	Total
$ 35,286	$ 30,623	$ 242,825	$ 433,077	$ 982,183
944,765	—	—	883,243	4,223,835
29,523	—	—	292,408	642,129
126,200	33,827	302,975	590,044	1,398,762
—	744	1	4,029	4,774
—	—	—	52,002	52,002
8,695	—	—	8,725	17,879
2,215	3,392	1,616	34,966	57,887
—	2,205	—	497	142,626
26,577	18,557	—	167,648	604,183
259,326	—	—	—	588,642
—	—	—	202,685	202,685
—	54,833	—	67,263	130,151
1,432,587	144,181	547,417	2,736,587	9,047,738
—	451,977	—	430,337	1,206,112
270,276	69,427	79,661	2,288,133	7,363,325
4,849	119,925	85	20,409	145,268
—	—	—	357,497	472,772
—	2,468,167	—	2,754,193	5,378,424
9,108	—	—	—	9,108
—	—	—	3,271	6,327
—	77,262	—	143,485	236,733
1,434,243	75,932	241	530,994	2,108,593
1,684,260	72,328	3,804	1,376,058	4,564,316
—	—	—	239	239
11,119	—	88,963	117,734	250,643
3,413,855	3,335,018	172,754	8,022,350	21,741,860
4,846,442	3,479,199	720,171	10,758,937	30,789,598
31,954	—	—	86,590	128,409

(continued)

Statement of Net Position
Component Units
June 30, 2025
(amounts in thousands)

	Georgia Environmental Finance Authority	Geo. L. Smith II Georgia World Congress Center Authority	Georgia Housing and Finance Authority	Georgia Lottery Corporation
Liabilities				
Current Liabilities:				
Accounts Payable and Other Accruals	20,440	90	9,536	497,817
Accrued Interest Payable	—	—	6,614	—
Contracts Payable	—	—	—	—
Unearned Revenue	—	9,230	554,145	—
Due to Primary Government	—	19,474	22,007	126
Due to Component Units	—	—	—	—
Funds Held for Others	—	—	—	—
Other Current Liabilities	—	6,907	111,316	476
Current Portion of Long-term Liabilities	34	2,359	55,970	22,720
Current Liabilities Payable from Restricted Assets:				
Other	336	22,581	—	21,249
Total Current Liabilities	20,810	60,641	759,588	542,388
Noncurrent Liabilities:				
Unearned Revenue	—	—	—	—
Other Noncurrent Liabilities	—	5,065	787,062	—
Long-term Liabilities:				
Net OPEB Liability	—	10,598	—	—
Net Pension Liability	4,973	21,390	—	119
Noncurrent Portion of Long-term Liabilities	102	509,979	2,197,588	179,535
Total Noncurrent Liabilities	5,075	547,032	2,984,650	179,654
Total Liabilities	25,885	607,673	3,744,238	722,042
Deferred Inflows	917	61,883	—	19,139
Net Position				
Net Investment in Capital Assets	1,054	1,110,764	2,133	(5,081)
Restricted for:				
Bond Covenants/Debt Service	—	68,226	—	—
Capital Projects	—	—	—	—
Higher Education	—	—	—	—
Permanent Trust Expendable	—	—	—	—
Other Purposes	—	39,870	—	—
Nonexpendable:				
Permanent Trust	—	—	—	—
Other Purposes	—	—	—	—
Loan and Grant Programs	2,601,092	—	—	—
Unrestricted	1,777,980	(125,098)	343,445	(1,448)
Total Net Position	$ 4,380,126	$ 1,093,762	$ 345,578	$ (6,529)

Georgia Ports Authority	Georgia Tech Foundation, Incorporated	Georgia Tech Research Corporation	Nonmajor Component Units	Total
52,853	6,497	—	110,307	697,540
—	1,233	—	29,381	37,228
99,498	—	—	2,608	102,106
—	7,576	92,403	154,574	817,928
23	14,936	117,225	399,683	573,474
—	—	—	52,002	52,002
—	3,627	173,265	2,554	179,446
—	2,354	—	28,773	149,826
30,699	24,839	13,151	139,551	289,323
—	—	—	8,000	52,166
183,073	61,062	396,044	927,433	2,951,039
673	—	—	84,804	85,477
5,208	38,642	—	56,605	892,582
9,779	—	—	69,163	89,540
48,151	—	—	151,784	226,417
1,266,073	292,097	79,661	2,844,713	7,369,748
1,329,884	330,739	79,661	3,207,069	8,663,764
1,512,957	391,801	475,705	4,134,502	11,614,803
288,036	—	88,961	357,350	816,286
2,045,332	(221)	196	1,003,232	4,157,409
16,350	—	—	19,018	103,594
—	—	—	286,571	286,571
—	—	—	900	900
—	304,948	—	1,222,705	1,527,653
—	—	7,687	914,693	962,250
—	2,322,614	—	1,601,065	3,923,679
—	—	—	1,550	1,550
—	—	—	396,965	2,998,057
1,015,721	460,057	147,622	906,976	4,525,255
$ 3,077,403	$ 3,087,398	$ 155,505	$ 6,353,675	$ 18,486,918

Statement of Activities
Component Units
For the Fiscal Year Ended June 30, 2025
(amounts in thousands)

	Georgia Environmental Finance Authority	Geo. L. Smith II Georgia World Congress Center Authority	Georgia Housing and Finance Authority	Georgia Lottery Corporation
Expenses	$ 107,959	$ 200,756	$ 430,642	$ 5,947,881
Program Revenues:				
Sales and Charges for Services	39,067	124,662	127,509	5,944,886
Operating Grants and Contributions	1,054,044	11,894	344,942	7,186
Capital Grants and Contributions	—	—	—	—
Total Program Revenues	1,093,111	136,556	472,451	5,952,072
Net (Expenses) Revenue	985,152	(64,200)	41,809	4,191
General Revenues:				
Taxes	—	44,074	—	—
Unrestricted Investment Income/(Loss)	—	—	—	111
Payments from the Primary Government	—	—	—	—
Contributions to Permanent Endowments	—	—	—	—
Total General Revenues	—	44,074	—	111
Change in Net Position	985,152	(20,126)	41,809	4,302
Net Position, July 1	3,394,974	1,113,888	303,769	(10,831)
Net Position, June 30	$ 4,380,126	$ 1,093,762	$ 345,578	$ (6,529)

Georgia Ports Authority	Georgia Tech Foundation, Incorporated	Georgia Tech Research Corporation	Nonmajor Component Units	Total
$ 661,398	$ 221,333	$ 1,505,784	$ 2,164,139	$ 11,239,892
798,854	40,393	20,319	868,637	7,964,327
61,817	383,250	1,469,088	1,661,299	4,993,520
22,572	—	—	72,099	94,671
883,243	423,643	1,489,407	2,602,035	13,052,518
221,845	202,310	(16,377)	437,896	1,812,626
—	—	—	12,773	56,847
—	75,916	7,179	112,449	195,655
—	—	—	201,616	201,616
—	63,784	—	100,077	163,861
—	139,700	7,179	426,915	617,979
221,845	342,010	(9,198)	864,811	2,430,605
2,855,558	2,745,388	164,703	5,488,864	16,056,313
$ 3,077,403	$ 3,087,398	$ 155,505	$ 6,353,675	$ 18,486,918

Notes to the Financial Statements
Index

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

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

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

B. Financial Reporting Entity

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

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

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

<u>Blended Component Units</u>

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Special Revenue Funds

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

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

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

Debt Service Fund

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

Enterprise Funds

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

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Internal Service Funds

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

> The **Georgia Building Authority** is responsible for all services associated with the management of State office buildings, maintaining the grounds within the State Capitol complex, maintaining the Governor's Mansion and operating parking facilities. (https://gba.georgia.gov/)
>
> The **Georgia Correctional Industries Administration** utilizes the inmate work force to manufacture products and provide services for the penal system, other units of state government and local governments. (NSR)
>
> The **Georgia Technology Authority** was created to provide technology enterprise management and technology portfolio management to state and local governments. (NSR)

Discretely Presented Component Units

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

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

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

> The **Georgia Environmental Finance Authority (GEFA)** is a body corporate and politic. GEFA provides funding to eligible municipalities, counties, water and sewer authorities in the State for construction and expansion of public water, sewer, and solid waste facilities. The State periodically provides general obligation bond proceeds to GEFA to fund various loan programs for water and sewerage facilities. GEFA is governed by a board of directors consisting of three officials designated by statute and eight members appointed by the Governor. (https://gefa.georgia.gov/)
>
> The **Geo. L. Smith II Georgia World Congress Center Authority** is a body corporate and politic and an instrumentality and public corporation of the State. The Authority is responsible for operating and maintaining a comprehensive international trade and convention center consisting of a complex of facilities suitable for multipurpose use. The Authority is governed by a board of directors composed of 15 members appointed by the Governor. (AUD)
>
> The **Georgia Housing and Finance Authority (GHFA)** is a body corporate and politic. GHFA is responsible for facilitating housing, housing finance and financing for health facilities and health care services throughout the State. The powers of GHFA are vested in 18 members who also comprise the board of the Department of Community Affairs (DCA). Board members are appointed by the Governor and are composed of one member from each U.S. Congressional District in the State, plus four additional members from the State at large, and include elected officials of counties or municipalities, individuals with an interest or expertise in community or economic development, environmental issues, housing development

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

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

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

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

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

Economic Development Organizations

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

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

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

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

Tourism / State Attractions

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

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

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

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

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

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Fiduciary Component Units

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

C. Government-wide and Fund Financial Statements

Government-wide Financial Statements

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

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

Fund Financial Statements

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

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

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

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

The State reports the following major funds:

Major Governmental Funds

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

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

Major Enterprise Funds

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Additionally, the State reports the following fund types:

Governmental Funds

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

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

Proprietary Funds

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

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

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

Fiduciary Funds

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

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Cash and Cash Equivalents

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

Investments

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

Pooled Investments with State Treasury

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

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

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

Georgia Fund 1 Prime carries all investments at amortized cost.

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

External Investment Pools

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

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

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

Georgia Extended Asset Pool Plus – (GEAP Plus) was established on July 1, 2018 as an investment for the OPEB Trust funds. As of June 30, 2025, GEAP Plus consists of four individual Target Maturity Portfolios (TMPs). As of June 30, 2025, originally purchased securities for one TMP matured. The remaining three TMP maturities ranged from six months to eighteen months. Participants may invest in any

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

new TMP offerings. Each TMP is managed to provide principal and income at maturity consistent with maintaining preservation of principal if held to maturity. The participant account values and yields are determined by using the amortized cost valuation method. Securities are initially valued at cost.

Thereafter, discounts are accreted, and premiums are amortized to maturity, regardless of the impact of changes in interest rates on the market value of securities. All earned interest is reinvested within each respective TMP. The investments of GEAP Plus are reported at fair market value at fiscal year-end.

Other Investments

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

Receivables

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

Inventories and Prepaid Items

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

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

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

Restricted Assets

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

Capital Assets

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

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

Asset Category	**Threshold**
Infrastructure other than bridges and roadways in State highway system	$ 1,000,000
Software	$ 1,000,000
Intangible assets, other than software	$ 100,000
Buildings and building improvements	$ 100,000
Improvements other than buildings	$ 100,000
Library collections – capitalize all if collection equals or exceeds	$ 100,000
Machinery and equipment	$ 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. The State holds certain assets such as works of art, historical documents, and artifacts that have not been capitalized or depreciated because either they are held for financial gain or they are protected and preserved for exhibition, education, or research and are considered to have inexhaustible useful lives. Major outlays for construction of bridges and roadways in the State highway system are capitalized as projects are constructed. All other major construction projects are capitalized when projects are completed. Interest incurred during construction is not capitalized in governmental funds.

Capital assets are depreciated over their useful lives using the straight-line depreciation method. The government-wide, proprietary fund and component unit financial statements report depreciation expense. Capital assets without indefinite or inexhaustible useful lives are generally amortized or depreciated on the straight-line basis over the following useful lives:

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Deferred Outflows of Resources

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

Local Education Agencies Payables

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

Policy Claims and Uninsured Liabilities

Policy claims liabilities are for insurance claims incurred prior to the reporting date and are based on actuarial estimates; however, policy claims liabilities for Unemployment Insurance are for claims filed as of the reporting date. See Note 17 (Risk Management) for additional information about policy claims liabilities.

Compensated Absences

The liability for compensated absences is accrued for the estimated value of leave payments (e.g., for vacation, holiday deferrals, FLSA compensatory time, sick leave, etc.) using pay rates in effect at the end of the fiscal year. When determining the liability, leave is considered taken on a first in, first out (FIFO) basis. It is also reported for financial statement purposes for any unused or unsettled balances. The liability and expense incurred are recorded at the end of the fiscal year in the Statement of Net Position, and as a component of compensation and benefit expense in the Statements of Revenues, Expenses and Changes in Net Position.

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

Employees earn 10 hours of sick leave each month with a maximum accumulation of 720 hours. Sick leave does not vest with the employee. Unused accumulated sick leave is forfeited upon retirement or termination of employment. However, certain employees who retire with 120 days or more of forfeited annual and sick leave are entitled to additional service credit in ERS. A liability has been recorded for the amount of sick leave earned for services previously rendered by the employee that is more likely than not to be used as time off while employed.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Long-term Obligations

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

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

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

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

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

Intangible Right-To-Use Assets

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

where the initial term exceeds twelve months. Residual value guarantees and the value of an option to extend or terminate a lease are reflected to the extent it is reasonably certain to be paid or exercised. Variable payments based on future performance or usage are not included in the measurement of the lease obligation. Intangible right-to-use assets are amortized using a straight-line basis over the shorter of the lease term or useful life of the underlying asset.

The State is a lessor for non-cancelable leases of land and land improvements, buildings, and equipment. Rental income arising from leases as a lessor is included as a receivable and deferred inflow of resources at the commencement of the lease and revenue is recognized on a straight line basis over the lease term.

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

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

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

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

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

The State also entered into certain subscription-based agreements to use vendor-provided information technology (IT). Subscription-based information technology arrangements (SBITAs) result in an intangible right-to-use asset and a subscription obligation on the Statement of Net Position. The State capitalizes SBITA items greater than $100,000 over the subscription term and the initial term exceeds 12 months. A SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred Inflows of Resources

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

Net Position

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

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

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

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

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

Fund Balances

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

> **Nonspendable** – Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted into cash) or (b) legally or contractually required to be maintained intact, such as inventory, prepaid items, and the principal in a permanent fund.
>
> **Restricted** – Fund balances are reported as restricted when there are limitations imposed on their use either through constitutional provisions or enabling legislation adopted by the State or through the external restrictions imposed by creditors, grantors or laws or regulations of other governments.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

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

Interfund Activity and Balances

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

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

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

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

NOTE 2 - CHANGES IN FINANCIAL ACCOUNTING AND REPORTING

A. Implementation of New Accounting Standards

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

In June 2022, the GASB issued GASB Statement No. 101, Compensated Absences. 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. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The adoption of this statement does not have a significant impact on the financial statements.

In December 2023, the GASB issued GASB Statement No. 102, Certain Risk Disclosures. The objective of this statement is to provide users of financial statements with essential information about risks related to the government's vulnerabilities due to certain concentrations or constraints. The adoption of this statement does not have a significant impact on the current year financial statements. An evaluation of risk will be performed annually and reported, as applicable.

There are no material changes in financial accounting and reporting to report in fiscal year 2025.

NOTE 3 - FUND BALANCE AND NET POSITION

A. Fund Balances

The specific purposes of the governmental funds fund balances, classified as other than unassigned, at June 30, 2025 are as follows (amounts in thousands):

	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total
Nonspendable Fund Balance				
Inventories and Prepaid Amounts	**$ 43,037**	**$ —**	**$ —**	**$ 43,037**
Restricted Fund Balance				
Capital Projects	$ —	$ 2,837,192	$ —	$ 2,837,192
Guaranteed Revenue Debt				
Common Reserve Fund	25,335	—	—	25,335
Emission Regulation	2,692	—	—	2,692
Healthcare Facility Regulation	29,857	—	—	29,857
LOGO Program	7,340	—	—	7,340
Lottery For Education	2,157,563	—	—	2,157,563
Opioid	—	—	167,074	167,074
Roads and Bridges (Motor Fuel Tax Funds)	3,794,971	—	277,352	4,072,323
Roadside Enhancement and Beautification Fund	6,087	—	—	6,087
Unclaimed Property	61,316	—	—	61,316
Underground Storage Tank Trust Fund	129,724	—	—	129,724
Unissued Debt/Debt Service	45,277	—	1,821	47,098
Utility Location, Planning and Coordination of Transportation Projects	15,142	—	—	15,142
Food Stamp Recoveries	1,988	—	—	1,988
Brain & Spinal Injury Trust Fund	2,825	—	—	2,825
Victims of Violent Crime Emergency Fund	10,541	—	—	10,541
Health and Welfare				
Behavioral Health	6,832	—	—	6,832
Community Health	24,516	—	—	24,516
Human Services	35,522	—	—	35,522
Public Health	39,876	—	—	39,876
Transportation	462,469	—	764,179	1,226,648
Public Safety	60,743	—	—	60,743
Economic Development and Assistance	19,657	—	—	19,657
Culture and Recreation	92,279	—	—	92,279
Other	24,879	216,691	—	241,570
Total Restricted Fund Balance	**$ 7,057,431**	**$ 3,053,883**	**$ 1,210,426**	**$ 11,321,740**
Committed Fund Balance				
Administrative Services State Purchasing	$ 21,333	$ —	$ —	$ 21,333
Billeting Funding	1,180	—	—	1,180
Georgia Blindness Prevention Program	1,568	—	—	1,568
Other	199	—	—	199
Total Committed Fund Balance	**$ 24,280**	**$ —**	**$ —**	**$ 24,280**
Assigned Fund Balance				
General Government	$ 315,049	$ 676,231	$ 1,226	$ 992,506
Education	27,538	—	—	27,538
Health and Welfare	722,640	—	—	722,640
Transportation	1,919,608	—	—	1,919,608
Public Safety	223,872	—	—	223,872
Economic Development and Assistance	17,021	—	—	17,021
Culture and Recreation	25,949	—	—	25,949
Conservation	2,370	—	—	2,370
Total Assigned Fund Balance	**$ 3,254,047**	**$ 676,231**	**$ 1,226**	**$ 3,931,504**

NOTE 3 - NET POSITION AND FUND BALANCES (continued)

B. Restricted Net Position

The State's net position restricted by enabling legislation represents resources which a party external to a government, such as citizens, public interest groups, or the judiciary, can compel the government to use only for the purpose specified by the legislation. The government-wide Statement of Net Position reports $14.7 billion of restricted net position.

C. Deficit Net Position

The business-type activities of the State ended the year with an unrestricted net position deficit of $4.5 billion, which is primarily due to the recognition of net pension and OPEB liabilities, as well as various debt related items. Items of note regarding this deficit balance are as follows:

- GASB 68, as related to pensions, required the State to recognize its proportionate share of the net pension liability of the pension plans applicable to said standard. As of June 30, 2025, the liability resulted in a $3.6 billion impact to unrestricted net position.

- GASB 75, as related to OPEB, required the State to recognize its proportional share of the net OPEB liability of the OPEB plans applicable to said standard. As of June 30, 2025, the liability resulted in a $4.0 billion impact to unrestricted net position.

- The State Road and Tollway Authority's deficit of $197.9 million in unrestricted net position of business-type activities is primarily a result of $367.4 million in outstanding balance for the Series 2021AB Guaranteed Revenue Bonds. Secured in July 2021, this financing provided defeasance of previous balances for the I-75 Northwest Corridor project TIFIA loan and the I-75S express lanes transportation revenue bonds, along with providing funding for ongoing capital needs for the authority.

- The unrestricted deficit balance of the primary government however has been adjusted for the governmental activities outstanding debt balances related to capital assets reported in business-type activities in the amount of $3.1 billion, which is reflected in net investment in capital assets.

NOTE 4 - DEPOSITS AND INVESTMENTS

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

	Primary Government and Fiduciary Funds	Component Units	Total
Primary Government			
Cash and Cash Equivalents	$ 4,456,333	$ 982,183	$ 5,438,516
Pooled Investments with State Treasury	30,854,126	4,223,835	35,077,961
Investments	4,860,461	1,848,241	6,708,702
Restricted Assets			
Cash and Cash Equivalents	2,647,553	1,076,955	3,724,508
Pooled Investments with State Treasury	709,779	588,642	1,298,421
Investments	572,516	5,581,109	6,153,625
Fiduciary Funds			
Cash and Cash Equivalents	2,609,046	—	2,609,046
Pooled Investments with State Treasury	23,596,009	—	23,596,009
Investments	146,449,559	—	146,449,559
Total Cash and Investments	**$ 216,755,382**	**$ 14,300,965**	**$ 231,056,347**

Cash on hand, deposits and investments as of June 30, 2025 consist of the following (amounts in thousands):

	Primary Government and Fiduciary Funds	Component Units	Total
Cash on Hand	$ 6,871	$ 96	$ 6,967
Deposits with Financial Institutions (Note 4A)	5,522,087	1,345,468	6,867,555
Investments (Note 4B)	154,091,269	8,040,893	162,132,162
Pooled Investments with State Treasury (Note 4D)	55,159,913	4,812,477	59,972,390
Unemployment Compensation Funds with U.S. Treasury	2,077,273	—	2,077,273
Assets Held at the Board of Regents on Behalf of Other Organizations	(102,031)	102,031	—
Total Cash and Investments	**$ 216,755,382**	**$ 14,300,965**	**$ 231,056,347**

A. Deposits

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

NOTE 4 - DEPOSITS AND INVESTMENTS (continued)

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

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

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

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

3) Bonds of any public authority created by the laws of the State, providing that the statute that created the authority authorized the use of the bonds for this purpose, the bonds have been duly validated and they are not in default.

4) Industrial revenue bonds and bonds of development authorities created by the laws of the State, for which bonds have been duly validated and they are not in default.

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

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

NOTE 4 - DEPOSITS AND INVESTMENTS (continued)

Custodial Credit Risk – Deposits

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

Beginning in 2018, the Board implemented the Secure Deposit Program (SDP), a multi-bank pledging pool. The SDP requires participating banks that accept public deposits in Georgia to operate under the policy and procedures of the program. The State Treasurer sets the collateral requirements and pledging level for each covered depository. There are four tiers of collateralization levels specifying percentages of eligible securities to secure covered Deposits: 25%, 50%, 75%, and 110%. The SDP also provides for collateral levels to be increased to amount of up to 125% if economic or financial conditions warrants. The program lists the type of eligible collateral. The State Treasurer approves authorized custodians.

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

At June 30, 2025, bank balances of the primary government and its component units' deposits not included in the SDP totaled $3.9 billion. It includes balances reported in fiduciary funds other than Pension and Other Employee Benefit Trust Funds as these balances are not separable from the holdings of the primary government. Of these bank balances, $461.5 million were exposed to custodial credit risk as follows (amounts in thousands):

	Primary Government and Fiduciary Funds	Component Units	Total
Uninsured and uncollateralized	$ 69,484	$ 159,766	$ 229,250
Uninsured and collateralized with securities held by the pledging financial institutions	905	41,773	42,678
Uninsured and collateralized with securities held by the pledging institutions' trust departments or agents, but not in the State's name	—	189,571	189,571
Total deposits exposed to custodial credit risk	**$ 70,389**	**$ 391,110**	**$ 461,499**

The carrying amounts of deposits of certain higher education foundations which utilize FASB standards were $501.2 million. These deposits are not included in the balances reflected above. Total SDP balance for the primary government and its component units' is $1.9 billion.

NOTE 4 - DEPOSITS AND INVESTMENTS (continued)

B. Investments

<u>Investment Policies</u>

Primary Government

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

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

1) The Investment Policy for the Office of the State Treasurer (OST Investment Policy) dictates investment of assets managed by OST.

2) The Investment Policy for Approved State Investment Accounts (Investment Policy for Approved Agency Accounts) governs investments managed by organizations other than OST.

OST Investment Policy

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

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

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

NOTE 4 - DEPOSITS AND INVESTMENTS (continued)

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

b) Certificates of deposit (CD's) – The maximum term of CD's shall not exceed five years. OST shall not place funds in non-negotiable CD's at any depository if such placement of funds will result in total state deposits at such depository in excess of 100% of total equity capital. Provided, however, that the Treasurer may authorize placement of funds in CD's at a depository if such placement of funds will result in total state deposits not to exceed 125% of total equity capital on an as needed basis to allow for fluctuations in demand deposit balances. All CD's must be fully insured by the FDIC or secured by collateral permitted by statute. Surety bonds acceptable as security for CD's shall require approval by the State Depository Board with such credit constraints or limitations it determines. Pledged securities shall be held by a third party custodian approved by OST. Pledged securities shall be marked-to-market at least monthly with depositories required to initially pledge to OST, and thereafter maintain upon notification or any shortfall, collateral having a market value equal to 110% of CD's or be secured through the Georgia multibank pledging pool program (Secure Deposit Program) with "Required Collateral" as defined therein.

c) Commercial paper (CP) – CP issued by domestic corporations carrying ratings no lower than P-1 by Moody's Investors Service and A-1 by Standard & Poor's Corporation, in an amount, including the balance of any bank deposit held for investment purposes described in (d) (4), below, that does not exceed 5% of portfolio assets for any single issuer.

d) Bank deposits held for investment purposes (formerly referred to as negotiated investment deposit agreements). – Deposit agreements with banks that are (1) secured by collateral permitted by statute, held by a third party custodian, marked-to-market daily, and having a market value equal to or exceeding 110% of the deposit; (2) secured through the Georgia multibank pledging pool program (Secure Deposit Program) with "Required Collateral" as defined therein; (3) fully secured by a letter-of-credit issued by a Federal Home Loan Bank; (4) fully secured by a surety bond issued by a financial institution approved by the State Depository Board; (5) fully insured by the FDIC; or, (6) subject to funds being available upon demand, with U.S. banks carrying ratings no lower than P-2 by Moody's Investors Service or A-2 by Standard & Poor's Corporation, are determined by the Treasurer to have adequate capital, with maximum exposure per institution determined by the Treasurer and adjusted as needed due to the financial condition of such institutions, the size of the OST investment portfolios, and in accordance with the OST counterparty risk assessment model in an amount, including any CP issued by the respective financial institution held for investment by OST, that does not exceed 5% of portfolio assets for any single institution.

e) Prime bankers acceptances – Bankers acceptances must carry the highest rating assigned to such investments by a nationally recognized rating agency.

f) Obligations issued by this state or its agencies or other political subdivisions of this state. Such investments, if meeting statutory investment requirements, may be approved for investment by the Treasurer with the requirement that they are of high credit quality and are reported to the State Depository Board.

g) Obligations of corporations – Obligations of domestic corporations including notes, bonds, negotiable CD's, and other marketable securities must be rated investment grade or higher by a nationally recognized rating agency.

NOTE 4 - DEPOSITS AND INVESTMENTS (continued)

h) Obligations issued by the government of any foreign country – Direct obligations of the government of any foreign country must be rated A or higher by a nationally recognized rating agency.

i) International Bank for Reconstruction and Development or the International Financial Corporation – Obligations issued, assumed, or guaranteed by the International Bank for Reconstruction and Development or the International Financial Corporation must be rated A or higher by nationally recognized rating agency.

j) Georgia Fund 1 (GF1), Georgia Fund 1 Prime (GF1 Prime), Georgia Fund 1 Plus (GF1 Plus), Georgia Extended Asset Pool Plus (GEAP Plus), and any other funds comprising the local government investment pool in amounts necessary for prudent diversification, liquidity, and investment income.

k) Asset-backed securities – Pursuant to OCGA § 50-5A-7(b), asset-backed securities rated AAA, having broad liquidity reflecting at least $350 million of outstanding issuance and issued by an underlying credit rated A3/A or higher by Standard and Poor's Corporation or Moody's Investor Service.

l) Commercial mortgage-backed securities – Pursuant to OCGA § 50-5A-7(b), commercial mortgage-backed securities rated AAA by Standard and Poor's Corporation or Moody's Investors Service.

m) Such other limitations as determined by the Treasurer to be necessary for the preservation of principal, liquidity, or marketability of any of the portfolios, including allowing investment in any single issuer of CP as described in (c) above or bank deposits held for investment purposes as described in (d) above to temporarily exceed 5% for a period not to exceed 10 business days to allow for efficient investment of accounts experiencing significant fluctuation of balances.

Investment Policy for Approved Agency Accounts

The OST Investment Policy does not authorize organizations other than OST to invest funds. OCGA § 50-17-63(a) requires all demand funds held by any State organization to be deposited in accounts at State depositories approved by the Board. In the alternative, with prior approval of the Board, a state entity may be permitted to invest in time deposits, other permitted investments and any interest income from the invested funds must be remitted to the Treasurer as revenues of the State unless specific statutes provide otherwise. Therefore, the Board adopted the Investment Policy for Approved State Agency Investment Accounts to govern investment activity in accounts approved by the Board other than investments managed or overseen by OST or "excluded entities". These "excluded entities" include, but are not limited to, the Georgia Higher Education Savings Plan, USG, the Employees' Retirement System (ERS), Teachers Retirement System of Georgia (TRS), and the Georgia Lottery Corporation. Only organizations that are approved by the Board to establish and maintain investment accounts may rely on the Investment Policy for Approved Agency Accounts to invest funds. As of June 30, 2025, no State organizations had received Board approval to establish investment accounts governed by the Investment Policy for Approved Agencies.

Board of Regents Investment Policies

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

NOTE 4 - DEPOSITS AND INVESTMENTS (continued)

The USG maintains investment policy guidelines for each pooled investment fund that is offered to qualified University System participants. These policies are intended to foster sound and prudent responsibility each institution has to the citizens of Georgia and which conforms to the Board of Regents investment policy. All investments must be consistent with donor intent, Board of Regents policy, and applicable Federal and state laws.

Units of the University System of Georgia and their affiliated organizations may participate in the Pooled Investment Fund program. The overall character of the pooled fund portfolio should be one of above average quality, possessing at most an average degree of investment risk. The Board of Regents' pooled investment fund options are described below:

1) Short-Term Fund - The Short-Term Fund is available to both University System of Georgia institutions and their affiliated organizations. The Fund provides a current return and stability of principal while affording a means of overnight liquidity for projected cash needs. Investments are in securities allowed under OCGA § 50-17-59 and § 50-17-63. The average maturities of investments in this fund will typically range between daily and four years, and the fund will typically have an overall average duration of 9 months to 1 year. The overall character of the portfolio is of Agency quality, possessing a minimal degree of financial risk. The market value of the Short Term Fund at June 30, 2025 was $754.6 million, of which 100% was invested in debt securities. The Effective Duration of the Fund is 1.03 years.

2) Legal Fund - The Legal Fund is available to both University System of Georgia institutions and their affiliated organizations. The Fund provides an opportunity for greater return and modest principal growth to the extent possible with the securities allowed under OCGA § 50-17-59 and § 50-17-63. The average maturities of investments in this fund will typically range between three and five years, with a maximum of thirty years for any individual investment. The overall character of the portfolio is Agency quality, possessing a minimal degree of financial risk. The market value of the Legal Fund at June 30, 2025 was $16.3 million, of which 100% is invested in debt securities. The Effective Duration of the Fund is 3.62 years.

3) Balanced Income Fund - The Balanced Income Fund is available to both University System of Georgia institutions and their affiliated organizations. The Fund is designed to be a vehicle to invest funds that are not subject to the state regulations concerning investing in equities. This pool is appropriate for investing longer term funds that require a more conservative investment strategy. Permitted investments in the fund are domestic US equities, domestic investment grade fixed income, and cash equivalents. The equity allocation shall range between 20% and 40%, with a target of 30% of the total portfolio. The fixed income (bond) portion of the portfolio shall range between 60% and 80%, with a target of 70% of the total portfolio. Cash reserves and excess income are invested at all times in the highest quality par stable (A1, P1) institutional money market mutual funds, or other high quality short term instruments. The market value of the Balanced Income Fund at June 30, 2025 was $240.8 million, of which 66% is invested in debt securities. The Effective Duration of the Fund is 5.22 years.

4) Total Return Fund - The Total Return Fund is available to both University System of Georgia institutions and their affiliated organizations. The Fund is another pool designed to be a vehicle to invest funds that are not subject to state regulations concerning investing in equities. This pool offers greater overall equity exposure and is appropriate for investing longer term funds such as endowments. Permitted investments in the fund are domestic US equities, domestic investment grade fixed income, and cash equivalents. The equity allocation shall range between 60% and 80%, with a target of 70% of the total portfolio. The fixed income (bond) portion of the portfolio shall range between 20% and 40%, with a target of 30% of the total portfolio. Cash reserves and excess income are invested at all times in the highest quality par stable (A1,

NOTE 4 - DEPOSITS AND INVESTMENTS (continued)

P1) institutional money market mutual funds, or other high quality short term instruments. The market value of the Total Return Fund at June 30, 2025 was $27.8 million, of which 28% is invested in debt securities. The Effective Duration of the Fund is 5.12 years.

5) Diversified Fund - The Diversified Fund is available to both University System of Georgia institutions and their affiliated organizations. The Fund is designed to provide improved return characteristics with reduced volatility through greater diversification. This pool is appropriate for investing longer term funds such as endowments. Permitted investments in the fund may include domestic, international and emerging market equities, domestic fixed income and global fixed income. The equity allocation shall range between 60% and 80% of the portfolio, with a target of 70% of the total portfolio. The fixed income (bond) portion of the portfolio shall range between 20% and 40%, with a target of 30% of the total portfolio. Cash reserves and excess income are invested at all times in the highest quality par stable (A1, P1) institutional money market mutual funds, or other high quality short term instruments. The market value of the Diversified Fund at June 30, 2025 was $306.3 million, of which 29% is invested in debt securities. The Effective Duration of the Fund is 5.03 years.

6) Diversified Fund for Foundations - The Diversified Fund for Foundations is available only to University System of Georgia affiliated organizations. Like the Diversified Fund, the fund is designed to provide improved return characteristics with reduced volatility through greater diversification and is appropriate for investing longer term funds such as endowments. Investments in the fund may include domestic, international and emerging market equities, domestic and global investment grade and non-investment grade fixed income and liquid alternative investments. The equity allocation shall range between 40% and 75% of the portfolio, with a target of 65% of the total portfolio. The fixed income (bond) portion of the portfolio shall range between 10% and 40% of the portfolio, with a target of 20% of the total portfolio. The alternatives portion of the portfolio shall range between 0% and 30% of the portfolio, with a target of 15% of the total portfolio. Cash reserves and invested income are invested at all times in the highest quality par stable (A1, P1) institutional money market funds, or other high quality short term instruments. The market value of the Diversified Fund for Foundations at June 30, 2025 was $65.6 million, of which 19% is invested in debt securities. The Effective Duration of the Fund is 5.15 years.

Fiduciary Funds – Pension and Other Employee Benefit Trust Funds

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

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

NOTE 4 - DEPOSITS AND INVESTMENTS (continued)

8) Obligations issued, assumed or guaranteed by the International Bank for Reconstruction and Development or the International Financial Corporation.

9) Bonds, debentures, notes and other evidence of indebtedness issued, assumed, or guaranteed by any solvent institution existing under the laws of the U.S. or of Canada, or any state or province thereof, which are not in default and are secured to a certain level.

10) Secured and unsecured obligations issued by any solvent institution existing under the laws of the U.S. or of Canada, or any state or province thereof, bearing interest at a fixed rate, with mandatory principal and interest due at a specified time with additional limits.

11) Equipment trust obligations or interests in transportation equipment, wholly or in part within the U.S., and the right to receive determinate portions or related income.

12) Loans that are secured by pledge or securities eligible for investment.

13) Purchase money mortgages or like securities received upon the sale or exchange of real property acquired.

14) Secured mortgages or mortgage participation, pass-through, conventional pass-through, trust certificate, or other similar securities with restrictions.

15) Land and buildings on such land used or acquired for use as a fund's office for the convenient transaction of its own business with restrictions.

16) Real property and equipment acquired under various circumstances.

17) Shares of mutual funds registered with Securities and Exchange Commission.

18) Commingled funds and collective investment funds maintained by state chartered banks or trust companies.

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

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

NOTE 4 - DEPOSITS AND INVESTMENTS (continued)

Other Postemployment Benefits (OPEB)

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

Component Units

Component units follow applicable investing criteria as specifically authorized by statute or by the component unit's governing authority. Certain higher education foundations utilize FASB standards. Balances for those component units as of June 30, 2025, are as follows (amounts in thousands):

	Fair Value
Bond Securities	$ 234,343
Certain split-interest investments	2,087
Certificates of Deposits	767
Commercial Paper	17,038
Commodity funds	82
Community Foundation of Northeast GA Pooled Funds	27
Corporate Debt-Domestic	32,414
Derivatives	2,493
Equity Securities-Domestic	475,051
Equity Securities-International	347,187
Hedge fund limited partnerships	369,327
Hedge Funds	776,812
Money Market Mutual Funds	533,846
Municipal Bonds	1,306
Mutual Funds Debt	361,130
Mutual Funds Equities Domestic	481,817
Mutual Funds Equities International	438,176
Natural Resources	131,611
Private Equities	1,323,217
Private Equity limited partnerships	340,818
Real asset limited partnerships	70,162
Real Estate Investment Trusts	47,934
Real Estate Investments	184,181
Repurchase Agreements	687
US Agencies Obligations -Explicitly Guaranteed	5,259
US Agencies Obligations -Implicitly Guaranteed	15,977
US Treasuries Obligations	39,879
Venture capital-equity funds	184,872
	6,418,500
GA Fund 1 (BOR FASB)	5,385
Total Investments	**$ 6,423,885**

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

NOTE 4 - DEPOSITS AND INVESTMENTS (continued)

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment.

Primary Government

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

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

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

NOTE 4 - DEPOSITS AND INVESTMENTS (continued)

	Total Fair Value	Maturity Period: Less than 3 Months	4 - 12 Months	1 - 5 Years	6 - 10 Years	More than 10 Years
Asset-Backed Securities						
Domestic	$ 1	$ —	$ —	$ —	$ —	$ 1
Bank Deposits Held for Investment Purposes	(983,029)	(983,029)	—	—	—	—
Certificate of Deposit	37,200	10,100	27,100	—	—	—
Corporate Debt						
Domestic	286,378	23,922	101,056	160,537	834	29
International	17	—	—	—	8	9
Money Market Mutual Funds	230,802	230,802	—	—	—	—
Mortgage-Backed Securities	6	—	—	—	2	4
Municipal Bonds	882	74	—	568	136	104
Mutual Funds - Debt*	97,108	794	—	23,118	73,140	56
Repurchase Agreements	2,550,000	2,550,000	—	—	—	—
U.S. Agency Obligations - Explicitly Guaranteed	176,099	136,768	1,657	12,638	979	24,057
U.S. Agency Obligations	2,940,893	135,848	393,290	2,379,448	17,363	14,944
U.S. Treasury Obligations	1,377,314	506,055	700,040	170,703	516	—
	6,713,671	**$ 2,611,334**	**$ 1,223,143**	**$ 2,747,012**	**$ 92,978**	**$ 39,204**
Reverse Repurchase Agreements	27,938					
Total Debt Securities	**6,741,609**					
Equity Mutual Funds						
Domestic	253,738					
International	777					
Equity Securities						
Domestic	49,000					
International	921					
Pooled Investments	58,654					
Real Estate Held for Investments	6,383					
Real Estate Investment Trust	138					
Other	38					
Total Investments	**$ 7,111,258**					

*Maturity Period is weighted average maturity.

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

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

NOTE 4 - DEPOSITS AND INVESTMENTS (continued)

	Total Fair Value	Effective Duration (Years)
Corporate and Other Bonds	$ 8,047,052	4.4
International Obligations:		
Corporate	485,738	1.6
U.S. Treasury Obligations	24,453,935	6.2
Total Debt Securities	32,986,725	
Commingled Funds	3,558,193	
Common Stock		
Domestic	78,384,640	
International	23,717,591	
Mutual Funds - Equity	9,170	
Private Equity	1,885,560	
Real Estate Investments	46,606	
Total Investments	**$ 140,588,485**	

NOTE 4 - DEPOSITS AND INVESTMENTS (continued)

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

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

		Maturity Period				
	Total Fair Value	Less than 3 Months	4 - 12 Months	1 - 5 Years	6 - 10 Years	More than 10 Years
Asset-backed Securities						
Domestic	$ 42,788	$ —	$ 286	$ 15,974	$ 7,711	$ 18,817
Corporate Debt						
Domestic	268,186	1,318	28,756	126,561	59,475	52,076
International	11,883	—	639	5,753	3,421	2,070
Commingled Funds	53,782	—	—	53,782	—	—
Guaranteed Investment Contracts	820	—	—	—	—	820
Money Market Mutual Funds	126,268	126,268	—	—	—	—
Mortgage-backed Securities	84,951	—	—	1,462	1,266	82,223
Municipal Bonds	2,629	—	1,674	428	—	527
Mutual Funds - Debt*	48,637	—	—	28,254	20,383	—
Private Debt Senior Loan Fund	40,468	—	—	40,468	—	—
U.S. Agency Obligations-Explicitly Guaranteed	3,875	—	2	—	—	3,873
U.S. Agency Obligations	154,359	—	195	2,514	738	150,912
U.S. Treasury Obligations	140,856	426	1,667	55,926	27,690	55,147
Total Debt Securities	**979,502**	**$ 128,012**	**$ 33,219**	**$ 331,122**	**$ 120,684**	**$ 366,465**
Commingled Funds	419,614					
Equity Mutual Funds						
Domestic	143,066					
International	16,429					
Equity Securities						
Domestic	3,978,497					
International	417,870					
Exchange Traded Funds-Domestic	36,113					
Exchange Traded Funds-International	58					
Pooled Investments	231,377					
Private Equity	155,218					
Real Estate Investment Trust	13,477					
Other	304					
Total Investments	**$ 6,391,525**					

*Maturity period is weighted average maturity.

NOTE 4 - DEPOSITS AND INVESTMENTS (continued)

Component Units

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

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

		Maturity Period				
	Total Fair Value	Less than 3 Months	4 - 12 Months	1 - 5 Years	6 - 10 Years	More than 10 Years
Certificate of Deposits	$ 1,224	$ 489	$ —	$ 735	$ —	$ —
Corporate Debt						
Domestic	114,037	9,830	12,110	77,795	12,647	1,655
International	604	—	—	604	—	—
Direct Lending Fund X	15,578	—	—	15,578	—	—
Global Credit Opportunities II Fund	13,232	—	—	13,232	—	—
Insurance Contracts	26,073	—	—	—	—	26,073
International Government Obligations	18,763	—	3,993	14,162	101	507
Investment Agreements	9,020	—	—	3,208	5,812	—
Money Market Mutual Funds	504,014	492,453	7,640	3,921	—	—
Mortgage-Backed Securities	81,403	245	—	2,318	2,715	76,125
Municipal Bonds	337	—	—	237	—	100
Mutual Funds - Debt*	40,965	1,488	1,496	35,149	2,832	—
Non-purpose investments	253,470	—	253,470	—	—	—
Obsidian Funds	1,451	—	—	1,451	—	—
Repurchase Agreements	72,163	66,398	—	5,765	—	—
Strategic Income Opportunities Funds	54,002	—	—	54,002	—	—
U.S. Agency Obligations - Explicitly Guaranteed	3,190	2,839	24	310	17	—
U.S. Agency Obligations	114,471	21,291	25,476	57,756	8,934	1,014
U.S. Treasury Obligations	154,212	5,235	15,827	63,847	32,782	36,521
Total Debt Securities	**1,478,209**	**$ 600,268**	**$ 320,036**	**$ 350,070**	**$ 65,840**	**$ 141,995**
Equity Mutual Funds						
Domestic	101,655					
International	7,011					
Equity Securities						
Domestic	890					
International	587					
Exchange Traded Funds	13,995					
Commodity Funds	4,437					
Hedge Funds	1					
U.S. Treasury Obligations	10,000					
Other	224					
Total Investments	**$ 1,617,009**					

* Maturity Period is weighted average maturity.

NOTE 4 - DEPOSITS AND INVESTMENTS (continued)

Credit Risk

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

Primary Government

OST utilizes a counterparty risk assessment model to assess credit risk of financial institutions that have been approved to serve as counterparties and major depositories. OST has assigned credit limits to each financial institution based upon its counterparty risk assessment model which incorporates market indicators, default probabilities, issuer research and issuer ratings to determine maximum credit exposure per institution, term of investment for respective counterparties and collateralization requirements in accordance with the OST Investment Policy.

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

1) In the Short-Term Fund and Legal Fund, all debt issues must be eligible investments under OCGA § 50-17-59 and § 50-17-63. Other investment portfolios of debt securities funds also must meet the eligible investment criteria under the same code section.

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

3) In the Diversified Fund for Foundations, fixed income investments include investment grade and high yield domestic bonds, dollar-and non-dollar denominated global bonds, and emerging market bonds. Overnight investments shall be limited to high quality institutional money market mutual funds rated A1, P1 or other high quality short-term debt instruments rated at least AA+.

NOTE 4 - DEPOSITS AND INVESTMENTS (continued)

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

	Total Fair Value	AAA	AA	A	BBB	BB	Not Rated
Asset-Backed Securities							
Domestic	$ 1	$ —	$ —	$ —	$ —	$ —	$ 1
Certificate of Deposit	37,200	—	—	—	—	—	37,200
Corporate Debt							
Domestic	286,379	—	16,030	269,476	844	—	29
International	17	—	—	—	—	—	17
Money Market Mutual Funds	230,804	134,251	54,833	—	—	—	41,720
Mortgage-Backed Securities	6	—	—	—	—	—	6
Municipal Bonds	882	69	585	214	14	—	—
Mutual Funds - Debt	97,107	329	124	—	—	34	96,620
Repurchase Agreements	2,550,000	—	—	—	—	—	2,550,000
Reverse Repurchase Agreements	27,938	27,938	—	—	—	—	—
U.S. Agency Obligations	2,940,892	52	2,940,814	—	—	—	26
Total Credit Risk-Investments	**6,171,226**	**$ 162,639**	**$ 3,012,386**	**$ 269,690**	**$ 858**	**$ 34**	**$ 2,725,619**
Bank Deposit Held for Investment Purposes	(983,029)						
U.S. Agency Obligations Explicitly Guaranteed	176,098						
U.S. Treasury Obligations	1,377,314						
Total Debt Securities	**$ 6,741,609**						

NOTE 4 - DEPOSITS AND INVESTMENTS (continued)

Fiduciary Funds – Pension and Other Employee Benefit Trust Funds

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

	Total Fair Value	AAA	AA	A	BBB	BB	B	CCC	CC	D	Not Rated
Asset-backed Securities											
Domestic	$ 42,790	$ 21,250	$ 2,604	$ 5,663	$ 6,123	$ 138	$ 66	$ 20	$ 139	$ 182	$ 6,605
Corporate Debt											
Domestic	8,315,236	751,957	4,379,955	2,485,181	682,072	9,171	—	—	—	—	6,900
International	497,621	—	486,208	3,305	8,108	—	—	—	—	—	—
Guaranteed Investment Contracts	820	—	—	—	—	—	—	—	—	—	820
Money Market Mutual Funds	126,268	—	4,211	—	—	—	—	—	—	—	122,057
Mortgage-backed Securities	84,952	38,181	13,390	1,267	2,857	26	1,034	29	171	—	27,997
Municipal Bonds	2,629	224	98	2,307	—	—	—	—	—	—	—
Mutual Funds - Debt	48,637	—	—	—	—	—	—	—	—	—	48,637
Private Debt Senior Loan Fund	40,468	—	—	—	—	—	—	—	—	—	40,468
U.S. Agency Obligations	154,359	432	—	1,144	768	—	—	—	—	—	152,015
Total Credit Risk - Investments	**9,313,780**	**$ 812,044**	**$4,886,466**	**$2,498,867**	**$ 699,928**	**$ 9,335**	**$ 1,100**	**$ 49**	**$ 310**	**$ 182**	**$405,499**
Commingled Funds	53,782										
U.S. Agency Obligations											
Explicitly Guaranteed	3,874										
U.S. Treasury Obligations	24,594,791										
Total Debt Securities	**$33,966,227**										

NOTE 4 - DEPOSITS AND INVESTMENTS (continued)

Component Units

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

	Total Fair Value	AAA	AA	A	BBB	BB	Not Rated
Certificate of Deposits	$ 1,224	$ —	$ 244	$ 490	$ —	$ —	$ 490
Corporate Debt							
Domestic	114,036	870	45,750	52,117	13,073	—	2,226
International	604	—	—	—	—	—	604
Direct Lending Fund X	15,578	—	—	—	—	—	15,578
Global Credit Opportunities II Fund	13,232	—	—	—	—	—	13,232
Insurance Contracts	26,073	26,073	—	—	—	—	—
International Government Obligations	18,763	—	3,998	14,323	442	—	—
Investment Agreements	9,020	1,994	—	7,026	—	—	—
Money Market Mutual Funds	504,014	500,360	202	—	—	—	3,452
Mortgage-Backed Securities	81,402	8,126	26,969	20	245	—	46,042
Municipal Bonds	337	—	233	—	—	104	—
Mutual Funds - Debt	40,967	12,711	2,831	12,732	—	—	12,693
Non-purpose investments	253,470	—	—	—	—	—	253,470
Obsidian Funds	1,451	—	—	—	—	—	1,451
Repurchase Agreements	72,163	5,765	—	—	—	—	66,398
Strategic Income Opportunities Funds	54,002	—	—	—	—	—	54,002
U.S. Agency Obligations	114,471	—	112,361	150	—	—	1,960
Total Credit Risk - Investments	**1,320,807**	**$ 555,899**	**$ 192,588**	**$ 86,858**	**$ 13,760**	**$ 104**	**$ 471,598**
U.S. Treasury Obligations	164,212						
U.S. Agency Obligations Explicitly Guaranteed	3,190						
Total Debt Securities	**$ 1,488,209**						

Custodial Credit Risk - Investments

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

Primary Government

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

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

NOTE 4 - DEPOSITS AND INVESTMENTS (continued)

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

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

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

At June 30, 2025, $9.2 million was uninsured and held by the investment's counterparty's trust department or agent, but not in the USG's name.

Fiduciary Funds – Pension and Other Employee Benefit Trust Funds

The custodial credit risk of pension and other employee benefit trust funds is managed by restricting investments to those authorized by the Public Retirement System Investment Authority Law described above. At June 30, 2025, $1.1 million of the pension and other employee benefit trust funds' investments were uninsured, unregistered and held by the counterparty or the counterparty's trust department, but not in the State's name.

Component Units

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

Concentration of Credit Risk

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

Primary Government

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

NOTE 4 - DEPOSITS AND INVESTMENTS (continued)

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

At June 30, 2025, for the USG business-type activity investments, approximately 10.73%, 7.53%, and 5.19% of investments were investments in Federal National Mortgage Assoc. notes and pools, Federal Home Loan Mortgage Corporation Pool, and Federal Home Loan Bank, respectively.

At June 30, 2025, approximately 36.59% of the primary government's total investments were investments in securities of U.S. agencies not explicitly guaranteed by the U.S. Government.

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

The concentration of credit risk policy of pension limits investments to no more than 5% of total net investments in any one issuer of corporate bonds. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this requirement. At June 30, 2025, with the exception of the USG items listed below, no more than 5% of the pension's total investments were investments in any single issuer other than the U.S. Government or its agencies.

At June 30, 2025, approximately 10.73%, 7.53% and 5.19% of Board of Regents pooled investments were invested in Federal National Mortgage Assoc. notes and pools, and Federal Home Loan Mortgage Corporation notes and pools, and Federal Home Loan Bank, respectively.

Approximately 11.61%, 7.02% and 7.02% of the Deferred Compensation Fiduciary Fund investments were invested in TIAA Traditional Non Ben Responsive, and TIAA Traditional Non Ben Responsive and TIAA Real Estate, respectively.

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

Component Units

The component units follow the applicable investing criteria specifically authorized by statute or by the component unit's governing authority. At June 30, 2025, no more than 5% of the component units total investments were investments in any single issuer other than the U.S. Government or its agencies.

C. *Fair Value Measurements*

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

- Level 1: Unadjusted quoted prices for identical assets or liabilities in active markets that a government can access at the measurement date.

- Level 2: Inputs, other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly.

- Level 3: Unobservable inputs for an asset or liability.

NOTE 4 - DEPOSITS AND INVESTMENTS (continued)

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

In general, investments were valued using the following techniques:

- Equity securities classified in Level 1 are valued using prices quoted in active markets for those securities. Equity securities classified in Level 2 are valued using prices quoted for similar instruments in active markets. Equity securities classified in Level 3 are valued using third party valuations not currently observable in the market.

- Debt securities classified in Level 1 are valued using prices quoted in active market. Debt securities classified in Level 2 are valued using either a bid evaluation or a matrix pricing technique. Bid evaluations may include market quotations, yields, maturities, call features and ratings. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. These securities have non-proprietary information that are readily available to market participants, from multiple independent sources, which are known to be actively involved in the market. Debt securities classified in Level 3 are not currently observable in the market.

- Mutual funds and commingled funds classified in Level 1 are valued using prices quoted in active markets for those investments types. Mutual funds and commingled funds classified in Level 2 are valued using prices quoted for similar instruments in active markets.

- Investments classified in Level 3 include real estate funds that invest primarily in U.S. commercial real estate. The fair values of the investment in this category have been estimated using the net asset value of the University System of Georgia's (USG) ownership interest in partners' capital. Real estate investments are less liquid and, generally, cannot be redeemed with the funds through normal redemption procedures. Distributions from real estate investment funds will be received as the underlying investments of a fund are liquidated. Guaranteed investment contracts are valued by discounting the related cash flows based on current yields of similar instruments with comparable durations considering the credit worthiness of the issuer.

NOTE 4 - DEPOSITS AND INVESTMENTS (continued)

Primary Government

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

Investments by fair value levels	Total	Level 1	Level 2	Level 3	Net Asset Value
Asset-backed Securities					
Domestic	$ 1	$ 1	$ —	$ —	$ —
Corporate Debt					
Domestic	286,380	108	286,272	—	—
International	17	17	—	—	—
Equity Mutual Fund					
Domestic	253,738	253,738	—	—	—
International	778	778	—	—	—
Equity Securities					
Domestic	49,000	49,000	—	—	—
International	921	721	200	—	—
Money Market Mutual Funds	230,802	230,802	—	—	—
Municipal Bonds	882	—	882	—	—
Mutual Funds - Debt	97,107	97,107	—	—	—
Mortgage Backed Securities	6	6	—	—	—
Real Estate Held for Investment Purposes	6,383	—	—	—	6,383
Real Estate Investment Trusts	138	9	—	—	129
Reverse Repurchase Agreements	27,938	—	27,938	—	—
US Agencies Obligations-Explicitly Guaranteed	176,098	—	176,098	—	—
US Agencies Obligations	2,940,892	—	2,940,892	—	—
U.S. Treasury Obligations	1,377,314	1,130,268	247,046	—	—
Other	38	38	—	—	—
	5,448,433	**$ 1,762,593**	**$ 3,679,328**	**$ —**	**$ 6,512**
Reconciling Items:					
Bank Deposits Held for Investment Purposes	(983,029)				
Pooled Investments	58,654				
Repurchase Agreements	2,550,000				
Certificate of Deposit	37,200				
Total Investments	**$ 7,111,258**				

NOTE 4 - DEPOSITS AND INVESTMENTS (continued)

Fiduciary Funds

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

Investments by fair value levels	Total	Level 1	Level 2	Level 3	Net Asset Value
Asset-backed Securities					
Domestic	$ 42,789	$ —	$ 42,789	$ —	$ —
Commingled Funds	3,611,975	122,911	3,489,064	—	—
Commingled Funds - Equity	419,614	419,614	—	—	—
Corporate Debt					
Domestic	8,315,237	—	8,315,237	—	—
International	497,621	—	497,621	—	—
Equity Securities					
Domestic	82,363,138	82,363,138	—	—	—
International	24,135,461	23,934,794	200,667	—	—
Exchange Traded Funds - Equity	36,113	36,113	—	—	—
Exchange traded funds - International	58	58	—	—	—
Guaranteed Investment Contracts	820	—	—	820	—
Money Market Mutual Funds	126,268	43,546	82,722	—	—
Mortgage Backed Securities	84,951	—	84,951	—	—
Municipal bonds	2,629	—	2,629	—	—
Mutual Funds-Debt	48,636	40,112	8,524	—	—
Mutual Fund Equities					
Domestic	152,236	132,571	19,665	—	—
International	16,429	15,689	740	—	—
Private Debt Senior Loan Fund	40,468	—	—	—	40,468
Private Equities	2,040,778	—	—	—	2,040,778
Real Estate Investment Trusts	13,477	13,477	—	—	—
U.S. Agencies Obligations Explicitly Guaranteed	3,874	—	3,874	—	—
U.S. Agency Obligations	154,359	—	154,359	—	—
U.S. Treasury Obligations	24,594,791	24,463,978	130,813	—	—
Other	304	—	—	—	304
	146,702,026	**$ 131,586,001**	**$ 13,033,655**	**$ 820**	**$ 2,081,550**
Reconciling Items:					
Real Estate Investments	46,606				
Pooled Investments	231,377				
Total Investments	**$ 146,980,009**				

NOTE 4 - DEPOSITS AND INVESTMENTS (continued)

Component Units

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

Investments by fair value levels	Total	Level 1	Level 2	Level 3	Net Asset Value
Bond Securities	$ 234,343	$ 212,111	$ 22,232	$ —	$ —
Certain split-interest investments	2,087	—	—	2,087	—
Certificate of Deposits	1,992	1,225	767	—	—
Commercial Paper	17,038		17,038	—	—
Commodity funds	4,519	4,437	82	—	—
Corporate Debt			—	—	—
Domestic	146,451	90,683	42,753	—	13,015
International	604	—	—	—	604
Derivatives	2,493	2,493	—	—	—
Direct Lending Fund X	15,578	—	—	15,578	—
Equity Securities					
Domestic	475,940	474,424	664	—	852
International	347,774	347,187	—	—	587
Exchange Traded Funds-Equity	13,995	13,995	—	—	—
Global Credit Opportunities II Fund	13,232	—	—	13,232	—
Hedge funds	776,813	—	—	—	776,813
Hedge fund limited partnerships	369,327	—	—	—	369,327
Insurance Contracts	26,073	—	—	—	26,073
International Government Obligations	18,763	18,763	—	—	—
Investment Agreements	9,020	—	—	9,020	—
Money Market Mutual Funds	1,037,860	1,019,732	135	—	17,993
Municipal Obligations	1,643	1,479	164	—	—
Mutual Bond Funds	402,097	360,111	41,986	—	—
Mutual Fund Equities					
Domestic	583,472	583,472	—	—	—
International	445,186	378,590	—	—	66,596
Mortgage Backed Securities	81,403	81,403	—	—	—
Natural Resources	131,611	—	—	1,892	129,719
Non Purpose Investments	253,470	—	253,470	—	—
Obsidian Funds	1,451	—	—	1,451	—
Private Equities	1,323,217	—	—	20,000	1,303,217
Private Equity limited partnerships	340,818	—	—	—	340,818
Real asset limited partnerships	70,162	—	—	—	70,162
Real Estate Held for Investment Purposes	184,181	2,415	—	79,692	102,074
Real Estate Investment Trusts	47,934	43,929	—	—	4,005
Strategic Income Opportunity fund	54,002	54,002	—	—	—
US Agencies Obligations-Explicitly Guaranteed	8,449	—	8,449	—	—
US Agencies Obligations	130,448	104,997	25,451	—	—
U.S. Treasury Obligations	204,091	30,969	173,122	—	—
Venture capital-equity funds	184,872	—	—	—	184,872
Other Pooled/Managed funds	27	—	—	—	27
Other	223	—	207	—	16
	7,962,659	**$ 3,826,417**	**$ 586,520**	**$ 142,952**	**$ 3,406,770**
Repurchase Agreements	72,850				
	8,035,509				
GA Fund 1 (BOR _ FASB)	5,385				
Total Investments	**$ 8,040,894**				

NOTE 4 - DEPOSITS AND INVESTMENTS (continued)

Foreign Currency Risk

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

Fiduciary Funds – Pension and Other Employee Benefit Trust Funds

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

As of June 30, 2025, the State's exposure to foreign currency risk in U.S. Dollars are highlighted in the tables below (amounts in thousands):

(Table on next page)

NOTE 4 - DEPOSITS AND INVESTMENTS (continued)

International Investment Securities at Fair Value as of June 30, 2025

	Employees' Retirement System of Georgia				Teachers Retirement System of Georgia			
Currency	Cash & Cash Equivalents	Equities	Fixed Income	Total	Cash & Cash Equivalents	Equities	Fixed Income	Total
Australian Dollar	$ —	$ 72,699	$ —	$ 72,699	$ —	$ 367,756	$ —	$ 367,756
Brazilian Real	—	20,603	—	20,603	—	104,415	—	104,415
British Pound Sterling	—	162,932	—	162,932	—	839,115	—	839,115
Canadian Dollar	—	84,384	—	84,384	—	427,245	—	427,245
Chilean Peso	—	2,773	—	2,773	—	14,118	—	14,118
Colombian Peso	—	1,182	—	1,182	—	5,974	—	5,974
Czech Koruna	—	4,525	—	4,525	—	22,884	—	22,884
Danish Krone	—	56,995	—	56,995	—	293,738	—	293,738
Euro	—	661,696	—	661,696	—	3,401,935	—	3,401,935
Hungarian Forint	—	2,672	—	2,672	—	13,372	—	13,372
Indian Rupee	20	137,814	—	137,834	101	696,546	—	696,647
Indonesian Rupiah	—	5,722	—	5,722	—	28,652	—	28,652
Israeli Shekel	—	10,103	—	10,103	—	51,505	—	51,505
Japanese Yen	—	238,416	—	238,416	—	1,221,365	—	1,221,365
Malaysian Ringgit	—	10,454	—	10,454	—	52,938	—	52,938
Mexican Peso	—	8,437	—	8,437	—	42,725	—	42,725
New Zealand Dollar	—	1,625	—	1,625	—	8,278	—	8,278
Norwegian Krone	—	3,710	—	3,710	—	19,637	—	19,637
Philippine Peso	6	4,511	—	4,517	29	22,799	—	22,828
Polish Zloty	—	7,999	—	7,999	—	40,461	—	40,461
Qatari Riyal	—	3,261	—	3,261	—	16,598	—	16,598
Singapore Dollar	—	26,706	—	26,706	—	138,472	—	138,472
South African Rand	—	17,825	—	17,825	—	90,050	—	90,050
South Korean Won	24	95,999	—	96,023	121	486,802	—	486,923
Swedish Krona	—	60,229	—	60,229	—	306,720	—	306,720
Swiss Franc	—	47,640	—	47,640	—	242,174	—	242,174
Taiwan Dollar	—	65,653	—	65,653	—	330,714	—	330,714
Thai Baht	—	7,813	—	7,813	—	39,547	—	39,547
UAE Dirham	—	13,646	—	13,646	—	68,948	—	68,948
Total Holdings subject to Foreign Currency Risk	50	1,838,024	—	1,838,074	251	9,395,483	—	9,395,734
Investment Securities payable in U.S. Dollars	—	2,034,356	97,148	2,131,504	—	10,447,736	388,590	10,836,326
Total International Investment Securities - at Fair Value	**$ 50**	**$ 3,872,380**	**$ 97,148**	**$ 3,969,578**	**$ 251**	**$ 19,843,219**	**$ 388,590**	**$ 20,232,060**

NOTE 4 - DEPOSITS AND INVESTMENTS (continued)

Other Pension and Employee Benefit Trust Funds

Currency	Cash & Cash Equivalents	Equities	Fixed Income	Total
Australian Dollar	$ 6	$ 1,137,721	$ —	$ 1,137,727
British Pound	176,261	19,457,708	23,833	19,657,802
Canadian Dollar	15,837	5,546,982	—	5,562,819
Euro	88,580	6,807,190	—	6,895,770
Japanese Yen	7,969	770,453	—	778,422
Mexican Peso	1	—	—	1
Norwegian Krone	1	142,900	—	142,901
Swedish Krona	1	—	—	1
Swiss Franc	2	665,853	—	665,855
Total Holdings subject to Foreign Currency Risk	288,658	34,528,807	23,833	34,841,298
Investment Securities payable in U.S. Dollars	—	35,904,485	646,001	36,550,486
Total International Investment Securities - at Fair Value	**$ 288,658**	**$ 70,433,292**	**$ 669,834**	**$ 71,391,784**

D. Pooled Investments with State Treasury

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

NOTE 4 - DEPOSITS AND INVESTMENTS (continued)

E. Securities Lending Program

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

Fiduciary Funds – Pension and Other Employee Benefit Trust Funds

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

Securities loaned totaled $13.4 billion at June 30, 2025, and the collateral value was equal to 103.2%. The loaned securities are in the accompanying note disclosures based on the custodial arrangements for the collateral securities. Loaned securities are included in the accompanying Statement of Net Position because the State maintains ownership. The related collateral securities are not recorded as assets on the Statement of Fiduciary Net Position, and a corresponding liability is not recorded, since the State does not pledge or trade the collateral securities. In accordance with the criteria set forth in GASB Statement No. 28, *Accounting and Financial Reporting for Securities Lending Transactions*, the State is deemed not to have the ability to pledge or sell collateral securities, since the State's lending contracts do not address whether the lender can pledge or sell the collateral securities without a borrower default. The State has not previously demonstrated that ability, and there are no indications of the State's ability to pledge or sell collateral securities.

F. Other Investments

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

The Commissioner of the Department of Agriculture is directed by statute to require dealers in certain agricultural products and livestock to make and deliver to the Department a surety or cash bond to secure the faithful accounting for and payment to producers of the proceeds of agricultural products or livestock handled or sold by the dealer. Cash bonds are required to designate the Department as trustee of the funds and may take the form of certificates of deposit, letters of credit, money orders or cashiers' checks. At June 30, 2025, the Department held surety bonds in the amount of $47.5 million, and cash bonds in the amount of $14.7 million. These bonds are not recorded on the Statement of Net Position.

Securities are held by the Commissioner of Insurance pursuant to statutes that require licensed insurance companies to deposit securities prior to issuance of a certificate of authority to transact insurance. These securities remain in the name of the licensed insurance company as long as the company has a pending claim in the State or until a proper order of a court of competent jurisdiction has been issued to the receiver, conservator, rehabilitation, or liquidator of the insurer or to any other properly designated official or officials who succeed to the management and control of the insurer's assets. The purchase and redemption of such securities are allowed as long as the required levels of deposits are maintained. At June 30, 2025, securities valued at $203.2 million were held by the Department of Insurance. These securities are not recorded on the Balance Sheet.

NOTE 4 - DEPOSITS AND INVESTMENTS (continued)

Statutes require that surety bonds be provided for State public works contracts. The Department of Transportation holds surety bonds in the amount of $6.3 billion for construction performance to ensure proper completion and complete performance of construction contracts, and $6.8 billion for construction payment to ensure that payments are made by the general contractor to all subcontractors. These bonds are not recorded on the Statement of Net Position.

The Georgia State Financing and Investment Commission (GSFIC) State Construction Manual policies require that surety bonds be provided for payment and performance of all State projects of $0.1 million or more. The Department of Corrections holds surety bonds in the amount of $130.1 million for construction performance to ensure proper completion and complete performance of construction contracts. These bonds are not recorded on the Statement of Net Position.

For any organization that elects to assume the liability for unemployment compensation payments in lieu of making contributions to the Unemployment Compensation Fund, the Commissioner of the Department of Labor is authorized by statute to require such organization to execute and file with the Commissioner a cash deposit or surety bond. Cash deposits are held on behalf of such organizations in the Department’s name, and are reported as custodial funds. At June 30, 2025, the Department held surety bonds in the amount of $73.3 million, and cash bonds in the amount of $3.4 million. These bonds are not recorded on the Statement of Net Position.

Department of Defense Surety Bonds are required of all freight carriers in order to transport military freight. They are mandated by a wing of the military called the Surface Deployment and Distribution Command (SDDC). The bond amount is based on the size of the company and how many states they serve. Department of Defense holds surety bonds in the amount of $42.7 million for freight carriers transporting military freight.

NOTE 5 - DERIVATIVE INSTRUMENTS

Derivative Instruments are utilized by some of the higher education foundations (reported as component units) and consist primarily of interest rate swap agreements. Certain foundations (component units) have elected to apply FASB provisions and therefore the disclosure information for these foundations is presented separately. Details of the long term liabilities associated with the interest rate swap derivatives are within *Note 9 – Long-term Liabilities*.

Component Units – GASB Organizations

No derivative instruments reported in the fiscal year 2025 and 2024 financial statements for higher education foundations reported as component units reporting under GASB provisions.

Component Units – FASB Organizations Interest Rate Swaps

The fair value balances and notional amounts of hedging derivative investments outstanding as reported in the fiscal year 2025 and 2024 financial statements for higher education foundations reported as component units reporting under FASB provisions are as follows (amounts in thousands):

	Change in Fair Value		Fair Value at 06/30/25		
	Classification	**Amount**	**Classification**	**Amount**	**Notional**
Component unit activities - FASB					
Cash flow hedges:					
The University of Georgia Foundation	Investment Revenue	$ (36)	Debt	$ (383)	$ 3,288
	Investment Revenue	(184)	Debt	363	8,420
				$ (20)	

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

The University of Georgia Foundation (UGAF)

The Foundation has an outstanding interest rate swap agreement effectively converting the interest rate exposure on the $6.2 million note payable from variable to a 5.95% fixed rate over the term of the note payable. During November 2017, the Foundation modified and extended the agreement which included a fixed rate fee payment of $0.3 million. As of June 30, 2025 and 2024, the total notional amount of the swap was $3.3 and $3.5 million respectively. As of June 30, 2025 and 2024, the fair value of this interest rate swap was a liability of $0.4 and $0.3 million, respectively. The Foundation recorded a related unrealized loss of $36.4 thousand and and gain of $0.1 million for the years ended June 30, 2025 and 2024, respectively.

The Foundation has an outstanding interest rate swap agreement effectively converting the interest rate exposure on the $12.5 million note payable from variable to a 3.37% fixed rate over the term of the note payable. As of June 30, 2025 and 2024, the total notional amount of the swap was $8.4 and $8.9 million, respectively. As of June 30, 2025 and 2024, the fair value of this interest rate swap was an asset of $0.4 and $0.5 million, respectively. The

NOTE 5 - DERIVATIVE INSTRUMENTS (continued)

Foundation recorded a related unrealized loss of $0.2 million and gain of $0.1 million for the years ended June 30, 2025 and 2024, respectively.

Component Unit - FASB Organizations Derivative Investments

	Change in Fair Value		Fair Value at 06/30/25		
	Classification	Amount	Classification	Amount	Notional
Component unit activities - FASB					
Georgia Tech Foundation, Inc.	Investment Revenue	$ 9,765	Investment	$ 2,493	$ 159,159
				$ 2,493	

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

Amounts in the table are in thousands.

Georgia Tech Foundation, Inc.

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

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

The Foundation recognized net realized/unrealized gains and losses on direct positions in Equity Index Futures derivatives of $9.6 and $26.1 million, in 2025 and 2024 respectively. As of June 30, 2025, the Foundation held direct positions in derivatives as shown in the following table (amounts in thousands):

Investment	Fair Value at 06/30/25	Notional Exposure
Equity Index Futures	$ 2,493	$ 159,159
Total	**$ 2,493**	**$ 159,159**

NOTE 6 - RECEIVABLES

Receivables at June 30, 2025, consisted of the following (amounts in thousands):

	Taxes	Notes and Loans Primary Government Component Unit	Notes and Loans External	Leases from Primary Government Component Unit	Leases from External
Governmental Activities					
General Fund	$ 6,118,243	$ —	$ —	$ —	$ 795,519
Nonmajor Governmental Funds	—	—	33,232	—	—
Total - Governmental Funds	6,118,243	—	33,232	—	795,519
Government-wide adjustments:					
Internal Service Funds	—	—	—	—	22,918
Total - Governmental Activities	**$ 6,118,243**	**$ —**	**$ 33,232**	**$ —**	**$ 818,437**
Business-type Activities					
Higher Education Fund	$ —	$ —	$ 20,512	$ 2,829	$ —
State Health Benefit Plan	—	—	—	—	—
Unemployment Compensation Fund	—	—	—	—	—
Georgia Access Fund	—	—	—	—	—
Georgia Higher Education Facilities Authority	—	—	—	—	—
State Road and Tollway Authority	—	—	—	—	—
Government-wide adjustments:					
Other	—	—	—	—	—
Total - Business-type Activities	**$ —**	**$ —**	**$ 20,512**	**$ 2,829**	**$ —**
Component Units					
Unrestricted:					
Georgia Environmental Finance Authority	$ —	$ —	$ 2,223,196	$ —	$ —
Georgia Geo. L. Smith II					
World Congress Center Authority	1,251	—	—	—	73,561
Georgia Housing and Finance Authority	—	—	2,437,456	—	—
Georgia Lottery Corporation	—	—	—	—	4,212
Georgia Ports Authority	—	—	—	—	284,848
Georgia Tech Foundation, Incorporated	—	64,607	644	—	—
Georgia Tech Research Corporation	—	—	—	92,812	—
Nonmajor Component Units	1,733	1,849,691	470,357	18,158	250,165
Total Unrestricted Government-wide	**2,984**	**1,914,298**	**5,131,653**	**110,970**	**612,786**
Restricted:					
Georgia Geo. L. Smith II					
World Congress Center Authority	—	—	—	—	—
Georgia Tech Foundation, Incorporated	—	—	—	—	—
Nonmajor Component Units	—	—	—	—	—
Total - Restricted	—	—	—	—	—
Total - Component Units (Government-wide)	**$ 2,984**	**$ 1,914,298**	**$ 5,131,653**	**$ 110,970**	**$ 612,786**

	Other	Inter-governmental Receivables	Gross Receivables	Allowance for Uncollectibles	Total Receivables (Net)
	$ 819,833	$ 2,199,515	$ 9,933,110	$ (3,026,509)	$ 6,906,601
	598,085	67	631,384	—	631,384
	1,417,918	2,199,582	10,564,494	(3,026,509)	7,537,985
	87,718	1,010	111,646	(372)	111,274
	$ 1,505,636	**$ 2,200,592**	**$ 10,676,140**	**$ (3,026,881)**	**$ 7,649,259**
	$ 418,408	$ 208,861	$ 650,610	$ (69,052)	$ 581,558
	130,049	—	130,049	(32,618)	97,431
	463,367	837	464,204	(14,071)	450,133
	6,092	—	6,092	—	6,092
	265	—	265	—	265
	5,541	7	5,548	—	5,548
	61	—	61	—	61
	$ 1,023,783	**$ 209,705**	**$ 1,256,829**	**$ (115,741)**	**$ 1,141,088**
	$ 26,489	$ 5,706	$ 2,255,391	$ —	$ 2,255,391
	—	—	74,812	—	74,812
	12,026	—	2,449,482	(9,236)	2,440,246
	229,076	—	233,288	(2,193)	231,095
	118,878	—	403,726	(7,250)	396,476
	43,506	—	108,757	(5,503)	103,254
	292,452	—	385,264	(2,628)	382,636
	275,370	68,369	2,933,843	(55,666)	2,878,177
	997,797	**74,075**	**8,844,563**	**(82,476)**	**8,762,087**
	25,144	—	25,144	(1,103)	24,041
	132,095	—	132,095	—	132,095
	216,572	—	216,572	(5,824)	210,748
	373,811	—	373,811	(6,927)	366,884
	$ 1,371,608	**$ 74,075**	**$ 9,218,374**	**$ (89,403)**	**$ 9,128,971**

NOTE 7 - INTERFUND BALANCES AND TRANSFERS

A. Due To/From Other Funds

Due To/From Other Funds at June 30, 2025, consist of the following (amounts in thousands):

	Due From Other Funds						
	General Fund	Nonmajor Governmental Fund	Higher Education Funds	Nonmajor Enterprise Funds	Internal Service Funds	Fiduciary Funds	Total Due To Other Funds
Due To Other Funds							
General Fund	$ 20,990	$ 134,747	$ —	$ —	$ 347,365	$ —	$ 503,102
Capital Projects Fund	33,950	—	103,698	—	—	—	137,648
Nonmajor Governmental Funds	64,660	—	—	—	3	—	64,663
Higher Education Fund	—	—	—	—	154,682	—	154,682
Internal Service Funds	—	—	—	—	19	—	19
Fiduciary Funds	—	—	—	61	1	385	447
Total Due From Other Funds	**$ 119,600**	**$ 134,747**	**$ 103,698**	**$ 61**	**$ 502,070**	**$ 385**	**$ 860,561**

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

NOTE 7 - INTERFUND BALANCES AND TRANSFERS (continued)

B. Interfund Transfers

Interfund transfers at June 30, 2025, consist of the following (amounts in thousands):

	Transfers In								
	Governmental Funds			Proprietary Funds					
	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Higher Education Fund	State Health Benefits Plan	Nonmajor Enterprise Funds	Internal Service Funds	Fiduciary Funds	Total Transfers Out
Transfers Out:									
General Fund	$ —	$ 1,494,846	$ 1,739,748	$3,898,259	$ 6,200	$ 41	$304,096	$ 529,594	$7,972,784
Capital Projects Fund	57,315	—	83,206	—	—	—	—	—	140,521
Nonmajor Governmental Funds	121,164	—	—	—	—	13	—	—	121,177
Higher Education Fund	11,037	70,547	—	—	—	—	—	—	81,584
Unemployment Compensation Fund	472	—	—	—	—	—	—	—	472
Internal Service Funds	31,208	—	—	—	—	—	—	—	31,208
Fiduciary Funds	—	—	—	—	—	—	6,557	—	6,557
Total Transfers In	**$221,196**	**$ 1,565,393**	**$ 1,822,954**	**$3,898,259**	**$ 6,200**	**$ 54**	**$310,653**	**$ 529,594**	**$8,354,303**

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

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

A. *Primary Government*

Capital Asset activity for the fiscal year-ended June 30, 2025, was as follows (amounts in thousands):

	Balance 7/1/2024	Increases	Decreases	Balance 6/30/2025
Governmental Activities				
Capital Assets Not Being Depreciated:				
Land	$ 5,687,656	$ 350,333	$ (46,726)	$ 5,991,263
Works of Art and Collections	1,421	12	—	1,433
Intangibles - Other Than Software	154,705	6,879	—	161,584
Construction in Progress	5,977,025	4,840,535	(3,458,630)	7,358,930
Total Capital Assets, Not Being Depreciated	11,820,807	5,197,759	(3,505,356)	13,513,210
Capital Assets Being Depreciated:				
Infrastructure	39,065,987	1,895,649	(478,584)	40,483,052
Buildings and Building Improvements	4,951,443	594,735	(15,844)	5,530,334
Improvements Other Than Buildings	251,122	22,696	(9,846)	263,972
Intangibles - Other than Software	1,700	1,621	(114)	3,207
Machinery and Equipment	1,696,047	154,504	(101,569)	1,748,982
Software	702,700	1,839	(47,888)	656,651
Total Capital Assets Being Depreciated	46,668,999	2,671,044	(653,845)	48,686,198
Less Accumulated Depreciation For:				
Infrastructure	24,110,015	932,072	(235,455)	24,806,632
Buildings and Building Improvements	2,447,705	127,924	(71,921)	2,503,708
Improvements Other Than Buildings	88,135	33,831	—	121,966
Intangibles - Other Than Software	547	734	(245)	1,036
Machinery and Equipment	1,158,937	84,600	(84,074)	1,159,463
Software	506,960	54,367	(30,674)	530,653
Total Accumulated Depreciation	28,312,299	1,233,528	(422,369)	29,123,458
Total Capital Assets, Being Depreciated, Net	18,356,700	1,437,516	(231,476)	19,562,740
Capital Assets, Net	**$ 30,177,507**	**$ 6,635,275**	**$ (3,736,832)**	**$ 33,075,950**

NOTE 8 - CAPITAL ASSETS (continued)

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

	Balance 7/1/2024	Increases	Decreases	Balance 6/30/2025
Governmental Activities				
Right-to-use Assets Not Being Amortized:				
Software Development-In-Progress	$ 28,015	$ 39,531	$ (15,237)	$ 52,309
Right-to-use Assets Being Amortized:				
Land	220	—	(37)	183
Buildings and Building Improvements	961,470	163,737	(49,233)	1,075,974
Machinery and Equipment	175,596	2,083	(1,223)	176,456
Subscription Based IT Arrangements (SBITAs)	350,785	135,899	(128,967)	357,717
Total Leased Assets Being Amortized	1,488,071	301,719	(179,460)	1,610,330
Less Accumulated Amortization For:				
Land	63	22	(37)	48
Buildings and Building Improvements	254,547	105,770	(45,499)	314,818
Machinery and Equipment	79,896	27,223	(1,164)	105,955
Subscription Based IT Arrangements (SBITAs)	159,581	101,128	(66,843)	193,866
Total Accumulated Amortization	494,087	234,143	(113,543)	614,687
Total Intangible Assets, Being Amortized, Net	993,984	67,576	(65,917)	995,643
Intangible Right-to-use Assets, Net	**$ 1,021,999**	**$ 107,107**	**$ (81,154)**	**$ 1,047,952**
Total Governmental Activities Capital Assets and Intangible Right-to-use Assets, Net	**$ 31,199,506**	**$ 6,742,382**	**$ (3,817,986)**	**$ 34,123,902**

NOTE 8 - CAPITAL ASSETS (continued)

	Balance 7/1/2024	Increases	Decreases	Balance 6/30/2025
Business-type Activities				
Capital Assets Not Being Depreciated:				
Land	$ 538,741	$ 18,723	$ (425)	$ 557,039
Works of Art and Collections	60,682	3,847	(127)	64,402
Construction in Progress	446,102	499,000	(264,548)	680,554
Total Capital Assets, Not Being Depreciated	1,045,525	521,570	(265,100)	1,301,995
Capital Assets Being Depreciated:				
Infrastructure	449,729	23,198	(144)	472,783
Buildings and Building Improvements	16,510,207	447,458	(27,730)	16,929,935
Improvements Other Than Buildings	566,378	23,620	(1,250)	588,748
Machinery and Equipment	2,767,248	233,086	(112,059)	2,888,275
Software	192,626	1,053	—	193,679
Library Collections	1,093,620	33,885	(9,236)	1,118,269
Works of Art and Collections	4,118	—	—	4,118
Total Capital Assets Being Depreciated	21,583,926	762,300	(150,419)	22,195,807
Less Accumulated Depreciation For:				
Infrastructure	229,838	20,571	(97)	250,312
Buildings and Building Improvements	6,602,945	424,367	(18,700)	7,008,612
Improvements Other Than Buildings	275,573	22,940	(1,117)	297,396
Machinery and Equipment	1,996,847	183,223	(102,998)	2,077,072
Software	141,202	13,489	—	154,691
Library Collections	934,112	32,717	(9,236)	957,593
Works of Art and Collections	1,232	68	—	1,300
Total Accumulated Depreciation	10,181,749	697,375	(132,148)	10,746,976
Total Capital Assets, Being Depreciated, Net	11,402,177	64,925	(18,271)	11,448,831
Capital Assets, Net	**$ 12,447,702**	**$ 586,495**	**$ (283,371)**	**$ 12,750,826**

NOTE 8 - CAPITAL ASSETS (continued)

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

		Balance 7/1/2024		Increases		Decreases		Balance 6/30/2025
Business-type Activities								
Right-to-use Assets Not Being Amortized:								
Software Development- in- progress	$	1,116	$	2,348	$	(332)	$	3,132
Right-to-use Assets Being Amortized:								
Land		2,158		221		—		2,379
Infrastructure		6,488		—		—		6,488
Buildings and Building Improvements		619,899		40,061		(16,422)		643,538
Improvements Other Than Buildings		10,001		—		—		10,001
Machinery and Equipment		23,180		4,968		(5,438)		22,710
Subscription Based IT Arrangements (SBITAs)		159,663		227,060		(4,635)		382,088
Total Leased Assets Being Amortized:		821,389		272,310		(26,495)		1,067,204
Less Accumulated Amortization For:								
Land		790		278		—		1,068
Infrastructure		2,045		1,049		—		3,094
Buildings and Building Improvements		174,639		64,159		(12,888)		225,910
Improvements Other Than Buildings		2,361		807		—		3,168
Machinery and Equipment		11,317		4,835		(5,019)		11,133
Subscription Based IT Arrangements (SBITAs)		63,599		66,520		(3,287)		126,832
Total Accumulated Amortization		254,751		137,648		(21,194)		371,205
Total Intangible Assets, Being Amortized, Net		566,638		134,662		(5,301)		695,999
Intangible Right-to-use Assets, Net		**567,754**		**137,010**		**(5,633)**		**699,131**
Total Business-type Activities Capital Assets and Intangible Right-to-use Assets, Net	**$**	**13,015,456**	**$**	**723,505**	**$**	**(289,004)**	**$**	**13,449,957**

NOTE 8 - CAPITAL ASSETS (continued)

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

Governmental Activities		
General Government	$	93,504
Education		16,025
Health and Welfare		110,401
Transportation		974,721
Public Safety		104,543
Economic Development		31,535
Culture and Recreation		56,708
Conservation		6,288
Internal Service Funds (Depreciation on capital assets held by the State's internal service funds are charged to the various functions based on their usage of assets)		73,946
Depreciation/Amortization Expense - Governmental Activities	**$**	**1,467,671**

NOTE 8 - CAPITAL ASSETS (continued)

B. Component Units

Capital Asset activity for the fiscal year-ended June 30, 2025, was as follows (amounts in thousands):

	Balance 7/1/2024	Increases	Decreases	Balance June 30, 2025
Component Units				
Capital Assets Not Being Depreciated:				
Land	$ 446,674	$ 23,079	$ —	$ 469,753
Works of Art and Collections	1,670	—	—	1,670
Construction in Progress	934,964	642,319	(313,445)	1,263,838
Total Capital Assets, Not Being Depreciated	1,383,308	665,398	(313,445)	1,735,261
Capital Assets Being Depreciated:				
Infrastructure	554,621	1,312	—	555,933
Buildings and Building Improvements	3,433,281	248,450	(311)	3,681,420
Improvements Other Than Buildings	1,093,642	15,191	—	1,108,833
Machinery and Equipment	1,408,557	153,214	(32,474)	1,529,297
Software	8,623	—	—	8,623
Library Collections	5,113	86	(36)	5,163
Works of Art and Collections	71	—	—	71
Total Capital Assets Being Depreciated	6,503,908	418,253	(32,821)	6,889,340
Less Accumulated Depreciation For:				
Infrastructure	211,417	22,101	—	233,518
Buildings and Building Improvements	1,126,412	109,582	(302)	1,235,692
Improvements Other Than Buildings	449,751	51,182	—	500,933
Machinery and Equipment	664,119	88,476	(24,880)	727,715
Software	6,755	167	—	6,922
Library Collections	4,403	169	(36)	4,536
Works of Art and Collections	32	2	—	34
Total Accumulated Depreciation	2,462,889	271,679	(25,218)	2,709,350
Total Capital Assets, Being Depreciated, Net	4,041,019	146,574	(7,603)	4,179,990
Component Units Capital Assets, Net*	**$ 5,424,327**	**$ 811,972**	**$ (321,048)**	**$ 5,915,251**

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

NOTE 8 - CAPITAL ASSETS (continued)

As of June 30, 2025, the capital assets balances of FASB organizations are as follows (amounts in thousands):

Capital Assets Not Being Depreciated:		
Land	$	163,343
Works of Art and Collections		5,005
Construction in Progress		204,984
Total Capital Assets, Not Being Depreciated		373,332
Capital Assets Being Depreciated		
Infrastructure		6,756
Buildings and Building Improvements		526,660
Improvements Other Than Buildings		19,920
Machinery and Equipment		41,716
Software		3,357
Total Capital Assets Being Depreciated		598,409
Less: Accumulated Depreciation		214,083
Total Capital Assets, Being Depreciated, Net		384,326
Capital Assets, Net (FASB presentation)		757,658
Total Capital Assets, Net - All Component Units	**$**	**6,672,909**

NOTE 8 - CAPITAL ASSETS (continued)

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

	Balance 7/1/2024	Increases	Decreases	Balance June 30, 2025
Component Units				
Right-to use Assets Not Being Amortized:				
Software Development- in- progress	$ 126	$ 113	$ —	$ 239
Right-to use Assets Being Amortized:				
Land	4,229	4,228	(1,787)	6,670
Buildings and Building Improvements	242,146	30,297	(14,845)	257,598
Improvements Other Than Buildings	—	155	—	155
Machinery and Equipment	28,809	4,457	(3,119)	30,147
Subscription Based IT Arrangements (SBITAs)	12,508	14,531	(3,516)	23,523
Total Leased Assets Being Amortized	287,692	53,668	(23,267)	318,093
Less Accumulated Amortization:				
Land	917	1,787	(917)	1,787
Buildings and Building Improvements	76,354	27,945	(10,066)	94,233
Machinery and Equipment	23,210	6,534	(2,957)	26,787
Subscription Based IT Arrangements (SBITAs)	4,819	5,053	(3,048)	6,824
Total Accumulated Amortization	105,300	41,319	(16,988)	129,631
Right-to-use Assets, Being Amortized, Net	182,392	12,349	(6,279)	188,462
Intangible Right-to-use Assets, Net*	**$ 182,518**	**$ 12,462**	**$ (6,279)**	**$ 188,701**

NOTE 8 - CAPITAL ASSETS (continued)

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

Right-to use Assets Being Amortized:	
Land	$ 1,760
Buildings and Building Improvements	67,710
Improvements Other Than Buildings	10,748
Machinery and Equipment	994
Total Leased Assets Being Amortized	81,212
Less: Accumulated Amortization	19,031
Total Right-to use Assets, Being Amortized, Net	62,181
Intangible Right-to-use Assets, Net (FASB presentation)	62,181
Intangible Right-to-use Assets, Net - All Component Units	**250,882**
Total Component Units Capital Assets and Intangible Right-to-use Assets, Net	**$ 6,923,791**

NOTE 9 - LONG-TERM LIABILITIES

A. *Changes in Long-term Liabilities*

Primary Government

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

	Balance 7/1/2024	Additions	Reductions	Balance 6/30/2025	Current Portion (Amounts Due Within One Year)
Governmental Activities					
General Obligation Bonds Payable	$ 9,226,505	$ —	$ (944,660)	$ 8,281,845	$ 812,125
GARVEE Bonds Payable	375,130	—	(41,685)	333,445	43,770
Net Unamortized Premiums:					
General Obligation Bonds	992,244	—	(101,203)	891,041	—
GARVEE Bonds	65,056	—	(13,964)	51,092	—
Total Bonds Payable	10,658,935	—	(1,101,512)	9,557,423	855,895
Notes and Loans Payable - Direct Borrowings	40,318	—	(3,764)	36,554	3,876
Lease Obligations	817,273	156,191	(119,038)	854,426	120,355
Subscription Obligations	177,688	132,220	(159,023)	150,885	75,648
Compensated Absences Payable	377,585	128,126	(77,497)	428,214	257,984
Arbitrage	54,246	6,615	—	60,861	22,758
Total Governmental Activities	**$ 12,126,045**	**$ 423,152**	**$ (1,460,834)**	**$ 11,088,363**	**$ 1,336,516**
Business-type Activities					
Revenue Bonds Payable	$ 524,580	$ —	$ (7,125)	$ 517,455	$ 7,480
Net Unamortized Premiums:					
Revenue Bonds	63,950	—	(4,032)	59,918	—
Total Bonds Payable	588,530	—	(11,157)	577,373	7,480
Notes and Loans Payable	2,282,940	7,855	(158,103)	2,132,692	124,828
Lease Obligations	489,013	44,727	(72,101)	461,639	66,585
Subscription Obligations	74,743	214,289	(57,326)	231,706	55,067
Compensated Absences Payable	343,779	64,128	(35,220)	372,687	243,260
Arbitrage	—	2,939	—	2,939	—
Total Business-type Activities	**$ 3,779,005**	**$ 333,938**	**$ (333,907)**	**$ 3,779,036**	**$ 497,220**

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

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for these funds are included as part of the above total for governmental activities. The following long-term liabilities of internal service funds were included in the above balance as of June 30, 2025: Lease obligations of $81.3 million, subscription obligations of $16.0 million, and compensated absences of $5.9 million. Of these amounts, $27.6 million, $8.8 million, and $3.8 million, respectively, are due within one year. In general, the lease obligations, subscription obligations and compensated absences of the governmental activities are liquidated by the general fund.

NOTE 9 - LONG-TERM LIABILITIES (continued)

Component Units

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

	Balance 7/1/2024	Additions	Reductions	Balance 6/30/2025	Current Portion (Amounts Due Within One Year)
Component Units					
Revenue Bonds Payable	$ 4,136,528	$ 366,230	$ (165,988)	$ 4,336,770	$ 136,435
Mortgage Bonds Payable	1,515,435	738,123	(12,383)	2,241,175	55,970
Net Unamortized Premiums/(Discounts):					
Revenue Bonds	319,767	13,647	(35,670)	297,744	—
Mortgage Bonds	7,992	4,391	—	12,383	—
Total Bonds Payable	5,979,722	1,122,391	(214,041)	6,888,072	192,405
Notes and Loans Payable	255,694	115,307	(52,082)	318,919	29,149
Net Unamortized Discounts	(1,037)	(228)	138	(1,127)	—
Lease Obligations	264,299	31,554	(40,149)	255,704	32,715
Subscription Obligations	7,001	11,005	(3,506)	14,500	3,849
Compensated Absences Payable	18,821	12,829	(8,085)	23,565	10,565
Grand Prizes Payable	166,538	15,117	(22,737)	158,918	20,640
Derivative Instruments Payable	(201)	201	20	20	—
Other Liabilities	2,377	—	(1,877)	500	—
Total Component Units	**$ 6,693,214**	**$ 1,308,176**	**$ (342,319)**	**$ 7,659,071**	**$ 289,323**

B. Bonds and Notes Payable

At June 30, 2025, bonds and notes payable currently outstanding are as follows (amounts in thousands):

	Interest Rates	Maturing Through Year	Original Issue Amount	Outstanding Amount
Governmental Activities				
General Obligation Bonds				
General Government	0.52% - 5.11%	2043	$ 11,662,555	$ 7,101,775
General Government - Refunding	2.07% - 5.00%	2033	2,436,025	1,180,070
Revenue Bonds				
GARVEE Bonds	4.00% - 5.00%	2032	548,010	333,445
Notes and Loans Payable	2.57% - 4.83%	2034	63,276	36,554
Business-type Activities				
Revenue Bonds				
Georgia Higher Education Facilities Authority	2.00% - 5.00%	2041	$ 191,605	$ 150,075
Transportation Projects	1.70% - 4.00%	2052	367,380	367,380
Notes and Loans Payable	0.34% - 7.56%	2054	3,245,198	2,132,692

NOTE 9 - LONG-TERM LIABILITIES (continued)

	Interest Rates	Maturing Through Year	Original Issue Amount	Outstanding Amount
Component Units				
Revenue Bonds				
Higher Education Foundations	0.71% - 5.75%	2057	$ 3,176,945	$ 2,470,790
Georgia Tech Foundation, Inc.	1.74% - 6.66%	2052	396,185	280,035
Geo. L. Smith, II Georgia World Congress Center Authority	2.38% - 5.00%	2054	439,595	439,595
Georgia Ports Authority	4.00% - 5.25%	2052	1,182,655	1,144,105
Other Revenue Bonds	5.28%	2028	10,000	2,245
Mortgage Bonds				
Georgia Housing and Financing Authority	0.12% - 6.25%	2060	3,194,370	2,241,175
Notes and Loans Payable				
Higher Education Foundations	1.25% - 7.25%	2042	344,082	221,105
Georgia Tech Foundation	3.00% - 5.40%	2029	54,152	34,013
Geo. L. Smith, II Georgia World Congress Center Authority	4.50%	2045	46,158	42,357
Other Notes and Loans Payable	0.13% - 1.57%	2044	37,142	21,444

C. General Obligation Bonds

Primary Government

The State issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities and equipment. (*Note: There were no new bond authorizations in FY 2025 and no bond issuances in FY 2025)*

Bonds Authorized but Unissued

Authorized but unissued general obligation bonds as of June 30, 2025, are as follows (amounts in thousands):

Purpose	Authorized Unissued Debt
K-12 Education	$ 312,390
Economic Development	12,775
Total	**$ 325,165**

Defeasance and Refunding of General Obligation Bonds

As of June 30, 2025, the State had no outstanding advance refunded bonds.

NOTE 9 - LONG-TERM LIABILITIES (continued)

Early Retirement of Debt

From interest earnings available for the advance retirement of debt and from forfeited project proceeds, the State made purchases of various series of State of Georgia General Obligation Bonds in the secondary market with a par value of approximately $80.1 million. The early retirements of the bonds will save the State over $120.7 million in future principal and interest appropriations. Since July 1, 2000 the early retirement program has saved the State over $1.4 billion in future principal and interest appropriations.

D. Revenue Bonds

Governmental Activities

SRTA has issued Federal Highway Grant Anticipation Revenue Bonds and Federal Highway Reimbursement Revenue Bonds (GARVEE) of $548.0 million. The bond proceeds will be used for the purpose of providing funds for approved public transportation projects. All GARVEE bonds are pledged and payable solely from grant and reimbursement revenues received from the Federal Highway Administration. These bonds do not constitute a pledge of the faith and credit of SRTA or the State. The outstanding principal amount as of June 30, 2025 is $333.5 million.

Business-type Activities

On July 1, 2021 SRTA issued Managed Lane System State of Georgia Guaranteed Revenue bonds series 2021A and 2021B in the amounts of $330.2 million and $37.2 million, 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. While these bonds are secured by the net toll revenue derived from the operation of the Managed Lane System, the State of Georgia has guaranteed the full payment of the bonds and the interest thereon in accordance with the Constitution of the State of Georgia and has reserved $25.3 million in the State of Georgia Guaranteed Revenue Debt Common Reserve Fund that is on deposit at OST. As of June 30, 2025, the outstanding principal balance for both was $367.4 million.

Georgia Higher Education Facilities Authority (GHEFA) has issued revenue bonds for the purpose of acquiring, constructing and equipping several projects on college campuses throughout the State. The bonds are secured solely by the related security deed and related assignment of contract documents. As of June 30, 2025, the outstanding principal for these revenue bonds is $150.1 million.

Component Units

Higher Education Foundations have issued various revenue bonds to finance the costs of acquiring, renovating, constructing and equipping various facilities located on the campuses of the University System of Georgia. The bond issues have interest rates ranging from 0.71% to 5.75% with maturity dates through fiscal year 2057. As of June 30, 2025, the outstanding principal for these revenue bonds was $2.5 billion. These bonds are secured by lease arrangements for these various facilities with the Board of Regents.

NOTE 9 - LONG-TERM LIABILITIES (continued)

In March 2021, the Geo. L. Smith II Georgia World Congress Center Authority (GWCC) issued revenue bonds in the amounts of $439.6 million. The proceeds of the bonds, together with the original issue premiums and other amounts contributed by GWCC, will be used to finance the construction of a convention center hotel, provide funds to make the interest payments on the bonds until the hotel opening, and to pay the costs of issuing the bonds. The bonds are special limited obligations of GWCC payable solely from and secured by a pledge of and lien on all operating revenues derived by GWCC from the operation of the convention center hotel, remaining after the payment of expenses to operate the convention center hotel. These revenues are pledged to secure the bonds until such time that all outstanding principal has been satisfied on the bonds. The bonds bear interest at rates ranging from 2.38% to 5.00% and interest is due semiannually beginning on July 1, 2021, until maturity on January 1, 2054. As of June 30, 2025 the outstanding principal was $439.6 million.

Georgia Tech Foundation, Inc. has issued various revenue bonds to finance the costs of acquiring, renovating, constructing and equipping various facilities located on the campus of The Georgia Institute of Technology. The bond issues have interest rates ranging from 1.74% to 6.66% with maturity dates through fiscal year 2052. As of June 30, 2025, the outstanding principal for these revenue bonds was $280.0 million. These bonds are secured by lease arrangements for these various facilities with the Board of Regents.

In July 2021, Georgia Ports Authority issued the Series 2021 revenue bonds in the amount of $427.0 million. The proceeds of which are to be used to finance various capital improvement projects and to pay the costs of issuance of the Series 2021 bonds. The interest rate on the bonds is 4.00% to 5.00% with a maturity in 2052. In August 2022, the Authority issued the Series 2022 revenue bonds in the amount of $755.6 million; proceeds of which are to be used to finance various capital improvement projects and to pay the costs of issuance of the Series 2022 bonds. The interest rate on the bonds is 4.00% to 5.25% with a maturity in 2052. Bonds payable at June 30, 2025 is $1.1 billion. These bonds are secured by Georgia Ports Authority operating revenues.

Other component units had revenue bonds payable outstanding at June 30, 2025, of $2.2 million as detailed below (amounts in thousands):

	Amount
Lake Lanier Island Development Authority	$ 2,245

E. Mortgage Bonds

Component Units

Mortgage bonds outstanding of $2.2 billion at June 30, 2025, were issued by the Georgia Housing and Finance Authority for financing the purchase of single-family mortgage loans for eligible persons and families of low and moderate income within the State. The bonds are secured by certain assets, which include mortgage loans purchased and certain cash and cash equivalents and investment securities in mortgage bond accounts, and any interest earned thereon.

NOTE 9 - LONG-TERM LIABILITIES (continued)

F. Notes and Loans Payable

Governmental Activities

Notes and loans payable for direct borrowings in governmental activities as of June 30, 2025, were $36.5 million.

Energy Performance Contracts for the Department of Economic Development, the Department of Corrections and the Department of Natural Resources, attributed $19.6 million, $14.5 million, and $2.4 million, respectively. These contracts contain provisions related to events of default. Significant to these provisions, an event of default occurs when: (a) the Primary Government fails to pay any payment of purchase price or other payment required to be paid when due, (b) the Primary Government has a breach in any material respect of the contract or failure of the Primary Government to observe or perform contract covenants for a period of 30 days after written notice, or (c) initiation by or against the Primary Government of a proceeding under any federal or state bankruptcy or insolvency seeking relief under such laws. Upon the occurrence of any event of default, the seller shall have the right to proceed by court action to enforce performance by the Primary Government of the applicable contract covenants or to recover for the the breach. The Primary Government would be responsible for attorney fees and expenses incurred by seller.

Business-type Activities

Notes and loans payable for business-type activities as of June 30, 2025, were as follows (amounts in thousands):

	Amount
Financing Lease Agreements - Payable to Component Units	$ 1,921,365
Financing Lease Agreements - Payable to External Sources	207,818
University System of Georgia - Financing Lease Agreements Total	2,129,183
University System of Georgia - Energy Performance Contracts	3,509
Total	**$ 2,132,692**

Financing Lease Agreements

The University System of Georgia is obligated under various multi-year financing lease agreements for the acquisition or use of real property and equipment, whereby the assets transfer ownership at the end of the agreement. In accordance with O.C.G.A. § 50-5-64, these agreements shall terminate absolutely and without further obligation at the close of the fiscal year in which it was executed and at the close of each succeeding fiscal year for which it may be renewed. These agreements may be renewed only by a positive action taken by the University System of Georgia. In addition, these agreements shall terminate if the State does not provide adequate funding, but that is considered a remote possibility. The University System of Georgia's outstanding principal related to financing lease agreements for fiscal year 2025 was $2.1 billion. Interest rates for these notes payable range from

NOTE 9 - LONG-TERM LIABILITIES (continued)

0.34% to 7.56%. The discretely presented foundations have the corresponding receivable for these amounts, which are presented as Notes and Loans Receivables – Primary Government in *Note 6 – Receivables*.

Component Units

Notes and loans payable for component units as of June 30, 2025, were as follows (amounts in thousands):

	Amount
Higher Education Foundations	$ 221,105
Geo. L. Smith II World Congress Center Authority	42,357
Georgia Tech Foundation, Inc.	34,013
Jekyll Island Development Authority	14,148
Lake Lanier Islands Development Authority	4,849
North Georgia RESA	1,530
Pioneer RESA	624
Griffin RESA	293
Total	**$ 318,919**

Higher Education Foundations Notes and Loans

On November 22, 2024, the University of Georgia Athletic Association entered into a $75 million revolving credit agreement with a bank, for a draw period until a final maturity of five years that expires in November 2029. The proceeds of the Credit Facility shall be used to bridge the cash needs to fund construction projects until cash receipts are realized from fundraising activities. Credit available under the revolving credit agreement is reduced by outstanding borrowings. Borrowings under the credit agreement bear interest at the bank's sum of daily SOFR plus 60.0 basis points (or 0.60%). At June 30, 2025 the outstanding balance was $38.0 million and the rate applicable to the borrowings was 4.92%.

During 2007, the University of Georgia Foundation signed a 10 year $ 6.2 million promissory loan agreement with a bank. During November 2017, the University of Georgia Foundation amended the agreement and made a one-time principal payment of $0.8 million, extending the maturity date of the remaining outstanding balance to November 1, 2032. Interest is charged at the bank's 30-day London InterBank Offered Rate (LIBOR) plus 32.5 basis points; such rate was 4.75% at June 30, 2025. Principal and interest are payable monthly. The outstanding balance at June 30, 2025 was $3.3 million.

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

NOTE 9 - LONG-TERM LIABILITIES (continued)

LIBOR plus 1.60%; such rate was 4.52% at June 30, 2025. Principal and interest on the promissory loan agreement are payable quarterly. The outstanding balance at June 30, 2025 was $8.4 million.

In November 2023, the Real Estate Foundation, a blended component unit with the University of Georgia Research Foundation, Inc., entered into a $25.0 million revolving credit agreement with a bank, for a five-year term to expire on November 30, 2028. Borrowings under the revolving credit agreement bear interest at the bank's One Month Term Secured Overnight Financing Rate plus 0.85%. At June 30, 2025, the rate applicable to the borrowings was 5.18%. The outstanding balance at June 30, 2025 was $13.7 million.

In September 2018, the University System of Georgia Foundation, Inc. and Affiliates refinanced a Bond Anticipation Note (BAN) with five individual, 19-year low-interest fixed rate notes payable with the USDA. The real estate on which the facilities are constructed will be leased to University System of Georgia Real Estate Foundation IV, LLC by the Board of Regents pursuant to a ground lease for minimal rent. The USDA notes payable will all mature on September 2037, with a fixed interest rate of 2.75%, and are payable annually. The outstanding balance at June 30, 2025 was $29.9 million.

In November 2019, the University System of Georgia Foundation, Inc. and Affiliates refinanced a BAN with four individual, 22 year low-interest fixed rate notes payable with the USDA. The real estate on which the facilities are constructed will be leased to University System of Georgia Real Estate Foundation V, LLC by the Board of Regents pursuant to a ground lease for minimal rent. The USDA notes payable will all mature on November 2041, with a fixed interest rate of 3.00%, and are payable annually. The outstanding balance at June 30, 2025 was $29.4 million.

The Georgia Advanced Technology Ventures, Inc. and Subsidiaries have an unsecured notes payable maturing in December 2034 with an interest rate of 6.03%. The outstanding balance as of June 30, 2025 was $1.0 million.

The Georgia Advanced Technology Ventures, Inc. and Subsidiaries has an agreement to purchase multiple floors of the Centergy One Building on Fifth Street in Atlanta. The agreement ends at different dates by floor, three floors end in August 2033 and two floors in December 2034. The interest rate for all floors is 5.00%. The outstanding balance as of June 30, 2025 was $37.6 million.

During fiscal year 2025, the University of North Georgia Real Estate Foundation entered into two promissory notes of $7.0 million to finance a portion of the acquisition of the Bellamy apartment complex with a maturity date of March 2028. The interest rates were variable based on one-month CME Term SOFR rate and 1.25% over the index SOFR which was 6.33% and 5.64% respectively for June 30, 2025. The outstanding balance was $7.0 million as of June 30, 2025 for both notes.

During fiscal year 2025, North Georgia Bellamy, LLC, a component unit of the University of North Georgia Real Estate Foundation, entered into two promissory notes of $40.0 million to finance a portion of the acquisition of the Bellamy apartment complex with maturity dates of March 2028 and October 2026. The interest rate for the note maturing March 2028 is variable based on one-month CME Term SOFR rate which is 6.33% at June 30, 2025 with $35.3 million outstanding. The interest rate for the note maturing October 2026 is fixed at 7.25% and the outstanding balance as of June 30, 2025 was $4.7 million.

In addition to the notes and loans discussed in the previous paragraphs, as of June 30, 2025, an additional $13.0 million in notes was held by various higher education foundations.

NOTE 9 - LONG-TERM LIABILITIES (continued)

Other Component Units Notes and Loans

The Georgia Tech Foundation, Inc has one line of credit in the name of the Foundation of $25.0 million. Interest is calculated using the SOFR rate. This resulted in an average effective interest rate of 5.40% at June 30, 2025. As of June 30, 2025, the outstanding balance on the note was $9.1 million.

In September 2018, the Georgia Tech Foundation, Inc. entered into a loan agreement with a bank, borrowing $25.1 million initially and may borrow an additional $4.1 million increasing the loan to $29.2 million. The loan was refinanced in 2022 with a new effective interest rate of 3.00% as of June 30, 2025 and a maturity in August 2028. As of June 30, 2025, the outstanding balance on the loan was $25.0 million.

On May 15, 2020, the Georgia Geo. L. Smith World Congress Center Authority entered into a non-recourse note purchase agreement with Northwestern Mutual. Under this agreement, the Georgia Geo. L. Smith World Congress Center Authority received $46.2 million in cash and will pay interest at a rate of 4.50% due semi-annually through fiscal year 2045. The liability is a direct borrowing and the Mercedes Benz Stadium license agreement payments were used as collateral. The outstanding balance as of June 30, 2025 was $42.4 million.

In addition to the notes and loans discussed in the previous paragraphs, as of June 30, 2025, an additional $21.4 million in notes were held by other component units of the State; of which $14.1 million are currently in the drawdown period and do not have a debt to maturity schedule.

G. Interest Rate Swaps

As a means of interest rate management, various higher education foundations have entered into interest rate swap agreements. For further details on these agreements, please refer to *Note 5 - Derivative Instruments.*

H. Pollution Remediation

Pollution remediation obligations reflect estimates that have the potential to change due to such items as price increases or reductions, new technology, or changes in applicable laws or regulations.

<u>**Governmental Activities**</u>

Department of Natural Resources

Department of Natural Resources has recorded liabilities totaling $108.0 million at June 30, 2025 for pollution remediation primarily related to sites included in the hazardous site inventory, Superfund sites where only operations and maintenance remains, and site containing underground storage tanks that are enrolled for remediation coverage in the Georgia Underground Storage Tank Program. The liabilities were determined by previous experience. Pollution remediation liability activity in fiscal year 2025 was as follows (amounts in thousands):

(Table on next page)

NOTE 9 - LONG-TERM LIABILITIES (continued)

7/1/2024	Additions	Reductions	6/30/2025	Current Portion (Amounts Due Within One Year)
$ 104,596	$ 24,934	$ 21,483	$ 108,047	$ —

I. Lease and Subscription Obligations

For information on lease and subscription obligations see *Note 10 - Leases and Subscriptions.*

J. Debt Service Requirements

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

Primary Government

	Governmental Activities					
	General Obligation Bonds		GARVEE Bonds		Notes and Loans Payable - Direct Borrowings	
Year	Principal	Interest	Principal	Interest	Principal	Interest
2026	$ 812,125	$ 324,735	$ 43,770	$ 16,672	$ 3,876	$ 1,398
2027	777,710	291,350	45,955	14,484	4,063	1,250
2028	722,440	258,201	48,250	12,186	4,242	1,096
2029	718,850	226,563	50,665	9,774	4,485	932
2030	627,665	196,971	45,935	7,240	4,742	757
2031-2035	2,636,995	623,514	98,870	7,476	15,146	1,182
2036-2040	1,529,310	209,749	—	—	—	—
2041-2045	456,750	26,307	—	—	—	—
Total	**$ 8,281,845**	**$ 2,157,390**	**$ 333,445**	**$ 67,832**	**$ 36,554**	**$ 6,615**

	Business-type Activities					
	Revenue Bonds		Notes and Loans Payable - Financing Lease Agreements		Notes and Loans Payable - Other	
Year	Principal	Interest	Principal	Interest	Principal	Interest
2026	$ 7,480	$ 19,068	$ 124,196	$ 89,673	$ 632	$ 86
2027	7,780	18,761	130,136	83,974	648	69
2028	8,115	18,437	135,302	78,310	666	52
2029	8,480	18,067	141,205	72,232	683	34
2030	8,910	17,643	167,983	74,678	702	16
2031-2035	94,750	80,165	648,784	237,885	178	1
2036-2040	129,545	58,215	527,292	107,832	—	—
2041-2045	93,945	35,324	148,878	35,067	—	—
2046-2050	109,600	16,192	82,625	13,223	—	—
2056-2060	48,850	1,476	22,782	1,269	—	—
Total	**$ 517,455**	**$ 283,348**	**$ 2,129,183**	**$ 794,143**	**$ 3,509**	**$ 258**

NOTE 9 - LONG-TERM LIABILITIES (continued)

Component Units

	Higher Education Foundations		Georgia Tech Foundation		Geo. L. Smith, II Georgia World Congress Center Authority		Georgia Ports Authority	
	Revenue Bonds		Revenue Bonds		Revenue Bonds		Revenue Bonds	
Year	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2026	$ 99,970	$ 107,379	$ 14,190	$ 10,560	$ —	$ 19,106	$ 21,565	$ 51,993
2027	112,625	103,484	14,730	9,868	7,240	19,106	22,640	50,905
2028	117,225	98,211	12,650	9,181	7,705	18,874	23,770	49,763
2029	126,115	92,659	13,415	8,490	8,200	18,622	24,960	48,563
2030	128,525	86,823	14,205	7,758	8,700	18,360	26,210	47,304
2031-2035	627,945	348,572	33,040	30,621	52,335	86,424	152,065	215,307
2036-2040	566,415	213,404	11,715	27,401	67,020	73,226	193,710	173,517
2041-2045	295,870	118,139	16,395	24,586	83,570	56,680	241,740	125,428
2046-2050	229,635	68,007	69,695	18,943	103,930	36,325	299,005	67,880
2051-2055	144,475	25,143	80,000	1,924	100,895	11,299	138,440	8,201
2056-2060	21,990	883	—	—	—	—	—	—
Total	**$ 2,470,790**	**$ 1,262,704**	**$ 280,035**	**$ 149,332**	**$ 439,595**	**$ 358,022**	**$ 1,144,105**	**$ 838,861**

	Other Component Units		Higher Education Foundations		Georgia Tech Foundation		Geo. L. Smith, II Georgia World Congress Center Authority	
	Revenue Bonds		Notes and Loans Payable		Notes and Loans Payable		Notes and Loans Payable	
Year	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2026	$ 710	$ 105	$ 16,530	$ 7,156	$ 10,016	$ 1,233	$ 792	$ 1,898
2027	748	67	16,988	6,530	954	705	882	1,861
2028	787	26	48,574	5,370	983	676	978	1,820
2029	—	—	22,708	3,124	22,060	110	1,079	1,775
2030	—	—	46,827	2,760	—	—	1,186	1,725
2031-2035	—	—	43,945	8,182	—	—	7,753	7,700
2036-2040	—	—	21,262	2,226	—	—	11,463	5,598
2041-2045	—	—	4,271	193	—	—	16,283	2,554
2046-2050	—	—	—	—	—	—	1,941	44
Total	**$ 2,245**	**$ 198**	**$ 221,105**	**$ 35,541**	**$ 34,013**	**$ 2,724**	**$ 42,357**	**$ 24,975**

	Other Component Units		Georgia Housing and Finance Authority	
	Notes and Loans Payable		Mortgage Bonds	
Year	Principal*	Interest	Principal	Interest
2026	$ 1,811	$ 17	$ 55,970	$ 85,218
2027	975	5	57,345	84,052
2028	229	4	57,765	82,255
2029	232	3	60,495	80,382
2030	236	3	59,810	78,395
2031-2035	1,240	13	325,075	360,408
2036-2040	1,370	7	410,465	297,928
2041-2045	1,203	1	462,325	212,287
2046-2050	—	—	453,371	121,409
2051-2055	—	—	284,410	42,982
2056-2060	—	—	14,144	380
Total	**7,296**	**$ 53**	**$ 2,241,175**	**$ 1,445,696**
	14,148			
	$ 21,444	*Does not include note still in draw down phase.		

NOTE 10 - LEASES AND SUBSCRIPTIONS

The State leases land, office facilities, office and computer equipment, and other assets. The State also enters into certain subscription-based contracts to use vendor-provided information technology (IT). Although lease and/or subscription terms vary, many leases and/or SBITAs are subject to appropriation from the General Assembly to continue the obligation. Other agreements generally contain provisions that, at the expiration date of the original term of the agreement, the State has the option of renewing the lease and/or subscription on a year-to-year basis. Leases and/or subscriptions renewed yearly for a specified time period, i.e. agreement expires at 12 months and must be renewed for the next year, do not meet the qualification as a lease or SBITA.

A. Lessee – Lease Obligations

Unless the lessor rate is known, the State's borrowing rate is used. Interest rates for 2025 ranged from 0.0005% - 21.0%.

The lease contracts, at times, include variable payments, residual value guarantees, or termination penalties that are not known or certain to be exercised at the time of the lease obligation valuation. For the fiscal year 2025, the State did not recognize any expense for lease variable payments related to payments based on performance and termination penalties for business-type activities. There were no residual value guarantees for the fiscal year.

For details of Intangible Right-To-Use Assets, see *Note 8 - Capital Assets and Intangible Right-to-use Assets.*

Note 9 - Long-Term Liabilities presents the ending balances of lease obligations in the aggregate. The breakdown of lease obligations by type as of June 30, 2025 are as follows:

	Primary Government					
Fiscal Year Ended June 30	**Governmental Activities**		**Business-type Activities**		**Component Units**	
	Balance	**Current Portion of Balance**	**Balance**	**Current Portion of Balance**	**Balance**	**Current Portion of Balance**
External	$ 854,426	$ 120,355	$ 262,141	$ 36,280	$ 252,429	$ 32,518
Due to Component Units	—	—	199,498	30,305	—	—
Due to Primary Government	—	—	—	—	3,275	197
Total	**$ 854,426**	**$ 120,355**	**$ 461,639**	**$ 66,585**	**$ 255,704**	**$ 32,715**

NOTE 10 - LEASES (continued)

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

	Primary Government					
Fiscal Year Ended June 30	Governmental Activities		Business-type Activities		Component Units	
	Principal	Interest	Principal	Interest	Principal	Interest
2026	$ 120,355	$ 16,256	$ 66,585	$ 12,451	$ 32,715	$ 7,367
2027	97,397	14,086	63,981	10,991	31,526	6,674
2028	90,282	12,227	56,302	9,282	27,220	6,028
2029	79,880	10,491	53,404	7,915	30,963	5,673
2030	61,252	8,920	49,414	6,672	22,513	4,800
2031-2035	232,093	28,011	150,335	17,993	85,349	12,904
2036-2040	141,098	9,587	13,151	5,371	23,909	2,435
2041-2045	30,849	1,150	5,846	1,496	1,274	70
2046-2050	143	—	1,545	280	199	24
2051-2055	177	—	116	204	36	1
2056-2060	217	—	108	245	—	—
2061-2065	237	—	100	290	—	—
2066-2070	264	—	93	337	—	—
2071-2075	182	—	87	388	—	—
2076-2080	—	—	81	444	—	—
2081-2085	—	—	75	504	—	—
2086-2090	—	—	70	570	—	—
2091-2095	—	—	65	641	—	—
2096-2100	—	—	61	719	—	—
2101-2105	—	—	56	804	—	—
2106-2110	—	—	53	898	—	—
2111-2115	—	—	49	1,000	—	—
2116-2120	—	—	45	1,113	—	—
2121-2125	—	—	17	479	—	—
Total Future Minimum Commitments	**$ 854,426**	**$ 100,728**	**$ 461,639**	**$ 81,087**	**$ 255,704**	**$ 45,976**

NOTE 10 - LEASES (continued)

B. Lessor – Lease Receivable

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

The entities whose principal ongoing operations consist of leasing assets to other entities include Georgia Building Authority, State Properties Commission, and Jekyll Island Authority. Minimum future revenues and rentals to be received under leases as of June 30, 2025 for the aforementioned entities are as follows (amounts in thousands):

	Primary Government					
Fiscal Year Ended June 30	Governmental Activities		Business-type Activities		Component Units	
	Principal	Interest	Principal	Interest	Principal	Interest
2026	$ 5,956	$ 11,735	$ —	$ —	$ 1,349	$ 2,252
2027	6,468	11,595	—	—	1,265	2,207
2028	5,519	11,464	—	—	1,255	2,155
2029	5,764	11,343	—	—	1,277	2,117
2030	5,557	11,239	—	—	1,253	2,078
2031-2035	35,460	59,129	—	—	5,996	9,839
2036-2040	48,733	51,007	—	—	4,014	9,025
2041-2045	61,476	46,946	—	—	4,216	8,334
2046-2050	79,432	41,936	—	—	4,682	7,564
2051-2055	101,017	35,522	—	—	3,268	6,889
2056-2060	126,209	27,567	—	—	3,380	6,330
2061-2065	156,254	17,586	—	—	3,986	5,707
2065-2069	169,754	5,604	—	—	4,724	4,968
2070-2074	216	—	—	—	5,600	4,092
2075-2079	46	12	—	—	6,638	3,054
2080-2084	44	9	—	—	7,870	1,823
2085-2089	47	—	—	—	6,361	426
2090-2094	50	—	—	—	—	—
2095-2099	10	—	—	—	—	—
Total Minimum Revenues	**$ 808,012**	**$ 342,694**	**$ —**	**$ —**	**$ 67,134**	**$ 78,860**

NOTE 10 - LEASES (continued)

C. Related Parties

Primary Government

University System of Georgia Foundations

During fiscal year 2025, various foundations that are not included in the government-wide financial statements have entered into transactions with institutions of the University System of Georgia. The University System of Georgia institutions have lease obligations to these foundations that are not included as component units in the amount of $194.4 million as of June 30, 2025.

D. Subscription Obligations

Unless the vendor rate is known, the State's borrowing rate is used. Interest rates for 2025 ranged from 0.023% - 5.5%.

For the fiscal year 2025, the State recognized expense for lease variable payments related to payments based on performance and termination penalties of $28.7 million for governmental activities.

For details of Subscription Based Intangible Right-To-Use Assets, refer to *Note 8 - Capital Assets and Intangible Right-to-use assets*.

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

	Primary Government					
Fiscal Year Ended June 30	Governmental Activities		Business-type Activities		Component Units	
	Principal	Interest	Principal	Interest	Principal	Interest
2026	$ 75,648	$ 3,368	$ 55,067	$ 5,998	$ 3,849	$ 532
2027	52,722	1,591	45,452	4,653	2,735	482
2028	16,869	475	33,796	3,341	2,026	313
2029	5,168	112	30,332	2,367	1,295	242
2030	293	9	28,549	1,500	817	189
2031-2035	185	3	38,510	922	3,778	378
Total Future Minimum Commitments	**$ 150,885**	**$ 5,558**	**$ 231,706**	**$ 18,781**	**$ 14,500**	**$ 2,136**

NOTE 11 - ENDOWMENTS

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

Changes in the endowment net position for the year ended June 30, 2025, are as follows (amounts in thousands):

Component Units	Without Donor Restriction	With Donor Restriction	Total
Endowment net position, July 1	$ 434,591	$ 4,248,239	$ 4,682,830
Contributions	3,223	258,931	262,154
Net realized and unrealized gains	38,188	469,285	507,473
Appropriation of endowment assets for expenditure	(14,763)	(198,271)	(213,034)
Transfers to comply with donor intent	(884)	(856)	(1,740)
Other	9,836	2,912	12,748
Endowment net position, June 30	**$ 470,191**	**$ 4,780,240**	**$ 5,250,431**

NOTE 12 - SERVICE CONCESSION ARRANGEMENTS

A. Primary Government

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

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

University System of Georgia

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

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

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

For the $311.6 million that was originally received from Corvias Campus Living-USG, LLC, in fiscal year 2015, $8.0 million was amortized at June 30, 2025, leaving a remaining Deferred Inflow of Resources balance of $239.8 million at year end.

In addition to the existing student housing arrangement, Corvias designs and constructs authorized new housing projects that, once constructed, are similarly managed, maintained and operated on seven of the nine campuses with existing student housing resources. Two of these projects were completed in fiscal year 2016 and their fair market values were capitalized increasing Capital Assets by $23.1 million. In fiscal year 2017, five additional housing projects were completed and their fair market values were capitalized increasing Capital Assets by $154.4 million. A deferred inflow of resources was recorded as the offset to the Capital Asset additions. The deferred inflows associated with these projects are being amortized over the remaining life of the SCA in accordance with the term revision noted above. At June 30, 2025, the University System Office amortized $4.6 million of Deferred Inflows related to these seven projects, leaving a remaining Deferred Inflow of Resources balance of $139.1 million at year end.

NOTE 12 - SERVICE CONCESSION ARRANGEMENTS (continued)

Also, as part of this SCA, and beginning in fiscal year 2016, the USO receives $8.0 million in Ground Rent and $500,000 in Supplemental Capital Repair and Replacement funds each year for the next ten years, with each amount escalating by 3% annually. The USO recorded accounts receivable and deferred inflow of resources in the amount of $73.2 million representing the present value of this revenue stream based on the agreement terms and will amortize the deferred inflows over a ten-year period. The rate applied to the measurement of the receivable of the installment payments was 5.3%.

In June of 2025, Corvias Campus Living-USG, LLC filed for Chapter 11 bankruptcy. For fiscal year 2025, the University System Office adopted a conservative approach by recognizing only one year of Accounts Receivable and Deferred Inflows of Resources from the upcoming ten-year period, totaling $11.1 million at a discount rate of 2.59%. For the year ended June 30, 2025, the University System Office amortized $6.6 million and recognized $4.5 million in associated interest income, leaving a remaining Deferred Inflow of Resources balance of $4.5 million.

The USO also receives retained services funds each year as a percentage of gross revenues for that year. For the fiscal year ended June 30, 2025, the University System Office received $11.1 million in retained services revenue.

The USO has no reportable future obligation for these services.

Augusta State University

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

As part of the agreement, Wellstar has committed $797 million toward the construction, completion and opening of the Columbia County Hospital, Medical Office Building and Surgery Center. In addition, Wellstar will integrate its Wellstar Epic electronic medical records system at the Augusta University's teaching hospital, and to support the capital improvements and deferred maintenance on the Augusta Campus (health science's campus).

The Electronic Health Record (EHR) system implementation, supported by a $105 million appropriation from the Georgia Legislature and a $10 million contribution from Augusta University, was completed during fiscal year 2025 resulting in the full expenditure of the previously allocated $115 million.

Wellstar will initiate annual Variable Mission Support Payments, which will be overseen by an Escrow Agent. For the fiscal year 2025, there were not any variable or other payments, such as residual value guarantees or termination penalties, received for the fiscal year ended June 30, 2025.

Atlanta Metropolitan State College (AMSC)

In July 2023, AMSC entered into an agreement with Civic Media Group, LLC for the construction and operation of a digital billboard located on AMSC's campus grounds. The agreement is renewable for 10 years for a total of $1.0 million. The amortized revenue recorded in fiscal year 2025 was $0.2 million and the remaining deferred inflow of resources was $0.8 million.

Kennesaw State University

At June 30, 2025, Kennesaw State University (KSU) was a participant in four Public-Private Partnerships.

NOTE 12 - SERVICE CONCESSION ARRANGEMENTS (continued)

1. In August 2001, KSU entered into an agreement with Kennesaw State University Foundation, Inc. (KSUF) whereby KSUF will operate and collect revenues for housing operations from students. KSUF is required to operate the residence hall (“University Place”) in accordance with a contractual agreement between the two parties. Under the terms of the agreement, the University received no funds upfront from KSUF, but will take full ownership of the residence hall at the end of the operating agreement in August 2037.

2. In August 2003, KSU entered into an agreement with KSUF whereby KSUF will operate and collect revenues for housing operations from students. KSUF is required to operate the housing (“University Village”) in accordance with a contractual agreement between the parties. Under the terms of the agreement, the University received no funds upfront from KSUF, but will take full ownership of the housing at the end of the operating agreement in July 2036.

3. In August 2007, KSU entered into an agreement with KSUF whereby KSUF will operate and collect revenues for housing operations from students. KSUF is required to operate the housing (“University Suites”) in accordance with a contractual agreement between the parties. Under the terms of the agreement, the University received no funds upfront from KSUF, but will take full ownership of the housing at the end of the operating agreement in September 2038.

4. In August 2020, the KSU entered into an agreement with KSUF to simplify the student experience for KSUF-owned housing (University Place, University Village, and University Suites). Under this agreement, KSU is responsible for providing property management services on behalf of KSUF in a fiduciary capacity for billing and the collection of housing charges.

5. In July 2017, KSU entered into a lease agreement with a food service provider whereby the vendor will operate a restaurant in accordance with a contractual agreement between the two parties. Under the terms of the agreement, the University received no funds upfront, but will take full ownership of the equipment and lease improvements at the end of the operating agreement in June 2027.

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

At June 30, 2025, the KSU reports the three housing residences and one retail space as capital assets with a net carrying value of $40.1 million. For fiscal year 2025, the KSU reported a remaining deferred inflows of resources of $40.1 million and amortized revenue of $3.4 million.

For fiscal year 2025, KSU received variable payments related to revenue sharing arrangements, based on performance of the operator and/or the usage of the underlying public-private partnership asset in the amount of $0.2 million.

Georgia Gwinnett College

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

The amortized revenue recorded related to the lump sum payment in fiscal year 2025 was $0.1 million and the remaining deferred inflow was $0.7 million.

NOTE 12 - SERVICE CONCESSION ARRANGEMENTS (continued)

Georgia College and State University

On July 1, 2024, the University entered into a Service Concession Arrangement agreement with Barnes and Noble, whereby Barnes and Noble will operate the on campus bookstore operations. The agreement is renewable for each year for five years.

Under the terms of the contract, Barnes and Noble will pay Institution the greater of the following: Guaranteed Amount or Calculated Commission. After the first contract year, Barnes & Noble College will provide a guaranteed amount in all future years of this agreement equal to ninety percent (90%) of the calculated commission from the previous contract year. The total Barnes and Noble total guaranteed commitment amount was $0.8 million.

For the fiscal year 2025, the University received the Guaranteed Commission payment of $0.2 million. The amortized revenue recorded related to the payment in fiscal year 2025 was $0.2 million and the remaining deferred inflow is $0.6 million.

There were not any variable or other payments, such as residual value guarantees or termination penalties, received from either partnership for the fiscal year ended June 30, 2025.

Valdosta State University

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

Under terms of the original agreement Aramark also committed $4.7 million in dining facility renovations. The amortized revenue recorded in fiscal year 2025 for the remaining construction commitment was $0.5 million leaving deferred inflow balance of $0.3 million.

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

Under the terms of the original contract BNC committed to up to $20,000 to renovate facilities with an additional $84,000 investment for operating systems. The amortized revenue recorded in fiscal year 2025 for the remaining commitment was $29,619 leaving deferred inflow balance of $37,023.

There were not any variable or other payments, such as residual value guarantees or termination penalties, received from either partnership for the fiscal year ended June 30, 2025.

NOTE 13 - DEFERRED INFLOWS AND OUTFLOWS

Deferred Outflows and Inflows of Resources reported on the Statement of Net Position as of June 30, 2025, consisted of the following (amounts in thousands):

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
Deferred Outflows of Resources				
Deferred Amount on Refundings of Bonded Debt	$ 61,329	$ 55,551	$ 116,880	$ 20,610
Deferred Outflows Relating to Other Postemployment Benefits:				
Difference between expected and actual experience	56,833	81,056	137,889	5,485
Change of assumptions	94,795	204,565	299,360	10,551
Net difference between projected and actual earnings on OPEB plan investments	—	6,847	6,847	—
Change in proportion	29,777	2,462	32,239	4,462
State contribution subsequent to measurement date	145,502	113,639	259,141	5,782
Deferred Outflows Relating to Pensions:				
Difference between expected and actual experience	228,102	471,486	699,588	20,868
Change of assumptions	64,828	280,014	344,842	17,491
Net difference between projected and actual earnings on pension plan investments	1,739	—	1,739	—
Change in proportion	57,969	122,009	179,978	3,138
State contribution subsequent to the measurement date	944,736	613,200	1,557,936	40,022
Total Deferred Outflows of Resources	**$ 1,685,610**	**$ 1,950,829**	**$ 3,636,439**	**$ 128,409**
Deferred Inflows of Resources				
Deferred Amount on Refundings of Bonded Debt	$ —	$ 51,894	$ 51,894	$ —
Deferred Service Concession Arrangement Receipts	—	431,705	431,705	—
Deferred Inflows Relating to Other Postemployment Benefits:				
Difference between expected and actual experience	82,265	26,675	108,940	17,579
Change of assumptions	240	1,475,872	1,476,112	13,874
Net difference between projected and actual earnings on OPEB plan investments	191,899	23,112	215,011	2,167
Change in proportion	29,863	2,780	32,643	19,792
Deferred Inflows Relating to Pensions:				
Difference between expected and actual experience	18,846	12,031	30,877	347
Change of assumptions	16,405	—	16,405	736
Net difference between projected and actual earnings on pension plan investments	541,832	600,656	1,142,488	24,251
Change in proportion	58,967	121,245	180,212	16,701
Other Deferred Revenue	94,124	2,492	96,616	15,711
Leases	746,029	23,620	769,649	705,128
Total Deferred Inflows of Resources	**$ 1,780,470**	**$ 2,772,082**	**$ 4,552,552**	**$ 816,286**

NOTE 13 - DEFERRED INFLOWS AND OUTFLOWS (continued)

Of the $1.7 billion of deferred outflows of resources reported in the governmental activities, $326.9 million represent deferred outflows related to other postemployment benefits, of which $4.4 million are reported in the internal service funds and $1.3 billion represent deferred outflows relating to pensions, of which $15.0 million are reported in the internal service funds. The remaining $61.3 million represent deferred amounts on refundings of bonded debt.

Of the $1.8 billion of deferred inflows of resources reported in the governmental activities, $304.3 million represents deferred inflows related to other postemployment benefits, of which $4.3 million are reported in the internal service funds and $636.1 million represents deferred inflows relating to pensions, of which $7.9 million are reported in the internal service funds, and $746.0 million is related to leases. Additionally, the U.S. Department of Justice settled an agreement with the Volkswagen Corporation in which an Environmental Mitigation Trust was established. The State has $20.2 million in unavailable revenues to fund future eligible mitigation actions.

Deferred outflows reported in business-type activities include $2.0 billion which represent $408.6 million relating to other postemployment benefits, $1.5 billion which represent deferred outflows relating to pensions and $55.6 million, which represent deferred amounts on refundings of bonded debt.

Of the $2.8 billion of deferred inflows of resources reported in the business-type activities, $1.5 billion represent deferred inflows relating to other postemployment benefits, $733.9 million represent deferred inflows relating to pensions, $431.7 million represent deferred service concession arrangement receipts described in *Note 12 - Service Concession Arrangements*, $51.9 million represent deferred amounts on refundings of bonded debt, $23.6 million is related to leases, and $2.5 million represents grant funds received before the period when those resources are permitted to be used.

Of the $128.4 million of deferred outflows of resources reported in the component units, $26.3 million represent deferred outflows relating to other postemployment benefits, $81.5 million represent deferred outflows relating to pensions and $20.6 million represent deferred amounts on refundings of bonded debt.

Of the $816.3 million of deferred inflows of resources reported in the component units, $53.4 million represent deferred inflows relating to other postemployment benefits, $42.0 million represent deferred inflows relating to pensions, $705.1 million is related to leases, and $15.7 million represent grants funds received before the period when those resources are permitted to be used.

Under the modified accrual basis of accounting, governmental funds reported $3.1 billion in deferred inflows of resources, of which $725.5 million is related to leases, and $2.3 billion is for unavailable revenues, which consisted primarily of taxes and interest received more than 30 days after close of the current fiscal year.

NOTE 14 - RETIREMENT SYSTEMS

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

The State's significant retirement plans are:

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

Each of these systems issue separate publicly available financial reports that include the applicable financial statements and required supplementary information. More detailed information can be found in the plan agreements and related legislation. Each plan, including benefit and contribution provisions, was established and can be amended by State law.

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

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

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

A. Basis of Accounting

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

NOTE 14 - RETIREMENT SYSTEMS (continued)

B. Investments

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

For the fiscal year ended June 30, 2025, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense for the System, is represented below, along with the TRS plan.

Pension Plans	Net Annual Money-Weighted Rate
ERS	12.60 %
Teacher's Retirement System	10.08 %

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

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

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

The following table summarizes the adopted asset allocation policy by plan at June 30, 2025:

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

C. Defined Benefit Plans Descriptions and Funding Policies

<u>**Employees' Retirement System of Georgia (The System)**</u>

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

NOTE 14 - RETIREMENT SYSTEMS (continued)

Employees' Retirement System (ERS)

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

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

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

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

Contributions: Member contribution rates are set by law. Member contributions under the old plan are 4% of annual compensation up to $4,200 plus 6% of annual compensation in excess of $4,200. Under the old plan, the State pays member contributions in excess of 1.25% of annual compensation. Under the old plan, these State contributions are included in the members' accounts for refund purposes and are used in the computation of the members' earnable compensation for the purpose of computing retirement benefits. Member contributions under the new plan and GSEPS are 1.25% of annual compensation. The State is required to contribute at a specified percentage of active member payroll established by the Board of Trustees and determined annually in accordance with an actuarial valuation and minimum funding standards as provided by law. These State contributions are not at any time refundable to the member or his/her beneficiary.

NOTE 14 - RETIREMENT SYSTEMS (continued)

Employer and nonemployer contributions required, as a percentage of covered payroll, for fiscal year 2025 were based on the June 30, 2022 actuarial valuation as follows:

Plan Segment	Contribution Rate 2025
Old Plan*	29.20 %
New Plan	29.20 %
GSEPS	25.51 %

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

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

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

Teachers Retirement System of Georgia (TRS)

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

Benefits Provided: TRS provides service retirement, disability retirement, and survivor's benefits. Title 47 of the OCGA assigns the authority to establish and amend the provisions of TRS to the State Legislature. A member is eligible for normal service retirement after 30 years of creditable service, regardless of age, or after 10 years of service and attainment of age 60. A member is eligible for early retirement after 25 years of creditable service.

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

NOTE 14 - RETIREMENT SYSTEMS (continued)

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

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

Member contributions as adopted by the Board of Trustees for fiscal year 2025 were 6% of covered payroll. Employer and Nonemployer contributions required for fiscal year 2025 were 20.78% of annual salary as required by the June 30, 2022, actuarial valuation.

D. Defined Benefit Plans Membership and Participating Employers

The following table summarizes the participating membership and participating employers at June 30, 2025:

Participating Membership by Plan
June 30, 2025

Plan Membership	ERS	TRS
Inactive plan members or beneficiaries currently receiving benefits	55,596	155,826
Inactive plan members entitled to but not yet receiving benefits	78,192	16,416
Inactive plan members not entitled to benefits	—	132,261
Active plan members	57,929	242,241
Total	**191,717**	**546,744**
Number of Employers	365	330

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

NOTE 14 - RETIREMENT SYSTEMS (continued)

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

The following schedule is presented from the perspective of the State as the sponsor of the various Plans and summarizes the components of the Net Pension Liability of the participating employers and nonemployer contributing entities, as of June 30, 2025, by Plan (amounts in thousands):

Components of the Net Pension Liability	ERS	TRS
Total Pension Liability	$ 21,472,685	$ 137,943,737
Plan Fiduciary Net Position	18,637,570	116,767,912
Employers' and non-employer contributing entity's net pension liability	$ 2,835,115	$ 21,175,825
Plan fiduciary net position as a percentage of the total pension liability	86.80 %	84.65 %

F. Defined Benefit Plans Actuarial Methods and Assumptions

Actuarial Valuation Date

The total pension liability at June 30, 2025 is based upon the June 30, 2024 actuarial valuation for ERS and TRS using generally accepted actuarial procedures/techniques.

Actuarial Assumptions

The total pension liability, as of June 30, 2025, for each plan was determined by an actuarial valuation date indicated in the table below using the following actuarial assumptions, applied to all periods included in the measurement:

(Chart on next page)

NOTE 14 - RETIREMENT SYSTEMS (continued)

Actuarial Assumptions

Plan	Valuation date	Inflation	Salary increases	Investment rate of return[1]	Cost of Living Adjustment	Mortality	Actuarial experience study
ERS	6/30/2024	2.50%	3.00% - 6.75%*	7.00%	1.05% annually	The Pub-2010 General Employee Table, with no adjustments, projected generationally with the MP-2019 scale is used for both males and females while in active service. Post-retirement mortality rates for were based on the Pub-2010 Family of Tables, with the MP-2019 projection scale applied generationally, as follows: service retirees - General Healthy Annuitant mortality table with further adjustments (set forward one year for both males and females and adjusted 105% and 108% respectively for males and females); disability retirees - General Disabled Table (set back three years for males, and adjusted 103% and 106% for males and females, respectively); beneficiaries - General Contingent Survivors Table (set forward two years for both males and females and adjusted 106% and 105% respectively).	7/1/2014-6/30/2019
TRS	6/30/2024	2.50%	3.00% - 8.75%*	6.90%	1.5% semi-annually	Post-retirement mortality rates for service retirements and beneficiaries were based on the Pub-2010 Teachers Headcount Weighted Below Median Healthy Retiree mortality table (set forward one year and adjusted 106%) with the MP-2019 Projection scale applied generationally. The rates of improvement were reduced by 20% for all years prior to the ultimate rate. Post-retirement mortality rates for disability retirements were based on the Pub-2010 Teachers Mortality Table for Disabled Retirees (set forward one year and adjusted 106%) with the MP-2019 Projected scale applied generationally. The rates of improvement were reduced by 20% for all years prior to ultimate rate. The Pub-2010 Teachers Headcount Weighted Below Median Employee mortality table (set forward one year and adjusted 106%) was used for death prior to retirement. Future improvement in mortality rates was assumed using the MP-2019 projection scale generationally. Rates of improvement were reduced by 20% for all years prior to the ultimate rate.	7/1/2018-6/30/2023

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

*Includes respective inflation assumptions.

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

NOTE 14 - RETIREMENT SYSTEMS (continued)

Long-Term Expected Rate of Return

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

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

	Target Allocation			
Asset Class	**ERS**		**TRS**	
	Target allocation	**Long-term expected real rate of return***	**Target allocation**	**Long-term expected real rate of return***
Fixed Income	30.0 %	1.9%	30.0 %	1.9%
Domestic large equities	43.2 %	9.3 %	43.2 %	9.3 %
Domestic small equities	4.3 %	13.0 %	4.3 %	13.0 %
International developed market equities	12.3 %	9.3 %	12.3 %	9.3 %
International emerging market equities	5.2 %	11.3 %	5.2 %	11.3 %
Alternatives	5.0 %	11.4 %	5.0 %	11.4 %
Total	**100.0 %**		**100.0 %**	

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

Discount Rate

The discount rate used to measure the total pension liability for ERS and TRS, as of June 30, 2025, was 7.00% and 6.90%, respectively. The projection of cash flows used by each plan to determine the discount rate was assumed that plan member contributions will be made at the current contribution rate and that employer and nonemployer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, each pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

NOTE 14 - RETIREMENT SYSTEMS (continued)

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

The following schedule is presented from the perspective of the State as the sponsor of the various Plans and summarizes the NPL of the employer and nonemployer contributing entities, as of June 30, 2025. The NPL is calculated using the determined discount rate as well as what the NPL would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate by the Plan (amounts in thousands):

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

	1% Decrease	Current Rate	1% Increase
	(6.00%)	(7.00%)	(8.00%)
ERS's Net Pension Liability	$ 5,145,943	$ 2,835,115	$ 891,755
	(5.90%)	(6.90%)	(7.90%)
TRS's Net Pension Liability	$ 40,084,166	$ 21,175,825	$ 5,705,493

NOTE 14 - RETIREMENT SYSTEMS (continued)

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

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

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

The following schedule is presented from the perspective of the State as the Employer and/or non-employer contributing entity and details the proportionate share of the pension amounts for each plan as of June 30, 2025 is as follows (amounts in thousands):

Aggregate Pension Amounts - All Plans

	Primary Government	Component Units
Pension liabilities	$ 8,680,474	$ 226,417
Pension assets	$ 121,198	$ 9,108
Deferred outflows of resources related to pensions	$ 2,784,083	$ 81,519
Deferred inflows of resources related to pensions	$ 1,369,982	$ 42,035
Pension expense/expenditures	$ 978,041	$ 32,625

NOTE 14 - RETIREMENT SYSTEMS (continued)

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

The NPL for each plan was measured as of June 30, 2024. The total pension liability/asset used to calculate the NPL for each plan was based on an actuarial valuation as of June 30, 2023 for ERS and TRS.

Employees' Retirement System

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

Primary Government: At June 30, 2025, the State reported a liability of $4.0 billion, for its proportionate share of the net pension liability. 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, with standard roll-forward techniques performed to update the total pension liability to June 30, 2024. The State'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 State's proportion for the ERS plan as Employer was 88.503700% which was an increase of 0.306607% from its proportion measured as of June 30, 2023. For the year ended June 30, 2025, the State recognized pension expense of $0.2 billion.

At June 30, 2025, the State reported a liability of $48.8 million, for its proportionate share of the net pension liability, based on contributions to ERS during the fiscal year ended June 30, 2024, for certain Local County Tax Commissioners and the CSC and PAC employees in certain counties. At June 30, 2024, the State's proportion was 1.084300% for certain Local County Tax Commissioners and the CSC and PAC employees in certain counties. For the year ended June 30, 2025, the State recognized expense of $(5.2) million.

Component Units: At June 30, 2025, the State reported a liability of $62.3 million, for its proportionate share of the net pension liability. 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, with standard roll-forward techniques performed to update the total pension liability to June 30, 2024. The State'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 State's proportion for the ERS plan as Employer was 1.383000%, which was an increase of 0.004895% from its proportion measured as of June 30, 2023. For the year ended June 30, 2025, the State recognized pension expense of $4.0 million.

NOTE 14 - RETIREMENT SYSTEMS (continued)

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

At June 30, 2025, the State reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (amounts in thousands):

	Primary Government				Component Units	
	State as Employer		State as Nonemployer Contributing Entity		State as Employer	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 213,562	$ —	$ 2,616	$ —	$ 3,338	$ —
Changes of assumptions	—	—	—	—	—	—
Net difference between projected and actual earnings on pension plan investments	—	448,755	—	5,497	—	7,012
Changes in proportion and differences between State contributions and proportionate share of contributions	57,118	48,568	95	5,169	1,619	1,292
State contributions subsequent to the measurement date	829,953	—	9,076	—	12,601	—
Total	**$ 1,100,633**	**$ 497,323**	**$ 11,787**	**$ 10,666**	**$ 17,558**	**$ 8,304**

Primary Government: State contributions as employer and nonemployer subsequent to the measurement date of $830.0 million and $9.1 million are reported as deferred outflows of resources and will be recognized as a reduction of the NPL in the year ended June 30, 2026.

Component Units: State contributions as employer subsequent to the measurement date of $12.6 million are reported as deferred outflows of resources and will be recognized as a reduction of the NPL in the year ended June 30, 2026.

NOTE 14 - RETIREMENT SYSTEMS (continued)

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

	Primary Government		Component Units
Year ended June 30:	**State as Employer**	**State as Nonemployer Contributing Entity**	**State as Employer**
2026	$ (68,736)	$ (5,266)	$ (922)
2027	289,934	2,797	4,530
2028	(273,095)	(3,345)	(4,267)
2029	(174,745)	(2,140)	(2,730)
2030	—	—	—
Thereafter	—	—	—

Teachers Retirement System of Georgia

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

Primary Government: At June 30, 2025, the State reported a liability of $4.1 billion, for its proportionate share of the net pension liability. 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, with standard roll-forward techniques performed to update the total pension liability to June 30, 2024. The State's proportion of the net pension liability was based on contributions to TRS during the fiscal year ended June 30, 2024. At June 30, 2024, the State's proportion for the TRS plan as Employer was 16.322084%, which was a decrease of (0.121321)% from its proportion measured as of June 30, 2023. For the year ended June 30, 2025, the State recognized pension expense of $658.7 million.

At June 30, 2025, the State reported a liability of $47.7 million, for its proportionate share of the net pension liability, based on contributions to TRS during the fiscal year ended June 30, 2024. At June 30, 2024, the State's proportion was 0.189653% for certain full-time public school support personnel. For the year ended June 30, 2025, the State recognized expense of $7.0 million.

Component Units: At June 30, 2025, the State reported a liability of $116.0 million, for its proportionate share of the net pension liability. 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, with standard roll-forward techniques performed to update the total pension liability to June 30, 2024. The State's proportion of the net pension liability was based on contributions to TRS during the fiscal year ended June 30, 2024. At June 30, 2024, the State's proportion for the TRS plan as Employer was 0.461552%, which was a decrease of 0.048039% from its proportion measured as of June 30, 2023. For the year ended June 30, 2025, the State recognized pension expense of $14.5 million.

NOTE 14 - RETIREMENT SYSTEMS (continued)

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

At June 30, 2025, the State reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (amounts in thousands):

	Primary Government				Component Units	
	State as Employer		State as Nonemployer Contributing Entity		State as Employer	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 464,143	$ 12,259	$ 5,394	$ 142	$ 13,127	$ 347
Changes of assumptions	285,340	—	3,316	—	8,070	—
Net difference between projected and actual earnings on pension plan investments	—	571,875	—	6,646	—	16,174
Changes in proportion and differences between State contributions and proportionate share of contributions	117,479	119,453	3,269	5,006	1,520	15,410
State contributions subsequent to the measurement date	563,584	—	6,512	—	13,683	—
Total	**$ 1,430,546**	**$ 703,587**	**$ 18,491**	**$ 11,794**	**$ 36,400**	**$ 31,931**

Primary Government: State contributions as employer and nonemployer subsequent to the measurement date of $563.6 million and $6.5 million are reported as deferred outflows of resources and will be recognized as a reduction of the NPL in the year ended June 30, 2026.

Component Units: State contributions as employer subsequent to the measurement date of $13.7 million are reported as deferred outflows of resources and will be recognized as a reduction of the NPL in the year ended June 30, 2026.

NOTE 14 - RETIREMENT SYSTEMS (continued)

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

	Primary Government		Component Units
Year ended June 30:	State as Employer	State as Nonemployer Contributing Entity	State as Employer
2026	$ 61,925	$ 38	$ (3,107)
2027	535,165	5,480	10,440
2028	(242,701)	(3,148)	(10,217)
2029	(191,014)	(2,184)	(6,330)
2030	—	—	—
Thereafter	—	—	—

H. Actuarial Methods and Assumptions (GASB 68)

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

(Chart on next page)

NOTE 14 - RETIREMENT SYSTEMS (continued)

Actuarial Assumptions

Plan	Valuation date	Inflation	Salary increases	Investment rate of return[1]	Cost of Living Adjustment	Mortality	Actuarial experience study
ERS	6/30/2023	2.50%	3.00% - 6.75%*	7.00%	1.05% annually	The Pub-2010 General Employee Table, with no adjustments, projected generationally with the MP-2019 scale is used for both males and females while in active service. Post-retirement mortality rates were based on the Pub-2010 Family of Tables, with the MP-2019 projection scale applied generationally, as follows: service retirees - General Healthy Annuitant mortality table with further adjustments (set forward one year and adjusted 105% and 108% respectively for males and females); disability retirees - General Disabled Table (set back three years for males and adjusted 103% and 106% for males and females respectively); beneficiaries - General Contingent Survivors Table (set forward two years for both males and females and adjusted 106% and 105% respectively).	7/1/2014-6/30/2019
TRS	6/30/2023	2.50%	3.00% - 8.75%*	6.90%	1.5% semi-annually	Post-retirement mortality rates for service retirements and beneficiaries were based on the Pub-2010 Teachers Headcount Weighted Below Median Healthy Retiree mortality table (set forward one year and adjusted 106%) with the MP-2019 Projection scale applied generationally. The rates of improvement were reduced by 20% for all years prior to the ultimate rate. Post-retirement mortality rates for disability retirements were based on the Pub-2010 Teachers Mortality Table for Disabled Retirees (set forward one year and adjusted 106%) with the MP-2019 Projected scale applied generationally. The rates of improvement were reduced by 20% for all years prior to ultimate rate. The Pub-2010 Teachers Headcount Weighted Below Median Employee mortality table (set forward one year and adjusted 106%) was used for death prior to retirement. Future improvement in mortality rates was assumed using the MP-2019 projection scale generationally. Rates of improvement were reduced by 20% for all years prior to the ultimate rate.	7/1/2013-6/30/2018

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

*Includes respective inflation assumptions.

Long-Term Expected Rate of Return

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

NOTE 14 - RETIREMENT SYSTEMS (continued)

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

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

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

Discount Rate

The discount rate used for ERS to measure the total pension liability, as of June 30, 2024, was 7.00%. The discount rate used for TRS to measure the total pension liability was 6.90%. The projection of cash flows used by each plan to determine the discount rate was assumed that plan member contributions will be made at the current contribution rate and that employer and non-employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, each pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

NOTE 14 - RETIREMENT SYSTEMS (continued)

The following schedule is presented from the perspective of the State as the employer and non-employer contributing entity and details the State's proportionate share of the Net Pension Liability (NPL)/Net Pension Asset (NPA), as of June 30, 2024. The NPL is calculated using the discount rate detailed below, as well as what the State's proportionate share of the NPL would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate (amounts in thousands):

Sensitivity of the Net Pension Liability/Asset to Changes in the Discount Rate

	Primary Government			Component Units		
	1% Decrease	Current Discount Rate	1% Increase	1% Decrease	Current Discount Rate	1% Increase
	(6.00%)	(7.00%)	(8.00%)	(6.00%)	(7.00%)	(8.00%)
ERS's Net Pension Liability	$ 6,002,877	$ 3,984,331	$ 2,286,740	$ 93,798	$ 62,257	$ 35,732
SFS	73,528	48,803	28,010	—	—	—
Total ERS Net Pension Liability	$ 6,076,405	$ 4,033,134	$ 2,314,750	$ 93,798	$ 62,257	$ 35,732
	(5.90%)	(6.90%)	(7.90%)	(5.90%)	(6.90)%	(7.90%)
TRS's Net Pension Liability/(Asset)	$ 7,061,210	$ 4,101,766	$ 1,687,273	$ 199,675	$ 116,009	$ 47,712
SFS	82,047	47,669	19,605	—	—	—
Total TRS's Net Pension Liability/(Asset)	$ 7,143,257	$ 4,149,435	$ 1,706,878	$ 199,675	$ 116,009	$ 47,712

I. Defined Contribution Plans

GSEPS 401(k) Component of ERS Plan

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

NOTE 14 - RETIREMENT SYSTEMS (continued)

The GSEPS plan includes automatic enrollment in the 401(k) plan at a contribution rate of 5% of salary unless the participating member elects otherwise. The member may change such level of participation at any time. In addition, the member may make such additional contributions as he or she desires, subject to limitations imposed by federal law. During the 2022 Legislative Session, the Georgia General Assembly approved a change to the GSEPS 401(k) employer match structure. The new structure increased the match and added a years of service component. Starting July 1, 2022, the employer match is dollar per dollar, up to 5% of pay, and GSEPS members with at least 6 years of service who are contributing a minimum of 5%, will get an additional half percent Employer match for every full year of service in excess of five years, up to a maximum match of 9%.

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

Less than 1 year	0%
1 year	20%
2 years	40%
3 years	60%
4 years	80%
5 or more years	100%

Employee contributions and earnings thereon are 100% vested at all times. The 401(k) plan also allows participants to roll over amounts from other qualified plans to their respective account in the 401(k) plan on approval of the 401(k) plan administrator. Such rollovers are 100% vested at the time of transfer. Participant contributions are invested according to the participant's investment election. If the participant does not make an election, investments are automatically defaulted to a Lifecycle fund based on the participant's date of birth.

The participants may receive the value of their vested accounts upon attaining age 59.5, qualifying financial hardship, or 30 days after retirement or other termination of service (employer contribution balances are only eligible for distribution upon separation from service). Upon the death of a participant, his or her beneficiary shall be entitled to the vested value of his or her accounts. Employees who die while actively employed and eligible for 401(k) employer matching contributions become fully vested in employer contributions upon death. Distributions are made in installments or in a lump sum.

There were 84,758 plan members and 457 participating employers in the plan at June 30, 2025. For the fiscal year ended June 30, 2025, the State's employer and employee GSEPS contributions were $117.2 million and $123.6 million, respectively. Additionally, the State made contributions of $0.1 million on behalf of employers that are not in the reporting entity. Employer contributions may be partially funded from non-vested contributions that were forfeited by employees.

NOTE 14 - RETIREMENT SYSTEMS (continued)

Regents Retirement Plan

The Regents Retirement Plan, a single-employer defined contribution plan, is an optional retirement plan established by the Georgia General Assembly in OCGA § 47-21-1. It is administered and may be amended by the Board of Regents of the University System of Georgia (Board of Regents). A participant in the plan is an "eligible university system employee" defined as a faculty member or all exempt full and partial benefit eligible employees as designated by the regulations of the Board. Under the Plan, a plan participant may purchase annuity contracts from three approved vendors (VALIC, Fidelity, and TIAA-CREF) for the purpose of receiving retirement and death benefits. The approved vendors have separately issued financial reports that may be obtained through their respective corporate offices.

Benefits depend solely on amounts contributed to the plan plus investment earnings. Benefits are payable to participating employees or their beneficiaries in accordance with the terms of the annuity contracts.

The institutions of the University System of Georgia make monthly employer contributions for the Regents Retirement Plan at rates determined by the Board of Regents in accordance with State statute and as advised by their independent actuary. For the fiscal year ended June 30, 2025, the employer contribution was 9.24% of the participating employee's earned compensation, and employees contributed 6.00% of their earned compensation. Amounts attributable to all plan contributions are fully vested and non-forfeitable at all times. For the fiscal year ended June 30, 2025, employer and employee contributions were $167.6 million and $109.3 million, respectively.

NOTE 15 - POSTEMPLOYMENT BENEFITS - MULTI-EMPLOYER PLANS

The State administers various multiple-employer other postemployment benefit (OPEB) plans. The State is the plan sponsor (Plan) of these plans and in many cases the participating employer (Employer). The notes to the financial statements and required supplementary information that follow are presented from the perspective of the State as Plan sponsor and the State as Employer.

The State's multiple-employer OPEB plans are:

- Plans Administered by Department of Community Health (DCH):
  - Georgia State Employees Post-employment Health Benefit Fund (State OPEB Fund)
  - Georgia School Personnel Post-employment Health Benefit Fund (School OPEB Fund)
- State Employees' Assurance Department (SEAD-OPEB Plan), which is administered by Employees' Retirement System (ERS) (www.ers.ga.gov):

The financial statements for the State OPEB Fund, School OPEB Fund, and SEAD-OPEB Plan are presented in the Fiduciary Funds section of this report. The SEAD-OPEB Plan issues separate publicly available financial reports that include the applicable financial statements and required supplementary information.

A. Basis of Accounting

The financial statements of these plans are prepared using the economic resources measurement focus and accrual basis of accounting. Contributions from employers and members are recognized in the period in which they are due. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. The OPEB plan's fiduciary net positions have been determined on the same basis as they are reported by the various plans.

B. Investments

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price.

For the fiscal year ended June 30, 2025, the annual money-weighted rate of return on OPEB plan investments, net of OPEB plan investment expense are represented below:

OPEB Plans	Net Annual Money-Weighted Rate
State OPEB Fund	12.77 %
School OPEB Fund	13.69 %
SEAD-OPEB Plan	12.60 %

For all plans mentioned above the money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. These three plans have investment policies regarding the allocation of invested assets, established on a cost basis in compliance with Georgia Statute. Plan assets are managed on a total return basis with a short-term objective of stability of principal while allowing for liquidity and a long-term objective of achieving and maintaining a fully funded status for the benefits provided through each OPEB plan.

NOTE 15 - POSTEMPLOYMENT BENEFITS - MULTI-EMPLOYER PLANS (continued)

The following table summarizes the adopted asset allocation policy by plan at June 30, 2025:

	Target Allocation		
Asset Class	**State OPEB**	**School OPEB**	**SEAD-OPEB**
Fixed Income	30 %	30 %	25% - 45%
Equities	70 %	70 %	55% - 75%
Alternative Investments	— %	— %	0% - 5%
Total	**100.0 %**	**100.0 %**	**100.0 %**

C. Plans Descriptions and Funding Policies

State OPEB Fund and School OPEB Fund

Plan Description: The State OPEB Fund and School OPEB Fund are cost-sharing multiple-employer defined benefit postemployment healthcare plans and are reported as employee benefit trust funds. The Funds are administered by a Board of Community Health (Board) that is comprised of nine members, including two former State of Georgia employees and seven industry professionals. The OCGA § 45-18-25 and § 20-2-875, for the State and School OPEB funds respectively, assigns the authority to establish and amend the benefit provisions of the group health plans, including benefits for retirees to the Board.

Benefits Provided: The State OPEB Fund provides postemployment health benefits (including benefits to qualified beneficiaries of eligible former employees) due under the group health plan for employees of State organizations (including technical colleges) and other entities authorized by law to contract with DCH for inclusion in the plan. Retiree medical eligibility is attained when an employee retires, and is immediately eligible to draw a retirement annuity from one of the State's retirement plans. If elected, dependent coverage starts on the same day as retiree coverage. It also pays administrative expenses of the fund. By law, no other use of the assets of the State OPEB Fund is permitted. The plan designs offered for the 2025 plan year include various plan options. For Medicare-eligible members there are Medicare Advantage plan options (UnitedHealthcare and Blue Cross and Blue Shield of Georgia) Standard and Premium Plans. Alternatively, for non-Medicare eligible members the plan options include Health Reimbursement Arrangement Plan Options (Blue Cross and Blue Shield of Georgia Gold, Silver, Bronze), Health Maintenance Organization Plan Options (Blue Cross and Blue Shield of Georgia, Kaiser Permanente, and UnitedHealthcare), and a High Deductible Health Plan Option (UnitedHealthcare).

The School OPEB Fund provides postemployment health benefits (including benefits for qualified beneficiaries of eligible former employees) due under the group health plan for public school teachers, including librarians, other certified employees of public schools, regional educational service agencies, and non-certified public school employees. Retiree medical eligibility is attained when an employee retires, and is immediately eligible to draw a retirement annuity from one of the State's retirement plans. If elected, dependent coverage starts on the same day as retiree coverage. It also pays administrative expenses of the fund. By law, no other use of the assets of the School OPEB Fund is permitted. The plan designs offered for the 2025 plan year include various plan options, which are the same options offered for the State OPEB fund as described in the previous paragraph.

NOTE 15 - POSTEMPLOYMENT BENEFITS - MULTI-EMPLOYER PLANS (continued)

Contributions: The State OPEB Fund and School OPEB Fund are currently funded on a pay-as-you-go basis. That is, annual costs of providing benefits will be financed in the same year as claims occur, with historically, no significant assets accumulating, as would occur in an advance funding strategy.

Additional contributions, totaling $258.5 million, were voluntarily made in fiscal year 2025 for financing future costs associated with the School OPEB liability.

The contribution requirements of plan members and participating employers are established by the Board in accordance with the 2025 Appropriations Act and may be amended by the Board. Contributions of plan members or beneficiaries receiving benefits vary based on plan election, dependent coverage, and Medicare eligibility and election. As of January 1, 2012, for members with fewer than five years of service, contributions also vary based on years of service. As of January 1, 2012, on average, members with five years or more of service pay approximately 25% of the cost of health insurance coverage. In accordance with the Board resolution dated December 8, 2011, for members with fewer than five years of service as of January 1, 2012, the State provides a premium subsidy in retirement that ranges from 0% for fewer than 10 years of service to 75% (but no greater than the subsidy percentage offered to active employees) for 30 or more years of service. The subsidy for eligible dependents ranges from 0% to 55% (but no greater than the subsidy percentage offered to dependents of active employees minus 20%). No subsidy is available to Medicare eligible members not enrolled in a Medicare Advantage Option. The Board sets all member premiums by resolution and in accordance with the law and applicable revenue and expense projections. Any subsidy policy adopted by the Board may be changed at any time by Board resolution and does not constitute a contract or promise of any amount of subsidy.

The combined required employer contribution rates established by the Board for the active and retiree plans for the fiscal years ended June 30, 2025, were as follows:

Combined Active and State OPEB Fund Contribution Rates as a Percentage of Covered Payroll

State organizations, including technical colleges, and certain other eligible participating employers:

July 2024 - June 2025	29.454%	for August 2024 - July 2025 coverage

Combined Active and School OPEB Fund Contribution Rates per Member per Month

Certificated teachers, librarians, regional educational service agencies, certain other eligible participating employers:

July 2024 to June 2025	$1,760.00	for August 2024 - July 2025 coverage

Library employees:

July to December 2024 and January - June 2025	$1,093.00 and $1,580.00	for August 2024 - January 2025 coverage and February - July 2025 coverage

Non-certificated school personnel:

July to December 2024 and February - July 2025.	$1,195.00 and $1,580.00	for August 2024 - January 2025 coverage and February - July 2025 coverage

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NOTE 15 - POSTEMPLOYMENT BENEFITS - MULTI-EMPLOYER PLANS (continued)

SEAD-OPEB Plan

Plan Description: The SEAD-OPEB Plan is a cost-sharing multiple-employer defined benefit other postemployment plan created by the 2007 Georgia General Assembly to provide term life insurance to eligible members of the ERS, Georgia Judicial Retirement System (JRS), and Legislative Retirement System (LRS). The SEAD-OPEB Plan provides benefits for retired and vested inactive members. Effective July 1, 2009, no newly hired members of any State public retirement system are eligible for term life insurance under the SEAD-OPEB Plan. The SEAD-OPEB Plan is administered by the SEAD Board that is comprised of six members, the State Auditor, State Treasurer, Department of Administrative Services Commissioner, Labor Commissioner, and two members appointed by the Governor. Pursuant to Title 47 of the OCGA, benefit provisions of the plan was established and can be amended by State statute.

Benefits Provided: The SEAD-OPEB Plan provides postemployment insurance coverage on a monthly, renewable term basis, with no return premiums or cash value available to be earned. The amount of insurance for a retiree with creditable service prior to April 1, 1964, is the full amount of insurance in effect on the date of retirement. The amount of insurance for a service retiree with no creditable service prior to April 1, 1964, is 70% of the amount of insurance in effect at age 60 or at termination, if earlier. Life insurance proceeds are paid in lump sum to the beneficiary upon death of the retiree. The net position represents the excess accumulation of investment income and premiums over benefit payments and expenses and is held as a reserve for payment of death benefits under existing policies. Administrative costs for the plan are determined based on the plan's share of overhead costs to accumulate and invest funds, actuarial services, and to process benefit payments to beneficiaries. Administrative fees are financed from the assets of the plan.

Contributions: Contributions by plan members are established by the SEAD Board, up to the maximum allowed by statute (not to exceed 0.5% of earnable compensation). The SEAD Board establishes employer contribution rates, such rates which, when added to members' contributions, shall not exceed 1% of earnable compensation. There were no employer contributions required for fiscal year ended June 30, 2025. Contributions were based on actuarial valuations, and for fiscal year 2025 were as follows:

	SEAD-OPEB Plan Percentage
Member Rates:	
ERS Old Plan	0.45 %
Less: Offset Paid by Employer	(0.22%)
Net ERS Old Plan	0.23 %
ERS New Plan, JRS, and LRS	0.23 %
Employer Rates/Amounts	0.00 %

NOTE 15 - POSTEMPLOYMENT BENEFITS - MULTI-EMPLOYER PLANS (continued)

D. Plan Membership and Participating Employers

The following table summarizes the participating membership and participating employers at June 30, 2025:

Participating Membership by Plan
June 30, 2025

Plan Membership	State OPEB Fund	School OPEB Fund	SEAD-OPEB Plan
Inactive plan members or beneficiaries currently receiving benefits	36,667	93,922	43,757
Inactive plan members entitled to but not yet receiving benefits	—	—	1,032
Active plan members	47,112	181,029	13,045
Total	**83,779**	**274,951**	**57,834**
Open to New Members (Yes/No)	Yes	Yes	No
Number of Employers	177	254	372

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

E. Net OPEB Liability/(Asset)

For defined benefit OPEB plans that are administered through trusts that meet the specified criteria, GASB 74 requires the net OPEB liability to be measured as the total OPEB liability, less the amount of the OPEB plan's fiduciary net position. The total OPEB liability is actuarially determined. The following schedule is presented from the perspective of the State as the sponsor of the various Plans and summarizes the components of the Net OPEB Liability (NOL)/ Net OPEB Asset (NOA), as of June 30, 2025, by Plan (amounts in thousands):

Components of the Net OPEB Liability/ (Asset)	State OPEB Fund	School OPEB Fund	SEAD-OPEB Plan
Total OPEB Liability	$ 2,325,833	$ 10,529,423	$1,034,260
Plan Fiduciary Net Position	3,056,125	1,224,499	1,709,232
Net OPEB liability/(asset)	$ (730,292)	$ 9,304,924	$ (674,972)
Plan fiduciary net position as a percentage of the total OPEB liability	131.40 %	11.63 %	165.26 %

NOTE 15 - POSTEMPLOYMENT BENEFITS - MULTI-EMPLOYER PLANS (continued)

F. Actuarial Methods and Assumptions

For the State OPEB fund and School OPEB fund, the impacts of the Affordable Care Act (ACA) and the Inflation Reduction Act (IRA) was addressed in the valuations. Review of the information currently available did not identify any specific provisions of the legislation that are anticipated to directly impact results at this time other than plan design features and fees currently mandated by the ACA and incorporated in the plan designs, which are included in the current baseline claim costs, and the anticipation of potential changes to Medicare due to the IRA, which are included in our trend assumption. Continued monitoring of the impact on the Plan's liability due to this and other legislation, if applicable, will be required. Additionally, the impact of the COVID-19 pandemic was considered in this valuation; however, no changes were incorporated at this time due to the level of uncertainty regarding the impact on both plan costs and contribution levels going forward. Continued monitoring of the COVID-19 impact on the Plan's liability will also be required.

For the SEAD-OPEB Plan, the annual actuarial valuations providing the measures to assess funding progress will utilize the actuarial methods and assumptions last adopted by the SEAD Board based upon the advice and recommendations of the actuary. The SEAD Board will periodically have actuarial projections of the valuation results performed to assess the current and expected future progress towards the overall funding goals of the Plan.

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

Actuarial Valuation Date

The total OPEB liability at June 30, 2025, is based upon the June 30, 2024 actuarial valuation for State OPEB Fund, School OPEB Fund and the SEAD-OPEB Plan, using generally accepted actuarial procedures/techniques.

Actuarial Assumptions

The total OPEB liability, as of June 30, 2025, for each plan was determined by an actuarial valuation date indicated in the table below using the following actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date:

(Chart on next page)

NOTE 15 - POSTEMPLOYMENT BENEFITS - MULTI-EMPLOYER PLANS (continued)

Actuarial Assumptions

	State OPEB Fund	School OPEB Fund	SEAD-OPEB Plan
Valuation date	6/30/2024	6/30/2024	6/30/2024
Inflation	2.50%	2.50%	2.50%
Salary increases	3.00% - 6.75%*	3.00% - 8.75%*	3.00% - 6.75%*
Long-term expected rate of return [1]	7.00%	7.00%	7.00%
Initial Healthcare Cost Trend			
Pre-Medicare Eligible	6.50%	6.50%	N/A
Medicare Eligible	6.50%	6.50%	N/A
Ultimate Trend Rate			
Pre-Medicare Eligible	4.50%	4.50%	N/A
Medicare Eligible	4.50%	4.50%	N/A
Year Ultimate Trend is Reached			
Pre-Medicare Eligible	2032	2032	N/A
Medicare Eligible	2032	2032	N/A
Mortality	Pre-retirement mortality rates were based on the Pub-2010 General Employee Mortality Table, with no adjustment, with the MP-2019 Projection scale applied generationally. Post-retirement mortality rates for service retirements were based on the Pub-2010 General Healthy Annuitant Mortality Table (ages set forward one year and adjusted 105% for males and 108% for females) with the MP-2019 Projection scale applied generationally. Post-retirement mortality rates for disability retirements were based on the Pub-2010 General Disabled Mortality Table (ages set back three years for males and adjusted 103% for males and 106% for females) with the MP-2019 Projection scale applied generationally. Post-retirement mortality rates for beneficiaries were based on the Pub-2010 General Contingent Survivor Mortality Table (ages set forward two years and adjusted 106% for males and 105% for females) with the MP-2019 Projection scale applied generationally.	For Teachers Retirement System (TRS): The Pub-2010 Teachers Headcount Weighted Below Median Employee mortality table with ages set forward one year and adjusted 106% was used for death prior to retirement. Future improvement in mortality rates was assumed using the MP-2019 projection scale generationally. These rates of improvement were reduced by 20% for all years prior to the ultimate rate. Post-retirement mortality rates for service retirements and beneficiaries were based on the Pub-2010 Teachers Headcount Weighted Below Median Healthy Retiree mortality table (ages set forward one year and adjusted 106%) with the MP-2019 Projection scale applied generationally. The rates of improvement were reduced by 20% for all years prior to the ultimate rate. Post-retirement mortality rates for disability retirements were based on the Pub-2010 Teachers Mortality Table for Disabled Retirees (ages set forward one year and adjusted 106%) with the MP-2019 Projection scale applied generationally. The rates of improvement were reduced by 20% for all years prior to the ultimate rate. For Public School Employees Retirement System: Pre-retirement mortality rates were based on the Pub-2010 Below-Median General Employee Mortality Table, with no adjustment, with the MP-2019 Projection scale applied generationally. Post-retirement mortality rates for service retirements were based on the Pub-2010 General Healthy Below-Median Annuitant Mortality Table (ages set forward two years and adjusted 101% for males and 103% for females) with the MP-2019 Projection scale applied generationally. Postretirement mortality rates for disability retirements were based on the Pub-2010 General Disabled Mortality Table (ages set back three years for males and adjusted 103% for males and 106% for females) with the MP-2019 Projection scale applied generationally. Post-retirement mortality rates for beneficiaries were based on the Pub-2010 General Below-Median Contingent Survivor Mortality Table (ages set forward two years and adjusted 104% for males and 99% for females) with the MP-2019 Projection scale applied generationally.	The Pub-2010 General Employee Table, with no adjustments, projected generationally with the MP-2019 scale is used for both males and females while in active service. Post-retirement mortality rates for were based on the Pub-2010 Family of Tables, with the MP-2019 projection scale and further adjustments, as follows: service retirees - General Healthy Annuitant Table with further adjustments (set forward one year and adjusted 105% and 108% respectively for males and females); disability retirees - General Disabled Table (set back three years for males, and adjusted 103% and 106% for males and females, respectively); beneficiaries - General Contingent Survivors Table (set forward two years for both males and females and adjusted 106% and 105% respectively).
Actuarial experience study	7/1/2014 - 6/30/2019	7/1/2013 - 6/30/2018	7/1/2014 - 6/30/2019

[1] Long-term expected rate of return is net of investment expense, including inflation

*Includes respective inflation assumption.

NOTE 15 - POSTEMPLOYMENT BENEFITS - MULTI-EMPLOYER PLANS (continued)

The actuarial assumptions used in the valuations, for the State and School OPEB funds, are based on the results of the most recent actuarial experience studies which covered the five year period ending June 30, 2019, and June 30, 2018, respectively. Various assumptions and methods have been revised to reflect the results of the TRS experience study for the five-year period ending June 30, 2018. With the exception of the assumed annual rate of inflation which was changed from 2.75% to 2.50% effective with the June 30, 2018 valuation, for School OPEB funds. The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2024 valuation for the State and School OPEB funds were based on a review of recent plan experience done concurrently with the June 30, 2024 valuation.

The actuarial assumptions used in the valuation for the SEAD-OPEB Plan were based on the results of an actuarial experience study, which covered the five year period ending June 30, 2019. The assumed investment rate of return was lowered from 7.30% to 7.00%, and the assumed annual rate of inflation from 2.75% to 2.50% in the experience study.

Long-Term Expected Rate of Return

For all plans, the long-term expected rate of return on OPEB plan investments were determined using a log-normal distribution analysis, in which expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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

	Target Allocation					
	State-OPEB Fund		School-OPEB Fund		SEAD-OPEB Plan	
Asset Class	**Target allocation**	**Long-term expected real rate of return***	**Target allocation**	**Long-term expected real rate of return***	**Target allocation**	**Long-term expected real rate of return***
Fixed Income	30.0 %	3.5%	30.0 %	3.5%	30.0 %	1.9%
Domestic large equities	70.0 %	9.3 %	70.0 %	9.3 %	43.2 %	9.3 %
Domestic small equities	—	—	—	—	4.3 %	13.0 %
International developed market equities	—	—	—	—	12.3 %	9.3 %
International emerging market equities	—	—	—	—	5.2 %	11.3 %
Alternatives	—	—	—	—	5.0 %	11.4 %
Total	**100.0 %**		**100.0 %**		**100.0 %**	

* Rates shown are net of the respective assumed rates of inflation.

NOTE 15 - POSTEMPLOYMENT BENEFITS - MULTI-EMPLOYER PLANS (continued)

Discount Rate

In order to measure the total OPEB liability, as of June 30, 2025, for the State OPEB fund, a single equivalent rate of 7.00% was used as the discount rate, the same as last year's rate. The projection of cash flows used to determine the discount rate assumed that contributions from members and from the employer will be made at the current level as averaged over the last five years, adjusted for annual projected changes in headcount. Based on those assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on investments was applied to all periods of projected benefit payments to determine the total OPEB liability. Projected future benefit payments for all current plan members were projected through 2124.

In order to measure the total OPEB liability for the School OPEB, a single equivalent interest rate of 5.28% was used as the discount rate, as compared with last year's rate of 3.68%. This is comprised mainly of the yield or index rate for 20 year tax-exempt general obligation bonds with an average rating of AA or higher (5.20% per the Municipal Bond Index Rate). The projection of cash flows used to determine the discount rate assumed that contributions from members and from the employer will be made at the current level as averaged over the last five years, adjusted for annual projected changes in headcount. Projected future benefit payments for all current plan members were projected through 2134.

The discount rate used to measure the total OPEB liability for the SEAD-OPEB Plan was 7.00%, the same as last year's rate. The projection of cash flows used to determine the discount rate assumed that plan member insurance premiums will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the Net OPEB Liability/(Asset) to Changes in the Discount Rate

The following schedule summarizes the NOL/(NOA) of the employers, as of June 30, 2025. The NOL/(NOA) is calculated using the determined discount rate as well as what the NOL/(NOA) would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate by the Plan (amounts in thousands):

Sensitivity of the Plan Participating Employer Contributing Entities Net OPEB Liability/(Asset) to Changes in the Discount Rate

	1% Decrease	Current Rate	1% Increase
	(6.00%)	(7.00%)	(8.00%)
State's Net OPEB (Asset)	$ (505,500)	$ (730,292)	$ (923,884)
	(4.28%)	(5.28%)	(6.28%)
School's Net OPEB Liability	$ 10,466,183	$ 9,304,924	$ 8,311,580
	(6.00%)	(7.00%)	(8.00%)
SEAD-OPEB Plan's Net OPEB (Asset)	$ (429,845)	$ (674,972)	$ (669,239)

NOTE 15 - POSTEMPLOYMENT BENEFITS - MULTI-EMPLOYER PLANS (continued)

Sensitivity of the Net OPEB Liability/(Asset) to Changes in the Healthcare Cost Trends

The following schedule summarizes the NOL/(NOA) of the employers, as of June 30, 2025. The NOL/(NOA) is calculated using the determined healthcare cost trends as well as what the NOL/(NOA) would be if it were calculated using healthcare cost trends that are 1-percentage-point lower or 1-percentage-point higher than the current rate by the Plan (amounts in thousands):

Sensitivity of the Plan Participating Employer Contributing Entities
Net OPEB Liability/(Asset) to Changes in Healthcare Cost Trends

	1% Decrease	Current Rate	1% Increase
State's Net OPEB (Asset)	$ (956,162)	$ (730,292)	$ (464,611)
School's Net OPEB Liability	$ 8,089,332	$ 9,304,924	$ 10,773,465
SEAD-OPEB Plan's Net (Asset)	N/A	N/A	N/A

NOTE 15 - POSTEMPLOYMENT BENEFITS - MULTI-EMPLOYER PLANS (continued)

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

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

The State reported a liability as the Employer for its proportionate share of the NOL associated with the plans listed below.

The following schedule is presented from the perspective of the State as the Employer details the proportionate share of the OPEB amounts for each plan as of June 30, 2025 is as follows (amounts in thousands):

Aggregate OPEB Amounts - All Plans

	Primary Government	Component Units
OPEB liabilities	$ —	$ 57,084
OPEB assets	$ 732,227	$ 6,327
Deferred outflows of resources related to OPEBs	$ 369,434	$ 18,145
Deferred inflows of resources related to OPEBs	$ 341,498	$ 37,381
OPEB expense/expenditures	$ (144,891)	$ (2,658)

The information below includes all multi-employer plans and funds administered by the State of Georgia.

The NOL/NOA for each plan was measured as of June 30, 2024. The total OPEB liability/asset used to calculate the NOL/NOA for each plan was based on an actuarial valuation as of June 30, 2023 for State, School, and SEAD.

State OPEB Fund

State's Proportionate Share of Net OPEB Asset and OPEB Expense

Primary Government: At June 30, 2025, the State reported an asset of $230.8 million for it's proportionate share of net OPEB asset. The net OPEB asset was measured as of June 30, 2024. The total OPEB asset used to calculate the net OPEB asset was based on an actuarial valuation as of June 30, 2023, with standard roll-forward techniques performed to update the total OPEB asset to June 30, 2024. The State's proportion of the net OPEB asset was based on the State's proportion of the prior year contributions received by the OPEB plan relative to the contributions for all participants in the plan. At June 30, 2024, the State's proportion for the State plan as employer was 91.559490%, which was a decrease of 0.095367% from its proportion measured as of June 30, 2023. For the year ended June 30, 2025, the State recognized OPEB expense of $(104.4) million.

NOTE 15 - POSTEMPLOYMENT BENEFITS - MULTI-EMPLOYER PLANS (continued)

Component Units: At June 30, 2025, the State reported an asset of $0.7 million, for it's proportionate share of net OPEB asset. The net OPEB asset was measured as of June 30, 2024. The total OPEB asset used to calculate the net OPEB asset was based on an actuarial valuation as of June 30, 2023, with standard roll-forward techniques performed to update the total OPEB asset to June 30, 2024. The State's proportion of the net OPEB asset was based on the State's proportion of the prior year contributions received by the OPEB plan relative to the contributions for all participants in the plan. At June 30, 2024, the State's proportion for the State plan as Employer was 0.261185%, which was an increase of 0.008743% from its proportion measured as of June 30, 2023. For the year ended June 30, 2025, the State recognized OPEB expense of $(0.2) million.

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

At June 30, 2025, the State reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources (amounts in thousands):

	Primary Government		Component Units	
	State as Employer		State as Employer	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 62,483	$ 93,570	$ 178	$ 267
Changes of assumptions	107,822	273	308	1
Net difference between projected and actual earnings on OPEB plan investments	—	170,254	—	486
Changes in proportion and differences between State contributions and proportionate share of contributions	29,249	29,773	386	61
State contributions subsequent to the measurement date	164,875	—	464	—
Total	**$ 364,429**	**$ 293,870**	**$ 1,336**	**$ 815**

Primary Government: State contributions as employer subsequent to the measurement date of $164.9 million are reported as deferred outflows of resources and will be recognized as a reduction of the NOL in the year ended June 30, 2026.

NOTE 15 - POSTEMPLOYMENT BENEFITS - MULTI-EMPLOYER PLANS (continued)

Component Units: State contributions as employer subsequent to the measurement date of $0.5 million are reported as deferred outflows of resources and will be recognized as a reduction of the NOL in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows (amounts in thousands):

	Primary Government	Component Units
Year ended June 30:	**State as Employer**	**State as Employer**
2026	$ (40,752)	$ 8
2027	25,492	222
2028	(38,725)	(83)
2029	(40,330)	(90)
2030	—	—
Thereafter	—	—

<u>**School OPEB Fund**</u>

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

Component Units: At June 30, 2025, the State reported a liability of $57.1 million, for it's proportionate share of net OPEB liability. The net OPEB liability was measured as of June 30, 2024. The total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation as of June 30, 2023, with standard roll-forward techniques performed to update the total OPEB liability to June 30, 2024. The State's proportion of the net OPEB liability was based on the State's proportion of the prior year contributions received by the OPEB plan relative to the contributions for all participants in the plan. At June 30, 2024, the State's proportion for the School plan as Employer was 0.500891% which was a decrease of 0.074817% from its proportion measured as of June 30, 2023. For the year ended June 30, 2025, the State recognized OPEB expense of $(2.3) million.

NOTE 15 - POSTEMPLOYMENT BENEFITS - MULTI-EMPLOYER PLANS (continued)

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

At June 30, 2025, the State reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources (amounts in thousands):

	Component Units	
	State as Employer	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 2,799	$ 10,307
Changes of assumptions	6,656	5,651
Net difference between projected and actual earnings on OPEB plan investments	—	372
Changes in proportion and differences between State contributions and proportionate share of contributions	3,933	19,693
State contributions subsequent to the measurement date	3,256	—
Total	**$ 16,644**	**$ 36,023**

Component Units: State contributions as employer subsequent to the measurement date of $3.3 million are reported as deferred outflows of resources and will be recognized as a reduction of the NOL in the year ended June 30, 2026.

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

	Component Units
Year ended June 30:	**State as Employer**
2026	(5,794)
2027	(7,320)
2028	(5,152)
2029	(2,652)
2030	(1,582)
Thereafter	(135)

State Employees' Assurance Department (SEAD-OPEB Plan)

State's Proportionate Share of Net OPEB Asset and OPEB Expense

Primary Government: At June 30, 2025, the State reported an asset of $501.4 million, for it's proportionate share of net OPEB asset. The net OPEB asset was measured as of June 30, 2024. The total OPEB asset used to calculate the net OPEB asset was based on an actuarial valuation as of June 30, 2023, with standard roll-forward techniques performed to update the total OPEB asset to June 30, 2024. The State's proportion of the net OPEB asset was based

NOTE 15 - POSTEMPLOYMENT BENEFITS - MULTI-EMPLOYER PLANS (continued)

on the State's proportion of the prior year payroll of SEAD members. At June 30, 2024, the State's proportion for the SEAD plan as Employer was 89.339727%, which was a decrease of 0.077053% from its proportion measured as of June 30, 2023. For the year ended June 30, 2025, the State recognized OPEB expense of $(40.5) million.

Component Units: At June 30, 2025, the State reported an asset of $5.7 million, for it's proportionate share of net OPEB asset. The net OPEB asset was measured as of June 30, 2024. The total OPEB asset used to calculate the net OPEB asset was based on an actuarial valuation as of June 30, 2023, with standard roll-forward techniques performed to update the total OPEB asset to June 30, 2024. The State's proportion of the net OPEB asset was based on the State's proportion of the prior year payroll of SEAD members. At June 30, 2024, the State's proportion for the SEAD plan as Employer was 1.017736%, which was a decrease of 0.065269% from its proportion measured as of June 30, 2023. For the year ended June 30, 2025, the State recognized OPEB expense of $(0.2) million.

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

At June 30, 2025, the State reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources (amounts in thousands):

	Primary Government		Component Units	
	State as Employer		State as Employer	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 2,015	$ —	$ 23	$ —
Changes of assumptions	—	—	—	—
Net difference between projected and actual earnings on OPEB plan investments	—	44,758	—	505
Changes in proportion and differences between State contributions and proportionate share of contributions	2,990	2,870	142	38
State contributions subsequent to the measurement date	—	—	—	—
Total	$ 5,005	$ 47,628	$ 165	$ 543

There were no State contributions as employer subsequent to the measurement date.

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

	Primary Government	Component Units
Year ended June 30:	State as Employer	State as Employer
2026	$ (22,407)	$ (155)
2027	24,210	276
2028	(27,047)	(309)
2029	(17,379)	(190)
2030	—	—
Thereafter	—	—

NOTE 15 - POSTEMPLOYMENT BENEFITS - MULTI-EMPLOYER PLANS (continued)

H. Actuarial Methods and Assumptions (GASB 75)

The total OPEB liability for each plan was determined by an actuarial valuation date indicated in the table below using the following actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date:

Actuarial Assumptions

	State OPEB Fund	School OPEB Fund	SEAD-OPEB Plan
Valuation date	6/30/2023	6/30/2023	6/30/2023
Inflation	2.50%	2.50%	2.50%
Salary increases	3.00% - 6.75%*	3.00% - 8.75%*	3.00% - 6.75%*
Long-term expected rate of return [1]	7.00%	7.00%	7.00%
Initial Healthcare Cost Trend	6.75%	6.75%	N/A
Ultimate Trend Rate	4.50%	4.50%	N/A
Year Ultimate Trend is Reached	2032	2032	N/A
Mortality	Pre-retirement mortality rates were based on the Pub-2010 General Employee Mortality Table, with no adjustment, with the MP-2019 Projection scale applied generationally. Post-retirement mortality rates for service retirements were based on the Pub-2010 General Healthy Annuitant Mortality Table (ages set forward one year and adjusted 105% for males and 108% for females) with the MP-2019 Projection scale applied generationally. Post-retirement mortality rates for disability retirements were based on the Pub-2010 General Disabled Mortality Table (ages set back three years for males and adjusted 103% for males and 106% for females) with the MP-2019 Projection scale applied generationally. Post-retirement mortality rates for beneficiaries were based on the Pub-2010 General Contingent Survivor Mortality Table (ages set forward two years and adjusted 106% for males and 105% for females) with the MP-2019 Projection scale applied generationally.	For TRS: Post-retirement mortality rates for service retirements and beneficiaries were based on the Pub-2010 Teachers Headcount Weighted Below Median Healthy Retiree mortality table (ages set forward one year and adjusted 106%) with the MP-2019 Projection scale applied generationally. The rates of improvement were reduced by 20% for all years prior to the ultimate rate. Postretirement mortality rates for disability retirements were based on the Pub-2010 Teachers Mortality Table for Disabled Retirees (ages set forward one year and adjusted 106%) with the MP-2019 Projection scale applied generationally. The rates of improvement were reduced by 20% for all years prior to the ultimate rate. The Pub-2010 Teachers Headcount Weighted Below Median Employee mortality table with ages set forward one year and adjusted 106% was used for death prior to retirement. Future improvement in mortality rates was assumed using the MP-2019 projection scale generationally. These rates of improvement were reduced by 20% for all years prior to the ultimate rate. Public School Employees Retirement System (PSERS): Pre-retirement mortality rates were based on the Pub-2010 Below-Median General Employee Mortality Table, with no adjustment, with the MP-2019 Projection scale applied generationally. Post-retirement mortality rates for service retirements were based on the Pub-2010 General Healthy Below-Median Annuitant Mortality Table (ages set forward two years and adjusted 101% for males and 103% for females) with the MP-2019 Projection scale applied generationally. Postretirement mortality rates for disability retirements were based on the Pub-2010 General Disabled Mortality Table (ages set back three years for males and adjusted 103% for males and 106% for females) with the MP-2019 Projection scale applied generationally. Post-retirement mortality rates for beneficiaries were based on the Pub-2010 General Below-Median Contingent Survivor Mortality Table (ages set forward two years and adjusted 104% for males and 99% for females) with the MP-2019 Projection scale applied generationally.	The Pub-2010 General Employee Table, with no adjustments, projected generationally with the MP-2019 scale is used for both males and females while in active service. Post-retirement mortality rates for were based on the Pub-2010 Family of Tables, with the MP-2019 projection scale and further adjustments, as follows: service retirees - General Healthy Annuitant Table with further adjustments (set forward one year and adjusted 105% and 108% respectively for males and females); disability retirees - General Disabled Table (set back three years for males, and adjusted 103% and 106% for males and females, respectively); beneficiaries - General Contingent Survivors Table (set forward two years for both males and females and adjusted 106% and 105% respectively).
Actuarial Experience Study	7/1/2014 - 6/30/2019	7/1/2013 - 6/30/2018	7/1/2014 - 6/30/2019

[1] Long-term expected rate of return is net of investment expense, including inflation

*Includes respective inflation assumption.

NOTE 15 - POSTEMPLOYMENT BENEFITS - MULTI-EMPLOYER PLANS (continued)

The actuarial assumptions used in the valuations, for the State and School OPEB funds, are based on the results of the most recent actuarial experience studies, which covered the last five year period ending June 30, 2019, and June 30, 2018, respectively. Various assumptions and methods have been revised to reflect the results of the TRS experience study for the five-year period ending June 30, 2018. With the exception of the assumed annual rate of inflation which was changed from 2.75% to 2.50% effective with the June 30, 2018 valuation for School OPEB funds. The remaining actuarial assumptions (e.g. initial per capita costs, health care cost trends, rates of plan participation, rates of plan election, etc.) used in the June 30, 2023 valuation for the State and School OPEB funds were based on a review of the recent plan experience done concurrently with the June 30, 2023 valuation.

The actuarial assumptions used in the valuation for the SEAD-OPEB Plan were based on the results of an actuarial experience study, which covered the five year period ending June 30, 2019. Based on the funding policy adopted by the Board, the assumed investment rate of return was lowered from 7.30% to 7.00%. Also, the assumed annual rate of inflation was lowered from 2.75% to 2.50%.

Long-Term Expected Rate of Return

For all plans, the long-term expected rate of return on OPEB plan investments were determined using a log-normal distribution analysis, in which expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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

	Target Allocation					
	State-OPEB Fund		School-OPEB Fund		SEAD-OPEB Plan	
Asset Class	**Target allocation**	**Long-term expected real rate of return***	**Target allocation**	**Long-term expected real rate of return***	**Target allocation**	**Long-term expected real rate of return***
Fixed Income	30.0 %	2.6%	30.0 %	2.6%	30.0 %	1.5%
Domestic large equities	70.0 %	9.1 %	70.0 %	9.1 %	46.4 %	9.1 %
Domestic small equities	—	—	—	—	1.1 %	13.0 %
International developed market equities	—	—	—	—	13.6 %	9.1 %
International emerging market equities	—	—	—	—	3.9 %	11.1 %
Alternatives	—	—	—	—	5.0 %	10.6 %
Total	**100.0 %**		**100.0 %**		**100.0 %**	

* Rates shown are net of the respective assumed rates of inflation.

NOTE 15 - POSTEMPLOYMENT BENEFITS - MULTI-EMPLOYER PLANS (continued)

Discount Rate

In order to measure the total OPEB liability for the State OPEB, a single equivalent rate of 7.00% was used as the discount rate, the same as last year's rate. Based on those assumptions, the fiduciary net position was projected to be available to make all projected future benefit payment of current plan members. Therefore, the long-term expected rate of return on investments was applied to all periods of projected benefit payments to determine the total OPEB liability. Projected future benefit payments for all current plan members were projected through 2122.

In order to measure the total OPEB liability for the School OPEB, a single equivalent interest of 3.68% was used as the discount rate, as compared with the prior measurement period date rate of 3.57%. This is comprised mainly of the yield or index rate for 20 year tax-exempt general obligation municipal bonds with an average rating of AA or higher (3.65% per the Municipal Bond Index Rate). The projection of cash flows used to determine the discount rate assumed that contributions from members and from the employer will be made at the current level as averaged over the last five years, adjusted for annual projected changes in head count. Projected future benefit payments for all current plan members were projected through 2128.

The discount rate used to measure the total OPEB liability for the SEAD-OPEB plan was 7.00%, the same as last year's rate. The projection of cash flow used to determine the discount rate assumed that plan member insurance premiums will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the State's proportionate share of the NOL/(NOA) to changes in the discount rate

The following schedule is presented from the perspective of the State as the employer details the State's proportionate share of the NOL/(NOA) calculated using the discount rate detailed below, as well as what the State's proportionate share of the NOL/(NOA) would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate (amounts in thousands):

Sensitivity of the Net OPEB Liability/(Asset) to Changes in the Discount Rate

	Primary Government			Component Units		
	1% Decrease	Current Rate	1% Increase	1% Decrease	Current Rate	1% Increase
	(6.00%)	(7.00%)	(8.00%)	(6.00%)	(7.00%)	(8.00%)
State's Net OPEB (Asset)	$ (15,303)	$ (230,797)	$ (416,248)	$ (44)	$ (658)	$ (1,187)
	(2.68%)	(3.68%)	(4.68%)	(2.68%)	(3.68%)	(4.68%)
School's Net OPEB Liability	$ —	$ —	$ —	$ 64,582	$ 57,084	$ 50,759
	(6.00%)	(7.00%)	(8.00%)	(6.00%)	(7.00%)	(8.00%)
SEAD Plan's Net OPEB (Asset)	$ (384,022)	$ (501,430)	$ (597,896)	$ (4,375)	$ (5,669)	$ (6,811)

NOTE 15 - POSTEMPLOYMENT BENEFITS - MULTI-EMPLOYER PLANS (continued)

Sensitivity of the State's proportionate share of the NOL/(NOA) to changes in the Healthcare Cost Trends

The following schedule is presented from the perspective of the State as the employer details the State's proportionate share of the NOL/(NOA) calculated using the discount rate detailed below, as well as what the State's proportionate share of the NOL/(NOA) would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate (amounts in thousands):

Sensitivity of the Net OPEB Liability/(Asset) to Changes in the Healthcare Cost Trends

	Primary Government			Component Units		
	1% Decrease	Current Rate	1% Increase	1% Decrease	Current Rate	1% Increase
State's Net OPEB Liability/(Asset)	$ (445,982)	$ (230,797)	$ 22,116	$ (1,272)	$ (658)	$ 63
School's Net OPEB Liability	$ —	$ —	$ —	$ 49,323	$ 57,084	$ 66,619
SEAD Plan's Net OPEB (Asset)	N/A	N/A	N/A	N/A	N/A	N/A

NOTE 16 - POSTEMPLOYMENT BENEFITS - SINGLE-EMPLOYER PLANS

The State administers various single-employer other postemployment benefit (OPEB) plans. The State is the plan sponsor (Plan) of these plans and in many cases the participating employer (Employer). The notes to the financial statements and required supplementary information that follow are presented from the perspective of the State as Plan sponsor and the State as Employer.

The State's significant single-employer OPEB plan is:

- Board of Regents Retiree Health Benefit Fund (Regents Plan), which is administered by the Board of Regents of the University System of Georgia (Board of Regents) (www.usg.edu/regents)

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

There are other single-employer OPEB plans deemed to be not significant, in which the related OPEB activities are presented in the Component Unit financial statements of this report. However, these other plans are not included in the notes to the financial statements and required supplementary information, as follows:

- Georgia Ports Authority Retiree Medical and Dental Plan (www.gaports.com)
- Georgia World Congress Center Authority Post-Employment Health Benefit Plan (www.gwcca.org)
- Georgia Public Telecommunications Commission Post-Employment Health Benefits Plan (www.gpb.org)

A. Basis of Accounting

The financial statements of this plan are prepared using the economic resources measurement focus and accrual basis of accounting. Contributions from the employer are recognized in the period in which they are due. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. The OPEB plan's fiduciary net position has been determined on the same basis as reported by the plan.

B. Investments

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price.

For the fiscal year ended June 30, 2025, the annual money-weighted rate of return on OPEB plan investments, net of OPEB plan investment expense, for the Regents Plan was 8.54%.

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. The Regents Plan has an investment policy regarding the allocation of invested assets. The assets are invested in the Board of Regents' Balanced Income pooled investment fund, which is not subject to state regulations concerning investments. Plan assets are managed on a total return basis with a short-term objective of achieving the highest quality per stable and a long-term objective of a more conservative investment strategy.

NOTE 16 - POSTEMPLOYMENT BENEFITS - SINGLE-EMPLOYER PLANS (continued)

The following table summarizes the adopted asset allocation policy by plan at June 30, 2025:

Asset Class	Target Allocation
Fixed Income	70.0 %
Equities	30.0 %
Total	**100.0 %**

C. Plan Description and Funding Policy

Regents Plan

Plan Description: The Regents Plan is a single-employer, defined benefit, postemployment healthcare plan administered by the University System Office, an organizational unit of the University System of Georgia (USG). The Regents Plan was authorized pursuant to OCGA § 47-21-21 for the purpose of accumulating funds necessary to meet employer costs of retiree postemployment health insurance benefits. The Plan is administered by the Board of Regents that is comprised of 19 members, all appointed by the Governor (five from state-at-large and one from each of the State's 14 congressional districts). Benefit provisions of the plans were established and can be amended by the Board of Regents.

Benefits Provided: Pursuant to the general powers conferred by OCGA § 20-3-31, the USG has established group health and life insurance programs for regular employees of the USG. It is the policy of the USG to permit employees of the USG eligible for retirement or who become permanently and totally disabled to continue as members of the group health and life insurance programs. The USG offers its employees and retirees under the age of 65 access to three self-insured healthcare plan options and one fully insured plan option. For the USG's Plan Year 2025, the following self-insured health care options were available: Blue Choice HMO plan, Consumer Choice HSA plan (Blue Cross and Blue Shield of Georgia), and the Comprehensive Care plan (Blue Cross and Blue Shield of Georgia). The USG also offers a self-insured dental plan administered by Delta Dental.

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

Contributions: The contribution requirements of plan members and the employer are established and may be amended by the Board of Regents. The Regents Plan is substantially funded on a pay-as-you-go basis; however, amounts above the pay-as-you-go basis may be contributed annually, either by specific appropriation or by Board of Regents designation. Organizational units of the USG pay the employer portion for group insurance for eligible retirees. The employer portion of health insurance for its eligible retirees is based on rates that are established annually by the Board of Regents for the upcoming plan year. For the 2025 plan year, the employer rate was approximately 82% of the total health insurance cost for eligible retirees, and the retiree rate was approximately 18%. For employees hired on or after January 1, 2013 and retirees after January 1, 2018, the amount the USG contributes is tied to year of service, which ranges from 0% to 100%. The employer covers the total premium cost for $25,000 of basic life insurance. If an individual elects to have supplemental, and/or dependent life insurance coverage, such costs are borne entirely by the retiree. For fiscal year ended June 30, 2025, the USG contributed approximately $94.3 million to the plan for current premiums or claims.

NOTE 16 - POSTEMPLOYMENT BENEFITS - SINGLE-EMPLOYER PLANS (continued)

D. Plan Membership and Participating Employers

The following table summarizes the participating membership and participating employers, for the Regents Plan at June 30, 2025:

Plan Membership	June 30, 2025	June 30, 2024
Inactive plan members or beneficiaries currently receiving benefits	22,265	21,974
Inactive plan members entitled to but not yet receiving benefits	—	—
Active plan members	48,817	47,934
Total	**71,082**	**69,908**
Open to New Members (Yes/No)	Yes	Yes
Number of Employers	1	1

This count treats each legal entity in the State reporting entity as one employer.

E. Net OPEB Liability of Participating Employers

Net OPEB Liability

For defined benefit OPEB plans that are administered through trusts that meet the specified criteria, GASB 74 requires the net OPEB liability to be measured as the total OPEB liability, less the amount of the OPEB plan's fiduciary net position. The total OPEB liability is actuarially determined. The following schedule is presented from the perspective of the State as the sponsor of the Regents Plan and summarizes the components of the Net OPEB Liability (NOL) of the employer, as of June 30, 2025 (amounts in thousands):

Components of the Net OPEB Liability	
Total OPEB Liability	$ 2,551,487
Plan Fiduciary Net Position	230,859
Net OPEB liability	$ 2,320,628
Plan fiduciary net position as a percentage of the total OPEB liability	9.05 %

NOTE 16 - POSTEMPLOYMENT BENEFITS - SINGLE-EMPLOYER PLANS (continued)

F. Actuarial Methods and Assumptions

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

Actuarial Valuation Date

The total OPEB liability at June 30, 2025, is based upon May 1, 2025 actuarial valuation for the Regents Plan, using generally accepted actuarial procedures/techniques. Update procedures were used to roll forward the total OPEB liability to June 30, 2025.

Actuarial Assumptions

The total OPEB liability for the Regents Plan was determined by an actuarial valuation date indicated in the table below using the following actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date:

Valuation date	May 1, 2025
Inflation	2.30%
Salary increases	3.75%
Long-term expected rate of return [1]	5.91%
Initial Healthcare Cost Trend	
Pre-Medicare Eligible	8.80%
Medicare Eligible	1.00%
Ultimate Trend Rate	
Pre-Medicare Eligible	4.50%
Medicare Eligible	1.00%
Year Ultimate Trend is Reached	
Pre-Medicare Eligible	2036
Medicare Eligible	2025
Mortality	Pub-2016 for Teachers headcount weighted projected with scale MP-2021.
Actuarial experience study	
Economic and demographic assumptions	5/1/2018-5/1/2023
Disability and Salary Increases assumptions	6/30/2018-6/30/2023

[1] Long-term expected rate of return is net of investment expense, including inflation

NOTE 16 - POSTEMPLOYMENT BENEFITS - SINGLE-EMPLOYER PLANS (continued)

The economic and demographic assumptions are based on the results of the most recent actuarial experience study over the Plan, which covered a five-year period ending May 1, 2023, with the exception of the disability and salary increase assumption. These actuarial assumptions are based on the results of the most recent actuarial experience study of the Teachers Retirement System of Georgia, which covered the five-year period ending June 30, 2018.

Long-Term Expected Rate of Return

For the Regents Plan, the long-term expected rate of return on OPEB plan investments were determined using a building-block method in which expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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

Asset Class	Target allocation	Long-term expected real rate of return*
Fixed Income	70.0 %	2.53 %
Equity Allocation	30.0 %	4.27 %
Total	100.0 %	3.53 %

* Rates shown are net of the 2.30% assumed rate inflation.

Discount Rate

In order to measure the total OPEB liability for the Regents Plan, as of June 30, 2025, a single equivalent yield or index rate of 5.20% was used as the discount rate, as compared with last year's single equivalent yield or index rate of 3.96%. This is comprised mainly of the yield or index rate for 20-year tax-exempt general obligation municipal bonds with an average rating of AA or higher (5.20% per the Bond Buyers Index). Assumed contributions are based on the contribution policy, and projected total contributions are the pay as you go costs of the plan. The current contribution policy is not designed to pre-fund the plan, and the unfunded liability is not expected to be paid off at any point in the future. Projected future benefit payments for all current plan members were projected through 2123.

NOTE 16 - POSTEMPLOYMENT BENEFITS - SINGLE-EMPLOYER PLANS (continued)

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following schedule summarizes the NOL, as of June 30, 2025, of the employer. The NOL is calculated using the determined discount rate as well as what the NOL would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate by the Regents Plan (amounts in thousands):

Sensitivity of the Plan Participating Employer Contributing Entities Net OPEB Liability to Changes in the Discount Rate

	1% Decrease	Current Rate	1% Increase
	4.20%	5.20%	6.20%
Regents OPEB Liability	$ 2,643,490	$ 2,320,628	$ 2,050,656

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trends

The following schedule summarizes the NOL of the employer, as of June 30, 2025. The NOL is calculated using the determined healthcare cost trends as well as what the NOL would be if it were calculated using healthcare cost trends that are 1-percentage-point lower or 1-percentage-point higher than the current rate by the Regents Plan (amounts in thousands):

Sensitivity of the Plan Participating Employer Contributing Entities Net OPEB Liability to Changes in Healthcare Cost Trends

	1% Decrease	Current Rate	1% Increase
Regents OPEB Liability	$ 2,069,941	$ 2,320,628	$ 2,623,591

NOTE 16 - POSTEMPLOYMENT BENEFITS - SINGLE-EMPLOYER PLANS (continued)

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

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

The State reported a liability as the Employer for its proportionate share of the NOL associated with the plans listed below.

The following schedule is presented from the perspective of the State as the Employer details the proportionate share of the OPEB amounts for each plan as of June 30, 2025 is as follows (amounts in thousands):

Aggregate OPEB Amounts - All Plans

	Primary Government	Component Units
OPEB liabilities	$ 2,903,672	$ 32,456
Deferred outflows of resources related to OPEBs	$ 366,043	$ 8,133
Deferred inflows of resources related to OPEBs	$ 1,491,209	$ 16,033
OPEB expense/expenditures	$ (298,029)	$ 146

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

The NOL for the Regents Plan was measured as of June 30, 2024. The total OPEB liability used to calculate the NOL was based on an actuarial valuation as of May 1, 2024.

<u>Regents Plan</u>

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

Primary Government: At June 30, 2025, the State reported a net OPEB liability of $2.9 billion, for the Regents Plan. The net OPEB liability was measured as of June 30, 2024. The total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation as of May 1, 2024, with standard roll-forward techniques performed to update the total OPEB liability to June 30, 2024. The net OPEB liability was based on contributions during the fiscal year ended June 30, 2024. For the year ended June 30, 2025, the State recognized OPEB expense of $(298.0) million.

NOTE 16 - POSTEMPLOYMENT BENEFITS - SINGLE-EMPLOYER PLANS (continued)

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

At June 30, 2025, the State reported deferred outflows of resources and deferred inflows of resources related to the Regents Plan from the following sources (amounts in thousands):

	Primary Government	
	State as Employer	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 73,392	$ 15,370
Changes of assumptions	191,538	1,475,839
Net difference between projected and actual earnings on OPEB plan investments	6,847	—
State contributions subsequent to the measurement date	94,266	—
Total	**$ 366,043**	**$ 1,491,209**

Primary Government: State contributions as Employer subsequent to the measurement date of $94.3 million are reported as deferred outflows of resources and will be recognized as a reduction of the NOL in the year ended June 30, 2026.

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

	Primary Government
Year ended June 30:	**State as Employer**
2026	$ (481,609)
2027	(395,764)
2028	(237,489)
2029	(94,643)
2030	(9,927)
Thereafter	—

NOTE 16 - POSTEMPLOYMENT BENEFITS - SINGLE-EMPLOYER PLANS (continued)

Changes in the Net OPEB Liability

For single-employer, defined benefit OPEB plans that are administered through trusts that meet the specified criteria, GASB 75 requires a schedule of the changes in the net OPEB liability, for the current reporting period. The following schedule is presented from the perspective of the State as the Employer of the Regents Plan and summarizes the changes the Net OPEB Liability (NOL) of the employer (amounts in thousands):

Total OPEB liability:		
Service cost	$	73,933
Interest		126,160
Benefit changes		—
Differences between expected and actual experience		4,085
Changes of assumptions		(368,522)
Benefit payments/refunds		(103,013)
Net change in total OPEB liability		(267,357)
Total OPEB liability-beginning		3,396,082
Total OPEB liability-ending (a)		3,128,725
Plan fiduciary net position:		
Contributions-employer		93,500
Contributions-member		—
Net investment income		16,393
Benefit payments/refunds		(103,013)
Administrative expense		(562)
Net change in plan fiduciary net position		6,318
Plan fiduciary net position-beginning		218,735
Plan fiduciary net position-ending (b)		225,053
Net OPEB liability-ending (a)-(b)	$	2,903,672

H. Actuarial Methods and Assumptions (GASB 75)

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

Actuarial Valuation Date

The total OPEB liability at June 30, 2024, is based upon the actuarial valuation for May 1, 2024 for the Regents Plan, using generally accepted actuarial procedures/techniques. Update procedures were used to roll forward the total OPEB liability to June 30, 2024.

NOTE 16 - POSTEMPLOYMENT BENEFITS - SINGLE-EMPLOYER PLANS (continued)

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Actuarial Assumptions

The total OPEB liability for the Regents Plan was determined by an actuarial valuation date indicated in the table below using the following actuarial assumptions:

Valuation date	5/1/2024
Inflation	2.30%
Salary increases	3.75%
Long-term expected rate of return [1]	6.02%
Initial Healthcare Cost Trend	
Pre-Medicare Eligible	8.70%
Medicare Eligible	2.00%
Ultimate Trend Rate	
Pre-Medicare Eligible	4.50%
Medicare Eligible	2.00%
Year Ultimate Trend is Reached	
Pre-Medicare Eligible	2035
Medicare Eligible	2024
Mortality	Healthy: Pub-2010 for Teacher headcount weighted project with scale MP-2021
Actuarial experience study	
Economic and demographic assumptions	5/1/2018 -5/1/2023
All other assumptions	7/1/2013 - 6/30/2018

[1] Long-term expected rate of return is net of investment expense, including inflation

The economic and demographic assumptions are based on the results of the most recent actuarial experience study over the Plan, which covered a three-year period ending May 1, 2023. All other assumptions are based on the results of the most recent actuarial experience study of the Teacher's Retirement System of Georgia, which covered the five year period ending June 30, 2018.

Long-Term Expected Rate of Return

For the Regents Plan, the long-term expected rate of return on OPEB plan investments was determined using a building-block method, in which expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

NOTE 16 - POSTEMPLOYMENT BENEFITS - SINGLE-EMPLOYER PLANS (continued)

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

Asset Class	Target allocation	Long-term expected real expected rate of return*
Fixed Income	70%	2.64 %
Equity Allocation	30%	4.41 %
Total	100.0 %	3.64 %

* Rates shown are net of the 2.30% assumed rate of inflation.

Discount Rate

In order to measure the total OPEB liability for the Regents Plan, as of June 30, 2024, a single equivalent yield or index rate of (3.96)% was used as the discount rate, as compared with last year's yield or index rate of 3.69%. This is comprised mainly of the yield or index rate for 20-year tax-exempt general obligation municipal bonds with an average rating of AA or higher (3.93% per the Bond Buyers Index). Assumed contributions are based on the contribution policy, and projected total contributions are the pay as you go costs of the plan. The current contribution policy is not designed to pre-fund the plan, and the unfunded liability is not expected to be paid off at any point in the future. Projected future benefit payments for all current plan members were projected through 2122.

Sensitivity of the State’s proportionate share of the NOL to changes in the Discount Rate

The following schedule is presented from the perspective of the State as the Employer and details the State’s proportionate share of the NOL, as of June 30, 2024. The NOL was calculated using the discount rate detailed below, as well as what the State’s proportionate share of the NOL would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate (amounts in thousands):

Sensitivity of the Employer Net OPEB Liability to Changes in the Discount Rate

	1% Decrease	Current Rate	1% Increase
	2.96%	3.96%	4.96%
Regents Net OPEB Liability	$ 3,359,849	$ 2,903,672	$ 2,530,318

Sensitivity of the State’s proportionate share of the NOL to changes in Healthcare Cost Trends

The following schedule is presented from the perspective of the State as the Employer and details the State’s proportionate share of the NOL, as of June 30, 2024. The NOL was calculated using the healthcare cost trends detailed below, as well as what the State’s proportionate share of the NOL would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current rate (amounts in thousands):

Sensitivity of the Employer Net OPEB Liability to Changes in the Health Care Cost Trends

	1% Decrease	Current Rate	1% Increase
Regents Net OPEB Liability	$ 2,553,816	$ 2,903,672	$ 3,337,184

NOTE 17 - RISK MANAGEMENT

A. Public Entity Risk Pool

The Department of Community Health (DCH) administers the State Health Benefit Plan (SHBP) for the State. Under OCGA § 45-18-2, the DCH Board has the authority to establish a health insurance plan; provide rules and regulations; and general provisions of the plan. The plan is comprised of three health insurance plans: (1) a plan primarily for State employees OCGA § 45-18-2, (2) a plan for teachers OCGA § 20-2-881, and (3) a plan for non-certificated public school employees OCGA § 20-2-911. The SHBP acts as the plan administrator for approximately 450 organizations (state, county and local educational agencies) and provides health coverage to more than 0.6 million employees, teachers, retirees and their dependents. All employees become members of the plan unless coverage is rejected or waived. An employee may withdraw from the plan if they become eligible for coverage under the aged program of the Social Security Administration OCGA § 45-18-17. SHBP accepts all of the risk of insuring its employees.

SHBP is accounted for on the accrual basis. Claim liabilities are based on estimates for claims that have been incurred, but not reported. Liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Estimates of liabilities for incurred, (both reported and unreported) but unpaid are actuarially determined based on estimates of the ultimate cost of settling claims, using past experience adjusted for current trends and any other factors that would modify past experience. Because actual claim liabilities depend on such factors as inflation, changes in legal doctrines and damage awards, the process used in computing claim liabilities may not result in an exact amount. Claim liabilities are evaluated periodically to take into consideration recently settled claims, the frequency of claims and other economic and social factors.

SHBP’s general objectives as required under Georgia Compensation Rules & Regulations OCGA § 111-4-1 are to collect enrollment information from covered employer groups, collect health premiums and employer contributions, and provide management and planning of health benefits.

DCH utilizes third party administrators to process Medicaid, PeachCare, and State employee health benefit claims. Agreements between individual administrators and DCH are for the processing of specific claim types. If an administrator was unable to continue processing claims for DCH under such an agreement, the DCH's ability to adjudicate such claims in the short-term could be threatened.

The following table provides information about the changes in the reported claims liabilities for the past two years (amounts in thousands):

(Table on next page)

NOTE 17 - RISK MANAGEMENT (continued)

	Public Entity Risk Pool	
	Fiscal Year Ended 6/30/2025	Fiscal Year Ended 6/30/2024
Unpaid Claims and Claim Adjustments July 1	**$ 449,265**	**$ 358,847**
Incurred claims and claim adjustment expenses:		
Provision for insured events of the current fiscal year	4,628,823	4,088,451
Decrease in provision for insured events of the prior fiscal year	(482,910)	(306,701)
Total incurred claims and claim adjustment expenses	4,145,913	3,781,750
Payments:		
Claims and claim adjustment attributable to insured events of the current year	(4,210,037)	(3,652,129)
Claims and claim adjustment attributable to insured events of the prior year	48,913	(39,203)
Total Payments	(4,161,124)	(3,691,332)
Total Unpaid Claims and Claim Adjustments June 30	**$ 434,054**	**$ 449,265**

B. Board of Regents Employee Health Benefits Plan

The University System of Georgia (USG) maintains a program of health benefits for its employees and retirees. This plan is funded jointly through premiums paid by participants covered under the plan and employer contributions paid by the Board of Regents (BOR) and its organizational units. A self–insured program of professional liability for its employees was established by the BOR of the USG under powers authorized by the OCGA § 45-9-1. All units of the USG share the risk of loss for claims of the plan.

The following table represents changes in the balances of claims liabilities for the past two years (amounts in thousands):

	Board of Regents Employee Health Benefits Plan	
	Fiscal Year Ended 6/30/2025	Fiscal Year Ended 6/30/2024
Unpaid Claims and Claim Adjustments July 1	**$ 52,765**	**$ 49,093**
Current Year Claims and Changes in Estimates	541,057	494,703
Claims Payments	(537,100)	(491,031)
Unpaid Claims and Claim Adjustments June 30	**$ 56,722**	**$ 52,765**

NOTE 17 - RISK MANAGEMENT (continued)

C. Other Risk Management

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

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

Charges by the workers' compensation risk management fund and the liability insurance risk management fund to other funds have failed to recover the full cost of claims over a reasonable period of time. Therefore, the unadjusted deficit at June 30, 2025, of $555.6 million both for workers' compensation and liability was charged back to the contributing funds. Expenditures of $331.4 million are reported in the General Fund, and expenses of $154.2 million are reported in the Higher Education Fund (enterprise fund) relating to this charge-back.

The following table represents changes in the balances of claims liabilities for the past two years (amounts in thousands):

	Risk Management Fund	
	Fiscal Year Ended 6/30/2025	Fiscal Year Ended 6/30/2024
Unpaid Claims and Claim Adjustments July 1	**$ 920,885**	**$ 984,240**
Current Year Claims and Changes in Estimates	287,850	135,948
Claims Payments	(216,645)	(199,303)
Unpaid Claims and Claim Adjustments June 30	**$ 992,090**	**$ 920,885**

NOTE 18 - TAX ABATEMENT

As of June 30, 2025, the State had four tax abatement programs, the Mega Project Tax Credit, the Tourism Development Act, and Projects that were designated as a Competitive Project of Regional Significance. However, given the limited number of recipients under each of these programs, the State is legally prohibited from disclosing detailed information relating to the tax abatement programs and amounts abated. The fourth tax abatement program is the Georgia Entertainment Industry Investment Act and additional information is provided below.

Mega Project Tax Credit

The Mega Project Tax Credit provides tax abatements to encourage job creation under Official Code of Georgia OCGA § 48-7-40.24. This abatement is obtained through application by the business enterprise and certification by a panel composed of the commissioner of Community Affairs, the commissioner of Economic Development, and the director of the Office of Planning and Budget. In order to receive the tax abatements projects must create a certain level of new full-time employee jobs with average wages above a percentage of average wage projects within the county, and meet other requirements. The tax abatement equals $5,250 per new eligible full-time employee job for five years beginning with the year in which such job is created through year five after such creation; provided, however, that where the amount of such credit exceeds a business enterprise's liability for such taxes in a taxable year, the excess may be taken as a credit against such business enterprise's quarterly or monthly tax payment. Additionally, there are various recapture provisions such as forfeiting the right to the claim or a percentage of the credit, with allowances for relief from recapture based on certain major events.

Tourism Development Act

The Tourism Development Act provides tax abatements to encourage the creation of tourism attractions or expansion of existing tourism attractions under OCGA § 48-8-270. This abatement is obtained through the discretion of the commissioner of Economic Development and the commissioner of Community Affairs, in consideration of the execution of the agreement and subject to the approved company's compliance with the terms of the agreement. The term of the agreement granting the tax abatement (sales and use tax refund for new projects or an incremental sales and use tax refund for expansions of existing tourism attractions) is ten years, commencing on the date the tourism attraction opens for business and begins to collect sales and use taxes or for an expansion, the date construction is complete. Additionally, there are various recapture provisions if an approved company fails to abide by the terms of the agreement, such as voiding of the agreement and all sales and use tax proceeds that were refunded shall become immediately due and payable back to the State.

Competitive Project of Regional Significance

The Competitive Project of Regional Significance designation provides tax abatements to a business enterprise whose location or expansion of some or all of the operations in this state would have a significant regional impact under OCGA § 48-8-3(93)(D). This abatement is obtained in accordance with the regulations promulgated by the commissioner of Economic Development. The tax abatement indicates that sales and use taxes levied by or imposed by the State shall not apply to sales of personal property used for and in the construction of these designated projects.

Legal Prohibition

The State is legally prohibited from providing more detailed information relating to these three tax abatement programs and amounts abated. The restrictions relating to reporting of confidential income tax information and other tax types are generally covered under OCGA § 48-7-60 and § 48-2-15, respectively.

NOTE 18 - TAX ABATEMENT

Georgia Entertainment Industry Investment Act

The Georgia Entertainment Industry Investment Act provides tax abatements to encourage the production of certain projects (such as feature films; television films, pilots or series; televised specials; televised commercials; and music videos) under OCGA § 48-7-40.26. This abatement is obtained through an application and certification process with the Department of Economic Development and the Department of Revenue. An audit is required prior to utilization or transfer, of any earned Georgia film tax credit that exceeds $2.5 million in 2021, $1.25 million in 2022, and for any credit amount thereafter. As of January 1, 2023, all projects are required to go through a mandatory audit.

The Georgia Entertainment Industry Investment Act provides for a transferable tax credit equal to 20 percent of the based investment in this state and an additional tax credit equal to 10 percent of such base investment if the qualified production activity includes a qualified Georgia promotion.

The gross amount of revenue estimated to be abated in the fiscal year ending June 30, 2025, as a result of Georgia Entertainment Industry Investment Act tax abatement agreements, is estimated to be $548.6 million. There are no commitments other than to reduce taxes and there are no provisions for recapturing abated taxes.

NOTE 19 - LITIGATION, CONTINGENCIES, AND COMMITMENTS

A. Grants and Contracts

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

B. Litigation and Contingencies

The State is a defendant in various legal proceedings pertaining to matters incidental to the performance of routine governmental operations. The ultimate disposition of these proceedings is not presently determinable. However, it is not believed that the ultimate disposition of these proceedings would have a material adverse effect on the financial condition of the State. The following are significant active litigation, claims and assessments involving the State:

Primary Government

CSX Transportation v. David M. Curry, Commissioner, Georgia Department of Revenue, Ga. Tax Tribunal Docket Nos. 1622264, 1645680, 1733834, 1914964, and 2229506. CSX filed multiple appeals of constructive denials of refunds for sales and use tax imposed on diesel fuel starting in 2013. The Department of Revenue ("DOR") did not act on the refund claims due to the pendency of litigation on a comparable issue in the U.S. Supreme Court against the state of Alabama. The issue is whether the sales and use tax imposed on diesel fuel purchased by rail carriers violates Section 306 of the Railroad Revitalization and Regulatory Reform Act of 1976 (the "4-R Act"), prohibiting discriminatory treatment of rail carriers. CSX contends that the application of a four percent (4%) sales tax rate to its purchase of diesel fuel violates Section 306 of the 4-R Act because motor carriers are subject to state and local taxes but are exempt from the first three percent (3%) of the four percent (4%) sales tax rate under O.C.G.A. § 48-8-31, and because interstate water carriers are exempt from sales and use tax under O.C.G.A. § 48-8-3(17). The total of the sales and use tax refunds claimed by CSX for tax periods October 2010 through July 2019 is approximately $65.0 million. The Georgia Tax Tribunal cases were stayed pending the outcome of litigation in Alabama, CSX Trans., Inc. v. Alabama Dept. of Revenue, Case No. 17-11705-G. The Eleventh Circuit Court of Appeals ("Eleventh Circuit") ruled in CSX Trans., Inc. v. Ala. Dept. of Revenue, 888 F.3d 1163 (11th Cir. 2018) that Alabama's sales and use tax did not discriminate against railroads when compared to motor carriers but did discriminate against railroads when compared to water carriers. Alabama and CSX filed petitions for certiorari to the U.S. Supreme Court which denied the petitions on June 24, 2019. Therefore, the Eleventh Circuit's decision was affirmed, and the case was remanded to the District Court in Alabama to conclude proceedings. The District Court issued a final judgment in favor of CSX in Alabama in 2019, and a District Court ruled in favor of the smaller railroad carriers there in 2021 on the same grounds. Those District Court judgments were appealed to the Eleventh Circuit and are now pending. At this stage of litigation, it is impracticable to render an opinion about whether the likelihood of an unfavorable outcome is either "probable" or "remote"; however, the State believes it has meritorious defenses and is vigorously defending this action.

Pavliscsak, Grant, and Cody v. Employees Retirement System of Georgia Pavliscak, Grant, and Cody v. Employees Retirement System of Georgia, and James Potvin, in his official capacity as Executive Director of ERSGA, Fulton County Superior Court Case 25CV010024. In July 2025, plaintiffs Andrew J. Pavliscsak, William J. Grant, and Brian Allen Cody filed a class action lawsuit against Employees' Retirement System of Georgia ("ERSGA") and James Potvin in his official capacity as ERSGA's Executive Director, in the Fulton County Superior Court. Plaintiffs subsequently filed an amended complaint against the same defendants, in September 2025. In the operative complaint, Plaintiffs allege they were Employees' Retirement System of Georgia members and that they have been wrongly denied full mandatory cost-of-living adjustments post-retirement and seek certification as a class action, which class could include all retirees who became members of ERSGA prior to 1992. Plaintiffs seek to recover

NOTE 19 - LITIGATION, CONTINGENCIES, AND COMMITMENTS (continued)

damages based on ERSGA's alleged failure to provide full cost-of-living adjustments, beginning in 2019, and an order requiring ERSGA to issue full cost-of-living adjustments prospectively. ERSGA denies that there is any contractual obligation to provide cost-of-living adjustments as claimed by Plaintiffs. ERSGA filed a motion to dismiss all of Plaintiffs claims on October 22, 2025. At this stage of litigation, it is impracticable to render an opinion about whether the likelihood of an unfavorable outcome is either “probable” or “remote”; however, ERSGA believes it has meritorious defenses and is vigorously defending this action.

C. Guarantees and Financial Risk

Component Units

Georgia Housing Finance Authority (GHFA) has uninsured single-family mortgage loans of approximately $75.2 million as of June 30, 2025. All of these loans are for home mortgages in the State of Georgia. Current economic conditions in Georgia have a direct impact on foreclosures and the higher rate of loss on foreclosed loans. If the economy declines, one impact of these conditions could be a decline in housing values and an increase in unemployment and underemployment. GHFA could incur a higher rate of foreclosure and a higher rate of loss on foreclosed loans as a result of the impact of their economic factors and the decline in the value of its underlying collateral on uninsured loans. If the economy declines and, as a result, GHFA could experience a dramatic increase in foreclosures, it is possible that the combination of such an increase combined with lower housing prices could result in increased losses of loan assets that could have adverse impacts on the GHFA's ability to repay its outstanding bonds.

D. Other Significant Commitments

Primary Government

Contractual Commitments

The Georgia Constitution permits State organizations to enter into contractual commitments provided they have funds available (statutory basis) at the time of the execution of the contract. At June 30, 2025, the fund balances of the primary government include encumbrances of $11.1 billion (amounts in thousands):

	Encumbrances
Function	
Conservation	$ 18,505
Culture and Recreation	107,005
Economic Development and Assistance	173,875
Education	1,292,187
General Government	2,178,774
Health and Welfare	1,276,307
Public Safety	300,082
Transportation	5,738,205
Total Investments	**$ 11,084,940**

NOTE 19 - LITIGATION, CONTINGENCIES, AND COMMITMENTS (continued)

Department of Revenue
As of June 30, 2025, the Department of Revenue had unclaimed film tax credits of approximately $1.4 billion.

State Accounting Office
In fiscal year 2023, SAO entered into a contractual obligation with Workday for a period of 21 years to provide the ERP system software for the State of Georgia. As of June 30, 2025, the outstanding amount of the contractual obligation with Workday is $166.3 million.

Employees' Retirement System
As of June 30, 2025, Employees' Retirement System (ERS) of Georgia committed to fund certain private equity partnerships for a total capital commitment of $1.1 billion. Of this amount, $353.7 million remained unfunded and is not recorded on the Combining Statement of Fiduciary Net Position - Pension and Other Employee Benefit Trust Funds - Defined Benefit Pension Plans.

Georgia Technology Authority
On July 1, 2021, GTA entered into a $378.0 million services contract with AT&T. This is a five year contract with three optional years, and has a remaining balance of $174.5 million as of June 30, 2025.

State Road and Tollway Authority
State Road and Tollway Authority (SRTA) has contractual commitments on uncompleted contracts of $2.0 billion, of which, the most significant are for the I-20 East Interchange Reconstruction Project ($451.7 million), the I-285 at I-20 West Interchange Project ($1.1 billion), SR 316 Bundle-1 Project ($79.4 million), SR 316 Bundle-2 Project ($127.1 million) and the SR400 Express Lanes Project ($155.0 million).

Component Units

Contractual Commitments

Georgia Environmental Finance Authority
As of June 30, 2025, Georgia Environmental Finance Authority (GEFA) had commitments to fund projects, excluding the undisbursed portion of loans in process, totaling $192.6 million.

Georgia Ports Authority
As of June 30, 2025, Georgia Ports Authority (GPA) had commitments for construction projects of approximately $383.4 million.

NOTE 20 - SUBSEQUENT EVENTS

A. Primary Government

State Road and Tollway Authority

The window for the thirteenth (13th) round of Georgia Transportation Infrastructure Bank (GTIB) applications 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 $50 million.

The SR 400 Express Lanes project is a Public-Private-Partnership (P3) procured in accordance with O.C.G.A. 32-2-78 and 32-2-80, by the Georgia Department of Transportation (GDOT). GDOT is the project sponsor and serves as the Project Manager. The State Road and Tollway Authority (SRTA) is the signatory to the resulting 50-year design, build, finance, operate, and maintain (DBFOM) contract with SR 400 Peach Partners, LLC (Peach Partners) and will provide toll transaction services. On August 15th, 2025, SRTA received a Concession Payment from Peach Partners in the amount of $3.8 billion, and SRTA is the “governing entity” over the Concession Payment. However, the uses of such funds are subject to agreement with other responsible parties and governed by multiple factors and provisions. Allowable allocations of the Concession Payment include the following, most of which are yet to be specified and authorized:

- State agency expenses affiliated with the project, as incurred by SRTA and GDOT
- Reserves for project and agency contingencies and any potential future project commitments and liabilities
- Supportive transportation projects and capital mobility improvements connecting to and/or within close proximity of the SR 400 Express Lanes corridor

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 $148.6 million. The Authority is the contract holder for the project and GDOT will serve as the Authority’s agent.

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 $94.8 million. 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.

B. Component Units

Georgia Higher Education Facilities Authority

On January 6, 2026, the Authority issued Series 2026A and Series 2026B revenue bonds in principal amounts of $190.5 million and $39.5 million respectively, with semiannual installments due beginning July 1, 2026 through January 1, 2046.

NOTE 20 - SUBSEQUENT EVENTS (continued)

Georgia Housing and Finance Authority

In September 2025, the Authority issued 2025 Series E (non-AMT) bonds for $224.4 million and 2025 Series F (Federally Taxable) bonds for $19.6 million.

In December 2025, the Authority issued Bond deal series G and H for $241.8 million.

University System of Georgia

Following the vote on consolidation approval by the Southern Association of Colleges and Schools Commission on Colleges (SACSCOC), the Board of Regents of the USG voted on December 8, 2025 to consolidate East Georgia State College and Georgia Southern University. The consolidated institution will retain EGSC's open access mission while becoming a part of Georgia Southern University, with integrated campuses and access points. The Swainsboro campus will be named Georgia Southern University – East Georgia Campus. The instructional sites in Statesboro and Augusta will be designated as Georgia Southern University – East Georgia Center Statesboro and Georgia Southern University – East Georgia Center Augusta. Name changes become effective January 1, 2026.

Georgia Institute of Technology

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

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

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

NOTE 20 - SUBSEQUENT EVENTS (continued)

In August 2024, the BOR Board entered into a rental agreement with Georgia Tech Facilities, Inc. (GTFI), a component unit, for the Curran Street Residence Hall. This residence hall will encompass approximately 191,000 square feet of space and will be constructed on approximately 2.5 acres on the campus of GIT. The residence hall will contain approximately 862 beds along with related student amenities. The 30-year lease will commence on the first day of the month after the certificate of occupancy is issued. The total estimated rental payments over the lease term will be $220.7 million and will include semi-annual payments for base rent, and a repair and replacement contribution. In August 2024, GTFI issued $102.3 million in bonds to fund construction, which is expected to be complete in Spring 2026. The capital asset and finance lease liability will be recorded on the Institute's books once construction is complete, and the certificate of occupancy is issued.

In September 2018, the BOR Board approved the project for the third phase of Technology Square (Tech Square III) located on the blocks between Fifth Street, Spring Street, and West Peachtree Street. The project is funded from a combination of state funding, institutional funding, philanthropic donations and Public Private Ventures (PPV) bond financing with an estimated project cost of $240 million. Tech Square III will add more than 400,000 square feet of new space for research and collaboration. Bond funding received via Georgia Tech Facilities Inc.'s (GTFI) issuance in 2024 has been fully expended; funding from General Obligation bonds issued through the Georgia State Financing and Investment Commission in 2023 was drawn down during the year and should be fully expended in fiscal year 2026. Philanthropic and institutional funding were also expended during fiscal year 2025 on building construction and furniture, fixtures and equipment (FFE). In November 2023, the BOR Board authorized the execution of a rental agreement for between GTFI, a component unit, as landlord and the BOR Board as Tenant, for 100,000 square feet located in the basement and on floors 1-3 of Tech Square III. The rental agreement commences on the first day of the month after GTFI obtains the temporary or final certificate of occupancy, but no earlier than January 1, 2026 and ends the following June 30. On November 13, 2025 the temporary certificate of occupancy was issued. The annual base rent is not to exceed $3.7 million per year, with options to renew annually for up to 29 consecutive one-year periods. The capital asset, finance lease liability, and capital gift will be recorded on the Institute's books in fiscal year 2026.

Kennesaw State University

Kennesaw State University (KSU) entered into an agreement with Kennesaw State University Foundation, Inc. (KSUF) where KSUF would construct and equip a student housing facility. This new facility will be leased to KSU for a 30-year period through June 30, 2056, with lease payments totaling $93.3 million, which includes prepaid rent of $12 million to be used for construction. At the end of the lease, the ownership of the student housing facility will transfer to KSU. The commencement of the lease will occur in August 2026, after the substantial completion of the improvements is finalized. On April 8, 2025, KSUF entered into a promissory note agreement to repay $39.5 million Series 2025 bonds issued by the Development Authority of Cobb County. The proceeds of the bonds will be used for the purpose of (i) financing the cost of acquiring, constructing and equipping a student housing facility consisting of 462 beds to be located on the Kennesaw campus of KSU, (ii) fund capitalized interest for the Series 2020 Bonds and (iii) paying all or a portion of the costs of issuing the Series 2025 Bonds.

University System Office

Corvias Campus Living-USG, LLC operated and managed certain student housing at nine USG campuses. Abraham Baldwin Agricultural College; Georgia Southern University Armstrong Campus; Augusta University; College of Coastal Georgia; Columbus State University; Dalton State College; East Georgia State College; Georgia State University; and University of North Georgia. In June 2025, Corvias Campus Living-USG, LLC filed for Chapter 11 bankruptcy protection. As part of the bankruptcy proceedings, on October 20, 2025, a stipulation regarding the use of cash collateral was filed. This stipulation included a plan for the USG to secure funding to acquire Corvias's assets. On January 6, 2026 the Georgia Higher Education Facilities Authority, issued the Series 2026 Bonds for $230.0 million, as noted above, for the University System of Georgia Foundation (USGF). The bond proceeds were

NOTE 20 - SUBSEQUENT EVENTS (continued)

used for the acquisition and maintenance of the Corvias assets. The institutions referenced above entered into agreements with the USGF to lease the housing facilities in January 2026. At the end of the lease term, ownership of the student housing facilities will transfer to the Board of Regents.

REQUIRED SUPPLEMENTARY INFORMATION

Required Supplementary Information
Budgetary Comparison Schedule
Budget Fund
For the Fiscal Year Ended June 30, 2025
(amounts in thousands)

	Original Appropriation	Amended Appropriation	Final Budget	Actual	Variance
Funds Available					
State Appropriation					
Ambulance Provider Fees	$ 9,381	$ 8,904	$ 17,218	$ 17,218	$ —
Brain and Spinal Injury Trust Fund	1,848	1,848	1,848	1,848	—
Fireworks Trust Fund	2,739	2,739	2,739	2,739	—
Georgia Agriculture Trust Fund	2,134	2,134	2,134	2,134	—
Georgia Transit Trust Fund	32,413	32,413	32,413	32,413	—
Governor's Emergency Funds	—	—	179,062	179,062	—
Hazardous Waste Trust Fund	14,680	14,680	14,680	14,680	—
Hospital Provider Payment	410,990	457,189	564,387	564,387	—
Lottery Funds	1,560,274	1,575,803	1,575,803	1,575,803	—
Motor Fuel Funds	2,201,466	2,445,474	2,445,474	2,445,474	—
Nursing Home Provider Fees	152,887	159,618	133,699	133,699	—
Safe Harbor for Sexually Exploited Children Fund	254	254	254	254	—
State Children's Trust Fund	1,316	1,316	1,316	1,316	—
State General Funds	31,342,740	35,449,072	35,270,010	35,234,688	35,322
Solid Waste Trust Funds	7,867	7,867	7,867	7,867	—
Tobacco Settlement Funds	148,616	148,616	148,616	148,616	—
Transportation Trust Fund	228,614	228,615	228,615	228,615	—
Trauma Care Trust Fund	16,228	16,228	16,228	16,228	—
Wild Endowment Trust Fund	1,777	1,777	1,777	1,777	—
State Funds - Prior Year Carry-Over					
Brain and Spinal Injury Trust Fund - Prior Year	—	—	3,051	3,051	—
Georgia Transit Trust Fund - Prior Year	—	—	65	65	—
Governor's Emergency Funds - Prior Year	—	—	11,876	11,876	—
Hazardous Waste Trust Fund - Prior Year	—	—	2,000	16,569	(14,569)
Motor Fuel Funds - Prior Year	—	—	822,508	1,735,437	(912,929)
Safe Harbor Fund_Prior Year	—	—	65	65	—
State Children's Trust Fund - Prior Year	—	—	831	831	—
State General Funds - Prior Year	—	—	2,446,877	2,490,560	(43,683)
Solid Waste Trust Funds – Prior Year	—	—	1,000	2,882	(1,882)
Transportation Trust Fund - Prior Year	—	—	2,351	2,351	—
Trauma Care Trust Funds - Prior Year	—	—	834	834	—
Wild Endowment Trust Funds - Prior Year	—	—	—	3,432	(3,432)
Federal Funds					
CCDF Mandatory & Matching Funds	92,749	92,749	122,849	122,849	—
Child Care & Development Block Grant	227,917	345,897	467,360	467,303	57
Community Mental Health Services Block Grant	14,164	14,164	34,465	32,168	2,297
Community Services Block Grant	18,694	19,443	27,437	27,412	25
Federal Highway Administration - Highway Planning and Construction	1,499,458	1,499,458	1,994,948	1,895,602	99,346
Foster Care Title IV-E	85,253	94,000	100,143	100,142	1
Low-Income Home Energy Assistance	73,609	76,202	99,192	99,116	76
Maternal and Child Health Services Block Grant	16,975	17,346	19,675	17,374	2,301
Medical Assistance Program	9,808,873	11,824,961	12,606,509	12,329,582	276,927
Prevention and Treatment of Substance Abuse Block Grant	47,852	47,852	71,612	66,708	4,904
Preventive Health and Health Services Block Grant	3,127	4,005	7,155	4,699	2,456
Social Services Block Grant	52,655	55,774	63,855	58,402	5,453
State Children's Insurance Program	541,373	489,603	604,742	583,465	21,277
TANF Transfer to SSBG	1,263	2,549	2,632	2,632	—
Temporary Assistance for Needy Families Block Grant	368,254	397,929	423,687	385,624	38,063
Federal Funds Not Specifically Identified	6,165,656	6,572,477	9,632,202	8,790,061	842,141
Federal Funds-COVID-19					
Child Care & Development Block Grant - COVID-19	—	—	16,837	16,837	—
Low-Income Home Energy Assistance - COVID-19	—	—	3,711	3,701	10
Federal Funds Not Specifically Identified - COVID-19	8,932	—	4,187,416	3,202,322	985,094
American Recovery and Reinvestment Act of 2009					
Medical Assistance Program_ARRA	—	—	—	(82)	82
Federal Recovery Funds Not Specifically Identified_ARRA	16,847	13,394	13,394	25,402	(12,008)
Other Funds	11,656,795	12,818,821	20,679,636	20,757,160	(77,524)
Total Funds Available	66,836,670	74,941,171	95,115,055	93,865,250	1,249,805

(continued)

Required Supplementary Information
Budgetary Comparison Schedule
Budget Fund
For the Fiscal Year Ended June 30, 2025
(amounts in thousands)

	Original Appropriation	Amended Appropriation	Final Budget	Actual	Variance
Expenditures					
Georgia Senate	17,390	17,390	17,799	15,075	2,724
Georgia House of Representatives	26,040	26,040	27,051	24,275	2,776
Georgia General Assembly Joint Offices	22,389	22,589	24,546	19,412	5,134
Audits and Accounts, Department of	46,553	46,553	47,563	45,185	2,378
Appeals, Court of	28,773	26,711	27,007	27,002	5
Judicial Council	26,057	28,170	114,848	105,738	9,110
Juvenile Courts	9,876	9,876	9,876	9,292	584
Prosecuting Attorneys	127,013	124,808	150,950	142,478	8,472
Superior Courts	92,237	91,973	92,954	92,952	2
Supreme Court	20,829	20,843	21,813	21,719	94
Accounting Office, State	34,865	34,860	75,938	65,196	10,742
Administrative Services, Department of	300,733	594,894	879,643	688,434	191,209
Agriculture, Department of	77,848	263,552	288,714	288,557	157
Banking and Finance, Department of	14,916	15,169	15,184	15,155	29
Behavioral Health & Developmental Disabilities, Department of	2,067,058	2,088,813	2,263,114	1,987,650	275,464
Community Affairs, Department of	246,281	1,158,699	1,241,135	1,214,059	27,076
Community Health, Department of	20,992,665	23,801,717	31,092,716	24,844,227	6,248,489
Community Supervision, Department of	225,127	228,900	240,789	240,753	36
Corrections, Department of	1,509,356	1,858,220	1,931,607	1,913,888	17,719
Defense, Department of	111,163	111,163	205,442	128,961	76,481
Driver Services, Department of	88,962	89,984	96,628	94,749	1,879
Early Care and Learning, Bright from Start: Department of	1,108,681	1,228,988	1,394,593	1,381,758	12,835
Economic Development, Department of	40,115	39,766	47,803	45,267	2,536
Education, Department of	15,547,667	15,715,810	16,067,252	15,932,298	134,954
Employees' Retirement System	100,139	602,174	602,931	600,098	2,833
Forestry Commission, State	68,792	68,792	116,391	116,382	9
Governor, Office of the	93,157	269,444	4,781,950	3,615,458	1,166,492
Human Services, Department of	2,235,997	2,414,744	2,627,590	2,546,765	80,825
Insurance, Department of	243,418	223,136	1,223,403	943,389	280,014
Investigation, Georgia Bureau of	329,176	353,601	435,875	393,188	42,687
Juvenile Justice, Department of	394,906	394,596	406,921	403,325	3,596
Labor, Department of	54,060	54,060	126,319	124,912	1,407
Law, Department of	129,617	130,129	144,083	142,623	1,460
Natural Resources, Department of	355,431	378,173	554,893	511,583	43,310
Pardons and Paroles, State Board of	21,293	21,236	21,753	21,635	118
State Properties Commission	2,400	2,400	2,600	2,449	151
Public Defender Council, Georgia	116,038	116,159	154,905	142,852	12,053
Public Health, Department of	835,295	918,001	1,335,361	1,202,573	132,788
Public Safety, Department of	315,395	317,892	394,797	376,062	18,735
Public Service Commission	14,051	14,117	14,401	14,400	1
Regents, University System of Georgia	9,718,990	10,217,874	11,853,221	10,581,323	1,271,898
Revenue, Department of	228,395	227,820	332,146	219,681	112,465
Secretary of State	45,678	42,714	60,609	54,308	6,301
Student Finance Commission Georgia	1,169,894	1,192,048	1,196,631	1,168,486	28,145
Teachers' Retirement System	55,528	59,365	60,436	51,288	9,148
Technical College System of Georgia	1,197,092	1,224,477	1,274,163	1,102,026	172,137
Transportation, Department of	4,176,633	5,455,366	8,355,077	6,421,882	1,933,195
Veterans' Services, Department of	56,137	61,387	77,819	73,618	4,201
Workers' Compensation, State Board of	22,149	22,149	22,560	21,949	611
Georgia State Financing and Investment Commission	866,599	1,317,070	1,317,070	1,317,070	—
State of Georgia General Obligation Debt Sinking Fund	1,207,816	1,196,759	1,246,185	1,200,908	45,277
Total Expenditures	66,836,670	74,941,171	95,115,055	82,714,313	12,400,742
Excess of Funds Available over Expenditures	$ —	$ —	$ —	$11,150,937	$ (11,150,937)

Required Supplementary Information
Budget to GAAP Reconciliation
For the Fiscal Year Ended June 30, 2025
(amounts in thousands)

	General Fund
Sources/Inflows of Resources	
Summary	
Actual amounts (budgetary basis) “Total Funds Available” from the budgetary comparison schedule	$ 93,865,250
Differences - budget to GAAP	
Perspective Differences:	
Revenues of budgeted funds included in the Budget Fund, but removed from the General Fund for financial reporting purposes.	(14,332,410)
Revenues of nonbudgeted funds included within the State's reporting entity, and shown in the General Fund for financial reporting purposes.	39,457,706
State appropriations revenues are budgetary resources, but are netted with the State's treasury disbursements for GAAP purposes.	(40,602,743)
Basis Differences:	
Accrual of taxpayer assessed receivables and revenues.	(751,079)
Fund balance adjustments are not inflows of budgetary resources, but affect current year revenues for GAAP reporting purposes.	(2,654,570)
Prior Year Reserves Available for Expenditure are included in Funds Available, but are not revenues for GAAP reporting purposes.	(10,209,032)
Revenues from intrafund transactions are budgetary resources, but are not revenues for GAAP reporting purposes.	(954,408)
Receivables and revenues accrued based on encumbrances reported for goods and services ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the goods and services are received for GAAP reporting.	1,069,566
Transfers from other funds are inflows of budgetary resources, but are not revenues for financial reporting purposes.	(438,731)
Revenue reported for nonbudgetary food stamp program and donated commodities.	3,820,916
Revenue reported for on-behalf payments related to pensions.	104,352
Other net accrued receivables and revenues.	70,238
Total Revenues (General Fund) as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds	$ 68,445,055

(continued)

Required Supplementary Information
Budget to GAAP Reconciliation
For the Fiscal Year Ended June 30, 2023
(amounts in thousands)

	General Fund
Uses/Outflows of Resources	
Summary	
Actual amounts (budgetary basis) “Total Expenditures” from the budgetary comparison schedule	$ 82,714,313
Differences - budget to GAAP	
Perspective Differences:	
Expenditures of Budgeted Funds for organizations not reported in the General Fund.	(17,884,193)
Expenditures of nonbudgeted Funds included within the State's reporting entity, and shown in the General Fund for financial reporting purposes.	239,629
Basis Differences:	
Accrual of teacher salaries not included in current budget year.	121,499
Acquisition of lease and subscription arrangements are not outflows of budgetary resources, but are recorded as current expenditures and other financing sources for GAAP reporting.	177,428
Change in expenditure accrual for nonbudgetary Medicaid claims.	90,360
Encumbrances for goods and services ordered but not received are reported as budgetary expenditures in the year the order is placed, but are reported as GAAP expenditures in the year the goods and services are received.	560,503
Expenditures from intrafund transactions are budgetary outflows, but are not expenditures for GAAP reporting purposes.	(953,900)
Expenditures reported for nonbudgetary food stamp program and donated commodities.	3,820,916
Expenditures reported for on-behalf payments related to pensions.	104,352
Fund balance adjustments are not outflows of budgetary resources, but affect current year expenditures for GAAP reporting purposes.	(2,757,639)
Transfers to other funds are outflows of budgetary resources, but are not expenditures for GAAP reporting purposes.	(3,810,925)
Other net accrued liabilities and expenditures.	111,431
Total Expenditures (General Fund) as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds	$ 62,533,774

Required Supplementary Information
Notes to Required Supplementary Information
Budgetary Comparison
For the Fiscal Year Ended June 30, 2025

Budgetary Reporting

Budgetary Process

OCGA § 45-12-4 sets forth the process for the development and monitoring of an appropriated budget for the State. Not later than September 1 of each year, the head of each executive branch budget unit (e.g. agencies, departments, and commissions) must submit estimates of the financial requirements for the subsequent fiscal year to Office of Planning and Budget (OPB), which operates under the direction of the Governor. Budget estimates relative to the legislative and judicial branches of State government are provided to OPB for the purpose of estimating the total financial needs of the State but are not subject to revision or review by OPB.

The Governor, through the OPB, examines the estimates and may investigate and revise executive branch submissions as necessary. Upon the completion and revisions of the estimates, the Governor must prepare and submit a budget report to the General Assembly within five days of the date on which the General Assembly convenes. The Governor also possesses the responsibility and authority to establish the revenue estimate for the corresponding fiscal year.

The General Assembly, after adopting such modifications to the Governor's budget report as it deems necessary, enacts the General Appropriations Act for the subsequent fiscal year. Each General Appropriations Act enacted, along with amendments as are adopted, continues in force and effect for the next fiscal year after adoption. In accordance with the Georgia Constitution, Article III, Section IX, Paragraph IV, "The General Assembly shall not appropriate [State] funds for any given fiscal year which, in aggregate, exceed a sum equal to the amount of unappropriated surplus expected to have accrued in the state treasury at the beginning of the fiscal year together with an amount not greater than the total treasury receipts from existing revenue sources anticipated to be collected in the fiscal year, less refunds, as estimated in the budget report and amendments thereto." The Constitution also authorizes the passage of additional Supplementary Appropriation Acts, provided sufficient surplus is available or additional revenue measures have been enacted. Finally, the Governor may withhold allotments of funds to budget units in order to maintain this balance of revenues and expenditures. Compliance with this requirement is demonstrated in the Governor's budget report and the Appropriation Acts for each fiscal year.

To the extent that federal funds received by the State are changed by federal authority or exceed the amounts appropriated by the original or supplementary appropriations acts, such excess, changed or unanticipated funds are "continually appropriated;" that is, they are amended into departmental budgets when such events are known. Similarly, revenues generated by departments that may be retained for departmental operations ("other funds") are amended in as such funds are collected or anticipated.

Internal transfers within a budget unit are subject to the condition that no funds shall be transferred for the purpose of initiating a new program area which otherwise had received no appropriation of any funding source.

The Governor, through OPB, requires each budget unit, other than those of the legislative and judicial branches, to submit an annual operating budget based on the programs set forth in the Appropriations Act. Budget units submit periodic allotment requests, which must be approved in conjunction with quarterly work programs prior to release of appropriated funds. Further monitoring of budget unit activities is accomplished by review of expenditure reports, which are submitted quarterly to OPB.

Required Supplementary Information
Notes to Required Supplementary Information
Budgetary Comparison
For the Fiscal Year Ended June 30, 2025

The appropriated budget covers a majority of the organizations comprising the State's General Fund and includes appropriations for debt service. The budget also includes certain proprietary funds, the Higher Education Fund, and the administrative costs of operating certain public employee retirement systems.

Budget units of the State are responsible for budgetary control of their respective portion of the total State appropriated budget. The legal level of budgetary control is at the program level by funding source. Budgetary programs represent a discrete activity or activities or specific initiative for which funds are being appropriated and as defined in the accompanying purpose statement of the program in the appropriations act. Expenditures against that program must align with purpose of the appropriation as defined in the bill. Due to the complex nature of the State appropriated budget, a separate *Budgetary Compliance Report* is published each year to report on compliance at the legal level of budgetary control. This report can be found on website of the State Accounting Office at https://sao.georgia.gov/swar/bcr.

Budgetary Basis of Accounting

The annual budget of the State is prepared on the modified accrual basis utilizing encumbrance accounting with the following exceptions: federal and certain other revenues are accrued based on the unexecuted portion of long-term contracts; and intrafund transactions are disclosed as revenues and expenditures. Under encumbrance accounting, encumbrances are used to indicate the intent to purchase goods or services. Liabilities and expenditures are recorded upon issuance of completed purchase orders. Goods or services need not have been received for liabilities and expenditures to be recorded. All unencumbered annual appropriations lapse at fiscal year-end unless otherwise specified by constitutional or statutory provisions. Supplementary and amended appropriations may be enacted during the next legislative session by the same process used for original appropriations.

Budgetary Compliance Exceptions

Expenditures of State funds may not exceed the amount appropriated at the legal level of control as provided by the Constitution. For the year ended June 30, 2025, total State funds expenditures did not exceed appropriated amounts.

For more information on budgetary exceptions, please refer to the *Budgetary Compliance Report* (BCR) issued under separate cover.

Budgetary Presentation

The accompanying Budgetary Comparison Schedule for the Budget Fund presents comparisons of the legally adopted budget with actual data prepared on the budgetary basis of accounting utilized by the State. The Budget Fund, a compilation of the budget units of the State, differs from the funds presented in the basic financial statements. The Budget-to-GAAP reconciliation immediately following the budgetary comparison schedule identifies the types and amounts of adjustments necessary to reconcile the Budget Fund with the General Fund as reported in accordance with generally accepted accounting principles.

Note, in the BCR the *Statements of Funds Available and Expenditures Compared to Budget By Program and Funding Source* displays budget (original, amended and final), the current year funds available, current year expenditures and variances to budget for each of the appropriated organizations. And the Statistical Schedules 4 and 5 in the BCR summarize the expenditures by agency (Statistical Schedule 4) and in total (Statistical Schedule 5), and these totals agree with the amounts presented in the RSI schedule above.

Required Supplementary Information
Public Entity Risk Pool
For the Fiscal Year Ended June 30, 2025

Claims Development Information

The table below illustrates how the State Health Benefit Plan's (SHBP) earned revenues and investment income compare to related costs of loss and other expenses assumed by the SHBP as of the end of the current fiscal year. The rows of the table are defined as follows: (1) This line shows the total of each fiscal year's earned contribution revenues and investment revenues. (2) This line shows each fiscal year's other operating costs of the fund including overhead and claims expense not allocable to individual claims. (3) This line shows the fund's incurred claims and allocated claim adjustment expenses (both paid and accrued) as originally reported at the end of the first year in which the event that triggered coverage under the contract occurred (policy year). (4) This section shows the cumulative net amounts paid as of the end of the policy year. (5) This section shows how current year's net incurred claims increased or decreased as of the end of the year. This annual reestimation results from new information received on known claims, reevaluation of existing information on known claims, as well as emergence of new claims not previously known. (6) This line compares the latest reestimated net incurred claims amount to the amount originally established (line 3) and shows whether this latest estimate of claims cost is greater or less than originally thought. As data for individual policy years mature, the correlation between original estimates and reestimated amounts is commonly used to evaluate the accuracy of net incurred claims currently recognized in less mature policy years.

(Table on next page)

Required Supplementary Information
Public Entity Risk Pool
For the Fiscal Year Ended June 30, 2025
(amounts in thousands)

	Fiscal and Policy Year Ended				
	2025	**2024**	**2023**	**2022**	**2021**
(1) Required contribution and investment revenue earned (fiscal year)	$ 4,687,759	$ 4,099,553	$ 3,501,696	$ 3,104,205	$ 3,080,118
(2) Unallocated expenses	110,922	126,575	119,332	123,120	116,308
(3) Estimated claims and expenses, end of policy year, net incurred	4,145,913	3,781,750	3,161,422	3,353,961	3,057,358
(4) Net paid (cumulative) as of:					
End of policy year	4,161,124	3,691,332	3,170,096	3,238,092	3,036,605
One year later		3,603,216	3,228,624	3,021,535	3,055,657
Two years later			3,228,624	3,021,535	3,055,657
Three years later				3,021,535	3,055,657
Four years later					3,055,657
Five years later					
Six years later					
Seven years later					
Eight years later					
Nine years later					
(5) Reestimated net incurred claims and expenses:					
End of policy year	4,145,913	3,781,750	3,161,422	3,353,963	3,057,357
One year later		3,617,061	3,239,350	3,031,780	3,059,475
Two years later			3,230,045	3,023,751	3,056,181
Three years later				3,021,535	3,055,657
Four years later					3,055,657
Five years later					
Six years later					
Seven years later					
Eight years later					
Nine years later					
(6) Increase (decrease) in estimated net incurred claims and expenses from the end of policy year	—	(164,689)	68,623	(332,426)	(1,701)

2020	2019	2018	2017	2016
$ 2,837,988	$ 2,545,692	$ 2,975,710	$ 2,193,674	$ 2,124,039
120,588	117,675	132,059	137,874	139,630
2,614,741	2,495,517	2,269,151	2,158,188	2,013,443
2,579,198	2,500,454	2,286,603	2,120,983	2,009,809
2,650,623	2,454,871	2,340,034	2,151,121	1,915,972
2,650,623	2,454,871	2,340,034	2,151,121	1,915,972
2,650,623	2,454,871	2,340,034	2,151,121	1,915,972
2,650,623	2,454,871	2,340,034	2,151,121	1,915,972
2,650,623	2,454,871	2,340,034	2,151,121	1,915,972
	2,454,871	2,340,034	2,151,121	1,915,972
		2,340,034	2,151,121	1,915,972
			2,151,121	1,915,972
				1,915,972
2,614,741	2,495,517	2,269,151	2,158,188	2,013,443
2,650,939	2,458,806	2,340,850	2,150,162	1,915,823
2,650,623	2,454,871	2,340,255	2,148,700	1,915,823
2,650,623	2,454,871	2,340,034	2,148,678	1,915,846
2,650,623	2,454,871	2,340,034	2,148,678	1,915,846
2,650,623	2,454,871	2,340,034	2,148,678	1,915,846
	2,454,871	2,340,034	2,148,678	1,915,846
		2,340,034	2,148,678	1,915,846
			2,148,678	1,915,846
				1,915,846
35,882	(40,646)	70,883	(9,510)	(97,597)

REQUIRED SUPPLEMENTARY INFORMATION - PENSIONS

Required Supplementary Information
Schedules of Employers' and Nonemployers' Contributions
Defined Benefit Pension Plans
For the Last Ten Fiscal Years
(dollars in thousands)

	Year Ended	Actuarially determined contribution (a)	Contributions in relation to the actuarially determined contribution (b)	Contribution deficiency (excess) (a-b)	Covered payroll (c)	Contributions as a percentage of covered payroll (b/c)
Employees' Retirement System	6/30/2016	$ 595,124	$ 595,566	$ (442)	$ 2,390,457	24.91 %
	6/30/2017	624,623	625,281	(658)	2,565,918	24.37 %
	6/30/2018	650,073	652,167	(2,094)	2,635,896	24.74 %
	6/30/2019	649,209	649,209	—	2,615,491	24.82 %
	6/30/2020	643,857	643,857	—	2,614,856	24.62 %
	6/30/2021	615,967	615,967	—	2,480,422	24.83 %
	6/30/2022	619,723	619,723	—	2,577,449	24.04 %
	6/30/2023	878,158	878,158	—	2,914,453	30.13 %
	6/30/2024	889,582	1,389,582	(500,000)	3,169,172	43.85 %
	6/30/2025	929,459	1,456,209	(526,750)	3,425,988	42.50 %
Teachers Retirement System of Georgia	6/30/2016	$ 1,580,532	$ 1,580,532	$ —	$11,075,907	14.27 %
	6/30/2017	1,654,844	1,654,844	—	11,596,664	14.27 %
	6/30/2018	2,018,724	2,018,724	—	12,009,066	16.81 %
	6/30/2019	2,566,403	2,566,403	—	12,279,440	20.90 %
	6/30/2020	2,738,818	2,738,818	—	12,955,620	21.14 %
	6/30/2021	2,495,527	2,495,527	—	13,093,006	19.06 %
	6/30/2022	2,696,714	2,696,714	—	13,612,892	19.81 %
	6/30/2023	2,929,096	2,929,096	—	14,660,140	19.98 %
	6/30/2024	3,127,483	3,127,483	—	15,653,068	19.98 %
	6/30/2025	3,471,216	3,471,216	—	16,704,601	20.78 %

This data, except for annual covered payroll, was provided by each plan's actuary.

Schedule includes all significant plans and funds administered by the State of Georgia.

Required Supplementary Information
Schedules of Employers' and Nonemployers' Net Pension Liability
Defined Benefit Pension Plans
For the Last Ten Fiscal Years
(amounts in thousands)

	2025	2024	2023	2022
Employees' Retirement System:				
Total pension liability	$ 21,472,685	$ 21,183,792	$ 20,715,028	$ 20,508,975
Plan fiduciary net position	18,637,570	16,681,931	14,749,438	13,830,510
Employers' and nonemployers' net pension liability	$ 2,835,115	$ 4,501,861	$ 5,965,590	$ 6,678,465
Plan fiduciary net position as a percentage of the total pension liability	86.80 %	78.75 %	71.20 %	67.44 %
Covered payroll	$ 3,425,988	$ 3,169,172	$ 2,914,453	$ 2,577,449
Employers' and nonemployers' net pension liability as a percentage of covered payroll	82.75 %	142.05 %	204.69 %	259.11 %
Teachers Retirement System:				
Total pension liability	$ 137,943,737	$ 131,308,611	$ 124,515,490	$ 119,594,792
Plan fiduciary net position	116,767,912	106,174,001	94,991,195	87,122,859
Employers' and nonemployers' net pension liability	$ 21,175,825	$ 25,134,610	$ 29,524,295	$ 32,471,933
Plan fiduciary net position as a percentage of the total pension liability	84.65 %	80.86 %	76.29 %	72.85 %
Covered payroll	$ 16,704,601	$ 15,653,068	$ 14,660,140	$ 13,612,892
Employers' and nonemployers' net pension liability as a percentage of covered payroll	126.77 %	160.57 %	201.39 %	238.54 %

Schedule includes all significant plans and funds administered by the State of Georgia.

	2021	2020	2019	2018	2017	2016
	$ 18,886,809	$ 17,717,243	$ 17,744,003	$ 17,628,219	$ 17,159,634	$ 17,103,987
	16,547,905	13,502,286	13,617,472	13,517,186	13,098,299	12,373,567
	$ 2,338,904	$ 4,214,957	$ 4,126,531	$ 4,111,033	$ 4,061,335	$ 4,730,420
	87.62 %	76.21 %	76.74 %	76.68 %	76.33 %	72.34 %
	$ 2,480,422	$ 2,614,856	$ 2,615,491	$ 2,635,896	$ 2,565,918	$ 2,390,457
	94.29 %	161.19 %	157.77 %	155.96 %	158.28 %	197.89 %
	$ 110,991,021	$ 105,385,472	$ 100,291,641	$ 94,095,067	$ 89,926,280	$ 86,183,526
	102,146,688	81,161,558	78,788,937	75,532,925	71,340,972	65,552,411
	$ 8,844,333	$ 24,223,914	$ 21,502,704	$ 18,562,142	$ 18,585,308	$ 20,631,115
	92.03 %	77.01 %	78.56 %	80.27 %	79.33 %	76.06 %
	$ 13,093,006	$ 12,955,620	$ 12,279,440	$ 12,009,066	$ 11,596,664	$ 11,075,907
	67.55 %	186.98 %	175.11 %	154.57 %	160.26 %	186.27 %

Required Supplementary Information
Schedules of Changes in Employers' and Nonemployers' Net Pension Liability
Defined Benefit Pension Plans
For the Last Ten Fiscal Years
(amounts in thousands)

	2025	2024	2023	2022
Employees' Retirement System:				
Total pension liability:				
Service cost	$ 174,302	$ 164,143	$ 151,351	$ 142,949
Interest	1,429,768	1,397,294	1,383,312	1,269,224
Benefit changes	—	—	—	67,351
Differences between expected and actual experience	201,888	414,699	166,133	(107,167)
Changes of assumptions	—	—	—	1,759,895
Benefit payments	(1,510,672)	(1,500,601)	(1,489,058)	(1,502,904)
Refunds of contributions	(6,393)	(6,771)	(5,685)	(7,182)
Net change in total pension liability	288,893	468,764	206,053	1,622,166
Total pension liability-beginning	21,183,792	20,715,028	20,508,975	18,886,809
Total pension liability-ending (a)	21,472,685	21,183,792	20,715,028	20,508,975
Plan fiduciary net position:				
Contributions-employer	917,788	850,731	838,068	611,410
Contributions-nonemployer	8,889	9,307	10,499	8,313
Contributions-member	45,748	44,116	41,577	36,130
Administrative expense allotment	—	—	—	—
Net investment income	1,982,573	2,016,727	1,503,315	(1,855,596)
Benefit payments	(1,510,672)	(1,500,601)	(1,489,058)	(1,502,904)
Administrative expense	(11,836)	(10,570)	(9,389)	(7,576)
Refunds of contributions	(6,393)	(6,771)	(5,685)	(7,182)
Transfers from Other Funds*	529,542	529,554	29,601	10
Other**	—	—	—	—
Net change in plan fiduciary net position	1,955,639	1,932,493	918,928	(2,717,395)
Plan fiduciary net position-beginning	16,681,931	14,749,438	13,830,510	16,547,905
Plan fiduciary net position-ending (b)	18,637,570	16,681,931	14,749,438	13,830,510
Net pension liability-ending (a)-(b)	$ 2,835,115	$ 4,501,861	$ 5,965,590	$ 6,678,465
Teachers Retirement System of Georgia:				
Total pension liability:				
Service cost	$ 2,274,799	$ 2,123,205	$ 1,966,543	$ 1,742,643
Interest	8,832,507	8,373,427	8,043,425	7,837,074
Differences between expected and actual experience	2,494,755	2,619,452	957,570	(215,975)
Changes of assumptions	(364,397)	—	—	5,026,914
Benefit payments	(6,504,379)	(6,224,330)	(5,957,380)	(5,692,032)
Refunds of contributions	(98,159)	(98,633)	(89,460)	(94,853)
Net change in total pension liability	6,635,126	6,793,121	4,920,698	8,603,771
Total pension liability-beginning	131,308,611	124,515,490	119,594,792	110,991,021
Total pension liability-ending (a)	137,943,737	131,308,611	124,515,490	119,594,792
Plan fiduciary net position:				
Contributions - employer	3,464,652	3,121,515	2,923,500	2,691,212
Contributions-nonemployer	6,512	5,908	5,519	5,398
Contributions-member	1,031,027	968,016	911,542	853,376
Net investment income	12,715,602	13,434,751	10,097,824	(12,770,564)
Benefit payments	(6,504,379)	(6,224,330)	(5,957,380)	(5,692,032)
Administrative expense	(21,396)	(24,481)	(23,285)	(16,470)
Refunds of contributions	(98,159)	(98,633)	(89,460)	(94,853)
Transfers from Other Funds*	52	60	76	104
Other**	—	—	—	—
Net change in plan fiduciary net position	10,593,911	11,182,806	7,868,336	(15,023,829)
Plan fiduciary net position-beginning	106,174,001	94,991,195	87,122,859	102,146,688
Plan fiduciary net position-ending (b)	116,767,912	106,174,001	94,991,195	87,122,859
Net pension liability-ending (a)-(b)	$ 21,175,825	$ 25,134,610	$ 29,524,295	$ 32,471,933

Schedule includes all significant plans and funds administered by the State of Georgia.

*A change in reporting was implemented beginning with fiscal year June 30, 2021 to separately report internal transfer amounts.

**Pursuant to the requirements of GASB Statement 75, the fiscal year 2018 beginning Fiduciary Net Position was restated, to reflect the impact of recording the initial Deferred Outflows of Resources and the Net OPEB liabilities and OPEB asset.

2021	2020	2019	2018	2017	2016
$ 129,500	$ 132,004	$ 135,679	$ 129,294	$ 125,910	$ 143,043
1,240,748	1,240,887	1,233,882	1,233,689	1,230,175	1,225,650
—	65,702	42,097	31,097	30,563	—
86,061	25,736	155,573	180,655	72,315	(238)
1,154,636	—	—	314,733	—	70,890
(1,434,775)	(1,484,445)	(1,443,756)	(1,413,298)	(1,394,283)	(1,347,633)
(6,604)	(6,644)	(7,691)	(7,585)	(9,033)	(7,087)
1,169,566	(26,760)	115,784	468,585	55,647	84,625
17,717,243	17,744,003	17,628,219	17,159,634	17,103,987	17,019,362
18,886,809	17,717,243	17,744,003	17,628,219	17,159,634	17,103,987
606,893	634,108	638,989	639,302	613,191	583,082
9,048	9,749	10,220	12,865	12,080	12,484
35,027	35,837	36,252	37,130	35,863	31,961
—	10	10	10	10	10
3,843,581	703,840	873,404	1,166,013	1,475,626	141,292
(1,434,775)	(1,484,445)	(1,443,756)	(1,413,298)	(1,394,283)	(1,347,633)
(7,587)	(7,641)	(7,142)	(8,056)	(8,732)	(8,506)
(6,604)	(6,644)	(7,691)	(7,585)	(9,033)	(7,087)
36	—	—	—	10	—
—	—	—	(7,494)	—	—
3,045,619	(115,186)	100,286	418,887	724,732	(594,397)
13,502,286	13,617,472	13,517,186	13,098,299	12,373,567	12,967,964
16,547,905	13,502,286	13,617,472	13,517,186	13,098,299	12,373,567
$ 2,338,904	$ 4,214,957	$ 4,126,531	$ 4,111,033	$ 4,061,335	$ 4,730,420
$ 1,734,145	$ 1,597,714	$ 1,536,336	$ 1,484,705	$ 1,413,080	$ 1,435,808
7,440,942	7,080,133	6,868,617	6,565,372	6,293,611	5,990,178
1,934,042	368,463	430,272	894,691	573,483	380,526
—	1,316,780	2,388,357	—	—	662,047
(5,434,414)	(5,192,283)	(4,950,465)	(4,699,920)	(4,461,124)	(4,228,819)
(69,166)	(76,976)	(76,543)	(76,061)	(76,296)	(79,334)
5,605,549	5,093,831	6,196,574	4,168,787	3,742,754	4,160,406
105,385,472	100,291,641	94,095,067	89,926,280	86,183,526	82,023,120
110,991,021	105,385,472	100,291,641	94,095,067	89,926,280	86,183,526
2,490,267	2,732,925	2,560,810	2,014,088	1,648,411	1,572,624
5,123	5,729	5,414	4,416	6,175	7,908
817,090	800,864	759,474	745,574	716,233	685,626
23,192,761	4,119,609	4,972,419	6,247,155	7,971,677	810,574
(5,434,414)	(5,192,283)	(4,950,465)	(4,699,920)	(4,461,124)	(4,228,819)
(16,668)	(17,411)	(15,276)	(15,865)	(16,773)	(15,281)
(69,166)	(76,976)	(76,543)	(76,061)	(76,296)	(79,334)
137	164	179	220	258	—
—	—	—	(27,654)	—	—
20,985,130	2,372,621	3,256,012	4,191,953	5,788,561	(1,246,702)
81,161,558	78,788,937	75,532,925	71,340,972	65,552,411	66,799,113
102,146,688	81,161,558	78,788,937	75,532,925	71,340,972	65,552,411
$ 8,844,333	$ 24,223,914	$ 21,502,704	$ 18,562,142	$ 18,585,308	$ 20,631,115

Required Supplementary Information
Schedules of Investment Returns
Defined Benefit Pension Plans
For the Last Ten Fiscal Years

	Annual money-weighted rate of return, net of investment expense									
	2025	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**
Pooled Investment Fund (ERS):	12.60%	13.60%	4.70%	(18.70%)	19.40%	(3.60%)	(1.80%)	0.60%	2.90%	(7.23%)
Employees' Retirement System										
Teachers Retirement System of Georgia	10.08%	11.55%	8.56%	(15.18%)	25.08%	2.91%	4.08%	5.05%	7.62%	(2.92%)

Schedule includes all significant plans and funds administered by the State of Georgia.

Required Supplementary Information
Notes to Required Supplementary Information
Defined Benefit Pension Plans
Methods and Assumptions
For the Fiscal Year Ended June 30, 2025

Actuarial Methods and Assumptions - Plan Perspective:

This note provides information about changes of benefit terms, changes of assumptions, and methods and assumptions used in calculations of actuarially determined contributions.

Employees' Retirement System

Changes of benefit terms: A one-time 3% payment was granted to certain retirees and beneficiaries effective July 2016, and a one-time 3% payment was granted to certain retirees and beneficiaries effective July 2017. Two one-time 2% payments were granted to certain retirees and beneficiaries effective July 2018 and January 2019. Two one-time 3% payments were granted to certain retirees and beneficiaries effective July 2019 and January 2020. Two one-time 3% payments were granted to certain retirees and beneficiaries effective July 2021 and January 2022.

Changes of assumptions: On December 17, 2015, the Board adopted recommended changes to the economic and demographic assumptions utilized by the System. Primary among the changes were the updates to rates of mortality, retirement, disability, withdrawal, and salary increases. Subsequent to the June 30, 2016 actuarial valuation, ERS Board adopted a new funding policy. Because of this new funding policy, the assumed investment rate of return was reduced from 7.50% to 7.40% for the June 30, 2017 actuarial valuation. In addition, based on the ERS board's new funding policy, the assumed investment rate of return was further reduced by 0.10% from 7.40% to 7.30% as of the June 30, 2018 measurement date, and remained unchanged for June 30, 2019 and June 20, 2020. The assumed investment rate of return was further reduced by 0.10% from 7.30% to 7.20% as of the June 30, 2021 measurement date. On December 17, 2020, the Board adopted recommended changes to the economic and demographic assumptions utilized by the System based on the experience study prepared for the five-yer period ending June 30, 2019. Primary among the changes were the updates to mortality, retirement, withdrawal, and salary increases. This also included a change to the long-term assumed investment rate of return to 7.00%. Therefore, a change in assumptions due to the reduction in the assumed investment rate of return from 7.30% to 7.00%, are reflected, along with the assumptions changes due to the experience study, in the calculation of the June 30, 2021 ERS Total Pension Liability. On April 21, 2022, the Board adopted a new funding policy superseding and replacing the funding policy adopted March 15, 2018. This new funding policy, in part, provides that the Actuarial Accrued Liability and Normal Cost of the System will include a prefunded variable COLA for eligible retirees and beneficiaries of the System. Under the new policy, future COLAs are provided through a profit-sharing mechanism using the System's asset performance. After the parameters of this new policy, the assumption for future COLAs was set at 1.05%. Previously, no future COLAs were assumed. In addition, the funding policy set the assumed rate of return at 7.20% for the June 30, 2021 valuation and established a new Transitional Unfunded Actuarial Accrued Liability as of June 30, 2021, which will be amortized over a closed 20-year period. Based on the funding policy, the assumed investment rate of return was reduced from 7.20% to 7.10% for the June 30, 2023 actuarial valuation and then reduced from 7.10% to 7.00% for the June 30, 2024 actuarial valuation.

Teachers Retirement System of Georgia

Changes of benefit terms: There were no changes in benefits terms that affect the measurement of the total pension liability since the prior measurement date.

Changes of assumptions: On November 18, 2015, the Board adopted recommended changes to the economic and demographic assumptions utilized by the System. Primary among the changes were the updates to rates of mortality, retirement, disability, withdrawal, and salary increases. Based on the funding policy adopted by the Board on May

15, 2019, the investment rate of return assumption was changed to 7.25%. In addition, the assumed rate of inflation was changed to 2.50%. On May 13, 2020, the Board adopted recommended changes to the economic and demographic assumptions utilized by the System. Primary among the changes were the updates to rates of mortality, retirement, disability, and withdrawal. On May 11, 2022, the Board adopted recommended changes to the investment rate of return assumption from 7.25% to 6.90%, and the payroll growth assumption was changed from 3.00% to 2.50%. On January 22, 2025, the Board adopted recommended changes to various assumptions and methods utilized by the System. Primary among the changes were updates on rates of mortality, retirement, disability, and withdrawal.

Actuarial Methods and Assumptions - Plan Perspective:

Methods and assumptions used in calculations of actuarially determined contributions: The actuarially determined contribution rates in the schedules of employers' and non-employers' contributions are calculated as of June 30, one to three years prior to the end of the fiscal year in which contributions are reported. The following actuarial methods and assumptions were used to determine the most recent contribution rates in those schedules:

	ERS	TRS
Valuation date	June 30, 2022	June 30, 2022
Actuarial cost method	Entry age	Entry age
Amortization method	Level dollar, closed	Level percent of payroll, closed
Remaining amortization period	18.0 years	21.9 years
Asset valuation method	5-year smoothed fair	5-year smoothed fair
Inflation	2.50%	2.50%
Salary increases:	3.00 - 6.75%	3.00 - 8.75%, including inflation
Investment rate of return	7.20%, net of pension plan investment expense, including inflation	6.90%, net of pension plan investment expense, including inflation
Cost-of-living adjustment	1.05% annually	
Post-retirement benefit increases:		1.50%, semi-annually

Schedule includes all significant plans and funds administered by the State of Georgia.

Required Supplementary Information
Schedules of State's Contributions - As Employer
Defined Benefit Pension Plans
For the Last Ten Fiscal Years
(amounts in thousands)

	2025	2024	2023	2022
Primary Government				
Employees' Retirement System:				
Statutorily required contribution	$ 829,953	$ 765,281	$ 752,597	$ 553,222
Contributions in relation to the statutorily required contribution	(829,953)	(765,281)	(752,597)	(553,222)
Contribution Deficiency (excess)	$ —	$ —	$ —	$ —
State's covered payroll	$ 3,099,794	$ 2,835,381	$ 2,597,737	$ 2,341,771
Contributions as a percentage of the covered payroll	26.77 %	26.99 %	28.97 %	23.62 %
Teachers Retirement System of Georgia:				
Statutorily required contribution	$ 563,584	$ 507,208	$ 476,117	$ 425,473
Contributions in relation to the statutorily required contribution	(563,584)	(507,208)	(476,117)	(425,473)
Contribution Deficiency (excess)	$ —	$ —	$ —	$ —
State's covered payroll	$ 2,720,311	$ 2,543,346	$ 2,397,443	$ 2,149,120
Contributions as a percentage of the covered payroll	20.72 %	19.94 %	19.86 %	19.80 %
Component Units				
Employees' Retirement System:				
Statutorily required contribution	$ 12,601	$ 11,848	$ 11,740	$ 8,188
Contributions in relation to the statutorily required contribution	(12,601)	(11,848)	(11,740)	(8,188)
Contribution Deficiency (excess)	$ —	$ —	$ —	$ —
State's covered payroll	$ 48,933	$ 45,133	$ 41,227	$ 35,926
Contributions as a percentage of the covered payroll	25.75 %	26.25 %	28.48 %	22.79 %
Teachers Retirement System of Georgia:				
Statutorily required contribution	$ 13,683	$ 14,379	$ 14,839	$ 14,458
Contributions in relation to the statutorily required contribution	(13,683)	(14,379)	(14,839)	(14,458)
Contribution Deficiency (excess)	$ —	$ —	$ —	$ —
State's covered payroll	$ 68,191	$ 72,075	$ 74,338	$ 73,103
Contributions as a percentage of the covered payroll	20.07 %	19.95 %	19.96 %	19.78 %

Schedule includes all significant plans and funds administered by the State of Georgia.

	2021	2020	2019	2018	2017	2016
	$ 524,789	$ 578,020	$ 578,876	$ 582,189	$ 554,976	$ 505,411
	(524,789)	(578,020)	(578,876)	(582,189)	(554,976)	(505,411)
	$ —	$ —	$ —	$ —	$ —	$ —
	$ 2,299,629	$ 2,389,515	$ 2,378,687	$ 2,403,879	$ 2,257,282	$ 2,103,422
	22.82 %	24.19 %	24.34 %	24.22 %	24.59 %	24.03 %
	$ 403,678	$ 457,759	$ 434,861	$ 339,634	$ 276,210	$ 261,758
	(403,678)	(457,759)	(434,861)	(339,634)	276,210	(261,758)
	$ —	$ —	$ —	$ —	$ —	$ —
	$ 2,125,117	$ 2,169,964	$ 2,075,231	$ 2,016,415	$ 1,934,055	$ 1,832,311
	19.00 %	21.10 %	20.95 %	16.84 %	14.28 %	14.29 %
	$ 8,004	$ 9,324	$ 9,369	$ 9,184	$ 9,576	$ 9,425
	(8,004)	(9,324)	(9,369)	(9,184)	(9,576)	(9,425)
	$ —	$ —	$ —	$ —	$ —	$ —
	$ 34,178	$ 40,397	$ 40,121	$ 37,649	$ 36,171	$ 39,238
	23.42 %	23.08 %	23.35 %	24.39 %	26.47 %	24.02 %
	$ 14,031	$ 15,748	$ 14,338	$ 11,195	$ 9,248	$ 8,616
	(14,031)	(15,748)	(14,338)	(11,195)	(9,248)	(8,616)
	$ —	$ —	$ —	$ —	$ —	$ —
	$ 73,640	$ 74,484	$ 68,606	$ 66,582	$ 64,715	$ 63,339
	19.05 %	21.14 %	20.90 %	16.81 %	14.29 %	13.60 %

Required Supplementary Information
Schedules of State's Contributions - As Nonemployer Contributing Entity
Defined Benefit Pension Plans
For the Last Ten Fiscal Years
(amounts in thousands)

	2025	2024	2023	2022
Employees’ Retirement System:				
Statutorily required contribution	$ 9,076	$ 9,370	$ 10,445	$ 8,586
Contributions in relation to the statutorily required contribution	(9,076)	(9,370)	(10,445)	(8,586)
Contribution Deficiency (excess)	$ —	$ —	$ —	$ —
Teachers Retirement System of Georgia:				
Statutorily required contribution	$ 6,512	$ 5,908	$ 5,519	$ 5,398
Contributions in relation to the statutorily required contribution	(6,512)	(5,908)	(5,519)	(5,398)
Contribution Deficiency (excess)	$ —	$ —	$ —	$ —

Schedule includes all significant plans and funds administered by the State of Georgia.

2021		2020		2019		2018		2017		2016	
$	8,931	$	9,840	$	10,404	$	10,781	$	11,967	$	12,138
	(8,931)		(9,840)		(10,404)		(10,781)		(11,967)		(12,138)
$	—	$	—	$	—	$	—	$	—	$	—
$	5,123	$	5,729	$	5,414	$	4,420	$	6,152	$	7,944
	(5,123)		(5,729)		(5,414)		(4,420)		(6,152)		(7,944)
$	—	$	—	$	—	$	—	$	—	$	—

Required Supplementary Information

Schedules of State's Proportionate Share of the Net Pension Liability - As Employer

Defined Benefit Pension Plans

For the Last Ten Fiscal Years

(amounts in thousands)

	2025	2024	2023	2022
Primary Government				
Employees' Retirement System:				
State's proportion of the net pension liability	88.503700 %	88.197093 %	88.327728 %	88.744453 %
State's proportionate share of the net pension liability	$ 3,984,331	$ 5,261,476	$ 5,898,936	$ 2,075,647
State's Covered payroll	$ 2,835,381	$ 2,597,737	$ 2,341,771	$ 2,299,629
State's proportionate share of the net pension liability as a percentage of its covered payroll	140.52 %	202.54 %	251.90 %	90.26 %
Plan fiduciary net position as a percentage of the total pension liability	78.75 %	71.20 %	67.44 %	87.62 %
Teachers Retirement System of Georgia:				
State's proportion of the net pension liability	16.322084 %	16.443405 %	15.896957 %	16.325966 %
State's proportionate share of the net pension liability	$ 4,101,766	$ 4,853,937	$ 5,161,424	$ 1,443,829
State's Covered payroll	$ 2,543,346	$ 2,397,443	$ 2,149,120	$ 2,125,117
State's proportionate share of the net pension liability as a percentage of its covered payroll	161.27 %	202.46 %	240.16 %	67.94 %
Plan fiduciary net position as a percentage of the total pension liability	80.86 %	76.29 %	72.85 %	92.03 %
Component Units				
Employees' Retirement System:				
State's proportion of the net pension liability	1.383000 %	1.378105 %	1.344978 %	1.307751 %
State's proportionate share of the net pension liability	$ 62,257	$ 82,212	$ 89,823	$ 30,587
State's Covered payroll	$ 45,133	$ 41,227	$ 35,926	$ 34,178
State's proportionate share of the net pension liability as a percentage of its covered payroll	137.94 %	199.41 %	250.02 %	89.49 %
Plan fiduciary net position as a percentage of the total pension liability	78.75 %	71.20 %	67.44 %	87.62 %
Teachers Retirement System of Georgia:				
State's proportion of the net pension liability	0.461552 %	0.509591 %	0.539940 %	0.565710 %
State's proportionate share of the net pension liability	$ 116,009	$ 150,453	$ 175,329	$ 50,033
State's Covered payroll	$ 72,075	$ 74,338	$ 73,103	$ 73,640
State's proportionate share of the net pension liability as a percentage of its covered payroll	160.96 %	202.39 %	239.84 %	67.94 %
Plan fiduciary net position as a percentage of the total pension liability	80.86 %	76.29 %	72.85 %	92.03 %

The amounts presented for each fiscal year were determined as of the prior fiscal year-end.

Schedule includes all significant plans and funds administered by the State of Georgia.

2021	**2020**	**2019**	**2018**	**2017**	**2016**
88.814112 %	88.906000 %	88.948204 %	88.415594 %	87.798535 %	87.682412 %
$ 3,743,477	$ 3,667,433	$ 3,656,194	$ 3,590,854	$ 4,153,237	$ 3,552,363
$ 2,389,515	$ 2,378,687	$ 2,403,879	$ 2,257,282	$ 2,103,422	$ 1,875,953
156.66 %	154.18 %	152.10 %	159.08 %	197.45 %	189.36 %
76.21 %	76.74 %	76.68 %	76.33 %	72.34 %	76.20 %
16.800653 %	17.045266 %	17.011357 %	16.885665 %	16.741530 %	16.687812 %
$ 4,069,621	$ 3,664,958	$ 3,157,367	$ 3,137,798	$ 3,453,291	$ 2,540,211
$ 2,169,964	$ 2,075,231	$ 2,016,415	$ 1,934,055	$ 1,832,311	$ 1,756,586
187.54 %	176.60 %	156.58 %	162.24 %	188.47 %	144.61 %
77.01 %	78.56 %	80.27 %	79.33 %	76.06 %	81.44 %
1.490203 %	1.473466 %	1.369623 %	1.501635 %	1.639295 %	1.557127 %
$ 62,811	$ 60,803	$ 56,305	$ 60,985	$ 77,545	$ 63,085
$ 40,397	$ 40,121	$ 37,649	$ 36,171	$ 39,238	$ 35,265
155.48 %	151.55 %	149.55 %	168.60 %	197.63 %	178.89 %
76.21 %	76.74 %	76.68 %	76.33 %	72.34 %	76.20 %
0.577537 %	0.562276 %	0.558992 %	0.564739 %	0.577541 %	0.564109 %
$ 139,902	$ 120,905	$ 103,761	$ 104,910	$ 119	$ 85,798
$ 74,484	$ 68,606	$ 66,582	$ 64,715	$ 63,339	$ 62,558
187.83 %	176.23 %	155.84 %	162.11 %	187.83 %	137.15 %
77.01 %	78.56 %	80.27 %	79.33 %	76.06 %	81.44 %

Required Supplementary Information
Schedules of State's Proportionate Share of the Net Pension Liability - As Nonemployer Contributing Entity
Defined Benefit Pension Plans
For the Last Ten Fiscal Years
(amounts in thousands)

	2025	2024	2023	2022
Employees' Retirement System:				
State's proportion of the net pension liability	1.084300 %	1.233590 %	1.385222 %	1.510823 %
State's proportionate share of the net pension liability	$ 48,803	$ 73,591	$ 92,512	$ 35,337
Plan fiduciary net position as a percentage of the total pension liability	78.75 %	71.20 %	67.44 %	87.62 %
Teachers Retirement System of Georgia:				
State's proportion of the net pension liability (asset)	0.189653 %	0.189499 %	0.201577 %	0.206584 %
State's proportionate share of the net pension liability (asset)	$ 47,669	$ 55,948	$ 65,456	$ 18,271
Plan fiduciary net position as a percentage of the total pension liability	80.86 %	76.29 %	72.85 %	92.03 %

The amounts presented for each fiscal year were determined as of the prior fiscal year-end.

Schedule includes all significant plans and funds administered by the State of Georgia.

2021	2020	2019	2018	2017	2016
1.560184 %	1.633579 %	1.696518 %	1.891959 %	2.111751 %	2.225584 %
$ 65,761	$ 67,410	$ 69,744	$ 76,839	$ 99,895	$ 90,167
76.21 %	76.74 %	76.68 %	76.33 %	72.34 %	76.20 %
0.210185 %	0.212260 %	0.220738 %	0.375432 %	0.507487 %	0.507036 %
$ 50,915	$ 45,642	$ 40,974	$ 69,775	$ 104,700	$ 77,191
77.01 %	78.56 %	80.27 %	79.33 %	76.06 %	81.44 %

Required Supplementary Information
Notes to Required Supplementary Information
Defined Benefit Pension Plans
Methods and Assumptions
For the Fiscal Year Ended June 30, 2025

Actuarial Methods and Assumptions - State as Employer Perspective:

This note provides information about changes of benefit terms, changes of assumptions, and methods and assumptions used in calculations of actuarially determined contributions.

Employees' Retirement System

Changes of benefit terms: A one-time 3% payment was granted to certain retirees and beneficiaries effective July 2016. A one-time 3% payment was granted to certain retirees and beneficiaries effective July 2017. Two one-time 2% payments were granted to certain retirees and beneficiaries effective July 2018 and January 2019. Two one-time payments were granted to certain retirees and beneficiaries effective July 2019 and January 2020. Two one-time 3% payments were payments were granted to certain retirees and beneficiaries effective July 2021 and January 2022.

Changes of assumptions: On December 17, 2015, the Board adopted recommended changes to the economic and demographic assumptions utilized by the System. Primary among the changes were the updates to rates of mortality, retirement, and withdrawal. On March 15, 2018, the ERS Board adopted a new funding policy, and this policy was most recently amended on June 18, 2020. Because of this new funding policy, the assumed investment rate of return was reduced from 7.50% to 7.40% for June 30, 2017 actuarial valuation. In addition, based on the ERS Board's new funding policy, the assumed investment rate of return was further reduced from 7.40% to 7.30% as of June 30, 2018 measurement date. On December 17, 2020, the Board adopted recommended changes to the economic and demographic assumptions utilized by the System. Primary among the changes were the updates to mortality, retirement, withdrawal, and salary increases. This also included a change to the long-term assumed investment rate of return to 7.00%. These assumption changes are reflected in the calculation of the June 30, 2021 Total Pension Liability. On April 21, 2022, the Board adopted a new funding policy superseding and replacing this funding policy. This new funding policy which, in part, provides that the Actuarial Accrued Liability and Normal Cost of the System will include a prefunded variable Cost-of-Living Adjustment (COLA) for eligible retirees and beneficiaries of the System. Under the new policy, future COLAs are provided through a profit-sharing mechanism using the Systems's asset performance. After studying the parameters of this new policy, the assumption for future COLAs was set at 1.05%. Previously, no future COLAs were assumed. In addition, the funding policy set the assumed rate of return at 7.20% for the June 30, 2021 valuation and established a new Transitional Unfunded Actuarial Accrued Liability as of June 30, 2021 which will be amortized over a closed 20-year period.

Teachers Retirement System of Georgia

Changes of benefit terms: There were no changes in benefits terms that affect the measurement of the total pension liability since the prior measurement date.

Changes of assumptions: On November 18, 2015, the Board adopted recommended changes to the economic and demographic assumptions utilized by the System. Primary among the changes were the updates to rates of mortality, retirement, withdrawal, and salary increases. Effective with the June 30, 2018 valuation, the long-term assumed rate of return on assets (discount rate) was changed from 7.50% to 7.25%, and the assumed annual rate of inflation was changed from 2.75% to 2.50%. On May 13, 2020, the Board adopted recommended changes to the economic and demographic assumptions utilized by the System. Primary among the changes were the updates to rates of mortality, retirement, disability, and withdrawal. Effective with the June 30, 2021 valuation, the long-term assumed rate of return on assets (discount rate) was changed from 7.25% to 6.90%, and the payroll growth assumption was changed from 3.00% to 2.50%.

Required Supplementary Information
Notes to Required Supplementary Information
Defined Benefit Pension Plans
Methods and Assumptions
For the Fiscal Year Ended June 30, 2025

Actuarial Methods and Assumptions - State as Employer Perspective:

Methods and assumptions used in calculations of actuarially determined contributions: The actuarially determined contribution rates in the schedules of employers' and non-employers' contributions are calculated as of June 30, three years prior to the end of the fiscal year in which contributions are reported. The following actuarial methods and assumptions were used to determine the most recent contribution rates in those schedules:

	ERS	TRS
Valuation date	June 30, 2021	June 30, 2021
Actuarial cost method	Entry age	Entry age
Amortization method	Level dollar, closed	Level percent of payroll, closed
Remaining amortization period	20.0 years	22.6 years
Asset valuation method	5-year smoothed fair	5-year smoothed fair
Inflation	2.50%	2.50%
Salary increases:	3.00 - 6.75%, including inflation	3.00 - 8.75%, including inflation
Investment rate of return	7.20%, net of pension plan investment expense, including inflation	6.90%, net of pension plan investment expense, including inflation
Post-Retirement Benefit Increases		1.50% semi-annually

Schedule includes all significant plans and funds administered by the State of Georgia

REQUIRED SUPPLEMENTARY INFORMATION - OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Required Supplementary Information
Schedule of Employers' Contributions
Multi-Employer and Single-Employer OPEB Plans
For the Last Ten Fiscal Years
(amounts in thousands)

	Year Ended	Actuarially Determined Contribution (a)	Contributions in Relation to the Actuarially Determined Contribution (b)	Contribution Deficiency/ (Excess) (a - b)	Covered Payroll	Contributions as a Percentage of Covered Payroll (b/c)
State OPEB[1]	6/30/2016	259,250	574,015	(314,765)	2,404,901	23.87 %
	6/30/2017	202,092	498,202	(296,110)	2,483,060	20.06 %
	6/30/2018	232,161	501,574	(269,413)	2,535,722	19.78 %
	6/30/2019	218,962	534,673	(315,711)	2,802,815	19.08 %
	6/30/2020	210,034	150,489	59,545	2,797,241	5.38 %
	6/30/2021	178,423	151,709	26,714	2,815,892	5.39 %
	6/30/2022	152,792	161,693	(8,901)	2,673,570	6.05 %
	6/30/2023	105,488	177,693	(72,205)	2,772,499	6.41 %
	6/30/2024	51,658	449,604	(397,946)	3,123,641	14.39 %
	6/30/2025	59,154	179,393	(120,239)	3,389,202	5.29 %
School OPEB[1]	6/30/2016	873,736	432,438	441,298	N/A	N/A
	6/30/2017	669,894	521,408	148,486	N/A	N/A
	6/30/2018	824,872	518,290	306,582	N/A	N/A
	6/30/2019	833,291	538,569	294,722	N/A	N/A
	6/30/2020	786,912	338,177	448,735	N/A	N/A
	6/30/2021	754,013	371,855	382,158	N/A	N/A
	6/30/2022	728,211	361,575	366,636	N/A	N/A
	6/30/2023	596,463	384,444	212,019	N/A	N/A
	6/30/2024	628,435	408,979	219,456	N/A	N/A
	6/30/2025	701,044	700,864	180	N/A	N/A

(continued)

1 Refer to the "Notes to the Required Supplementary Information" (Plan Perspective) for additional information regarding OPEB funding.

Schedule includes all significant plans and funds administered by the State of Georgia.

Required Supplementary Information
Schedule of Employers' Contributions
Multi-Employer and Single-Employer OPEB Plans
For the Last Ten Fiscal Years
(amounts in thousands)

	Year Ended	Actuarially Determined Contribution (a)	Contributions in Relation to the Actuarially Determined Contribution (b)	Contribution Deficiency/ (Excess) (a - b)	Covered Payroll	Contributions as a Percentage of Covered Employee Payroll (b/c)
Regents Plan[2,4,5]	6/30/2016	295,192	111,814	183,378	3,087,013	3.62 %
	6/30/2017	349,859	99,584	250,275	3,122,694 [3]	3.19 %
	6/30/2018	467,338	158,420	308,918	3,218,771	4.92 %
	6/30/2019	484,599	160,383	324,216	3,375,246	4.75 %
	6/30/2020	417,744	102,792	314,952	3,622,124	2.84 %
	6/30/2021	387,020	117,381	269,639	3,610,622	3.25 %
	6/30/2022	328,236	146,343	181,893	3,837,859	3.81 %
	6/30/2023	270,260	101,486	168,774	3,991,896	2.54 %
	6/30/2024	260,848	93,501	167,347	4,273,181	2.19 %
	6/30/2025	226,221	94,266	131,955	4,491,162	2.10 %
SEAD-OPEB[5]	6/30/2016	—	—	—	N/A	N/A
	6/30/2017	—	—	—	N/A	N/A
	6/30/2018	—	—	—	N/A	N/A
	6/30/2019	—	—	—	N/A	N/A
	6/30/2020	—	—	—	N/A	N/A
	6/30/2021	—	—	—	N/A	N/A
	6/30/2022	—	—	—	N/A	N/A
	6/30/2023	—	—	—	N/A	N/A
	6/30/2024	—	—	—	N/A	N/A
	6/30/2025	—	—	—	N/A	N/A

2 For purposes of GASB 75, the Regents plans present Covered-Employee Payroll.

3 June 30, 2017 covered employee payroll for the Board of Regents Retiree Health Benefit Plan was restated.

4 Refer to the "Notes to the Required Supplementary Information" (Plan Perspective) for additional information regarding OPEB funding.

5 This data, except for annual covered payroll, was provided by each plan's actuary.

Schedule includes all significant plans and funds administered by the State of Georgia.

Required Supplementary Information
Schedule of Employers' Net OPEB Liability
Multi-Employer and Single-Employer OPEB Plans
For the Last Nine Fiscal Years
(amounts in thousands)

	2025	2024	2023	2022
State OPEB Fund:				
Total OPEB liability	$ 2,325,833	$ 2,454,728	$ 2,314,185	$ 2,250,451
Plan fiduciary net position	3,056,125	2,706,805	2,030,744	1,801,133
Employers’ net OPEB liability/ (asset)	$ (730,292)	$ (252,077)	$ 283,441	$ 449,318
Plan fiduciary net position as a percentage of the total OPEB liability	131.40 %	110.27 %	87.75 %	80.03 %
Covered payroll	$ 3,389,201	$ 3,123,641	$ 2,772,499	$ 2,673,570
Employers’ net OPEB liability/(asset) as a percentage of covered payroll	(21.55)%	(8.07)%	10.22 %	16.81 %
School OPEB Fund:				
Total OPEB liability	$ 10,529,423	$ 12,238,549	$ 11,658,704	$ 10,554,743
Plan fiduciary net position	1,224,499	842,211	705,291	651,562
Employers’ net OPEB liability	$ 9,304,924	$ 11,396,338	$ 10,953,413	$ 9,903,181
Plan fiduciary net position as a percentage of the total OPEB liability	11.63 %	6.88 %	6.05 %	6.17 %
Covered payroll	N/A	N/A	N/A	N/A
Employers’ net OPEB liability as a percentage of covered payroll	N/A	N/A	N/A	N/A
SEAD-OPEB Plan:				
Total OPEB liability	$ 1,034,260	$ 1,017,833	$ 991,143	$ 966,698
Plan fiduciary net position	1,709,232	1,579,095	1,432,148	1,334,285
Employers’ net OPEB (asset)	$ (674,972)	$ (561,262)	$ (441,005)	$ (367,587)
Plan fiduciary net position as a percentage of the total OPEB liability	165.26 %	155.14 %	144.49 %	138.03 %
Covered payroll	$ 939,269	$ 963,888	$ 989,420	$ 982,303
Employers’ net OPEB (asset) as a percentage of covered payroll	(71.86%)	(58.23%)	(44.57%)	(37.42%)
Regents Plan:				
Total OPEB liability	$ 2,551,487	$ 3,128,725	$ 3,396,082	$ 4,173,225
Plan fiduciary net position	230,859	225,053	218,735	211,904
Employers’ net OPEB liability	$ 2,320,628	$ 2,903,672	$ 3,177,347	$ 3,961,321
Plan fiduciary net position as a percentage of the total OPEB liability	9.05 %	7.19 %	6.44 %	5.08 %
Covered payroll*	$ 4,491,162	$ 4,273,181	$ 3,991,896	$ 3,837,859
Employers’ net OPEB liability as a percentage of covered payroll	51.67 %	67.95 %	79.59 %	103.22 %

* June 30, 2017 covered employee payroll for the Board of Regents Retiree Health Benefit Plan was restated.

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

Schedule includes all significant plans and funds administered by the State of Georgia.

2021	2020	2019	2018	2017
$ 2,213,298	$ 2,792,919	$ 2,858,521	$ 3,817,453	$ 4,929,142
1,938,443	1,667,521	1,617,207	1,201,865	854,937
$ 274,855	$ 1,125,398	$ 1,241,314	$ 2,615,588	$ 4,074,205
87.58 %	59.71 %	56.57 %	31.48 %	17.34 %
$ 2,815,892	$ 2,797,241	$ 2,802,815	$ 2,535,722	$ 2,483,060
9.76 %	40.23 %	44.29 %	103.15 %	164.08 %
$ 11,539,870	$ 15,298,688	$ 12,867,274	$ 13,092,956	$ 14,279,644
709,042	611,017	595,129	383,263	229,685
$ 10,830,828	$ 14,687,671	$ 12,272,145	$ 12,709,693	$ 14,049,959
6.14 %	3.99 %	4.63 %	2.93 %	1.61 %
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A
$ 950,995	$ 972,700	$ 951,091	$ 918,816	$ 861,346
1,566,821	1,256,718	1,233,856	1,189,462	1,121,251
$ (615,826)	$ (284,018)	$ (282,765)	$ (270,646)	$ (259,905)
164.76 %	129.20 %	129.73 %	129.46 %	130.17 %
$ 1,030,717	$ 1,135,433	$ 1,211,274	$ 1,328,485	$ 1,383,860
(59.75%)	(25.01%)	(23.34%)	(20.37%)	(18.78%)
$ 5,228,380	$ 5,493,697	$ 4,616,023	$ 4,486,796	$ 4,227,583
195,299	159,978	144,455	76,045	7,857
$ 5,033,081	$ 5,333,719	$ 4,471,568	$ 4,410,751	$ 4,219,726
3.74 %	2.91 %	3.13 %	1.69 %	0.19 %
$ 3,610,622	$ 3,622,124	$ 3,375,246	$ 3,218,771	$ 3,122,694
139.40 %	147.25 %	132.48 %	137.03 %	135.13 %

Required Supplementary Information
Schedule of Changes in Employers' Net OPEB Liability
Multi-Employer and Single-Employer OPEB Plans
For the Last Nine Fiscal Years
(amounts in thousands)

	2025	2024	2023	2022
State OPEB Fund:				
Total OPEB liability:				
Service cost	$ 38,988	$ 34,477	$ 31,683	$ 32,412
Interest	165,388	156,226	150,839	149,226
Differences between expected and actual experience	(149,073)	82,857	(109,192)	18,509
Changes of assumptions	—	31,748	181,611	—
Benefit payments	(184,198)	(164,765)	(191,207)	(162,994)
Net change in total OPEB liability	(128,895)	140,543	63,734	37,153
Total OPEB liability-beginning	2,454,728	2,314,185	2,250,451	2,213,298
Total OPEB liability-ending (a)	2,325,833	2,454,728	2,314,185	2,250,451
Plan fiduciary net position:				
Contributions-employer	179,393	449,605	177,694	161,693
Net investment income	356,263	392,935	244,739	(134,599)
Benefit payments	(184,198)	(164,765)	(191,207)	(162,994)
Administrative expense	(2,139)	(1,713)	(1,615)	(1,410)
Net change in plan fiduciary net position	349,319	676,062	229,611	(137,310)
Plan fiduciary net position-beginning	2,706,806	2,030,744	1,801,133	1,938,443
Plan fiduciary net position-ending (b)	3,056,125	2,706,806	2,030,744	1,801,133
Net OPEB liability/(asset)-ending (a)-(b)	$ (730,292)	$ (252,078)	$ 283,441	$ 449,318
School OPEB Fund:				
Total OPEB liability:				
Service cost	$ 408,706	$ 407,198	$ 375,176	$ 499,105
Interest	478,571	421,455	369,360	249,845
Differences between expected and actual experience	(619,956)	377,604	(366,451)	471,309
Changes of assumptions	(1,548,115)	(214,195)	1,142,902	(1,838,827)
Benefit payments	(428,332)	(412,217)	(417,026)	(366,559)
Net change in total OPEB liability	(1,709,126)	579,845	1,103,961	(985,127)
Total OPEB liability-beginning	12,238,549	11,658,704	10,554,743	11,539,870
Total OPEB liability-ending (a)	10,529,423	12,238,549	11,658,704	10,554,743
Plan fiduciary net position:				
Contributions-employer	700,864	408,979	384,444	361,575
Net investment income	114,573	143,889	89,715	(49,305)
Benefit payments	(428,332)	(412,217)	(417,026)	(366,559)
Administrative expense	(4,816)	(3,732)	(3,404)	(3,191)
Net change in plan fiduciary net position	382,289	136,919	53,729	(57,480)
Plan fiduciary net position-beginning	842,210	705,291	651,562	709,042
Plan fiduciary net position-ending (b)	1,224,499	842,210	705,291	651,562
Net OPEB liability-ending (a)-(b)	$ 9,304,924	$ 11,396,339	$ 10,953,413	$ 9,903,181

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

Schedule includes all significant plans and funds administered by the State of Georgia

2021	2020	2019	2018	2017
$ 40,439	$ 39,825	$ 63,724	$ 112,297	$ 119,686
191,884	203,201	194,860	174,427	158,096
(657,643)	(185,261)	(371,757)	(267,124)	—
(4,268)	26,555	(676,765)	(963,394)	(383,932)
(150,033)	(149,922)	(168,993)	(167,896)	(162,145)
(579,621)	(65,602)	(958,931)	(1,111,690)	(268,295)
2,792,919	2,858,521	3,817,452	4,929,142	5,197,437
2,213,298	2,792,919	2,858,521	3,817,452	4,929,142
151,709	150,489	534,673	501,574	498,202
270,803	51,938	51,687	15,300	4,696
(150,033)	(149,922)	(168,993)	(167,896)	(162,145)
(1,557)	(2,191)	(2,025)	(2,052)	(2,077)
270,922	50,314	415,342	346,926	338,676
1,667,521	1,617,207	1,201,865	854,939	516,261
1,938,443	1,667,521	1,617,207	1,201,865	854,937
$ 274,855	$ 1,125,398	$ 1,241,314	$ 2,615,587	$ 4,074,205
$ 639,070	$ 458,802	$ 408,667	$ 521,135	$ 557,770
335,549	454,637	500,123	504,681	452,024
(4,394,955)	(619,357)	(1,298,677)	(341,373)	—
29,294	2,473,164	503,959	(1,506,313)	(1,262,291)
(367,776)	(335,832)	(339,754)	(364,818)	(383,556)
(3,758,818)	2,431,414	(225,682)	(1,186,688)	(636,053)
15,298,688	12,867,274	13,092,956	14,279,644	14,915,697
11,539,870	15,298,688	12,867,274	13,092,956	14,279,644
371,855	338,177	538,569	518,290	521,408
97,704	18,795	17,468	4,563	1,148
(367,776)	(335,832)	(339,754)	(364,818)	(383,556)
(3,758)	(5,252)	(4,417)	(4,457)	(4,727)
98,025	15,888	211,866	153,578	134,273
611,017	595,129	383,263	229,685	95,412
709,042	611,017	595,129	383,263	229,685
$ 10,830,828	$ 14,687,671	$ 12,272,145	$ 12,709,693	$ 14,049,959

(continued)

Required Supplementary Information
Schedule of Changes in Employers' Net OPEB Liability
Multi-Employer and Single-Employer OPEB Plans
For the Last Nine Fiscal Years
(amounts in thousands)

	2025	2024	2023	2022
SEAD-OPEB Plan:				
Total OPEB liability:				
Service cost	$ 2,137	$ 2,228	$ 2,318	$ 2,551
Interest	69,285	67,632	65,897	64,643
Differences between expected and actual experience	1,079	6,764	6,841	3,562
Changes of assumptions	—	—	—	—
Benefit payments	(56,074)	(49,934)	(50,611)	(55,053)
Net change in total OPEB liability	16,427	26,690	24,445	15,703
Total OPEB liability-beginning	1,017,833	991,143	966,698	950,995
Total OPEB liability-ending (a)	1,034,260	1,017,833	991,143	966,698
Plan fiduciary net position:				
Insurance premiums-member	2,449	2,533	2,624	2,641
Net investment income	184,788	195,255	146,685	(179,369)
Benefit payments	(56,074)	(49,934)	(50,611)	(55,053)
Administrative expense	(1,026)	(907)	(835)	(755)
Other	—	—	—	—
Net change in plan fiduciary net position	130,137	146,947	97,863	(232,536)
Plan fiduciary net position-beginning	1,579,095	1,432,148	1,334,285	1,566,821
Plan fiduciary net position-ending (b)	1,709,232	1,579,095	1,432,148	1,334,285
Net OPEB (asset)-ending (a)-(b)	$ (674,972)	$ (561,262)	$ (441,005)	$ (367,587)
Regents Plan:				
Total OPEB liability:				
Service cost	$ 71,624	$ 73,933	$ 93,224	$ 139,285
Interest	124,639	126,160	149,263	115,866
Benefit changes	(84,575)	—	(83,073)	—
Differences between expected and actual experience	39,491	4,085	27,213	(24,857)
Changes of assumptions	(621,580)	(368,522)	(862,908)	(1,179,498)
Benefit payments	(106,837)	(103,013)	(100,862)	(105,951)
Net change in total OPEB liability	(577,238)	(267,357)	(777,143)	(1,055,155)
Total OPEB liability-beginning	3,128,725	3,396,082	4,173,225	5,228,380
Total OPEB liability-ending (a)	2,551,487	3,128,725	3,396,082	4,173,225
Plan fiduciary net position:				
Contributions-employer	94,266	93,500	101,485	146,343
Net investment income	18,818	16,393	7,604	(22,284)
Benefit payments	(106,837)	(103,013)	(100,862)	(105,951)
Administrative expense	(441)	(562)	(1,396)	(1,503)
Net change in plan fiduciary net position	5,806	6,318	6,831	16,605
Plan fiduciary net position-beginning	225,053	218,735	211,904	195,299
Plan fiduciary net position-ending (b)	230,859	225,053	218,735	211,904
Net OPEB liability-ending (a)-(b)	$ 2,320,628	$ 2,903,672	$ 3,177,347	$ 3,961,321

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

Schedule includes all significant plans and funds administered by the State of Georgia.

2021	2020	2019	2018	2017
$ 2,957	$ 3,237	$ 3,617	$ 3,695	$ 3,959
69,011	67,796	65,708	63,242	61,076
(2,342)	(4,670)	366	4,697	—
(36,651)	—	—	22,085	—
(54,680)	(44,754)	(37,416)	(36,249)	(36,058)
(21,705)	21,609	32,275	57,470	28,977
972,700	951,091	918,816	861,346	832,369
950,995	972,700	951,091	918,816	861,346
2,817	3,088	3,328	3,599	3,793
362,663	65,248	79,193	101,542	125,550
(54,680)	(44,754)	(37,416)	(36,249)	(36,058)
(697)	(720)	(716)	(681)	(576)
—	—	5	—	1
310,103	22,862	44,394	68,211	92,710
1,256,718	1,233,856	1,189,462	1,121,251	1,028,541
1,566,821	1,256,718	1,233,856	1,189,462	1,121,251
$ (615,826)	$ (284,018)	$ (282,765)	$ (270,646)	$ (259,905)
$ 161,299	$ 226,810	$ 217,648	$ 236,917	$ 211,513
123,861	167,864	180,173	158,223	124,612
—	(81,917)	(11,211)	—	—
89,218	94,948	(29,667)	264,729	123,090
(538,325)	564,180	(129,153)	(310,107)	(347,331)
(101,370)	(94,211)	(98,563)	(90,549)	(89,653)
(265,317)	877,674	129,227	259,213	22,231
5,493,697	4,616,023	4,486,796	4,227,583	4,205,352
5,228,380	5,493,697	4,616,023	4,486,796	4,227,583
117,381	102,792	160,383	158,420	99,584
20,259	7,528	7,126	802	72
(101,370)	(94,211)	(98,563)	(90,549)	(89,653)
(949)	(586)	(536)	(485)	(5,045)
35,321	15,523	68,410	68,188	4,958
159,978	144,455	76,045	7,857	2,899
195,299	159,978	144,455	76,045	7,857
$ 5,033,081	$ 5,333,719	$ 4,471,568	$ 4,410,751	$ 4,219,726

Required Supplementary Information
Schedule of Investment Returns
Multi-Employer and Single-Employer OPEB Plans
For the Last Nine Fiscal Years

	Annual money-weighted rate of return, net of investment expense								
	2025	2024	2023	2022	2021	2020	2019	2018	2017
State OPEB Fund	12.77%	19.17%	13.56%	(6.94%)	16.23%	3.21%	3.85%	1.54%	0.74%
School OPEB Fund	13.69%	19.13%	13.54%	(6.93%)	15.91%	3.16%	3.80%	1.57%	0.78%
SEAD-OPEB Plan	12.60%	13.60%	4.70%	(18.70%)	19.40%	(3.60%)	(1.80%)	0.60%	2.90%
Regents Plan	8.54%	7.72%	3.67%	(11.15%)	12.00%	5.27%	7.99%	2.85%	0.99%

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.
Schedule includes all significant plans and funds administered by the State of Georgia.

Required Supplementary Information
Notes to Required Supplementary Information
Methods and Assumptions
Multi-Employer and Single-Employer OPEB Plans
For the Fiscal Year Ended June 30, 2025

Actuarial Methods and Assumptions - Plan Perspective:

This note provides information about changes of benefit terms, changes of assumptions, and methods and assumptions used in calculations of the OPEB liability/asset and required contributions.

State OPEB Fund

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

Changes of assumptions:

- June 30, 2023 valuation: Medicare health care trend rates were updated
- June 30, 2022 valuation: The tobacco use assumption and aging factors were revised.
- June 30, 2020 valuation: Decremental assumptions were changed to reflect the ERS experience study.
- June 30, 2019 valuation: The inflation assumption was lowered from 2.75% to 2.5% in anticipation of the upcoming ERS Experience Study. Additionally, decremental assumptions were changed to reflect the TRS experience study. Approximately 6% of State OPEB employees are members of TRS.
- June 30, 2017 valuation: The participation assumption, tobacco use assumption and morbidity factors were revised. The June 30, 2017 actuarial valuation was revised, for various factors, including the methodology used to determine how employees and retirees were assigned to each of the OPEB Funds and anticipated participation percentages. Current and former employees of State organizations (including technical colleges, community service boards and public health departments) are now assigned to the State OPEB Fund based on their last employer payroll location; irrespective of retirement system affiliation. Additionally, there were changes the discount rate and an increase in the investment rate of return due to a longer term investment strategy.
- June 30, 2015 valuation: Decremental and underlying inflation assumptions were changed to reflect the Retirement Systems' experience studies.
- June 30, 2012 valuation: A data audit was performed and data collection procedures and assumptions were changed.

School OPEB Fund

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

Changes of assumptions:

- June 30, 2023 valuation: Medicare health care trend rates were updated.
- June 30, 2022 valuation: The tobacco use assumption and aging factors were revised.
- June 30, 2020 valuation: Decremental assumptions were changed to reflect the ERS experience study. Approximately 0.10% of employees are members of ERS.
- June 30, 2019 valuation: Decremental assumptions were changed to reflect the TRS experience study.
- June 30, 2018 valuation: The inflation assumption was lowered from 2.75% to 2.5%.
- June 30, 2017 valuation: The participation assumption, tobacco use assumption and morbidity factors were revised. The June 30, 2017 actuarial valuation was revised, for various factors, including the methodology used to determine how employees and retirees were assigned to each of the OPEB Funds and anticipated participation percentages. Current and former employees of State organizations (including technical colleges, community service boards and public health departments) are now assigned to the State OPEB Fund based on their last employer payroll location; irrespective of retirement system affiliation.

Additionally, there were changes the discount rate and an increase in the investment rate of return due to a longer term investment strategy.

- June 30, 2015 valuation: Decremental and underlying inflation assumptions were changed to reflect the Retirement Systems' experience studies.
- June 30, 2012 valuation: A data audit was performed and data collection procedures and assumptions were changed.

SEAD-OPEB Plan

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

Changes of assumptions:

- On December 17, 2020, the Board adopted recommended changes to the economic and demographic assumptions utilized by the Systems. Primary among the changes were the updates to rates of mortality, retirement, withdrawal, and salary increases. This also included a change to the long-term assumed investment rate of return to 7.00%. These assumption changes were first reflected in the calculations of the June 30, 2021 Total OPEB Liability.
- On March 15, 2018, the Board adopted a new funding policy. Because of this new funding policy, the assumed investment rate of return was reduced from 7.50% to 7.40% for June 30, 2017 actuarial valuation and further reduced from 7.40% to 7.30% for the June 30, 2018 actuarial valuation.

Regents Plan

Changes of benefit terms: Effective January 1, 2026 the Health Reimbursement Account (HRA) for Medicare-eligible retirees was decreased from $2,640 to $2,484 to purchase individual coverage and from $5,280 to $4,968 for dual coverage.

Changes of assumptions:

- Expected claims costs were updated to reflect actual claims experience.
- Trend rate schedule was updated to anticipated future experience.
- The discount rate was updated from 3.96% as of June 30, 2024 to 5.20% as of June 30, 2025.
- The Expected Return on Assets was changed from 6.02% to 5.91%.
- Base rate mortality tables for Healthy Participants were updated from Pub-2010 for Teachers (headcount weighted) healthy mortality to Pub-2016 for Teachers (headcount weighted) healthy morality.
- Base rate mortality tables for Future Disabled Participants were updated from Pub-2010 for Teachers (headcount weighted) healthy mortality to Pun-2016 for Teachers (headcount weighted) healthy mortality.
- The HRA Annual Increase was changed from 2.00% to 1.00%

Required Supplementary Information
Notes to Required Supplementary Information
Methods and Assumptions
Multi-Employer and Single-Employer OPEB Plans
For the Fiscal Year Ended June 30, 2025

Actuarial Methods and Assumptions - Plan Perspective:

Methods and assumptions used in calculations of actuarially determined contributions: The actuarially determined contribution rates in the schedule of employers' contributions are calculated as of June 30, three years prior to the end of the fiscal year in which contributions are reported for State, School, and SEAD-OPEB Plan, and as of June 30, 2023 for the Regents Plan. The following actuarial methods and assumptions were used to determine the most recent contribution rates in the schedule:

	State OPEB	School OPEB
Valuation date	June 30, 2022	June 30, 2022
Actuarial cost method	Entry Age Normal	Entry Age Normal
Amortization method	Level percent of pay, closed	Level percent of pay, closed
Remaining amortization period	30 years	30 years
Asset Valuation method	Market Value	Market Value
Inflation	2.50%	2.50%
Healthcare cost trend rate		
Initial Trend Rate	7.00%	7.00%
Ultimate Trend Rate	4.50%	4.50%
Year of ultimate trend rate	2032	2032
Investment Rate of return*	4.50%	4.50%

	SEAD-OPEB Plan	Regents Plan
Valuation date	June 30, 2022	May 1, 2025
Actuarial cost method	Entry Age	Entry Age Normal
Amortization method	Level dollar, closed	Closed amortization period for unfunded and subsequent actuarial gains/losses
Remaining amortization period	Infinite	
Asset Valuation method	Fair Value	Fair Value
Inflation	2.50%	2.30%
Salary Increases	3.00 - 6.75%	3.75%
Healthcare cost trend rate		
Pre-Medicare Eligible	N/A	8.80%
Medicare Eligible	N/A	1.00%
Ultimate Trend Rate		
Pre-Medicare Eligible	N/A	4.50%
Medicare Eligible	N/A	1.00%
Year of ultimate trend rate	N/A	2036 Pre-Medicare Eligible 2025 Medicare Eligible
Investment Rate of return*	7.20%	5.91%

* Includes respective rates of inflation, net of investment expense.

The State OPEB Fund, School OPEB Fund, and the Regents Plan are funded on a pay-as-you go basis, and not funded based on the actuarially determined contributions.

Schedule includes all significant plans and funds administered by the State of Georgia.

Required Supplementary Information
Schedules of State's Contributions - As Employer
Multi-Employer OPEB Plans
For the Last Eight Fiscal Years
(amounts in thousands)

	2025	2024	2023	2022
Primary Government				
State OPEB Fund:				
Statutorily required contribution	$ 164,875	$ 411,655	$ 162,864	$ 146,304
Contributions in relation to the statutorily required contribution	(164,875)	(411,655)	(162,864)	(146,304)
Contribution Deficiency (excess)	$ —	$ —	$ —	$ —
State's covered payroll*	$ 3,325,093	$ 3,071,066	$ 2,844,730	$ 2,530,746
Contributions as a percentage of the covered payroll	4.96 %	13.40 %	5.73 %	5.78 %
SEAD-OPEB Plan:				
Actuarially determined contribution	$ —	$ —	$ —	$ —
Contributions in relation to the statutorily required contribution	—	—	—	—
Contribution Deficiency (excess)	$ —	$ —	$ —	$ —
State's covered payroll*	$ 875,287	$ 896,177	$ 920,304	$ 916,501
Contributions as a percentage of the covered payroll	N/A	N/A	N/A	N/A
Component Units				
State OPEB Fund:				
Statutorily required contribution	$ 464	$ 1,174	$ 449	$ 265
Contributions in relation to the statutorily required contribution	(464)	(1,174)	(449)	(265)
Contribution Deficiency (excess)	$ —	$ —	$ —	$ —
State's covered payroll*	$ 22,029	$ 20,186	$ 17,879	$ 15,617
Contributions as a percentage of the covered payroll	2.11 %	5.82 %	2.51 %	1.70 %
School OPEB Fund:				
Statutorily required contribution	$ 3,256	$ 2,049	$ 2,213	$ 2,299
Contributions in relation to the statutorily required contribution	(3,256)	(2,049)	(2,213)	(2,299)
Contribution Deficiency (excess)	$ —	$ —	$ —	$ —
State's covered-employee payroll*	$ 65,295	$ 68,455	$ 73,004	$ 71,594
Contributions as a percentage of the covered-employee payroll	4.99 %	2.99 %	3.03 %	3.21 %
SEAD-OPEB Plan:				
Actuarially determined contribution	$ —	$ —	$ —	$ —
Contributions in relation to the statutorily required contribution	—	—	—	—
Contribution Deficiency (excess)	$ —	$ —	$ —	$ —
State's covered payroll*	$ 9,906	$ 10,209	$ 11,147	$ 11,346
Contributions as a percentage of the covered payroll	N/A	N/A	N/A	N/A

* current year amounts are estimates

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

Schedule includes all significant plans and funds administered by the State of Georgia.

2021	2020	2019	2018
$ 138,733	$ 139,402	$ 493,986	$ 461,566
(138,733)	(139,402)	(493,986)	(461,566)
$ —	$ —	$ —	$ —
$ 2,456,217	$ 2,588,350	$ 2,636,539	$ 2,454,971
5.65 %	5.39 %	18.74 %	18.80 %
$ —	$ —	$ —	$ —
—	—	—	—
$ —	$ —	$ —	$ —
$ 972,290	$ 1,068,459	$ 1,145,756	$ 1,247,936
N/A	N/A	N/A	N/A
$ 264	$ 270	$ 971	$ 979
(264)	(270)	(971)	(979)
$ —	$ —	$ —	$ —
$ 11,766	$ 12,240	$ 12,585	$ 13,038
2.24 %	2.21 %	7.72 %	7.51 %
$ 2,470	$ 2,315	$ 3,501	$ 3,243
(2,470)	(2,315)	(3,501)	(3,243)
$ —	$ —	$ —	$ —
$ 73,098	$ 74,439	$ 68,679	$ 65,272
3.38 %	3.11 %	5.10 %	4.97 %
$ —	$ —	$ —	$ —
—	—	—	—
$ —	$ —	$ —	$ —
$ 11,450	$ 14,304	$ 14,739	$ 15,496
N/A	N/A	N/A	N/A

Required Supplementary Information

Schedules of State's Proportionate Share of the Net OPEB Liability - As Employer

For the last Eight Fiscal Years

(amounts in thousands)

	2025	2024	2023	2022
Primary Government				
Multi-Employer Plans				
State OPEB Fund:				
State's proportion of the net OPEB liability	91.559490 %	91.654857 %	91.941691 %	91.448130 %
State's proportionate share of the net OPEB liability (asset)	(230,797)	$ 259,789	$ 413,111	$ 251,350
State's covered payroll	$ 3,071,066	$ 2,844,730	$ 2,530,746	$ 2,456,217
State's proportionate share of the net OPEB liability as a percentage of its covered payroll	(7.52)%	9.13 %	16.32 %	10.23 %
Plan fiduciary net position as a percentage of the total OPEB liability	110.27 %	87.75 %	80.03 %	87.58 %
SEAD-OPEB Plan:				
State's proportion of the net OPEB liability	89.339727 %	89.41678 %	89.463755 %	89.694827 %
State's proportionate share of the net OPEB liability (asset)	$ (501,430)	$ (394,332)	$ (328,858)	$ (552,364)
State's covered payroll	$ 896,177	$ 920,304	$ 916,501	$ 972,290
State's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	(55.95)%	(42.85)%	(35.88%)	(56.81%)
Plan fiduciary net position as a percentage of the total OPEB liability	155.14 %	144.49 %	138.03 %	164.76 %
Single-Employer Plan				
Regents Plan:				
State's proportion of the net OPEB liability	100.000000 %	100.000000 %	100.000000 %	100.000000 %
State's proportionate share of the net OPEB liability	$ 2,903,672	$ 3,177,347	$ 3,961,321	$ 5,033,081
State's covered-employee payroll	$ 4,273,181	$ 3,991,896	$ 3,837,859	$ 3,610,622
State's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	67.95 %	79.59 %	103.22 %	139.40 %
Plan fiduciary net position as a percentage of the total OPEB liability	7.19 %	6.44 %	5.08 %	3.74 %

[1] Prior year percentage calculation was updated.

2021	2020	2019	2018
92.138890 %	92.429945 %	92.022957 %	91.476285 %
$ 1,036,929	$ 1,152,855	$ 2,409,618	$ 3,726,929
$ 2,588,350	$ 2,636,539	$ 2,454,971	$ 2,305,259
40.06 %	43.73 %	98.15 %	161.67 %
59.71 %	56.57 %	31.48 %	17.34 %
89.669956 %	89.830175 %	89.813400% [1]	89.559271 %
$ (254,679)	$ (253,962)	$ (243,103)	$ (232,195)
$ 1,068,459	$ 1,145,756	$ 1,247,936	$ 1,247,936
(23.84%)	(22.17%)	(19.48%)	(18.61%)
129.20 %	129.73 %	129.46 %	130.17 %
100.000000 %	100.000000 %	100.000000 %	100.000000 %
$ 5,333,719	$ 4,471,568	$ 4,410,751	$ 4,219,726
$ 3,622,124	$ 3,375,246	$ 3,218,771	$ 3,122,694
147.25 %	132.48 %	137.03 %	135.13 %
2.91 %	3.13 %	1.69 %	0.19 %

(continued)

Required Supplementary Information

Schedules of State's Proportionate Share of the Net OPEB Liability - As Employer

For the last Eight Fiscal Years

(amounts in thousands)

	2025	2024	2023	2022
Component Units				
Multi-Employer Plans				
State OPEB Fund:				
State's proportion of the net OPEB liability	0.261185 %	0.252442 %	0.177292 %	0.174130 %
State's proportionate share of the net OPEB liability (asset)	$ (658)	$ 716	$ 797	$ 479
State's covered payroll	$ 20,186	$ 17,879	$ 15,617	$ 11,766
State's proportionate share of the net OPEB liability as a percentage of its covered payroll	(3.26)%	4.00 %	5.10 %	4.07 %
Plan fiduciary net position as a percentage of the total OPEB liability	110.27 %	87.75 %	80.03 %	87.58 %
School OPEB Fund:				
State's proportion of the net OPEB liability	0.500891 %	0.575708 %	0.635845 %	0.663981 %
State's proportionate share of the net OPEB liability	$ 57,084	$ 63,060	$ 62,969	$ 71,915
State's covered-employee payroll	$ 68,455	$ 73,004	$ 71,594	$ 73,098
State's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	83.39 %	86.38 %	87.95 %	98.38 %
Plan fiduciary net position as a percentage of the total OPEB liability	6.88 %	6.05 %	6.17 %	6.14 %
SEAD-OPEB Plan:				
State's proportion of the net OPEB liability	1.017736 %	1.083005 %	1.107714 %	1.056297 %
State's proportionate share of the net OPEB liability (asset)	$ (5,669)	$ (4,749)	$ (4,046)	$ (6,444)
State's covered payroll	$ 10,209	$ 11,147	$ 11,346	$ 11,450
State's proportionate share of the net OPEB liability as a percentage of its covered payroll	(55.53%)	(42.60%)	(35.66%)	(56.28%)
Plan fiduciary net position as a percentage of the total OPEB liability	155.14 %	144.49 %	138.03 %	164.76 %

The amounts presented for each fiscal year were determined as of the prior fiscal year-end.

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

Schedule includes all significant plans and funds administered by the State of Georgia.

2021	2020	2019	2018
0.196236 %	0.197090 %	0.209969 %	0.213868 %
$ 2,018	$ 2,253	$ 5,107	$ 8,097
$ 12,240	$ 12,585	$ 13,038	$ 12,526
16.49 %	17.90 %	39.17 %	64.64 %
59.71 %	56.57 %	31.48 %	17.34 %
0.684502 %	0.650152 %	0.625763 %	0.598651 %
$ 100,537	$ 79,788	$ 79,533	$ 84,110
$ 74,439	$ 68,679	$ 65,272	$ 63,442
135.06 %	116.18 %	121.85 %	132.58 %
3.99 %	4.63 %	2.93 %	1.61 %
1.200696 %	1.155560 %	1.119336 %	1.245396 %
$ (3,377)	$ (3,237)	$ (3,000)	$ (3,195)
$ 14,304	$ 14,739	$ 15,496	$ 15,496
(23.61%)	(21.96%)	(19.36%)	(20.62%)
129.20 %	129.73 %	129.46 %	130.17 %

Required Supplementary Information
Schedule of Employers' Net OPEB Liability - As Employer
Single-Employer OPEB Plans
For the last Eight Fiscal Years
(amounts in thousands)

	2025	2024	2023	2022
Regents Plan:				
Total OPEB liability	$ 3,128,725	$ 3,396,082	$ 4,173,225	$ 5,228,380
Plan fiduciary net position	225,053	218,735	211,904	195,299
Employers' net OPEB liability	$ 2,903,672	$ 3,177,347	$ 3,961,321	$ 5,033,081
Plan fiduciary net position as a percentage of the total OPEB liability	7.19 %	6.44 %	5.08 %	3.74 %
Covered-employee payroll	$ 4,273,181	$ 3,991,896	$ 3,837,859	$ 3,610,622
Employers' net OPEB liability as a percentage of covered-employee payroll	67.95 %	79.59 %	103.22 %	139.40 %

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

Schedule includes all significant plans and funds administered by the State of Georgia.

2021	2020	2019	2018
$ 5,493,697	$ 4,616,023	$ 4,486,796	$ 4,227,583
159,978	144,455	76,045	7,857
$ 5,333,719	$ 4,471,568	$ 4,410,751	$ 4,219,726
2.91 %	3.13 %	1.69 %	0.19 %
$ 3,622,124	$ 3,375,246	$ 3,218,771	$ 3,122,694
147.25 %	132.48 %	137.03 %	135.13 %

Required Supplementary Information
Schedule of Changes in Employers' Net OPEB Liability - As Employer
Single-Employer OPEB Plans
For the Last Eight Fiscal Years

(amounts in thousands)

	2025	2024	2023	2022
Regents Plan:				
Total OPEB liability:				
Service cost	$ 73,933	$ 93,224	$ 139,285	$ 161,299
Interest	126,160	149,263	115,866	123,861
Benefit changes	—	(83,073)	—	—
Differences between expected and actual experience	4,085	27,213	(24,857)	89,218
Changes of assumptions	(368,522)	(862,908)	(1,179,498)	(538,325)
Benefit payments/Refunds	(103,013)	(100,862)	(105,951)	(101,370)
Net change in total OPEB liability	(267,357)	(777,143)	(1,055,155)	(265,317)
Total OPEB liability-beginning	3,396,082	4,173,225	5,228,380	5,493,697
Total OPEB liability-ending (a)	3,128,725	3,396,082	4,173,225	5,228,380
Plan fiduciary net position:				
Contributions-employer	93,500	101,485	146,343	117,381
Net investment income	16,393	7,604	(22,284)	20,259
Benefit payments/Refunds	(103,013)	(100,862)	(105,951)	(101,370)
Administrative expense	(562)	(1,396)	(1,503)	(949)
Net change in plan fiduciary net position	6,318	6,831	16,605	35,321
Plan fiduciary net position-beginning	218,735	211,904	195,299	159,978
Plan fiduciary net position-ending (b)	225,053	218,735	211,904	195,299
Net OPEB liability-ending (a)-(b)	$ 2,903,672	$ 3,177,347	$ 3,961,321	$ 5,033,081

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

Schedule includes all significant plans and funds administered by the State of Georgia.

2021	2020	2019	2018
$ 226,810	$ 217,648	$ 236,917	$ 211,513
167,864	180,173	158,223	124,612
(81,917)	(11,211)	—	—
94,948	(29,667)	264,729	123,090
564,180	(129,153)	(310,107)	(347,331)
(94,211)	(98,563)	(90,549)	(89,653)
877,674	129,227	259,213	22,231
4,616,023	4,486,796	4,227,583	4,205,352
5,493,697	4,616,023	4,486,796	4,227,583
102,792	160,383	158,420	99,584
7,528	7,126	802	72
(94,211)	(98,563)	(90,549)	(89,653)
(586)	(536)	(485)	(5,045)
15,523	68,410	68,188	4,958
144,455	76,045	7,857	2,899
159,978	144,455	76,045	7,857
$ 5,333,719	$ 4,471,568	$ 4,410,751	$ 4,219,726

Required Supplementary Information
Notes to Required Supplementary Information
Methods and Assumptions
Multi-Employer and Single-Employer OPEB Plans
For the Fiscal Year Ended June 30, 2025

Actuarial Methods and Assumptions - State as Employer Perspective:

This note provides information about changes of benefit terms, changes of assumptions, and methods and assumptions used in calculations of the OPEB liability/asset and required contributions.

State OPEB Fund

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

Changes of assumptions:
- June 30, 2023 valuation: Medicare health care trend rates were updated.
- June 30, 2022 valuation: The tobacco use assumption and aging factors were revised.
- June 30, 2020 valuation: Decremental assumptions were changed to reflect the ERS experience study.
- June 30, 2019 valuation: The inflation assumption was lowered from 2.75% to 2.5% in anticipation of the upcoming ERS Experience Study. Additionally, decremental assumptions were changed to reflect the TRS experience study. Approximately 6% of State OPEB employees are members of TRS.
- June 30, 2017 valuation: The participation assumption, tobacco use assumption and morbidity factors were revised. The June 30,2017 actuarial valuation was revised, for various factors, including the methodology used to determine how employees and retirees were assigned to each of the OPEB Funds and anticipated participation percentages. Current and former employees of State organizations (including technical colleges, community service boards and public health departments) are now assigned to the state OPEB Fund based on their last employer payroll location, irrespective of retirement system affiliation. Additionally, there were changes the discount rate and an increase in the investment rate of return due to a longer term investment strategy.
- June 30, 2015 valuation: Decremental and underlying inflation assumptions were changed to reflect the Retirement Systems' experience studies.
- June 30, 2012 valuation: A data audit was performed and data collection procedures and assumptions were changed.

School OPEB Fund

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

Changes of assumptions:
- June 30, 2023 valuation: Medicare health care trend rates were updated.
- June 30, 2022 valuation: The tobacco use assumption and aging factors were revised.
- June 30, 2020 valuation: Decremental assumptions were changed to reflect the ERS experience study. Approximately 0.10% of employees are members of ERS.
- June 30, 2019 valuation: Decremental assumptions were changed to reflect the TRS experience study.
- June 30, 2018 valuation: The inflation assumption was lowered from 2.75% to 2.5%.
- June 30, 2017 valuation: The participation assumption, tobacco use assumption and morbidity factors were revised. The June 30, 2017 actuarial valuation was revised, for various factors, including the methodology used to determine how employees and retirees were assigned to each of the OPEB Funds and anticipated participation percentages. Current and former employees of State organizations (including technical colleges, community service boards and public health departments) are now assigned to the State OPEB Fund based on their last employer payroll location; irrespective of retirement system affiliation. Additionally, there were changes the discount rate and an increase in the investment rate of return due to a longer term investment strategy.

- June 30, 2015 valuation: Decremental and underlying inflation assumptions were changed to reflect the Retirement Systems' experience studies.
- June 30, 2012 valuation: A data audit was performed and data collection procedures and assumptions were changed.

Required Supplementary Information
Notes to Required Supplementary Information
Methods and Assumptions
Multi-Employer and Single-Employer OPEB Plans
For the Fiscal Year Ended June 30, 2025

Actuarial Methods and Assumptions - State as Employer Perspective:

SEAD-OPEB Plan

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

Changes of assumptions:

- On December 17, 2020, the Board adopted recommended changes to the economic and demographic assumptions utilized by the Systems. Primary among the changes were the updates to rates or mortality, retirement, withdrawal, and salary increases. This also included a change to the long-term assumed investment rate of return to 7.00%. These assumption changes are reflected in the calculation of the June 30, 2021 Total OPEB Liability.
- On March 15, 2018, the Board adopted a new funding policy. Because of this new funding policy, the assumed investment rate of return was reduced from 7.50% to 7.40% for June 30, 2017 actuarial valuation. In addition, based on the Board's new funding policy, the assumed investment rate of return was further reduced by 0.10% from 7.40% to 7.30% as of the June 30, 2018 measurement date.

Regents Plan

Changes of benefit terms: HRA cost sharing for employees hired on or after January 1, 2013 and retiring after January 1, 2018 is based on a policy that ties years of service to the amount the USG contributes based on 22-tiers ranging from 100% for employees who retiree with 30 years of service to 21% for employees retiring with 10 years of service. Effective January 1, 2024, the HRA for medicare eligible retirees was decreased from $2,736 to $2,640 to purchase individual coverage and from $5,472 to $5,280 for dual coverage.

Changes of assumptions:

- Expected claims costs were updated to reflect actual claims experience.
- Trend rate schedule was updated to anticipated future experience.
- The discount rate was updated from 3.69% as of June 30, 2023 to 3.96% as of June 30, 2024.
- The Expected Return on Assets was changed from 5.40 to 6.02%.
- The following assumptions were updated based on the 2024 Demographic Assumptions Review (experience study):
    - Retirement rates
    - Withdrawal rates
      Percentage of participants that elect spousal coverage upon retirement was updated for males from 55% to 50%
    - Percentage of participants electing coverage upon retirement was updated for post-65 employees from 85% to 80%

Required Supplementary Information
Notes to Required Supplementary Information
Methods and Assumptions
Multi-Employer and Single-Employer OPEB Plans
For the Fiscal Year Ended June 30, 2025

Actuarial Methods and Assumptions - State as Employer Perspective:

Methods and assumptions used in calculations of actuarially determined contributions: The actuarially determined contribution rates in the schedules of employers' contributions are calculated as of June 30, as listed for all plans. The following actuarial methods and assumptions were used to determine the most recent contribution rates in those schedules:

	State OPEB	School OPEB
Valuation date	June 30, 2021	June 30, 2021
Actuarial cost method	Projected Unit Credit	Projected Unit Credit
Amortization method	Level percent of pay, open	Level percent of pay open
Remaining amortization period	30 years	30 years
Asset Valuation method	Market Value	Market Value
Inflation	2.50%	2.50%
Healthcare cost trend rate		
Pre-Medicare	6.50%	6.50%
Medicare Eligible	5.00%	5.00%
Investment Rate of return*	7.00%	4.50%

	SEAD-OPEB Plan	Regents Plan
Valuation date	June 30, 2021	May 1, 2024
Actuarial cost method	Entry Age	Entry Age Normal
Amortization method	Level dollar, open	Closed amortization period for initial unfunded and subsequent actuarial gains/losses
Remaining amortization period	Infinite	
Asset valuation method	Fair value	Fair Value
Inflation	2.50%	2.30%
Salary Increases	3.00 - 6.75%	3.75%
Healthcare cost trend rate		
Pre-Medicare	N/A	8.70%
Medicare Eligible	N/A	2.00%
Investment Rate of return*	7.20%	6.02%

* Includes respective rates of inflation, net of investment expense.

The State OPEB Fund, School OPEB Fund, and the Regents Plan are funded on a pay-as-you go basis, and not funded based on the actuarially determined contributions.

Schedule includes all significant plans and funds administered by the State of Georgia.

COMBINING AND INDIVIDUAL FUND STATEMENTS

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special Revenue Funds account for specific revenue sources that are legally restricted to expenditures for specific purposes. The State's special revenue funds, other than the National Opioid Settlement Fund and Transportation Investment Act Fund, include the blended component units that conduct general governmental functions as described below:

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

The **National Opioids Settlement Fund** was created for funds collected by the State for nationwide settlements to resolve opioids litigation brought by states and local political subdivisions against pharmaceutical distributors. These funds will be used for abatement of the opioid epidemic, with the majority of the proceeds restricted to funding future abatement efforts.

The **State Road and Tollway Authority** (SRTA) is a legally separate public corporation created to finance transportation projects and operate toll facilities in the State of Georgia.

The **Transportation Investment Act Fund** (TIA) accounts for funds collected by the State and dispensed to the Department of Transportation for TIA projects in the relevant special tax districts.

DEBT SERVICE FUNDS

Debt Service Funds account for the accumulation of resources that are restricted, committed or assigned to expenditures for principal and interest.

The **General Obligation Debt Sinking Fund** accounts for the payment of principal and interest on the State's general long-term debt.

The **State Road and Tollway Authority Debt Service Fund** accounts for the payment of principal and interest on the debt of the Authority's governmental funds. The Authority issues bonded debt which finances State transportation infrastructure construction. Debt service payments due on outstanding bonds are paid by the Authority from redirected funds from the U. S. Department of Transportation and/or State motor fuel tax funds.

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2025

(amounts in thousands)

	Special Revenue			
	Georgia Aviation Authority	National Opioids Settlement Fund	State Road and Tollway Authority	Transportation Investment Act Fund
Assets				
Cash and Cash Equivalents	$ 1,208	$ 209,504	$ 10,817	$ 299,597
Pooled Investments with State Treasury	—	10,094	14,749	—
Investments	—	—	—	467,295
Receivables (Net)	52	—	33,323	20,987
Due From Other Funds	—	—	134,747	—
Due From Component Units	—	—	67	—
Restricted Assets				
Cash and Cash Equivalents	—	—	3,958	—
Pooled Investments with State Treasury	—	—	445,091	—
Investments	—	—	239,528	—
Receivables	—	577,022	—	—
Total Assets	$ 1,260	$ 796,620	$ 882,280	$ 787,879
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts Payable and Other Accruals	$ 34	$ —	$ 1,016	$ 10,722
Due to Other Funds	—	—	51,686	12,977
Due to Component Units	—	—	188	—
Contracts Payable	—	—	265,280	—
Bonds Payable	—	—	—	—
Interest Payable	—	—	—	—
Unearned Revenue	—	—	151,977	—
Other Liabilities	—	—	34	—
Total Liabilities	34	—	470,181	23,699
Deferred Inflows of Resources	—	629,546	134,747	—
Fund Balances:				
Restricted	—	167,074	277,352	764,180
Unrestricted				
Assigned	1,226	—	—	—
Total Fund Balances	1,226	167,074	277,352	764,180
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 1,260	$ 796,620	$ 882,280	$ 787,879

Debt Service		
General Obligation Debt Sinking Fund	State Road and Tollway Authority	Total
$ 473,196	$ —	$ 994,322
—	—	24,843
—	—	467,295
—	—	54,362
—	—	134,747
—	—	67
—	913	4,871
—	907	445,998
—	—	239,528
—	—	577,022
$ 473,196	$ 1,820	$ 2,943,055
$ —	$ —	$ 11,772
—	—	64,663
—	—	188
—	—	265,280
376,480	—	376,480
96,716	—	96,716
—	—	151,977
—	—	34
473,196	—	967,110
—	—	764,293
—	1,820	1,210,426
—	—	1,226
—	1,820	1,211,652
$ 473,196	$ 1,820	$ 2,943,055

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2025
(amounts in thousands)

	Special Revenue			
	Georgia Aviation Authority	National Opioids Settlement Fund	State Road and Tollway Authority	Transportation Investment Act Fund
Revenues				
Intergovernmental - Other	$ —	$ 89	$ 1,640	$ 242,344
Sales and Services	1,075	91,557	—	—
Interest and Other Investment Income	—	4,998	12,767	36,256
Other	—	8,886	284	—
Total Revenues	1,075	105,530	14,691	278,600
Expenditures				
General Government	1,247	—	—	—
Education	—	—	—	—
Health and Welfare	—	175,827	—	—
Transportation	—	—	732,723	118,635
Economic Development and Assistance	—	—	—	—
Conservation	—	—	—	—
Debt Service				
Principal	—	—	—	—
Interest	—	—	—	—
Accrued Interest on Bonds Retired in Advance	—	—	—	—
Discount on Bonds Retired in Advance	—	—	—	—
Other Debt Service Expenditures	—	—	—	—
Total Expenditures	1,247	175,827	732,723	118,635
Excess (Deficiency) of Revenues Over (Under) Expenditures	(172)	(70,297)	(718,032)	159,965
Other Financing Sources (Uses)				
Transfers In	—	—	481,609	—
Transfers Out	—	—	(51,696)	(69,481)
Net Other Financing Sources (Uses)	—	—	429,913	(69,481)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(172)	(70,297)	(288,119)	90,484
Fund Balances, July 1	1,398	237,371	565,471	673,696
Fund Balances, June 30	$ 1,226	$ 167,074	$ 277,352	$ 764,180

Debt Service		
General Obligation Debt Sinking Fund	State Road and Tollway Authority	Total
$ —	$ —	$ 244,073
—	—	92,632
—	182	54,203
—	—	9,170
—	182	400,078
—	—	1,247
—	—	—
—	—	175,827
—	3	851,361
—	—	—
—	—	—
929,920	41,685	971,605
351,048	18,757	369,805
638	—	638
2,507	—	2,507
—	—	—
1,284,113	60,445	2,372,990
(1,284,113)	(60,263)	(1,972,912)
1,284,113	57,232	1,822,954
—	—	(121,177)
1,284,113	57,232	1,701,777
—	(3,031)	(271,135)
—	4,851	1,482,787
$ —	$ 1,820	$ 1,211,652

NONMAJOR ENTERPRISE FUNDS


STATE OF GEORGIA
CONSTITUTION
WISDOM
JUSTICE
MODERATION
1776

The Enterprise Funds account for the business type activities of smaller governmental agencies that are funded by the issuance of debt or fees charged to external customers. The State's Nonmajor Enterprise Funds are described below:

The Georgia Access Fund is the State of Georgia's program for Georgians to shop for, compare, and directly enroll in health insurance coverage. Beginning Open Enrollment 2025, the current State-based exchange on the Federal Platform transitions to the new State-based exchange. The exchange is currently overseen by the Office of the Commissioner of Insurance.

The State Employees' Assurance Department - Active is used to account for the accumulation of resources for the purpose of providing survivors' benefits for eligible members of the Employees', Judicial, and Legislative Retirement Systems. SEAD - Active is a cost-sharing multiple employer life insurance plan created in 2007 by the Georgia General Assembly to amend Title 47 of the Official Code of Georgia Annotated, relating to retirement, so as to establish a fund for the provision of term life insurance to active members of ERS, LRS, and GJRS.

The Georgia Higher Education Facilities Authority is a legally separate public corporation created for the purpose of financing eligible construction, renovation, improvement, and rehabilitation or restoration projects for the Board of Regents of the University System of Georgia and the Technical College System of the State of Georgia through the issuance of revenue bonds. The Authority issues debt and enters into lease agreements. The current lease agreements outstanding are with an affiliate of the University System of Georgia Foundation, Inc. (nonmajor enterprise fund). The costs of the Authority's debt are recovered through lease payments from the Higher Education Foundations.

The **State Road and Tollway Authority (SRTA)** is a legally separate public corporation created to finance transportation projects and operate toll facilities in the State of Georgia. SRTA uses an enterprise fund to account for all tolling activities, including the including the I-75 South Metro Express Lanes, and all other facilities of the tolling system (i.e. the I-85 Express Lanes, the I-85 Extension Express Lanes, the I-75 Northwest Corridor Express Lanes, and five future toll facilities under planning and/or construction).

Combining Statement of Net Position
Nonmajor Enterprise Funds
June 30, 2025
(amounts in thousands)

	Georgia Access Fund	State Employees' Assurance Department - Active	Georgia Higher Education Facilities Authority	State Road and Tollway Authority	Total
Assets					
Current Assets:					
Cash and Cash Equivalents	$ 176	$ 53	$ 3	$ 3,744	$ 3,976
Pooled Investments with State Treasury	54,181	—	498	42,542	97,221
Investments	—	495,735	—	—	495,735
Receivables (Net)	6,092	—	265	5,548	11,905
Due from Other Funds	—	61	—	—	61
Due from Component Units	—	—	150,075	—	150,075
Inventories	—	—	—	94	94
Other Current Assets	—	—	—	1	1
Restricted Assets:					
Cash and Cash Equivalents	—	—	—	35,390	35,390
Pooled Investments with State Treasury	—	—	—	184,619	184,619
Investments	—	—	—	7,518	7,518
Total Current Assets	60,449	495,849	150,841	279,456	986,595
Noncurrent Assets:					
Restricted Assets:					
Net OPEB Asset	—	—	—	1,645	1,645
Capital Assets					
Non-depreciable Capital Assets	—	—	—	52,750	52,750
Depreciable Capital Assets, net	—	—	—	4,658	4,658
Amortizable Right-to-Use Assets (Net)	165,903	—	—	21,278	187,181
Total Noncurrent Assets	165,903	—	—	80,331	246,234
Total Assets	226,352	495,849	150,841	359,787	1,232,829
Deferred Outflows of Resources	—	—	13,586	3,890	17,476
Liabilities					
Current Liabilities:					
Accounts Payable and Other Accruals	3,887	74	—	13,441	17,402
Accrued Interest Payable	372	—	265	5,851	6,488
Unearned Revenue	—	—	—	22,693	22,693
Funds Held for Others	—	—	—	1,003	1,003
Current Portion of Long-term Liabilities	24,062	—	7,480	5,056	36,598
Total current Liabilities	28,321	74	7,745	48,044	84,184
Noncurrent Liabilities:					
Long-term Liabilities:					
Net Pension Liability	—	—	—	10,771	10,771
Noncurrent Portion of Long-term Liabilities	137,807	—	153,179	436,865	727,851
Total Noncurrent Liabilities	137,807	—	153,179	447,636	738,622
Total Liabilities	166,128	74	160,924	495,680	822,806
Deferred Inflows of Resources	—	—	—	2,198	2,198
Net Position					
Net Investment in Capital Assets	3,662	—	—	27,482	31,144
Restricted for:					
Bond Covenants/Debt Service	—	—	—	35,278	35,278
Other Benefits	—	495,775	—	—	495,775
Permanent Trusts:					
Other Purpose	56,562	—	—	965	57,527
Unrestricted	—	—	3,503	(197,926)	(194,423)
Total Net Position	$ 60,224	$ 495,775	$ 3,503	$ (134,201)	$ 425,301

Combining Statement of Revenues, Expenses, and Changes in Net Position
Nonmajor Enterprise Funds
For the Fiscal Year Ended June 30, 2025
(amounts in thousands)

	Georgia Access Fund	State Employees' Assurance Department-Active	Georgia Higher Education Facilities Authority	State Road and Tollway Authority	Total
Operating Revenues:					
Operating Contributions/Premiums	$ —	$ 521	$ —	$ —	$ 521
Operating Grants	—	—	—	8	8
Sales and Services	231,100	—	6,710	100,436	338,246
Total Operating Revenues	231,100	521	6,710	100,444	338,775
Operating Expenses:					
Personal Services	6,912	114	—	11,903	18,929
Services and Supplies	149,099	—	11	5,140	154,250
Interest Expense	—	—	6,709	—	6,709
Benefits	—	3,082	—	—	3,082
Amortization/Depreciation	19,908	—	(445)	7,310	26,773
Other	—	—	—	98,250	98,250
Total Operating Expenses	175,919	3,196	6,275	122,603	307,993
Operating Income	55,181	(2,675)	435	(22,159)	30,782
Nonoperating Revenues (Expenses):					
Interest and Other Investment Income/(Loss)	652	53,164	23	11,603	65,442
Interest Expense	(3,513)	(77)	—	(9,992)	(13,582)
Total Nonoperating Revenues (Expenses)	(2,861)	53,087	23	1,611	51,860
Income (Loss) Before Contributions and Transfers	52,320	50,412	458	(20,548)	82,642
Transfers:					
Transfers In	—	—	—	54	54
Change in Net Position	52,320	50,412	458	(20,494)	82,696
Net Position, July 1	7,904	445,363	3,045	(113,707)	342,605
Net Position, June 30	$ 60,224	$ 495,775	$ 3,503	$ (134,201)	$ 425,301

Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Fiscal Year Ended June 30, 2025
(amounts in thousands)

	Georgia Access Fund	State Employees' Assurance Department-Active	Georgia Higher Education Facilities Authority	State Road and Tollway Authority	Total
Cash Flows from Operating Activities:					
Cash Received from Customers	$ 242,725	$ 522	$ —	$ 98,702	$ 341,949
Cash Paid to Vendors	(157,941)	(3,161)	(10)	(93,736)	(254,848)
Cash Paid to Employees	(6,912)	—	—	(8,047)	(14,959)
Other Operating Payments	—	—	—	(7,892)	(7,892)
Net Cash Provided by Operating Activities	77,872	(2,639)	(10)	(10,973)	64,250
Cash Flows from Noncapital Financing Activities:					
Interest Paid on Bonds/Long-Term Debt	—	—	(6,724)	—	(6,724)
Transfers from Other Funds	—	—	—	54	54
Payments on Noncapital Financing Debt	—	—	(7,125)	—	(7,125)
Net Cash Used in Noncapital Financing Activities	—	—	(13,849)	54	(13,795)
Cash Flows from Capital and Related Financing Activities:					
Proceeds from Capital Debt	179,898	—	—	—	179,898
Acquisition and Construction of Capital and Right-to-Use Assets	(185,812)	—	—	(12,275)	(198,087)
Principal Paid on Capital Debt and Leases	(18,029)	—	—	(4,382)	(22,411)
Interest Paid on Capital Debt and Leases	(3,141)	—	—	(12,756)	(15,897)
Net Cash Provided by (Used in) Capital and Related Financing Activities	(27,084)	—	—	(29,413)	(56,497)
Cash Flows from Investing Activities:					
Proceeds from Sales of Investments	—	2,699	—	(7,518)	(4,819)
Interest and Dividends Received	653	—	23	14,539	15,215
Other Investing Activities	—	(77)	13,847	—	13,770
Net Cash Provided by (Used in) Investing Activities	653	2,622	13,870	7,021	24,166
Net Increase (Decrease) in Cash and Cash Equivalents	51,441	(17)	11	(33,311)	18,124
Cash and Cash Equivalents, July 1	2,916	70	490	299,606	303,082
Cash and Cash Equivalents, June 30	$ 54,357	$ 53	$ 501	$ 266,295	321,206
Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities:					
Operating Income	$ 55,181	$ (2,675)	$ 435	$ (22,159)	$ 30,782
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:					
Amortization/Depreciation Expense	19,908	—	(445)	7,310	26,773
Changes in Assets and Liabilities:					
Deferred Inflows of Resources:					
Accounts Receivable	11,625	—	15	(2,230)	9,410
Due from Other Funds	—	1	—	—	1
Other Assets	—	—	—	106	106
Net OPEB Asset	—	—	—	(886)	(886)
Deferred Outflows of Resources	—	—	—	1,023	1,023
Accounts Payable and Other Accruals	(8,842)	35	(15)	6,092	(2,730)
Unearned Revenue	—	—	—	496	496
Compensated Absences	—	—	—	307	307
Net OPEB Liability	—	—	—	(696)	(696)
Net Pension Liability	—	—	—	(2,446)	(2,446)
Other Liabilities	—	—	—	898	898
Deferred Inflows of Resources	—	—	—	1,212	1,212
Net Cash Provided by (Used in) Operating Activities	$ 77,872	$ (2,639)	$ (10)	$ (10,973)	$ 64,250
Noncash Investing, Capital, and Financing Activities:					
Capital Assets Acquired by Incurring Lease Obligations	—	—	—	16,203	$ 16,203
Early Extinguishment of Capital Debt	—	—	—	(1,649)	(1,649)
Other	—	—	—	13	13
Total Noncash Investing, Capital and Financing Activities:	$ —	$ —	$ —	$ 14,567	$ 14,567

INTERNAL SERVICE FUNDS

Description of Internal Service Funds

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost reimbursement basis. The State's internal service funds are described below:

The **Department of Administrative Services** delivers a variety of supportive services to all state agencies and, upon request, to local governments in Georgia. Among the services provided are purchasing (procurement), surplus property transactions, document services, fleet management, and human resources administration.

The **Georgia Building Authority** is responsible for all services associated with the management of State office buildings, maintaining the grounds within the State Capitol complex, maintaining the Governor's Mansion and operating parking facilities.

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

The **Risk Management** column is an accumulation of the funds used to account for the State's self-insurance programs established by individual agreement, statute or administrative action:

The **Cyber Insurance Coverage Fund** was created for the development of a cyber insurance product for direct loss and out of pocket expenses incurred as a result of damage to data, systems or income defense and liability incurred as a result of employees' actions. Department of Administrative Services (DOAS) engaged with an insurance broker to develop an underwriting submission to present to the commercial insurance underwriters. DOAS Risk Management Services manages the insurance product with assistance from Georgia Technology Authority.

The **Liability Insurance Fund** is used to account for the accumulation of funds for the purpose of providing liability insurance coverage for employees of the State against personal liability for damages arising out of performance of their duties.

The **Post-Traumatic Stress Disorder Fund** is used to account for the accumulation of funds designated to supplement illness-specific insurance for first responders diagnosed with occupational post-traumatic stress disorder (PTSD).

The **Property Insurance Fund** is used to account for the assessment of premiums against various state agencies for the purpose of providing property, fire and extended coverage, automobile, aircraft and marine insurance.

The **State Indemnification Fund** is used to account for the accumulation of funds for the purpose of providing indemnification with respect to the death of any law enforcement officer, fireman or prison guard killed in the line of duty.

The **Teacher Indemnification Fund** is used to account for the accumulation of funds for the purpose of providing indemnification with respect to the death of any public school employees killed or permanently disabled by an act of violence in the line of duty on or after July 1, 2001.

The **Unemployment Compensation Fund** was created for the purpose of consolidating processing of unemployment compensation claims against state agencies and the payment of sums due to the Department of Labor.

The **Workers' Compensation Fund** was established to authorize insurance coverage for employees of the State and for the receipt of premiums as prescribed by the Workers' Compensation statutes of the State.

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

Combining Statement of Net Position
Internal Service Funds
June 30, 2025
(amounts in thousands)

	Department of Administrative Services	Georgia Building Authority	Georgia Correctional Industries Administration
Assets			
Current Assets:			
Cash and Cash Equivalents	$ 6,550	$ 689	$ 9,776
Pooled Investments with State Treasury	2	363,313	1,225
Investments	—	—	—
Receivables (Net)	1,111	3,444	4,201
Due from Other Funds	—	—	—
Due from Component Units	—	—	—
Inventories	—	424	25,899
Prepaids	—	37	—
Other Current Assets	—	—	1
Total Current Assets	7,663	367,907	41,102
Noncurrent Assets:			
Investments	—	—	—
Receivables (Net)	—	20,204	—
Restricted Assets:			
Net OPEB Asset	885	1,880	2,156
Capital Assets			
Non-depreciable Capital Assets	—	22,573	791
Depreciable Capital Assets (Net)	—	633,641	13,904
Amortizable Right-to-Use Assets (Net)	—	15,645	1,479
Total Noncurrent Assets	885	693,943	18,330
Total Assets	8,548	1,061,850	59,432
Deferred Outflows of Resources	2,179	3,766	4,136
Liabilities			
Current Liabilities:			
Accounts Payable and Other Accruals	333	1,215	6,888
Accrued Interest Payable	—	56	4
Policy Claims and Uninsured Liabilities	—	—	—
Unearned Revenue	—	125	2,000
Due to Other Funds	—	—	19
Funds Held for Others	1,726	—	23
Other Current Liabilities	92	—	—
Current Portion of Long-term Liabilities	—	3,528	1,300
Total Current Liabilities	2,151	4,924	10,234
Noncurrent Liabilities:			
Other Noncurrent Liabilities	—	—	—
Net Pension Liability	5,620	11,255	12,646
Noncurrent Portion of Long-term Liabilities	—	14,517	1,922
Total Noncurrent Liabilities	5,620	25,772	14,568
Total Liabilities	7,771	30,696	24,802
Deferred Inflows of Resources	1,013	23,312	3,047
Net Position			
Net Investment in Capital Assets	—	654,702	14,731
Restricted for:			
Other Purpose	580	1,880	1,391
Unrestricted	1,363	355,026	19,597
Total Net Position	$ 1,943	$ 1,011,608	$ 35,719

Risk Management (see combining)	Georgia Technology Authority	Total
$ 22,484	$ 12,406	$ 51,905
464,926	300,576	1,130,042
10	—	10
74,463	7,851	91,070
485,531	16,539	502,070
—	43	43
—	—	26,323
—	—	37
403	—	404
1,047,817	337,415	1,801,904
429	—	429
—	—	20,204
408	5,488	10,817
—	—	23,364
—	—	647,545
—	83,859	100,983
837	89,347	803,342
1,048,654	426,762	2,605,246
598	8,728	19,407
4,851	51,964	65,251
—	1,876	1,936
992,090	—	992,090
527	233	2,885
—	—	19
5	—	1,754
75	69	236
—	35,382	40,210
997,548	89,524	1,104,381
8,912	—	8,912
1,506	24,921	55,948
—	46,576	63,015
10,418	71,497	127,875
1,007,966	161,021	1,232,256
374	5,010	32,756
—	3,258	672,691
63	3,859	7,773
40,849	262,342	679,177
$ 40,912	$ 269,459	$ 1,359,641

Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
For the Fiscal Year Ended June 30, 2025
(amounts in thousands)

	Department of Administrative Services	Georgia Building Authority	Georgia Correctional Industries Administration
Operating Revenues:			
Operating Contributions/Premiums	$ —	$ —	$ —
Operating Grants	—	—	—
Rents and Royalties	—	35,890	—
Sales and Services	8,623	8,597	80,950
Other	—	2,075	—
Total Operating Revenues	8,623	46,562	80,950
Operating Expenses:			
Personal Services	4,659	8,945	5,358
Services and Supplies	12,608	39,478	60,384
Claims and Judgments	—	—	—
Interest Expense	—	673	—
Amortization/Depreciation	—	34,383	2,986
Other	—	2,774	—
Total Operating Expenses	17,267	86,253	68,728
Operating Income (Loss)	(8,644)	(39,691)	12,222
Nonoperating Revenues (Expenses):			
Interest and Other Investment Income	223	18,245	55
Interest Expense			
Nonoperating Grants & Contributions	1,596	—	—
Other	2,239	18	72
Total Nonoperating Revenues (Expenses)	4,058	18,263	127
Income (Loss) Before Contributions and Transfers	(4,586)	(21,428)	12,349
Capital Contributions	—	115,770	—
Transfers:			
Transfers In	6,554	—	—
Transfers Out	—	—	—
Net Transfers	6,554	—	—
Change in Net Position	1,968	94,342	12,349
Net Position, July 1	(25)	917,266	23,370
Net Position, June 30	$ 1,943	$ 1,011,608	$ 35,719

Risk Management (see combining)	Georgia Technology Authority	Total
$ 114,940	$ —	$ 114,940
374	3,101	3,475
—	—	35,890
242	253,952	352,364
—	—	2,075
115,556	257,053	508,744
2,501	27,288	48,751
45,783	189,186	347,439
287,850	—	287,850
—	379	1,052
—	36,578	73,947
—	—	2,774
336,134	253,431	761,813
(220,578)	3,622	(253,069)
(9,322)	10,667	19,868
—	—	1,596
4,428	—	6,757
(4,894)	10,667	28,221
(225,472)	14,289	(224,848)
—	37	115,807
230,588	73,511	310,653
—	(31,208)	(31,208)
230,588	42,303	279,445
5,116	56,629	170,404
35,796	212,830	1,189,237
$ 40,912	$ 269,459	$ 1,359,641

Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2025
(amounts in thousands)

	Department of Administrative Services	Georgia Building Authority	Georgia Correctional Industries Administration
Cash Flows from Operating Activities:			
Cash Received from Customers	$ 1,619	$ 53,643	$ 16,831
Cash Received from Other Funds (Internal Activity)	7,887	—	64,274
Cash Paid to Vendors	(12,404)	(47,097)	(56,247)
Cash Paid to Employees	(5,740)	(11,889)	(16,304)
Cash Paid for Claims and Judgments	—	—	—
Other Operating Receipts	208	—	—
Other Operating Payments	—	—	—
Net Cash Provided by (Used in) Operating Activities	(8,430)	(5,343)	8,554
Cash Flows from Noncapital Financing Activities:			
Transfers from Other Funds	6,554	—	—
Transfers to Other Funds	—	—	—
Other Noncapital Receipts	5,431	—	72
Other Noncapital Payments	(1,596)	—	—
Net Cash Provided by (Used in) Noncapital Financing Activities	10,389	—	72
Cash Flows from Capital and Related Financing Activities:			
Capital Contributions	—	880	—
Proceeds from Sale of Capital Assets	—	18	—
Acquisition and Construction of Capital Assets	—	(12,348)	(3,889)
Principal Paid on Capital Debt	—	(5,221)	1,209
Interest Paid on Capital Debt	—	—	—
Net Cash Used in Capital and Related Financing Activities	—	(16,671)	(2,680)
Cash Flows from Investing Activities:			
Proceeds from Sales of Investments	—	—	—
Purchase of Investments	—	—	—
Interest and Dividends Received	223	18,245	55
Net Cash Provided by Investing Activities	223	18,245	55
Net Increase (Decrease) in Cash and Cash Equivalents	2,182	(3,769)	6,001
Cash and Cash Equivalents, July 1	4,370	367,771	5,000
Cash and Cash Equivalents, June 30	$ 6,552	$ 364,002	$ 11,001

Risk Management (see combining)	Georgia Technology Authority	Total
$ 2,732	$ 182,730	$ 257,555
217,603	79,549	369,313
(45,225)	(175,142)	(336,115)
(3,275)	(33,085)	(70,293)
(216,645)	—	(216,645)
—	—	208
5	—	5
(44,805)	54,052	4,028
230,588	73,511	310,653
—	(31,208)	(31,208)
12,660	—	18,163
—	—	(1,596)
243,248	42,303	296,012
—	37	917
—	—	18
—	(5,807)	(22,044)
—	(33,262)	(37,274)
—	1,302	1,302
—	(37,730)	(57,081)
572	—	572
(439)	—	(439)
(9,323)	10,667	19,867
(9,190)	10,667	20,000
189,253	69,292	262,959
298,157	243,690	918,988
$ 487,410	$ 312,982	$ 1,181,947

(continued)

Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2025
(amounts in thousands)

	Department of Administrative Services	Georgia Building Authority	Georgia Correctional Industries Administration
Reconciliation of Operating Income (Loss) to Net Cash provided by (Used in) Operating Activities:			
Operating Income (Loss)	$ (8,644)	$ (39,691)	$ 12,222
Reconciliation of Operating Income (Loss) to Net Cash provided by (Used in) Operating Activities:			
Amortization/Depreciation Expense	—	34,383	2,986
Changes in Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources:			
Accounts Receivable	883	7,082	133
Due from Other Funds	—	—	—
Due from Component Units	—	—	—
Net OPEB Asset	(402)	—	(888)
Other Asset	—	15	(80)
Deferred Outflows of Resources	427	1,537	1,822
Accounts Payable and Other Accruals	179	173	2,228
Due to Other Funds	—	—	19
Unearned Revenue	—	7	2,000
Claims and Judgments Payable	—	—	—
Compensated Absences Payable	—	24	(7,443)
Net OPEB Liability	(267)	(1,562)	(803)
Net Pension Liability	(1,505)	(4,884)	(5,116)
Other Liabilities	234	—	23
Deferred Inflows of Resources	666	(2,427)	1,451
Net Cash Provided by (Used in) Operating Activities	$ (8,429)	$ (5,343)	$ 8,554
Noncash Investing, Capital, and Financing Activities:			
Change in Fair Value of Investments	$ —	$ —	$ —

	Risk Management (see combining)	Georgia Technology Authority	Total
	$ (220,578)	$ 3,622	$ (253,069)
	—	36,578	73,947
	18,464	(1,408)	25,154
	93,800	6,637	100,437
	—	(2)	(2)
	(178)	(2,159)	(3,627)
	(367)	—	(432)
	228	2,929	6,943
	543	14,413	17,536
	(50)	—	(31)
	(7,488)	—	(5,481)
	71,206	—	71,206
	—	271	(7,148)
	(79)	(1,453)	(4,164)
	(547)	(8,523)	(20,575)
	23	8	288
	218	3,139	3,047
	$ (44,805)	$ 54,052	$ 4,029
	$ 17,673	$ —	$ 17,673

Combining Statement of Net Position
Internal Service Funds
Risk Management
June 30, 2025
(amounts in thousands)

	Cyber Liability Insurance Fund	Liability Insurance Fund	Post-Traumatic Stress Disorder Fund	Property Insurance Fund
Assets				
Current Assets:				
Cash and Cash Equivalents	$ (43)	$ 14,933	$ —	$ (782)
Pooled Investments with State Treasury	4,139	201,259	—	76,108
Investments	—	4	—	2
Receivables (Net)	116	36,393	—	1,758
Due from Other Funds	—	172,365	—	—
Other Current Assets	—	—	—	—
Total Current Assets	4,212	424,954	—	77,086
Noncurrent Assets:				
Investments	4	186	—	70
Restricted Assets:				
Net OPEB Asset	—	142	—	96
Total Noncurrent Assets	4	328	—	166
Total Assets	4,216	425,282	—	77,252
Deferred Outflows of Resources	2	203	—	136
Liabilities				
Current Liabilities:				
Accounts Payable and Other Accruals	(36)	3,349	—	1,543
Policy Claims and Uninsured Liabilities	—	421,487	—	68,123
Unearned Revenue	—	—	—	—
Funds Held for Others	—	—	—	5
Other Current Liabilities	—	28	—	22
Total Current Liabilities	(36)	424,864	—	69,693
Noncurrent Liabilities:				
Other Noncurrent Liabilities	—	—	—	8,912
Long-term Liabilities:				
Net Pension Liability	7	508	—	339
Total Noncurrent Liabilities	7	508	—	9,251
Total Liabilities	(29)	425,372	—	78,944
Deferred Inflows of Resources	45	113	—	76
Net Position				
Restricted for:				
Other Purpose	—	—	—	63
Unrestricted	4,202	—	—	(1,695)
Total Net Position	$ 4,202	$ —	$ —	$ (1,632)

State Indemnification Fund	Teacher Indemnification Fund	Unemployment Compensation Fund	Workers' Compensation Fund	Total
$ 10,259	$ (35)	$ (311)	$ (1,537)	$ 22,484
—	3,433	30,314	149,673	464,926
—	—	1	3	10
—	—	152	36,044	74,463
—	—	—	313,166	485,531
—	—	4	399	403
10,259	3,398	30,160	497,748	1,047,817
—	3	28	138	429
—	—	—	170	408
—	3	28	308	837
10,259	3,401	30,188	498,056	1,048,654
1	—	1	255	598
—	—	(5)	—	4,851
3,336	2	1,646	497,496	992,090
527	—	—	—	527
—	—	—	—	5
—	—	—	25	75
3,863	2	1,641	497,521	997,548
—	—	—	—	8,912
1	—	1	650	1,506
1	—	1	650	10,418
3,864	2	1,642	498,171	1,007,966
—	—	—	140	374
—	—	—	—	63
6,396	3,399	28,547	—	40,849
$ 6,396	$ 3,399	$ 28,547	$ —	$ 40,912

Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
Risk Management
For the Fiscal Year Ended June 30, 2025
(amounts in thousands)

	Cyber Liability Insurance Fund	Liability Insurance Fund	Post-Traumatic Stress Disorder Fund	Property Insurance Fund
Operating Revenues:				
Operating Contributions/Premiums	$ 2,341	$ (68,415)	$ —	$ 57,716
Operating Grants	—	—	—	—
Sales and Services	—	—	—	—
Total Operating Revenues	2,341	(68,415)	—	57,716
Operating Expenses:				
Personal Services	56	839	—	613
Services and Supplies	1,892	11,737	858	22,331
Claims and Judgments	20	88,474	—	81,841
Total Operating Expenses	1,968	101,050	858	104,785
Operating Income (Loss)	373	(169,465)	(858)	(47,069)
Nonoperating Revenues (Expenses):				
Interest and Other Investment Income	(49)	(5,535)	—	(2,295)
Other	—	—	—	—
Total Nonoperating Revenues (Expenses)	(49)	(5,535)	—	(2,295)
Income (Loss) Before Transfers	324	(175,000)	(858)	(49,364)
Transfers:				
Transfers In	—	175,000	858	50,000
Net Transfers	—	175,000	858	50,000
Change in Net Position	324	—	—	636
Net Position, July 1	3,878	—	—	(2,268)
Net Position, June 30	$ 4,202	$ —	$ —	$ (1,632)

State Indemnification Fund	Teacher Indemnification Fund	Unemployment Compensation Fund	Workers' Compensation Fund	Total
$ —	$ —	$ 3,917	$ 119,381	$ 114,940
374	—	—	—	374
242	—	—	—	242
616	—	3,917	119,381	115,556
(10)	—	(4)	1,007	2,501
—	—	41	8,924	45,783
1,352	—	3,539	112,624	287,850
1,342	—	3,576	122,555	336,134
(726)	—	341	(3,174)	(220,578)
152	(36)	(305)	(1,254)	(9,322)
—	—	—	4,428	4,428
152	(36)	(305)	3,174	(4,894)
(574)	(36)	36	—	(225,472)
4,730	—	—	—	230,588
4,730	—	—	—	230,588
4,156	(36)	36	—	5,116
2,240	3,435	28,511	—	35,796
$ 6,396	$ 3,399	$ 28,547	$ —	$ 40,912

Combining Statement of Cash Flows
Internal Service Funds
Risk Management
For the Fiscal Year Ended June 30, 2025
(amounts in thousands)

	Cyber Liability Insurance Fund	Liability Insurance Fund	Post-Traumatic Stress Disorder Fund	Property Insurance Fund
Cash Flows from Operating Activities:				
Cash Received from Customers	$ 173	$ (3,457)	$ —	$ 4,180
Cash Received from Other Funds (Internal Activity)	2,173	63,118	—	52,558
Cash Paid to Vendors	(1,892)	(6,819)	(858)	(27,309)
Cash Paid to Employees	(6)	(1,026)	—	(720)
Cash Paid for Claims and Judgments	(20)	(61,257)	—	(42,498)
Other Operating Payments	—	—	—	5
Net Cash Provided by (Used in) Operating Activities	428	(9,441)	(858)	(13,784)
Cash Flows from Noncapital Financing Activities:				
Transfers from Other Funds	—	175,000	858	50,000
Other Noncapital Receipts	—	—	—	8,232
Net Cash Provided by (Used in) Noncapital Financing Activities	—	175,000	858	58,232
Cash Flows from Investing Activities:				
Proceeds from Sales and Maturities of Investments	10	—	—	—
Purchase of Investments	(4)	(190)	—	(72)
Interest and Dividends Received	(49)	(5,534)	—	(2,296)
Net Cash Provided by (Used in) Investing Activities	(43)	(5,724)	—	(2,368)
Net Increase (Decrease) in Cash and Cash Equivalents	385	159,835	—	42,080
Cash and Cash Equivalents, July 1	3,711	56,357	—	33,246
Cash and Cash Equivalents, June 30	$ 4,096	$ 216,192	$ —	$ 75,326
Reconciliation of Operating Income (Loss) to Net Cash provided by (Used in) Operating Activities:				
Operating Income (Loss)	$ 373	$ (169,465)	$ (858)	$ (47,069)
Adjustments to Reconcile Operating Income (Loss) to				
Net Cash Provided by (Used in) Operating Activities:				
Changes in Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources:				
Accounts Receivable	5	21,492	—	(978)
Due from Other Funds	—	106,584	—	—
Net OPEB Asset	—	(58)	—	(44)
Other Assets	—	—	—	—
Deferred Outflows of Resources	(2)	96	—	50
Accounts Payable and Other Accruals	—	4,910	—	(4,986)
Due to Other Funds	—	—	—	—
Unearned Revenue	—	—	—	—
Claims and Judgments Payable	—	27,217	—	39,343
Net OPEB Liability	—	(47)	—	(29)
Net Pension Liability	7	(234)	—	(125)
Other Liabilities	—	8	—	13
Deferred Inflows of Resources	45	56	—	41
Net Cash Provided by (Used in) Operating Activities	$ 428	$ (9,441)	$ (858)	$ (13,784)
Noncash Investing Activities:				
Change in Fair Value of Investments	$ 158	$ 7,634	$ —	$ 2,887

	State Indemnification Fund	Teacher Indemnification Fund	Unemployment Compensation Fund	Workers' Compensation Fund	Total
	$ (7,096)	$ —	$ 288	$ 8,644	$ 2,732
	226	—	3,615	95,913	217,603
	(1)	—	(58)	(8,288)	(45,225)
	(2)	—	(1)	(1,520)	(3,275)
	(1,863)	—	(2,622)	(108,385)	(216,645)
	—	—	—	—	5
	(8,736)	—	1,222	(13,636)	(44,805)
	4,730	—	—	—	230,588
	—	—	—	4,428	12,660
	4,730	—	—	4,428	243,248
	23	10	82	447	572
	—	(3)	(29)	(141)	(439)
	150	(37)	(303)	(1,254)	(9,323)
	173	(30)	(250)	(948)	(9,190)
	(3,833)	(30)	972	(10,156)	189,253
	14,092	3,428	29,031	158,292	298,157
	$ 10,259	$ 3,398	$ 30,003	$ 148,136	$ 487,410
	$ (726)	$ —	$ 341	$ (3,174)	$ (220,578)
	—	—	(15)	(2,040)	18,464
	—	—	—	(12,784)	93,800
	3	—	1	(80)	(178)
	—	—	—	(367)	(367)
	9	—	5	70	228
	—	—	(15)	634	543
	—	—	—	(50)	(50)
	(7,488)	—	—	—	(7,488)
	(510)	—	917	4,239	71,206
	(2)	—	(1)	—	(79)
	(20)	—	(10)	(165)	(547)
	—	—	—	2	23
	(2)	—	(1)	79	218
	$ (8,736)	$ —	$ 1,222	$ (13,636)	$ (44,805)
	$ —	$ 131	$ 1,155	$ 5,708	$ 17,672

FIDUCIARY FUNDS

Fiduciary funds are used to account for assets held by the State in a fiduciary capacity. The State has the following fiduciary funds:

PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS

Pension and Other Employee Benefit Trust Funds are used to account for activities and balances of the public employee retirement systems and other employee benefit plans. The State's pension and other employee benefit trust funds are described below:

Pension Trust Funds

Defined Benefit Pension Plans

The **Employees' Retirement System** is used to account for the accumulation of resources for the purpose of providing retirement allowances for qualified employees of the State and its political subdivisions.

The **Firefighters' Pension Fund** is used to account for the accumulation of resources for the purpose of paying retirement benefits to the firefighters of the State.

The **Georgia Judicial Retirement System** is used to account for the accumulation of resources for the purpose of providing retirement allowances for trial judges and solicitors of certain courts in Georgia, and their survivors and beneficiaries, superior court judges of the State, and district attorneys of the State.

Other Defined Benefit Plans is comprised of the following smaller plans:

The **District Attorneys Retirement Fund** (old plan) is used to account for the accumulation of resources for the purpose of paying retirement benefits to the district attorneys of the State.

The **Augusta University Early Retirement Pension Plan** is a single-employer defined benefit pension plan designed to provide eligible participants additional benefits above the amounts payable through Teachers Retirement System of Georgia (TRS). The plan was designed to allow vested employees aged 55 or employees of any age with 25 years of creditable service to retire without penalties as applied by the TRS for early retirement.

The **Judges of the Probate Courts Retirement Fund of Georgia** is used to account for the accumulation of resources for the purpose of paying retirement benefits to the judges of the Probate Courts of the State.

The **Legislative Retirement System** is used to account for the accumulation of resources for the purpose of providing retirement allowances and other benefits for all members of the Georgia General Assembly.

The **Magistrates Retirement Fund of Georgia** is used to account for the accumulation of resources for the purpose of providing retirement benefits for those serving as duly qualified and commissioned chief magistrates of counties in the State.

The **Georgia Military Pension Fund** is used to account for the accumulation of resources for the purpose of providing retirement allowances and other benefits to members of the Georgia National Guard.

The **Sheriffs' Retirement Fund of Georgia** is used to account for the accumulation of resources for the purpose of paying retirement benefits to the sheriffs of the State.

The **Superior Court Clerks' Retirement Fund of Georgia** is used to account for the accumulation of resources for the purpose of paying retirement benefits to the Superior Court clerks of the State.

The **Superior Court Judges Retirement Fund of Georgia** (old plan) is used to account for the accumulation of resources for the purpose of paying retirement benefits to the Superior Court judges of the State.

The **Peace Officers' Annuity and Benefit Fund** is used to account for the accumulation of resources for the purpose of paying retirement benefits to the peace officers of the State.

The **Public School Employees Retirement System** is used to account for the accumulation of resources for the purpose of providing retirement allowances for public school employees who are not eligible for membership in the Teachers Retirement System of Georgia.

The **Teachers Retirement System of Georgia** is used to account for the accumulation of resources for the purpose of providing retirement allowances and other benefits for teachers and administrative personnel employed in State public schools and the University System of Georgia (except those professors and principal administrators electing to participate in an optional retirement plan), and for certain other designated employees in educational-related work.

Defined Contribution / Deferred Compensation Pension Plans

The **Georgia Defined Contribution Plan** is used to account for the accumulation of resources for the purpose of providing retirement allowances for State employees who are not members of a public retirement or pension system.

The **Deferred Compensation Plans** are used to account for the accumulation of resources for the purpose of providing retirement allowances for State and Board of Regents employees and employees of Community Service Boards who elect to defer a portion of their annual salary until future years.

Other Postemployment Benefit Plans

The **Board of Regents Retiree Health Benefit Fund** is used to account for the accumulation of resources necessary to meet employer costs of retiree post-employment health insurance benefits.

The **Georgia State Employees Post-employment Health Benefit Fund (State OPEB Fund)** pays postemployment health benefits (including benefits to qualified beneficiaries of eligible former employees) due under the group health plan for employees of State organizations and other entities authorized by law to contract with the Department of Community Health for inclusion in the plan. It also pays administrative expenses for the Fund. By law, no other use of assets of the State OPEB Fund is permitted.

The **Georgia School Personnel Post-employment Health Benefit Fund (School OPEB Fund)** pays postemployment health benefits (including benefits for qualified beneficiaries of eligible former employees) due under the group health plan for public school teachers including librarians and other certified employees of the public schools and regional educational service agencies, postemployment health benefits due under the group health plan for non-certificated public school employees, and administrative expenses of the Fund. By law, no other use of assets of the School OPEB Fund is permitted.

The **State Employees' Assurance Department (SEAD) - OPEB** is used to account for the accumulation of resources for the purpose of providing term life insurance to retired and vested inactive members of

Employees', Judicial, and Legislative Retirement Systems.

INVESTMENT TRUST FUNDS

Investment Trust Funds are used to account for the external portion of a government sponsored investment pool. The State's investment trust funds are described below:

The **Georgia Fund 1** (GF1) is an investment pool of the LGIP Trust and an investment pool for the State and local governments, including state agencies, colleges and universities, counties, school districts, special districts, or any department, agency, or board of a political subdivision. The primary objectives of the pool is the prudent management of public funds on behalf of the State and local governments seeking income higher than money market rates.

The **Georgia Fund 1 Prime** (GF1 Prime) is an LGIP offering under the LGIP Trust and represents an additional investment option for Georgia local governments, authorities, and approved state entities looking to benefit from higher yields available by adding credit exposure.

PRIVATE PURPOSE TRUST FUNDS

Private Purpose Trust Funds are used to report resources of all other trust arrangements in which principal and income benefit individuals, private organizations, or other governments. The State's private purpose trust funds are described below:

The **Auctioneers Education, Research and Recovery Fund** provides for actual or compensatory damages in instances where a person is aggrieved by an act, representation, transaction, or conduct of a person licensed under OCGA § 43-6 (duly licensed auctioneer, apprentice auctioneer, or auction company) who is in violation of state law. Also, the fund is used to help underwrite the cost of education and research programs for the benefit of licensees and the public.

The **Real Estate Education, Research and Recovery Fund** provides for actual or compensatory damages in instances where a person is aggrieved by an act, representation, transaction, or conduct of a duly licensed broker, associate broker or salesperson who is in violation of state law. Also, the fund is used to help underwrite the cost of developing courses, conducting seminars, conducting research projects on matters affecting real estate brokerage, publishing and distributing educational materials, or other education and research programs for the benefit of licensees and the public.

The **Subsequent Injury Trust Fund** is a special workers' compensation fund designed to encourage employers to hire workers with pre-existing impairments by insuring against the aggravating impact such impairment could have if the worker were subsequently injured on the job.

The **Tuition Guaranty Trust Fund** is to protect students against financial loss when a postsecondary educational institution closes without reimbursing its students and without completing its educational obligations to its students. It is funded by postsecondary education institutions who participate in the trust.

CUSTODIAL FUNDS

Custodial Funds are used to report balances and activities for deposits and investments entrusted to the State as an agent for others. The State's significant custodial funds are described below:

The **ARPA NEU for Local Governments** accounts for the collection and disbursement of Coronavirus State and Local Fiscal Recovery Funds to Non-entitlement Units of Local Government (NEUs) as directed by the American Rescue Plan Act of 2021 (ARPA) on behalf of the federal government. Amounts received are distributed in conformity with the standards prescribed in the Social Security Act.

The **Child Support Recovery Program** accounts for the collection of court ordered child support or child support amounts due as determined in conformity with the Social Security Act. Amounts collected are distributed and deposited in conformity with state law and the standards prescribed in the Social Security Act.

The **Detainees' Accounts** are held for the detainees of statewide probation offices, correctional institutions, diversion centers, detention centers, transitional centers and boot camps for the purpose of paying court-ordered fines, fees and restitutions and for operating recreational activities for detainees.

The **Flexible Benefits Program** is for flexible benefits and spending accounts managed by the Department of Administrative Services. Voluntary payroll contributions from participant employees are held until disbursements are made to insurance companies for premiums and to participants for spending account reimbursements.

The **Insurance Premium Tax Collections for Local Governments Fund** accounts for the pro-rata share of premium taxes collected on the behalf of each participating municipality and county. The participating counties and municipalities may have the distributions deposited directly into their Georgia Fund 1 account through the Office of the State Treasurer.

Revenue Tax Collections for Local Governments Fund is used to account for the collection and disbursement of sales taxes at the Department of Revenue on behalf of county and municipal governments. This fund includes activity for Education Local Option Sales Tax, Homestead Option Sales Tax, Local Option Sales Tax, MARTA Sales Tax, Special Purpose Local Option Sales Tax, Ad Valorem Tax, Railroad Tax, Tennessee Valley Tax, E911 Prepaid Tax, E911 non Prepaid, Fireworks Tax, and the Transportation Investment Act.

Survivor Benefit Fund is within the Employees Retirement System (ERS) trust and is solely for maintaining group term life insurance coverage for members of the plan. All assets are limited to the payment of benefits and expenses for such coverage and cannot be used to pay pension benefits and expenses of ERS.

The **Student Financial Aid and Support Fund** are accounts for activities from the state acting as an agent or in a fiduciary capacity for various governments, companies, clubs or individuals for student support and financial aid.

Other Custodial Funds include custodial funds not considered significant enough to warrant separate presentation.

External Investment Pool account for activities of a pooled investment program held by the Board of Regents for affiliate organizations external to the state reporting unit.

Combining Statement of Fiduciary Net Position
Pension and Other Employee Benefit Trust Funds
June 30, 2025
(amounts in thousands)

			Defined Contribution Plans		
			Deferred Compensation Plans		
	Defined Benefit Pension Plans (see combining)	Georgia Defined Contribution Plan	State of Georgia 401 (K) Plan	State of Georgia 457 Plan	Regents 457 (F) Plan
Assets					
Cash and Cash Equivalents	$ 2,544,286	$ 24,223	$ 24,747	$ 2,760	$ 30
Pooled Investments with State Treasury	—	—	—	—	—
Receivables, Net					
Interest and Dividends	323,820	928	66	47	—
Due from Brokers for Securities Sold	28,627	—	—	—	—
Other	412,360	1,449	5,342	530	—
Due from Other Funds	—	—	—	—	—
Investments					
Pooled Investments	20,303,076	—	—	—	—
Mutual Funds	827,078	—	2,754,380	812,983	3,182
Municipal, U.S. and Foreign Government Obligations	20,639,295	134,597	—	—	—
Corporate Bonds/Notes/Debentures	7,399,972	—	—	—	820
Stocks	86,763,842	—	32,486	13,803	—
Asset-backed Securities	36,904	—	—	—	—
Mortgage Investments	81,499	—	—	—	—
Real Estate Investment Trusts	1,231,024	—	—	—	304
Capital Assets					
Land	183	—	—	—	—
Buildings	2,193	—	—	—	—
Software	29,325	—	—	—	—
Machinery and Equipment	8,649	—	—	—	—
Works of Art	114	—	—	—	—
Accumulated Depreciation	(36,498)	—	—	—	—
Intangible Right-to-Use Assets					
Subscription Asset	6,293	—	—	—	—
Accumulated Amortization	(2,891)	—	—	—	—
Net OPEB Asset	11,022	—	—	—	—
Total Assets	140,610,173	161,197	2,817,021	830,123	4,336
Deferred Outflows of Resources	12,681	—	—	—	—
Liabilities					
Accounts Payable and Other Accruals	43,825	627	4,285	1,874	—
Due to Other Funds	447	—	—	—	—
Due to Brokers for Securities Purchased	32,847	—	—	—	—
Benefits Payable	—	—	—	—	—
Unearned Revenue	10	—	—	—	—
Compensated Absences Payable	81	—	—	—	—
Subscription Obligations	632	—	—	—	—
Net Pension Liability	33,756	—	—	—	—
Total Liabilities	111,598	627	4,285	1,874	—
Deferred Inflows of Resources	7,867	—	—	—	—
Net Position					
Restricted for:					
Pension Benefits	140,503,389	160,570	2,812,736	828,249	4,336
Other Postemployment Benefits	—	—	—	—	—
Total Net Position	$ 140,503,389	$ 160,570	$ 2,812,736	$ 828,249	$ 4,336

Other Post Employment Benefit Plans				
Board of Regents Retiree Health Benefit Fund	Georgia State Employees Post-employment Health Benefit Fund	Georgia School Personnel Post-employment Health Benefit Fund	State Employees' Assurance Department - OPEB	Total
$ 6,414	$ 335	$ 372	$ 70	$ 2,603,237
—	786,715	453,108	—	1,239,823
—	953	343	—	326,157
—	—	—	—	28,627
495	1,173	5,889	—	427,238
—	—	—	385	385
231,377	—	—	1,709,442	22,243,895
—	—	—	—	4,397,623
—	—	—	—	20,773,892
—	—	—	—	7,400,792
—	2,286,566	823,828	—	89,920,525
—	—	—	—	36,904
—	—	—	—	81,499
—	—	—	—	1,231,328
—	—	—	—	183
—	—	—	—	2,193
—	—	—	—	29,325
—	—	—	—	8,649
—	—	—	—	114
—	—	—	—	(36,498)
—	—	—	—	6,293
—	—	—	—	(2,891)
—	—	—	—	11,022
238,286	3,075,742	1,283,540	1,709,897	150,730,315
—	—	—	—	12,681
—	5,581	16,951	665	73,808
—	—	—	—	447
—	347	125	—	33,319
7,427	13,595	41,703	—	62,725
—	94	262	—	366
—	—	—	—	81
—	—	—	—	632
—	—	—	—	33,756
7,427	19,617	59,041	665	205,134
—	—	—	—	7,867
—	—	—	—	144,309,280
230,859	3,056,125	1,224,499	1,709,232	6,220,715
$ 230,859	$ 3,056,125	$ 1,224,499	$ 1,709,232	$ 150,529,995

Combining Statement of Changes in Fiduciary Net Position
Pension and Other Employee Benefit Trust Funds
For the Fiscal Year Ended June 30, 2025
(amounts in thousands)

	Defined Benefit Pension Plans (see combining)	Defined Contribution Plans: Georgia Defined Contribution Plan	Deferred Compensation Plans: State of Georgia 401 (K) Plan	State of Georgia 457 Plan	Regents 457 (F) Plan
Additions:					
Contributions					
Employer	$ 4,396,539	$ —	$ 149,025	$ —	$ 1,108
Fees	824	—	—	—	—
Insurance Premiums	—	—	—	—	—
NonEmployer	158,596	—	—	—	—
Plan Members	1,098,444	18,350	210,584	21,975	—
Miscellaneous	774	—	673	40	—
Interest and Other Investment Income					
Dividends and Interest	2,868,728	4,699	1,238	785	140
Net Appreciation (Depreciation) in					
Investments Reported at Fair Value	12,483,142	4,277	336,052	90,758	298
Less: Investment Expense	(104,741)	(81)	(3,323)	(839)	(4)
Transfers from Other Funds	529,594	—	—	—	—
Total Additions	21,431,900	27,245	694,249	112,719	1,542
Deductions:					
Distributions					
Benefits	8,303,658	7	222,879	72,156	—
General and Administrative Expenses	42,336	1,322	4,399	442	—
Pool Participant Withdrawals	—	—	—	—	287
Refunds	107,321	16,340	—	—	—
Total Deductions	8,453,315	17,669	227,278	72,598	287
Net Increase (Decrease) in Fiduciary Net Position	12,978,585	9,576	466,971	40,121	1,255
Net Position, July 1	127,524,804	150,994	2,345,765	788,128	3,081
Net Position, June 30	$ 140,503,389	$ 160,570	$ 2,812,736	$ 828,249	$ 4,336

Board of Regents Retiree Health Benefit Fund	Georgia State Employees Post-employment Health Benefit Fund	Georgia School Personnel Post-employment Health Benefit Fund	State Employees' Assurance Department - OPEB	Total
Other Post Employment Benefit Plans				
$ 94,266	$ 179,393	$ 700,864	$ —	$ 5,521,195
—	—	—	—	824
—	—	—	2,449	2,449
—	—	—	—	158,596
—	—	—	—	1,349,353
—	—	—	—	1,487
11,912	65,804	19,841	34,855	3,008,002
7,110	291,548	95,126	151,461	13,459,772
(204)	(1,089)	(394)	(1,528)	(112,203)
—	—	—	—	529,594
113,084	535,656	815,437	187,237	23,919,069
106,837	184,198	428,332	56,074	9,374,141
441	2,139	4,816	1,026	56,921
—	—	—	—	287
—	—	—	—	123,661
107,278	186,337	433,148	57,100	9,555,010
5,806	349,319	382,289	130,137	14,364,059
225,053	2,706,806	842,210	1,579,095	136,165,936
$ 230,859	$ 3,056,125	$ 1,224,499	$ 1,709,232	$ 150,529,995

Combining Statement of Fiduciary Net Position
Pension and Other Employee Benefit Trust Funds
Defined Benefit Pension Plans
June 30, 2025
(amounts in thousands)

	Employees' Retirement System	Firefighters' Pension Fund	Georgia Judicial Retirement System	Other Defined Benefit Plans (see combining)
Assets				
Cash and Cash Equivalents	$ 350,071	$ 83,438	$ 833	$ 14,595
Receivables				
Interest and Dividends	—	3,279	—	955
Due from Brokers for Securities Sold	—	4,932	—	(223)
Other	50,247	—	1,352	9
Investments				
Investment Accounts				
Pooled Investments	18,253,996	—	637,530	97,233
Money Market Mutual Funds				
Mutual Funds	—	581,660	—	204,950
Repurchase Agreements				
Municipal, U.S. and Foreign Government Obligations	—	101,769	—	67,769
Corporate Bonds/Notes/Debentures	—	165,914	—	39,086
Stocks	—	375,665	—	238,203
Asset-backed Securities	—	10,045	—	3,039
Mortgage Investments	—	70,087	—	2,597
Real Estate Investment Trusts	—	6,489	—	745
Capital Assets				
Land	—	85	—	—
Buildings	—	1,535	—	—
Software	14,345	—	—	—
Machinery and Equipment	2,781	190	—	—
Works of Art	—	114	—	—
Accumulated Depreciation	(16,224)	(1,061)	—	—
Intangible Right-to-Use Assets				
Subscription Asset	109	—	—	—
Accumulated Amortization	(81)	—	—	—
Net OPEB Asset	2,159	—	—	—
Total Assets	18,657,403	1,404,141	639,715	668,958
Deferred Outflow of Resources	869	—	—	—
Liabilities				
Accounts Payable and Other Accruals	19,461	3,342	950	616
Due to Other Funds	441	—	5	1
Due to Brokers for Securities Purchased	—	8,862	—	—
Unearned Revenue	—	—	—	10
Compensated Absences Payable	—	81	—	—
Subscription Obligations	—	—	—	—
Net Pension Liability	—	—	—	—
Total Liabilities	19,902	12,285	955	627
Deferred Inflow of Resources	800	—	—	—
Net Position				
Restricted for Pension Benefits	$ 18,637,570	$ 1,391,856	$ 638,760	$ 668,331

Peace Officers' Annuity and Benefit Fund	Public School Employees Retirement System	Teachers Retirement System of Georgia	Total
$ 30,662	$ 266	$ 2,064,421	$ 2,544,286
2,893	—	316,693	323,820
—	—	23,918	28,627
—	681	360,071	412,360
—	1,314,317	—	20,303,076
40,468	—	—	827,078
132,181	—	20,337,576	20,639,295
75,069	—	7,119,903	7,399,972
717,886	—	85,432,088	86,763,842
23,820	—	—	36,904
8,815	—	—	81,499
52,922	—	1,170,868	1,231,024
98	—	—	183
658	—	—	2,193
—	—	14,980	29,325
58	—	5,620	8,649
—	—	—	114
(365)	—	(18,848)	(36,498)
2,714	—	3,470	6,293
(1,437)	—	(1,373)	(2,891)
—	—	8,863	11,022
1,086,442	1,315,264	116,838,250	140,610,173
—	—	11,812	12,681
856	1,258	17,342	43,825
—	—	—	447
—	—	23,985	32,847
—	—	—	10
—	—	—	81
632	—	—	632
—	—	33,756	33,756
1,488	1,258	75,083	111,598
—	—	7,067	7,867
$ 1,084,954	$ 1,314,006	$ 116,767,912	$ 140,503,389

Combining Statement of Changes in Fiduciary Net Position
Pension and Other Employee Benefit Trust Funds
Defined Benefit Pension Plans
For the Fiscal Year Ended June 30, 2025
(amounts in thousands)

	Employees' Retirement System	Firefighters' Pension Fund	Georgia Judicial Retirement System	Other Defined Benefit Plans (see combining)
Additions:				
Contributions/Assessments				
Employer	$ 917,788	$ —	$ 5,765	$ 8,334
Fees	—	818	—	6
NonEmployer	8,889	63,953	2,071	11,258
Plan Members	45,748	4,292	6,047	1,117
Miscellaneous	—	352	—	30
Interest and Other Investment Income				
Dividends and Interest	374,562	23,735	13,053	21,947
Net Appreciation (Depreciation) in				
Investments Reported at Fair Value	1,627,272	121,057	56,723	50,841
Less: Investment Expense	(19,261)	(4,659)	(537)	(2,623)
Transfers from Other Funds	529,542	—	—	—
Total Additions	3,484,540	209,548	83,122	90,910
Deductions:				
Distributions				
Benefits	1,510,672	71,734	38,007	39,628
General and Administrative Expenses	11,836	1,820	1,224	1,833
Refunds	6,393	1,179	318	44
Total Deductions	1,528,901	74,733	39,549	41,505
Net Increase (Decrease) in Fiduciary Net Position	1,955,639	134,815	43,573	49,405
Net Position, July 1	16,681,931	1,257,041	595,187	618,926
Net Position, June 30	$ 18,637,570	$ 1,391,856	$ 638,760	$ 668,331

Peace Officers' Annuity and Benefit Fund	Public School Employees Retirement System	Teachers Retirement System of Georgia	Total
$ —	$ —	$ 3,464,652	$ 4,396,539
—	—	—	824
29,140	36,773	6,512	158,596
7,613	2,600	1,031,027	1,098,444
392	—	—	774
29,864	26,826	2,378,741	2,868,728
102,568	116,573	10,408,108	12,483,142
(5,307)	(1,107)	(71,247)	(104,741)
—	—	52	529,594
164,270	181,665	17,217,845	21,431,900
62,230	77,008	6,504,379	8,303,658
2,177	2,050	21,396	42,336
630	598	98,159	107,321
65,037	79,656	6,623,934	8,453,315
99,233	102,009	10,593,911	12,978,585
985,721	1,211,997	106,174,001	127,524,804
$ 1,084,954	$ 1,314,006	$ 116,767,912	$ 140,503,389

Combining Statement of Fiduciary Net Position
Pension and Other Employee Benefit Trust Funds
Defined Benefit Pension Plans
Other Defined Benefit Pension Plans
June 30, 2025
(amounts in thousands)

	District Attorneys Retirement Fund	Augusta University Early Retirement Pension Plan	Judges of the Probate Courts Retirement Fund of Georgia	Legislative Retirement System	Magistrates Retirement Fund of Georgia
Assets					
Cash and Cash Equivalents	$ 2	$ 4,927	$ 4,198	$ 59	$ 755
Receivables, Net					
Interest and Dividends	—	—	370	—	164
Due from Brokers for Securities Sold	—	—	—	—	—
Other	—	—	—	1	—
Investments					
Pooled Investments	—	—	—	44,615	—
Mutual Funds	—	136,766	—	—	9,625
Municipal, U.S. and Foreign Government Obligations	—	—	12,539	—	11,774
Corporate Bonds/Notes/Debentures	—	—	12,175	—	4,777
Stocks	—	—	86,882	—	19,795
Asset-backed Securities	—	—	1,232	—	60
Mortgage Investments	—	—	421	—	215
Real Estate Investment Trusts	—	—	—	—	114
Total Assets	2	141,693	117,817	44,675	47,279
Liabilities					
Accounts Payable and Other Accruals	—	—	42	140	45
Due to Other Funds	—	—	—	1	—
Unearned Revenue	—	—	—	—	—
Total Liabilities	—	—	42	141	45
Net Position					
Restricted for Pension Benefits	$ 2	$ 141,693	$ 117,775	$ 44,534	$ 47,234

	Georgia Military Pension Fund	Sheriffs' Retirement Fund of Georgia	Superior Court Clerks' Retirement Fund of Georgia	Superior Court Judges Retirement Fund of Georgia	Total
	$ 49	$ 2,307	$ 2,288	$ 10	$ 14,595
	—	—	421	—	955
	—	(223)	—	—	(223)
	8	—	—	—	9
	52,618	—	—	—	97,233
	—	28,737	29,822	—	204,950
	—	14,315	29,141	—	67,769
	—	5,208	16,926	—	39,086
	—	81,554	49,972	—	238,203
	—	—	1,747	—	3,039
	—	—	1,961	—	2,597
	—	—	631	—	745
	52,675	131,898	132,909	10	668,958
	95	178	111	5	616
	—	—	—	—	1
	—	10	—	—	10
	95	188	111	5	627
	$ 52,580	$ 131,710	$ 132,798	$ 5	$ 668,331

Combining Statement of Changes in Fiduciary Net Position
Pension and Other Employee Benefit Trust Funds
Defined Benefit Pension Plans
Other Defined Benefit Pension Plans
For the Fiscal Year Ended June 30, 2025
(amounts in thousands)

	District Attorneys Retirement Fund	Early Retirement Pension Plan - Augusta University	Judges of the Probate Courts Retirement Fund of Georgia	Legislative Retirement System	Magistrates Retirement Fund of Georgia
Additions:					
Contributions/Assessments					
Employer	$ 23	$ 5,358	$ —	$ —	$ —
Fees	3	—	—	—	—
NonEmployer	—	—	1,370	—	1,844
Plan Members	—	—	192	427	205
Rebates					
Miscellaneous	—	—	—	—	—
Interest and Other Investment Income					
Dividends and Interest	—	3,156	2,472	913	1,151
Net Appreciation (Depreciation) in					
Investments Reported at Fair Value	—	12,184	10,615	3,969	4,096
Less: Investment Expense	—	(145)	(806)	(41)	(226)
Total Additions	26	20,553	13,843	5,268	7,070
Deductions:					
Distributions					
Benefits	23	14,370	5,929	1,876	1,063
General and Administrative Expenses	3	—	186	449	142
Refunds	—	—	7	10	14
Total Deductions	26	14,370	6,122	2,335	1,219
Net Increase (Decrease) in Fiduciary Net Position	—	6,183	7,721	2,933	5,851
Net Position, July 1	2	135,510	110,054	41,601	41,383
Net Position, June 30	$ 2	$ 141,693	$ 117,775	$ 44,534	$ 47,234

Georgia Military Pension Fund	Sheriffs' Retirement Fund of Georgia	Superior Court Clerks' Retirement Fund of Georgia	Superior Court Judges Retirement Fund of Georgia	Total
$ 2,781	$ —	$ —	$ 172	$ 8,334
—	—	—	3	6
—	4,651	3,393	—	11,258
—	151	142	—	1,117
—	30	—	—	30
1,054	9,572	3,629	—	21,947
4,579	6,401	8,997	—	50,839
(32)	(713)	(660)	—	(2,623)
8,382	20,092	15,501	175	90,908
1,754	7,107	7,333	173	39,628
354	497	199	3	1,833
—	—	13	—	44
2,108	7,604	7,545	176	41,505
6,274	12,488	7,956	(1)	49,405
46,306	119,222	124,842	6	618,926
$ 52,580	$ 131,710	$ 132,798	$ 5	$ 668,331

Combining Statement of Fiduciary Net Position
Investment Trust Funds
June 30, 2025
(amounts in thousands)

	Georgia Fund 1	Georgia Fund 1 Prime	Total
Assets			
Pooled Investments with State Treasury	$ 21,601,693	$ 238,294	$ 21,839,987
Interest Receivable	85,015	773	85,788
Total Assets	21,686,708	239,067	21,925,775
Liabilities			
Accounts Payable and Other Accruals	—	—	—
Total Liabilities	—	—	—
Net Position			
Restricted for Pool Participants	$ 21,686,708	$ 239,067	$ 21,925,775

Combining Statement of Changes in Fiduciary Net Position
Investment Trust Funds
For the Fiscal Year Ended June 30, 2025
(amounts in thousands)

	Georgia Fund 1	Georgia Fund 1 Prime	Total
Additions:			
Contributions/Assessments			
Pool Participant Deposits	$ 20,933,631	$ 152,052	$ 21,085,683
Interest and Other Investment Income			
Dividends and Interest	1,004,771	(336)	1,004,435
Net Appreciation (Depreciation) in Investments			
Reported at Fair Value	—	—	—
Less: Investment Expense	(11,733)	(7)	(11,740)
Total Additions	21,926,669	151,709	22,078,378
Deductions:			
Distributions			
Pool Participant Withdrawals	20,179,916	—	20,179,916
Change in Net Position Restricted for Pool Participants	1,746,753	151,709	1,898,462
Net Position, July 1	19,939,955	87,358	20,027,313
Net Position, June 30	$ 21,686,708	$ 239,067	$ 21,925,775

Combining Statement of Fiduciary Net Position
Private Purpose Trust Funds
June 30, 2025
(amounts in thousands)

	Auctioneers Education, Research and Recovery Fund	Real Estate Education, Research and Recovery Fund	Subsequent Injury Trust Fund	Tuition Guaranty Trust Fund	Total
Assets					
Cash and Cash Equivalents	$ 205	$ 71	$ —	$ 328	$ 604
Pooled Investments with State Treasury	663	2,698	299,929	5,294	308,584
Receivables, Net					
Other	—	—	5,545	—	5,545
Net OPEB Asset	—	—	411	—	411
Total Assets	868	2,769	305,885	5,622	315,144
Deferred Outflows of Resources	—	—	319	—	319
Liabilities					
Accounts Payable and Other Accruals	—	5	—	1	6
Compensated Absences Payable	—	—	136	—	136
Net Pension Liability	—	—	995	—	995
Total Liabilities	—	5	1,131	1	1,137
Deferred Inflows of Resources	—	—	247	—	247
Net Position					
Restricted for:					
Other Purposes	868	2,764	304,826	5,621	314,079
Total Net Position	$ 868	$ 2,764	$ 304,826	$ 5,621	$ 314,079

Combining Statement of Changes in Fiduciary Net Position
Private Purpose Trust Funds
For the Fiscal Year Ended June 30, 2025
(amounts in thousands)

	Auctioneers Education, Research and Recovery Fund	Real Estate Education, Research and Recovery Fund	Subsequent Injury Trust Fund	Tuition Guaranty Trust Fund	Total
Additions:					
Contributions/Assessments					
Plan Members/Participants	$ 1	$ 176	$ —	$ 170	$ 347
Interest and Other Investment Income					
Dividends and Interest	30	123	14,383	249	14,785
Total Additions	31	299	14,383	419	15,132
Deductions:					
Distributions					
Benefits	—	—	15,856	—	15,856
General and Administrative Expenses	—	105	1,071	252	1,428
Total Deductions	—	105	16,927	252	17,284
Net Increase (Decrease) in Fiduciary Net Position	31	194	(2,544)	167	(2,152)
Net Position, July 1	837	2,570	307,370	5,454	316,231
Net Position, June 30	$ 868	$ 2,764	$ 304,826	$ 5,621	$ 314,079

Combining Statement of Fiduciary Net Position
Custodial Funds
June 30, 2025
(amounts in thousands)

	ARPA NEU for Local Governments	Child Support Recovery Program	Detainees' Accounts	Flexible Benefits Program	Insurance Premium Tax Collections for Local Governments
Assets					
Cash and Cash Equivalents	$ 7,582	$ 99,233	$ 75,478	$ 2,498	$ —
Pooled Investments with State Treasury	—	—	—	166	—
Accounts Receivable, Net					
Sales Tax Collected for Other Taxing Units	—	—	—	—	—
Other	—	—	—	—	—
Investments, at Fair Value					
Certificates of Deposits	—	—	—	—	—
Pooled Investments	—	—	—	—	—
Municipal, U.S. and Foreign Government Obligations	—	—	—	—	—
Other Assets	—	1	—	—	—
Total Assets	7,582	99,234	75,478	2,664	—
Liabilities					
Accounts Payable and Other Accruals	7,582	26	—	838	—
Cash Overdraft	—	—	—	—	—
Salaries Payable	—	—	—	—	—
Due to Local Governments	—	—	—	—	—
Unearned Revenue	—	—	—	—	—
Other Liabilities	—	852	—	—	—
Total Liabilities	7,582	878	—	838	—
Net Position					
Restricted for:					
Pool Participants	—	—	—	—	—
Individuals, Organizations, and Other Governments	—	98,356	75,478	1,826	—
Total Net Position	$ —	$ 98,356	$ 75,478	$ 1,826	$ —

Revenue Tax Collections for Local Governments	Survivor's Benefit Fund	Student Financial Aid and Support	Other Custodial Funds	Total	External Investment Pool
$ —	$ 86	$ —	$ 102,513	$ 287,390	$ —
198,511	—	—	8,938	207,615	—
1,106,432	—	—	—	1,106,432	—
6,996	—	155,878	1,023	163,897	—
—	—	—	1,583	1,583	—
—	271,549	—	403	271,952	58,654
—	—	—	30,912	30,912	—
—	—	16,763	1,083	17,847	—
1,311,939	271,635	172,641	146,455	2,087,628	58,654
—	—	5,766	3,078	17,290	—
144,337	—	137,848	—	282,185	—
—	—	—	29	29	—
1,167,602	—	—	—	1,167,602	—
—	—	4,183	83	4,266	—
—	—	2,285	—	3,137	—
1,311,939	—	150,082	3,190	1,474,509	—
—	—	—	—	—	58,654
—	271,635	22,559	143,265	613,119	—
$ —	$ 271,635	$ 22,559	$ 143,265	$ 613,119	$ 58,654

Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Fiscal Year Ended June 30, 2025
(amounts in thousands)

	ARPA NEU for Local Governments	Child Support Recovery Program	Detainees' Accounts	Flexible Benefits Program	Insurance Premium Tax Collections for Local Governments
Additions:					
Contributions/Assessments					
Child Support Recovery Program	$ —	$ 785,028	$ —	$ —	$ —
Collections for Local Governments	—	—	—	—	737,281
Detainees' Accounts	—	—	171,791	—	—
Plan Members/Participants	—	—	—	157,731	—
Pool Participant Deposits	—	—	—	—	—
Student Financial Aid	—	—	—	—	—
Student Support	—	—	—	—	—
Miscellaneous	—	—	—	—	—
Interest and Other Investment Income					
Dividends and Interest	—	—	—	—	—
Net Appreciation (Depreciation) in Investments Reported at Fair Value	—	—	—	—	—
Less: Investment Expense	—	—	—	—	—
Total Additions	—	785,028	171,791	157,731	737,281
Deductions:					
Distributions					
Benefits	—	—	—	149,496	—
Child Support Recovery Program	—	729,795	—	—	—
Detainees' Accounts	—	—	166,308	—	—
Distributions to Local Governments	—	—	—	—	737,281
Pool Participant Withdrawals	—	—	—	—	—
Student Financial Aid	—	—	—	—	—
Student Support	—	—	—	—	—
Miscellaneous	—	—	—	—	—
Transfers to Other Funds	—	—	—	6,557	—
Total Deductions	—	729,795	166,308	156,053	737,281
Net Increase (Decrease) in Fiduciary Net Position	—	55,233	5,483	1,678	—
Net Position, July 1	—	43,123	69,995	148	—
Net Position, June 30	$ —	$ 98,356	$ 75,478	$ 1,826	$ —

	Revenue Tax Collections for Local Governments	Survivor's Benefit Fund	Student Financial Aid and Support	Other Custodial Funds	Total	External Investment Pool
	$ —	$ —	$ —	$ —	$ 785,028	$ —
	9,588,322	—	—	—	10,325,603	—
	—	—	—	—	171,791	—
	—	—	—	—	157,731	—
	—	—	—	—	—	1,239
	—	—	2,375,311	—	2,375,311	—
	—	—	129,665	—	129,665	—
	—	—	2,891	91,858	94,749	—
	—	29,065	4	3,619	32,688	2,041
	—	—	—	—	—	6,659
	—	—	—	(10,050)	(10,050)	(74)
	9,588,322	29,065	2,507,871	85,427	14,062,516	9,865
	—	—	—	—	149,496	—
	—	—	—	—	729,795	—
	—	—	—	—	166,308	—
	9,588,322	—	—	—	10,325,603	—
	—	—	—	—	—	31,679
	—	—	2,375,058	—	2,375,058	—
	—	—	125,621	—	125,621	—
	—	—	837	64,855	65,692	—
	—	—	—	—	6,557	—
	9,588,322	—	2,501,516	64,855	13,944,130	31,679
	—	29,065	6,355	20,572	118,386	(21,814)
	—	242,570	16,204	122,693	494,733	80,468
	$ —	$ 271,635	$ 22,559	$ 143,265	$ 613,119	$ 58,654

NONMAJOR COMPONENT UNITS

Description of Nonmajor Component Units

Component units are legally separate organizations for which the State's elected officials are considered to be financially accountable. Nonmajor component units are described below:

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

Economic Development Organizations

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

The **Georgia Development Authority** is a body corporate and politic. The Authority was created to assist agricultural and industrial interests by providing credit and servicing functions to better enable farmers and businessmen to obtain needed capital funds. The Board consists of three State officials designated by statute and four members appointed by the Governor.

The **OneGeorgia Authority** is a body corporate and politic and an instrumentality and public corporation of the State. The purpose of the Authority is to promote the health, welfare, safety and economic society of the rural citizens of the State through the development and retention of employment opportunities in rural areas and the enhancement of the infrastructures that accomplish that goal. The six members of the Authority are State officials designated by statute.

The **Savannah-Georgia Convention Center Authority** a state Authority, effective July 1, 2019, formally Georgia International and Maritime Trade Center Authority is a body corporate and politic. The Authority was created to develop and promote the growth of the State's import and export markets through its ports and other transportation modes, and to construct, operate and maintain the Savannah International Trade and Convention Center. The Authority is governed by a board of directors composed of 11 members; 6 members appointed by the Governor; 3 members appointed by the members of the Georgia General Assembly representing Chatham County; the President of the Savannah Area Convention and Visitors' Bureau; and the President of the Savannah Economic Development Authority.

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

The **Georgia Military College** (GMC) is a public authority, body corporate and politic, and is an instrumentality and a public corporation of the State. GMC is dedicated to providing a high-quality military education to the youth of the State. The Board of Trustees consists of the mayor of the City of Milledgeville and six additional members, one of which is elected from each of the six municipal voting districts of the City, as required by statute. The government, control, and management of GMC are vested in the Board of Trustees. GMC receives any designated funds appropriated by the General Assembly through the Board of Regents of the University System of Georgia.

The **Georgia Public Telecommunications Commission** is a body corporate and politic. This Commission is a public charitable organization created for the purpose of providing educational, instructional and public broadcasting services to citizens of Georgia. The budget of the Commission must be approved by the State. The Board consists of nine members appointed by the Governor. Financial information presented for the Commission includes its component unit, Foundation for Public Broadcasting in Georgia, Inc.

Description of Nonmajor Component Units

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

The **Georgia Student Finance Authority** is a body corporate and politic. This Authority was created for the purpose of improving higher educational opportunities by providing educational scholarship, grant and loan assistance. A substantial amount of funding is provided to the Authority by the State. State officials comprise four of the 14 members of the Board, and the Governor appoints the remaining 10.

The **Higher Education Foundations** are nonprofit organizations established to secure and manage support for various projects including acquisitions and improvements of properties and facilities for the University System of Georgia.

The **REACH Georgia Foundation** is a nonprofit organization that was formed to ensure that Georgia's academically promising students have the academic, social and financial support needed to graduate from high school, access college and achieve postsecondary success. The REACH Georgia Program is the State of Georgia's first needs-based mentorship and college scholarship program and the Foundation's mission is to raise and invest funds.

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

The **Georgia Superior Court Clerks' Cooperative Authority** is a body corporate and politic and an instrumentality and public corporation of the State created to provide a cooperative for the development, acquisition and distribution of record management systems, information, services, supplies and materials for superior court clerks of the State. Of the 10 members of the Board, the Governor appoints four. The nature of this organization is such that it would be misleading to exclude it from the reporting entity.

Tourism / State Attractions

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

The **Georgia Agricultural Exposition Authority** is a body corporate and politic. This Authority is responsible for provision of a facility for the agricultural community, for public events, exhibits and other activities and for promotion and staging of a statewide fair. The Governor appoints the nine Board members.

The **Jekyll Island - State Park Authority** is a body corporate and politic and an instrumentality and public corporation of the State. The Authority was created to operate and manage resort recreational facilities on Jekyll Island. The Board consists of one State official designated by statute and eight members appointed by the Governor. Financial information presented for the Authority includes its component unit, Jekyll Island Foundation, Inc.

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

Lake Lanier Islands. The Board consists of one State official designated by statute and eight members appointed by the Governor.

The **North Georgia Mountains Authority** is a body corporate and politic and an instrumentality and public corporation of the State responsible for the construction and management of recreation, accommodation and tourist facilities and services. The Governor appoints the nine members of the Board.

The **Stone Mountain Memorial Association** is a body corporate and politic and an instrumentality and public corporation of the State. The Authority is responsible for the maintaining and operating of Stone Mountain as a Confederate memorial and public recreational area. The Board consists of one State official designated by statute and nine members appointed by the Governor.

Combining Statement of Net Position
Nonmajor Component Units
June 30, 2025
(amounts in thousands)

	Atlanta-region Transit Link Authority	Economic Development Organizations	Georgia Higher Education Assistance Corporation	Higher Education Foundations	Georgia Military College	Georgia Public Telecommunications Commission
Assets						
Current Assets:						
Cash and Cash Equivalents	$ 15,870	$ 35,895	$ —	$ 270,701	$ 15,057	$ 7,398
Pooled Investment with State Treasurer	69,709	692,314	—	5,385	—	—
Investments	—	—	—	169,064	8,872	16,841
Receivables (Net)	3,593	87,342	—	287,119	8,091	1,670
Due from Primary Government	188	—	—	2,750	—	131
Due from Component Units	—	—	—	—	—	—
Inventory	—	229	—	2,208	1,391	—
Prepaid	—	49	—	34,063	16	—
Other Current Assets	—	—	—	—	—	—
Restricted Assets						
Cash and Cash Equivalents	—	—	—	150,280	—	—
Investments	—	—	—	202,685	—	—
Other	—	—	—	67,263	—	—
Total Current Assets	89,360	815,829	—	1,191,518	33,427	26,040
Noncurrent Assets:						
Investments	—	—	—	430,337	—	—
Receivables (Net)	—	197,152	—	1,845,518	662	13,523
Other Noncurrent Assets	—	—	—	20,409	—	—
Restricted Assets						
Cash and Cash Equivalents	—	—	—	355,991	—	—
Investments	—	—	—	2,754,193	—	—
Net Pension Asset	—	—	—	—	—	—
Net OPEB Asset	487	—	—	—	84	934
Receivables (Net)	—	—	—	143,485	—	—
Capital Assets						
Non-depreciable Capital Assets	20,583	13,384	—	451,333	791	1,479
Depreciable Capital Assets (Net)	42,326	13,922	—	987,187	99,391	4,442
Non-amortized Right-to-use Assets (Net)	—	—	—	—	—	—
Amortized Right-to-use Assets (Net)	10,220	—	—	83,030	21,200	1,085
Total Noncurrent Assets	73,616	224,458	—	7,071,483	122,128	21,463
Total Assets	162,976	1,040,287	—	8,263,001	155,555	47,503
Deferred Outflows of Resources	1,402	—	—	20,610	16,261	5,247

REACH Georgia Foundation	Regional Educational Service Agencies	Georgia Regional Transportation Authority	Georgia Student Finance Authority	Georgia Superior Court Clerks' Cooperative Authority	Tourism State Attractions	Total
$ 13	$ 26,502	$ 16	$ 11,945	$ 11,470	$ 38,210	$ 433,077
—	8,808	4	99,150	—	7,873	883,243
97,408	223	—	—	—	—	292,408
—	19,352	10,318	147,682	2,100	22,777	590,044
—	—	—	960	—	—	4,029
—	—	—	52,002	—	—	52,002
—	2,887	—	—	—	2,010	8,725
—	592	—	—	—	246	34,966
—	—	—	334	163	—	497
50	—	—	—	17,318	—	167,648
—	—	—	—	—	—	202,685
—	—	—	—	—	—	67,263
97,471	58,364	10,338	312,073	31,051	71,116	2,736,587
—	—	—	—	—	—	430,337
—	1,783	—	179	—	229,316	2,288,133
—	—	—	—	—	—	20,409
—	—	—	—	—	1,506	357,497
—	—	—	—	—	—	2,754,193
—	—	—	—	—	—	—
—	92	—	—	365	1,309	3,271
—	—	—	—	—	—	143,485
—	1,397	—	374	—	41,653	530,994
—	6,698	—	981	3,913	217,198	1,376,058
—	—	—	—	—	239	239
—	223	—	—	600	1,376	117,734
—	10,193	—	1,534	4,878	492,597	8,022,350
97,471	68,557	10,338	313,607	35,929	563,713	10,758,937
—	36,776	—	—	390	5,904	86,590

(continued)

Combining Statement of Net Position
Nonmajor Component Units
June 30, 2025
(amounts in thousands)

	Atlanta-region Transit Link Authority	Economic Development Organizations	Georgia Higher Education Assistance Corporation	Higher Education Foundations	Georgia Military College	Georgia Public Telecommunications Commission
Liabilities						
Current Liabilities:						
Accounts Payable and Other Accruals	8,699	4,485	—	54,087	2,983	1,905
Accrued Interest Payable	9	—	—	29,364	—	—
Contracts Payable	—	—	—	2,608	—	—
Unearned Revenue	15,000	111	—	125,314	5,456	1,796
Policy Claims and Uninsured Liabilities	—	—	—	—	—	—
Due to Primary Government	67	73,894	—	325,699	6	11
Due to Component Units	—	—	—	—	—	—
Funds Held for Others	82	—	—	2,472	—	—
Other Liabilities	—	9,562	—	17,781	—	—
Current Portion of Long-term Liabilities	2,044	44	—	128,409	3,617	1,234
Current Liabilities Payable from Restricted Assets:						
Other	—	—	—	—	—	—
Total Current Liabilities	25,901	88,096	—	685,734	12,062	4,946
Noncurrent Liabilities:						
Unearned Revenue	—	—	—	84,804	—	—
Policy Claims and Uninsured Liabilities	—	—	—	—	—	—
Other Noncurrent Liabilities	—	48,018	—	8,587	—	—
Long-term Liabilities:						
Net OPEB Liability	—	—	—	—	18,147	12,079
Net Pension Liability	3,086	—	—	—	37,900	12,768
Noncurrent Portion of Long-term Liabilities	4,615	—	—	2,793,312	18,984	3,725
Total Noncurrent Liabilities	7,701	48,018	—	2,886,703	75,031	28,572
Total Liabilities	33,602	136,114	—	3,572,437	87,093	33,518
Deferred Inflows of Resources	780	—	—	29,221	23,396	21,027
Net Position						
Net Investment in Capital Assets	62,705	20,951	—	559,719	99,400	5,870
Restricted for:						
Bond Covenants/Debt Service	—	—	—	19,840	—	—
Capital Projects	—	1,396	—	274,830	—	—
Higher Education	—	900	—	—	—	—
Permanent Trust Expendable	—	4,122	—	1,218,583	—	—
Other Purposes	286	456,905	—	145,370	—	—
Nonexpendable:						
Permanent Trust	—	—	—	1,601,065	—	—
Other Purposes	—	—	—	1,550	—	—
Loan and Grant Program	—	396,965	—	—	—	—
Unrestricted	67,005	22,934	—	860,996	(38,073)	(7,665)
Total Net Position	$ 129,996	$ 904,173	$ —	$ 4,681,953	$ 61,327	$ (1,795)

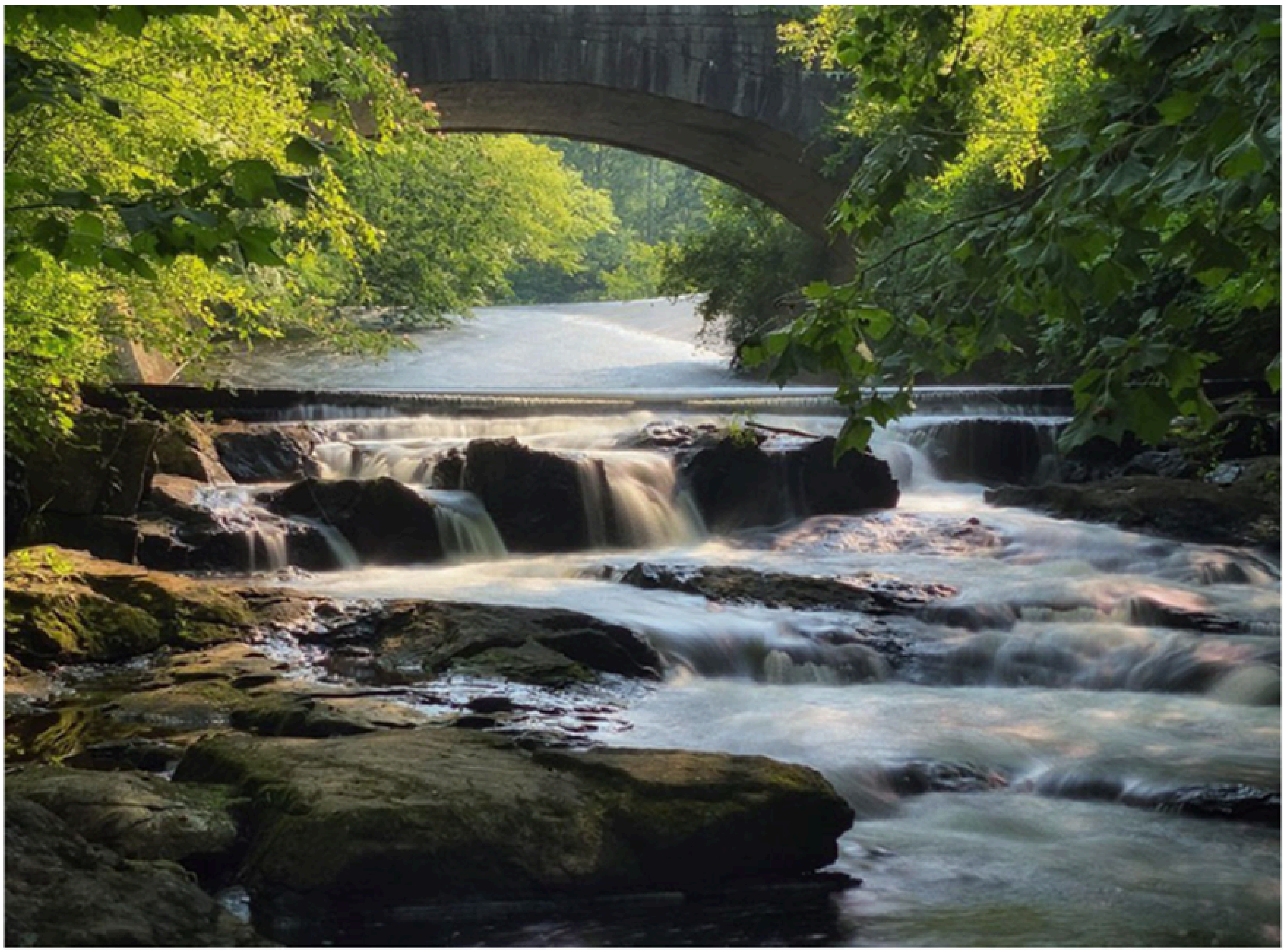
REACH Georgia Foundation	Regional Educational Service Agencies	Georgia Regional Transportation Authority	Georgia Student Finance Authority	Superior Court Clerks' Cooperative Authority	Tourism State Attractions	Total
—	7,494	13,223	959	10,126	6,346	110,307
—	6	—	—	—	2	29,381
—	—	—	—	—	—	2,608
—	117	—	50	—	6,730	154,574
—	—	—	—	—	—	—
—	—	2	—	—	4	399,683
52,002	—	—	—	—	—	52,002
—	—	—	—	—	—	2,554
—	8	—	—	—	1,422	28,773
—	528	—	13	429	3,233	139,551
—	—	—	—	8,000	—	8,000
52,002	8,153	13,225	1,022	18,555	17,737	927,433
—	—	—	—	—	—	84,804
—	—	—	—	—	—	—
—	—	—	—	—	—	56,605
—	38,937	—	—	—	—	69,163
—	78,373	—	—	1,174	18,483	151,784
—	2,243	—	525	410	20,899	2,844,713
—	119,553	—	525	1,584	39,382	3,207,069
52,002	127,706	13,225	1,547	20,139	57,119	4,134,502
—	45,869	—	348	276	236,433	357,350
—	4,274	—	1,317	3,813	245,183	1,003,232
—	—	—	—	—	(822)	19,018
—	—	—	—	—	10,345	286,571
—	—	—	—	—	—	900
—	—	—	—	—	—	1,222,705
45,456	92	—	263,147	—	3,437	914,693
—	—	—	—	—	—	1,601,065
—	—	—	—	—	—	1,550
—	—	—	—	—	—	396,965
13	(72,608)	(2,887)	47,248	12,091	17,922	906,976
$ 45,469	$ (68,242)	$ (2,887)	$ 311,712	$ 15,904	$ 276,065	$ 6,353,675

Combining Statement of Activities
Nonmajor Component Units
For the Fiscal Year Ended June 30, 2025
(amounts in thousands)

	Atlanta-region Transit Link Authority	Economic Development Organizations	Georgia Higher Education Assistance Corporation	Higher Education Foundations	Georgia Military College	Georgia Public Telecommunications Commission
Expenses	$ 26,184	$ 84,715	$ —	$ 1,588,661	$ 80,187	$ 41,136
Program Revenues:						
Sales and Charges for Services	1,876	28,879	—	615,973	36,136	10,272
Operating Grants and Contributions	25,952	135,822	—	1,277,001	48,503	13,376
Capital Grants and Contributions	63,665	1,745	—	25	1,535	568
Total Program Revenues	91,493	166,446	—	1,892,999	86,174	24,216
Net (Expenses) Revenue	65,309	81,731	—	304,338	5,987	(16,920)
General Revenues:						
Taxes	—	8,936	—	—	—	—
Unrestricted Investment Income	—	1,512	—	110,537	—	—
Payments from the Primary Government	9,210	174,460	—	—	—	16,643
Contributions to Permanent Endowments	—	—	—	100,077	—	—
Total General Revenues	9,210	184,908	—	210,614	—	16,643
Change in Net Position	74,519	266,639	—	514,952	5,987	(277)
Beginning Net Position	55,477	637,534	—	4,167,001	55,340	(1,518)
Net Position, June 30	$ 129,996	$ 904,173	$ —	$ 4,681,953	$ 61,327	$ (1,795)

REACH Georgia Foundation	Regional Educational Service Agencies	Georgia Regional Transportation Authority	Georgia Student Finance Authority	Georgia Superior Court Clerks' Cooperative Authority	Tourism State Attractions	Total
$ 404	$ 134,836	$ 3,186	$ 76,140	$ 22,651	$ 106,039	$ 2,164,139
—	27,744	—	59,007	21,174	67,576	868,637
12,959	118,086	2,820	—	655	26,125	1,661,299
—	—	—	—	—	4,561	72,099
12,959	145,830	2,820	59,007	21,829	98,262	2,602,035
12,555	10,994	(366)	(17,133)	(822)	(7,777)	437,896
—	—	—	—	—	3,837	12,773
400	—	—	—	—	—	112,449
—	—	366	—	—	937	201,616
—	—	—	—	—	—	100,077
400	—	366	—	—	4,774	426,915
12,955	10,994	—	(17,133)	(822)	(3,003)	864,811
32,514	(79,236)	(2,887)	328,845	16,726	279,068	5,488,864
$ 45,469	$ (68,242)	$ (2,887)	$ 311,712	$ 15,904	$ 276,065	$ 6,353,675

STATISTICAL SECTION



Hard Labor Creek State Park
Rutledge, Georgia
Submitted by State Accounting Office

This part of the *Annual Comprehensive Financial Report* presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the State's overall financial health.

Index **Page**

Financial Trends Information

These schedules contain trend information to help the reader understand how the State's financial performance and well-being have changed over time.

Revenue Capacity Information

These schedules contain information to help the reader assess the State's most significant revenue source: personal income tax.

Debt Capacity Information

These schedules present information to help the reader assess the affordability of the State's current levels of outstanding debt and the State's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the State's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the State's financial report relates to the services the State provides and the activities it performs.

Sources: : Unless otherwise noted, the information in these schedules is derived from the *Annual Comprehensive Financial Reports* for the relevant year.

Schedule 1
Net Position by Component
For the Last Ten Fiscal Years

(accrual basis of accounting)
(amounts in thousands)

	2025	2024	2023	2022
Governmental Activities [(1) (3)]				
Net Investment in Capital Assets	$ 30,619,276	$ 28,146,729	$ 25,910,175	$ 23,922,912
Restricted	11,387,669	11,061,086	9,829,326	8,965,463
Unrestricted	10,895,641	11,046,558	9,420,604	4,130,094
Total Governmental Activities Net Position	$ 52,902,586	$ 50,254,373	$ 45,160,105	$ 37,018,469
Business-Type Activities [(1) (2)]				
Net Investment in Capital Assets	$ 10,359,669	$ 9,913,820	$ 9,433,321	$ 9,103,939
Restricted	3,344,209	2,969,200	2,721,596	2,258,572
Unrestricted	(4,492,514)	(5,097,060)	(5,280,016)	(5,843,378)
Total Business-type Activities Net Position	$ 9,211,364	$ 7,785,960	$ 6,874,901	$ 5,519,133
Total Primary Government [(1) (2) (3)]				
Net Investment in Capital Assets	$ 37,925,242	$ 34,658,528	$ 31,890,611	$ 29,653,291
Restricted	14,731,878	14,030,286	12,550,922	11,224,035
Unrestricted	9,456,830	9,351,519	7,593,473	1,660,276
Total Primary Government Net Position	$ 62,113,950	$ 58,040,333	$ 52,035,006	$ 42,537,602

(1) In fiscal year 2017, SRTA was re-examined, and it was determined that the toll facilities and customer service center (previously part of governmental activities) are now reported as part of business-type activities. In fiscal year 2018, SRTA determined that the customer service center no longer met the requirements of an Internal Service Fund. The activity of the customer service center was previously reported within SRTA's Nonmajor Enterprise Fund. In addition, SRTA's nonmajor enterprise fund included the Xpress commuter bus service and administration of the vanpool program that was previously reported by Georgia Regional Transportation Authority, a discretely presented component unit. In fiscal year 2019, SAO management decided to report SRTA's financial position and activities on a one-year lag. In fiscal year 2020, SAO management change the method to reporting for SRTA's financial position and activities on an estimated basis. In FY2022, SRTA's financial position and activities were changed from estimates to actuals.

(2) Beginning in fiscal year 2016, the Georgia Tech Facilities, Inc., the Middle Georgia State University Real Estate Foundation, Inc., the University of North Georgia Real Estate Foundation, Inc., and the University System of Georgia Foundation, Inc. are discreetly presented (previously blended) and the activity of the Georgia State University Research Foundation, Inc. is removed as it no longer met requirements for inclusion in the financial reporting entity as nonmajor enterprise funds. In fiscal year 2017 the Georgia Southern University Housing Foundation, Inc., UWG Real Estate Foundation, Inc. and VSU Auxiliary Services Real Estate Foundation, Inc. are reported as discretely presented component units (previously Higher Education Fund).

(3) The Department of Community Health (DCH) had correction of prior year errors of accruals for receivables and expenditures related the Care Management Organization (CMO) rate adjustments to the Federal agency that oversees Medicaid, CMS (the Centers for Medicare and Medicaid Services) for fiscal years 2023, 2022, 2021 and 2020.

Source: Financial Statements included in Current and Prior Years' *Annual Comprehensive Financial Reports*

Fiscal Year					
2021	2020	2019	2018	2017	2016
$ 23,070,070	$ 21,408,838	$ 20,361,680	$ 19,542,361	$ 18,575,368	$ 17,213,380
7,895,616	6,403,263	6,275,129	5,792,152	5,013,504	4,499,014
(4,264,983)	(7,609,857)	(7,660,565)	(8,506,350)	(5,210,957)	(5,745,504)
$ 26,700,703	$ 20,202,244	$ 18,976,244	$ 16,828,163	$ 18,377,915	$ 15,966,890
$ 8,593,594	$ 8,529,759	$ 8,429,136	$ 7,849,961	$ 7,773,009	$ 7,529,660
1,689,450	1,872,318	3,349,557	2,955,296	2,639,561	1,837,521
(6,846,987)	(6,344,267)	(6,201,340)	(6,250,035)	(4,484,701)	(3,857,184)
$ 3,436,057	$ 4,057,810	$ 5,577,353	$ 4,555,222	$ 5,927,869	$ 5,509,997
$ 28,290,100	$ 26,614,216	$ 25,566,212	$ 24,372,160	$ 23,502,948	$ 21,892,080
9,585,066	8,275,581	9,624,686	8,747,448	7,653,065	6,336,535
(7,738,406)	(10,629,743)	(10,637,301)	(11,736,223)	(6,850,229)	(6,751,728)
$ 30,136,760	$ 24,260,054	$ 24,553,597	$ 21,383,385	$ 24,305,784	$ 21,476,887

Schedule 2
Changes in Net Position
For the Last Ten Fiscal Years
(accrual basis of accounting)
(amounts in thousands)

	2025	2024	2023	2022
Expenses				
Governmental Activities				
General Government	$ 4,198,063	$ 4,707,029	$ 2,752,005	$ 1,858,419
Education	19,340,517	19,703,715	22,276,859	17,159,895
Health and Welfare	28,442,241	25,531,417	26,892,697	25,056,412
Transportation (1)	3,592,627	3,870,558	3,151,843	2,877,965
Public Safety	4,204,215	3,303,259	2,896,710	2,678,996
Economic Development and Assistance	1,391,341	1,098,961	822,101	600,685
Culture and Recreation	328,069	406,637	403,942	328,455
Conservation	97,277	86,456	81,294	76,462
Interest and Other Charges on Long-Term Debt (1)	544,090	73,740	520,199	335,152
Total Governmental Activities	62,138,440	58,781,772	59,797,650	50,972,441
Business-type Activities				
Higher Education Fund (2)	11,997,350	11,592,480	11,074,416	10,541,832
State Health Benefit Plan	4,256,835	3,908,324	3,280,753	3,477,097
Unemployment Compensation Fund	304,174	376,486	83,294	253,672
Nonmajor Enterprise Funds (1) (2)	261,577	176,767	66,272	67,034
Total Business-type Activities	16,819,936	16,054,057	14,504,735	14,339,635
Total Primary Government Expenses	$ 78,958,376	$ 74,835,829	$ 74,302,385	$ 65,312,076
Program Revenues				
Governmental Activities (1) (2) (3)				
Sales and Charges for Services				
General Government	$ 1,143,771	$ 1,365,353	$ 983,602	$ 911,257
Health and Welfare	177,664	83,646	163,710	582,058
Public Safety	203,338	181,677	166,898	165,233
Other Sales and Charges for Services	357,298	337,849	383,083	314,830
Operating Grants and Contributions	27,913,060	26,739,917	32,222,749	26,823,139
Capital Grants and Contributions	2,076,069	2,050,874	1,837,763	1,522,385
Total Governmental Activities	31,871,200	30,759,316	35,757,805	30,318,902
Business-type Activities (1)				
Sales and Charges for Services				
Higher Education Fund (2)	3,958,935	3,780,957	3,664,465	3,774,710
State Health Benefit Plan (4)	4,609,488	4,024,579	3,467,702	3,102,277
Unemployment Compensation Fund (4)	505,586	491,766	583,218	562,576
Nonmajor Enterprise Funds (1) (2)	338,767	201,010	80,992	70,183
Operating Grants and Contributions	4,755,390	4,453,037	4,161,060	5,030,248
Capital Grants and Contributions	129,447	62,545	58,107	54,308
Total Business-type Activities	14,297,613	13,013,894	12,015,544	12,594,302
Total Primary Government Program Revenues	$ 46,168,813	$ 43,773,210	$ 47,773,349	$ 42,913,204
Net (Expense) Revenue				
Governmental Activities (1)	$ (30,267,240)	$ (28,022,456)	$ (24,039,845)	$ (20,653,539)
Business-type Activities (2) (3) (4)	(2,522,323)	(3,040,163)	(2,489,191)	(1,745,333)
Total Primary Government	$ (32,789,563)	$ (31,062,619)	$ (26,529,036)	$ (22,398,872)

Fiscal Year

2021	2020	2019	2018	2017	2016
$ 2,305,031	$ 1,580,323	$ 1,262,837	$ 1,380,132	$ 1,229,891	$ 1,385,643
16,048,419	14,744,905	13,892,451	13,266,545	12,655,824	12,024,645
22,448,706	18,984,268	18,015,041	18,082,536	17,238,499	16,795,986
2,602,147	2,831,753	2,668,539	2,400,875	1,964,380	1,917,223
2,196,467	2,557,268	2,605,402	2,525,521	2,628,645	2,145,769
492,212	414,177	465,465	524,516	645,604	509,074
296,593	291,934	309,863	308,917	279,375	279,772
65,701	59,402	54,758	72,135	60,603	59,409
415,166	309,200	381,895	379,211	394,388	424,595
46,870,442	41,773,230	39,656,251	38,940,388	37,097,209	35,542,116
10,208,186	10,355,168	9,739,025	9,300,291	9,063,716	8,576,540
3,173,666	2,735,542	2,613,192	2,882,954	2,296,062	2,153,073
12,925,409	10,229,884	319,367	325,523	328,266	379,714
87,827	204,559	205,638	207,054	194,402	11,587
26,395,088	23,525,153	12,877,222	12,715,822	11,882,446	11,120,914
$ 73,265,530	$ 65,298,383	$ 52,533,473	$ 51,656,210	$ 48,979,655	$ 46,663,030
$ 838,181	$ 759,685	$ 761,015	$ 724,539	$ 698,096	$ 799,281
97,934	70,209	75,300	78,995	292,832	91,838
184,815	29,291	187,020	184,472	186,972	167,297
308,672	295,692	277,008	273,257	236,843	275,045
23,239,740	17,728,046	16,236,248	16,277,251	15,611,324	15,372,385
1,580,949	1,730,727	1,614,685	1,560,745	1,608,086	1,377,654
26,250,291	20,613,650	19,151,276	19,099,259	18,634,153	18,083,500
3,490,490	3,583,317	3,730,124	3,578,611	3,552,863	3,509,384
3,079,378	2,827,312	2,523,714	2,965,082	2,188,034	2,121,100
570,965	633,361	592,707	649,655	709,830	785,392
40,407	39,844	40,566	43,124	30,181	11,640
15,698,794	11,723,271	3,354,730	3,031,969	2,788,516	2,636,285
27,227	103,004	109,838	107,167	79,085	60,543
22,907,261	18,910,109	10,351,679	10,375,608	9,348,509	9,124,344
$ 49,157,552	$ 39,523,759	$ 29,502,955	$ 29,474,867	$ 27,982,662	$ 27,207,844
$ (20,620,151)	$ (21,159,580)	$ (20,504,975)	$ (19,841,129)	$ (18,463,056)	$ (17,458,616)
(3,487,827)	(4,615,044)	(2,525,543)	(2,340,214)	(2,533,937)	(1,996,570)
$ (24,107,978)	$ (25,774,624)	$ (23,030,518)	$ (22,181,343)	$ (20,996,993)	$ (19,455,186)

(continued)

Schedule 2
Changes in Net Position
For the Last Ten Fiscal Years
(accrual basis of accounting)
(amounts in thousands)

	2025	2024	2023	2022
General Revenues and Other Changes in Net Position				
Governmental Activities (1) (2)				
General Revenues				
Taxes				
Individual Income	$ 15,310,427	$ 15,784,257	$ 16,040,831	$ 17,424,758
Sales - General	9,393,731	9,324,102	9,004,724	8,447,837
Motor Fuel Tax	2,229,457	1,759,162	836,367	1,601,486
Motor Vehicle License and Title Ad Valorem Taxes(4)	1,297,763	1,271,220	1,238,623	1,240,166
Corporate Tax	3,284,695	3,694,984	3,696,720	2,393,161
Other Taxes	1,164,285	1,222,918	1,349,988	1,114,093
Lottery for Education - Lottery Proceeds(4)	1,467,972	1,133,615	1,516,383	1,474,003
Nursing Home and Hospital Provider Fees(4)	698,086	529,614	532,147	525,555
Tobacco Settlement Funds(4)	139,447	147,000	164,832	180,573
Unrestricted Investment Income	1,512,696	1,736,128	1,064,891	(24,622)
Unclaimed Property	131,486	220,261	232,593	129,263
Other	231,050	244,412	251,001	217,998
Transfers	(3,945,642)	(3,950,949)	(3,841,817)	(3,785,712)
Total Governmental Activities	32,915,453	33,116,724	32,087,283	30,938,559
Business-type Activities (1) (2)				
General Revenues				
Contributions to Permanent Endowments	2,085	273	3,142	11,817
Transfers	3,945,642	3,950,949	3,841,817	3,785,712
Total Business-type Activities	3,947,727	3,951,222	3,844,959	3,797,529
Total Primary Government General Revenues and Other Changes in Net Position	$ 36,863,180	$ 37,067,946	$ 35,932,242	$ 34,736,088
Changes in Net Position				
Governmental Activities (1) (2)	$ 2,648,213	$ 5,094,268	$ 8,047,438	$ 10,285,020
Business-type Activities (1) (2) (3)	1,425,404	911,059	1,355,768	2,052,196
Total Primary Government	$ 4,073,617	$ 6,005,327	$ 9,403,206	$ 12,337,216

(1) Beginning in fiscal year 2016, the Georgia Tech Facilities, Inc., the Middle Georgia State University Real Estate Foundation, Inc., the University of North Georgia Real Estate Foundation, Inc., and the University System of Georgia Foundation, Inc. are discretely presented (previously blended) and the activity of the Georgia State University Research Foundation, Inc. is removed as it no longer met requirements for inclusion in the financial reporting entity as nonmajor enterprise funds. Additionally, Georgia Southern University Housing Foundation, Inc., UWG Real Estate Foundation, Inc., and VSU Auxiliary Services Real Estate Foundation, Inc. are reported in the Higher Education Fund (previously blended nonmajor enterprise funds). Then in fiscal year 2017 these three foundations no longer met the requirements for being reported in the Higher Education Fund and are reported as discretely presented component units.

(2) In fiscal year 2017, SRTA was re-examined and it was determined that the toll facilities and customer service center (previously part of governmental activities) are now reported as part of business-type activities.

Fiscal Year

	2021	2020	2019	2018	2017	2016
	$ 13,699,488	$ 12,529,857	$ 12,255,424	$ 11,109,361	$ 11,318,052	$ 9,799,035
	7,268,260	6,212,812	6,226,817	5,905,929	5,798,400	5,730,560
	1,779,560	1,872,628	1,836,890	1,800,191	1,741,413	1,668,568
	1,139,049	1,041,107	1,253,113	1,314,354	1,347,626	1,307,054
	1,741,239	1,214,809	1,272,157	1,004,524	955,791	981,475
	1,321,424	1,069,632	939,419	1,124,370	607,929	1,515,674
	1,544,954	1,237,345	1,207,369	1,143,515	1,101,062	1,097,823
	519,078	513,666	488,218	465,595	442,576	434,126
	175,995	157,009	163,851	168,926	140,938	137,035
	15,468	148,822	205,072	104,230	50,631	33,936
	179,098	141,925	144,841	151,462	143,683	153,257
	171,346	185,350	221,221	184,240	196,046	12,916
	(2,871,515)	(3,035,910)	(3,485,850)	(2,993,509)	(2,803,960)	(2,639,131)
	26,683,444	23,289,052	22,728,542	21,483,188	21,040,187	20,232,328
	731	964	1,300	345	833	137
	2,871,515	3,035,910	3,485,850	2,993,509	2,803,960	2,639,131
	2,872,246	3,036,874	3,487,150	2,993,854	2,804,793	2,639,268
	$ 29,555,690	$ 26,325,926	$ 26,215,692	$ 24,477,042	$ 23,844,980	$ 22,871,596
	$ 6,063,293	$ 2,129,472	$ 2,223,567	$ 1,642,059	$ 2,577,131	$ 2,773,712
	(615,581)	(1,578,170)	961,607	653,640	270,856	642,698
	$ 5,447,712	$ 551,302	$ 3,185,174	$ 2,295,699	$ 2,847,987	$ 3,416,410

(3) The Department of Community Health (DCH) had correction of prior year errors of accruals for receivables and expenditures related the Care Management Organization (CMO) rate adjustments to the Federal agency that oversees Medicaid, CMS (the Centers for Medicare and Medicaid Services) for fiscal years 2023, 2022, 2021 and 2020.

Source: Financial Statements included in Current and Prior Years' *Annual Comprehensive Financial Reports* and supporting working papers (certain amounts restated for purposes of comparability)

Schedule 3
Fund Balances of Governmental Funds
For the Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts in thousands)

	2025	2024	2023	2022	2021
General Fund					
Nonspendable	$ 43,037	$ 32,615	$ 41,820	$ 39,268	$ 27,612
Restricted	7,057,431	7,016,066	7,623,233	6,849,387	6,358,911
Unrestricted					
Committed	24,280	45,996	38,112	30,689	21,145
Assigned	3,254,047	2,622,280	2,531,513	1,504,894	818,728
Unassigned	14,286,603	16,611,203	15,825,262	11,761,403	6,184,089
Total General Fund	$ 24,665,398	$ 26,328,160	$ 26,059,940	$ 20,185,641	$ 13,410,485
All Other Governmental Funds (1)					
Nonspendable	$ —	$ 2	$ —	$ —	$ —
Restricted	4,264,309	4,099,852	2,756,460	2,775,287	2,548,478
Unrestricted					
Assigned	677,457	705,900	605,179	99,336	47,877
Total All Other Governmental Funds	$ 4,941,766	$ 4,805,754	$ 3,361,639	$ 2,874,623	$ 2,596,355

(1) In fiscal year 2017, the activities of SRTA were re-examined, and only SRTA's General Fund are included in the State's Special Revenue Funds.

(2) The Department of Community Health (DCH) had correction of prior year errors of accruals for receivables and expenditures related the Care Management Organization (CMO) rate adjustments to the Federal agency that oversees Medicaid, CMS (the Centers for Medicare and Medicaid Services) for fiscal years 2023, 2022, 2021 and 2020.

Source: Financial Statements included in Current and Prior Years' *Annual Comprehensive Financial Reports*
(certain amounts restated for purposes of comparability)

Fiscal Year

2020	2019	2018	2017	2016
$ 39,561	$ 20,780	$ 35,375	$ 82,570	$ 66,744
5,501,623	5,438,608	5,118,497	4,652,244	4,112,561
17,372	9,385	11,753	10,921	9,287
494,586	522,273	437,737	418,815	345,667
2,414,540	2,833,072	2,506,449	2,211,442	1,795,230
$ 8,467,682	$ 8,824,118	$ 8,109,811	$ 7,375,992	$ 6,329,489
$ 16,770	$ 16,770	$ 16,770	$ 15,289	$ 136
1,781,860	1,916,578	1,475,928	1,310,861	1,242,119
54,949	72,796	84,912	74,100	69,288
$ 1,853,579	$ 2,006,144	$ 1,577,610	$ 1,400,250	$ 1,311,543

State of Georgia

Schedule 4
Changes in Fund Balances of Governmental Funds
For the Last Ten Fiscal Years

(modified accrual basis of accounting)
(amounts in thousands)

	2025	2024	2023	2022	2021
Revenues [1]					
Taxes					
Individual Income	$ 15,338,870	$ 15,785,870	$ 15,864,000	$ 17,399,160	$ 14,024,344
Sales - General	9,405,886	9,332,085	9,000,002	8,445,396	7,343,273
Motor Fuel Tax	2,229,457	1,759,162	836,367	1,601,486	1,779,560
Motor Vehicle License and Title ad valorem Taxes[3]	1,297,763	1,271,220	1,238,623	1,240,166	1,139,049
Corporate Tax	3,296,575	3,651,978	3,671,303	2,298,751	1,741,239
Other Taxes	1,177,702	1,216,080	1,329,842	1,110,454	1,003,107
Licenses and Permits	641,373	567,444	478,030	458,548	432,292
Intergovernmental - Federal	27,809,992	26,702,690	32,172,835	27,228,373	23,894,966
Intergovernmental - Other	2,168,930	1,140,715	1,590,527	943,281	732,248
Sales and Services	739,982	696,550	793,549	521,107	535,639
Fines and Forfeits	466,138	472,239	535,414	515,805	483,319
Interest and Other Investment Income	1,816,745	1,933,658	1,178,917	(41,960)	35,523
Unclaimed Property	143,745	222,351	233,171	131,181	180,361
Lottery Proceeds	1,467,972	1,133,615	1,516,383	1,474,003	1,544,954
Nursing Home Provider Fees	133,699	128,552	144,713	150,790	152,797
Hospital Provider Payments	564,387	401,061	387,434	374,765	366,281
Other	448,850	379,157	372,339	387,039	320,865
Total Revenues	69,148,066	66,794,427	71,343,449	64,238,345	55,709,817
Expenditures [1]					
Current					
General Government	3,242,569	3,833,249	2,448,187	1,933,951	1,624,883
Education	19,365,221	19,722,266	22,258,541	17,313,420	16,025,139
Health and Welfare	28,892,323	25,597,360	26,887,885	25,196,746	22,532,526
Transportation	5,946,957	5,054,768	4,082,707	3,470,747	3,426,702
Public Safety	4,221,095	3,226,231	2,903,372	2,642,397	2,303,584
Economic Development and Assistance	1,405,152	1,076,224	785,502	640,045	489,623
Culture and Recreation	465,778	437,445	413,453	361,559	324,340
Conservation	100,123	90,337	73,787	70,155	61,522
Capital Outlay	973,361	914,427	820,911	766,967	793,847
Debt Service					
Principal	971,605	931,140	1,131,640	1,136,230	931,555
Interest	369,805	410,228	428,261	515,638	420,137
Other Charges	15,961	11,199	11,521	161,868	195,734
Intergovernmental	257,472	—	3,505	267,633	230,413
Total Expenditures	66,227,422	61,304,874	62,249,272	54,477,356	49,360,005
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,920,644	5,489,553	9,094,177	9,760,989	6,349,812

Fiscal Year

2020	2019	2018	2017	2016
$ 12,545,944	$ 12,202,473	$ 11,644,160	$ 11,023,806	$ 10,078,312
6,230,249	6,286,292	6,019,297	5,781,149	5,473,282
1,872,628	1,836,890	1,800,191	1,741,414	1,668,568
1,041,107	1,253,113	1,314,354	1,347,626	1,307,054
1,214,809	1,272,157	1,004,524	955,790	981,475
1,125,499	851,105	1,057,108	977,494	1,186,308
411,368	406,811	423,796	392,102	499,313
18,143,571	16,930,680	16,926,361	16,543,931	15,946,548
618,597	663,598	637,053	519,077	547,897
444,394	429,050	426,328	608,204	403,849
482,952	523,033	475,711	475,421	464,064
208,359	285,225	142,282	68,780	50,219
141,925	144,841	151,462	143,683	153,257
1,237,345	1,207,369	1,143,515	1,101,062	1,097,823
168,453	154,263	161,575	156,746	163,524
345,213	333,955	304,020	285,830	270,602
380,507	328,212	308,655	288,396	130,774
46,612,920	45,109,067	43,940,392	42,410,511	40,422,869
1,200,665	1,018,790	963,123	915,149	1,021,257
14,693,652	13,859,041	13,271,141	12,605,566	12,010,308
19,033,260	18,192,601	18,205,579	17,225,344	16,872,312
3,450,047	3,239,744	2,882,072	2,901,428	2,181,785
2,597,921	2,697,770	2,607,044	2,540,030	2,193,494
414,221	525,126	565,462	692,393	600,031
292,628	311,170	302,262	301,768	304,703
58,921	62,549	85,328	58,888	56,514
959,817	890,631	902,083	889,793	765,976
1,056,725	1,029,075	1,068,590	1,042,625	988,145
440,086	436,216	430,077	419,177	449,666
22,676	23,765	27,036	26,541	25,848
276,081	178,421	246,015	175,136	200,373
44,496,700	42,464,899	41,555,812	39,793,838	37,670,412
2,116,220	2,644,168	2,384,580	2,616,673	2,752,457

(continued)

State of Georgia

Schedule 4
Changes in Fund Balances of Governmental Funds
For the Last Ten Fiscal Years

(modified accrual basis of accounting)
(amounts in thousands)

	2025	2024	2023	2022	2021
Other Financing Sources (Uses) (1)					
General Obligation Bonds Issuance	—	621,335	704,075	1,096,630	1,132,515
Refunding Bonds Issuance	—	259,545	487,585	—	—
Revenue Bond Issuance	—	—	—	—	—
GARVEE Bond Issuance	—	—	—	—	484,160
Debt Issuance - Other	—	—	—	—	—
Premium on General Obligation Bonds Sold	—	51,479	50,773	187,541	183,801
Premium on Refunding Bonds Sold	—	20,592	38,929	—	—
Premium on GARVEE Bonds Sold	—	—	—	—	117,790
Payment to Refunded Bond Escrow Agent	—	(279,648)	(525,723)	—	—
Lease Obligations Issuance	86,155	81,598	58,663	71,368	28,248
Subscription Obligations Issuance	91,390	130,495	56,887	—	—
Transfers In	3,609,543	3,801,400	2,420,561	2,011,196	1,782,170
Transfers Out	(8,234,482)	(8,464,014)	(6,157,245)	(6,036,214)	(4,498,939)
Net Other Financing Sources (Uses)	(4,447,394)	(3,777,218)	(2,865,495)	(2,669,479)	(770,255)
Net Change in Fund Balance	$ (1,526,750)	$ 1,712,335	$ 6,228,682	$ 7,091,510	$ 5,579,557
Debt Service Expenditures as a Percentage of Noncapital Expenditures (2)	2.17 %	2.31 %	2.62 %	3.14 %	2.86 %

(1) In fiscal year 2017, the activities of SRTA were re-examined, and only SRTA's General Funds was included in the State's Special Revenue Funds.

(2) Noncapital expenditures are calculated as total expenditures less capital outlay expenditures less capital expenditures in current expenditure functions. Capital expenditures in current expenditure functions are identified in the process of reconciling Governmental Funds to Governmental Activities.

(3) The Department of Community Health (DCH) had correction of prior year errors of accruals for receivables and expenditures related the Care Management Organization (CMO) rate adjustments to the Federal agency that oversees Medicaid, CMS (the Centers for Medicare and Medicaid Services) for fiscal years 2023, 2022, 2021 and 2020.

Source: Financial Statements included in Current and Prior Years' *Annual Comprehensive Financial Reports* and supporting working papers

Fiscal Year				
2020	2019	2018	2017	2016
914,675	1,228,625	1,041,015	920,035	1,008,355
321,835	285,915	634,545	1,340,265	275,985
—	—	—	—	—
—	—	—	—	—
63,850	63,850	63,850	52,720	20,926
85,090	95,163	119,498	111,054	94,194
29,772	27,159	91,178	283,301	—
11,455	11,455	11,455	—	—
(351,591)	(313,095)	(724,870)	(1,620,595)	(302,322)
13,300	16,304	9,625	35,155	27,617
—	—	—	—	—
1,758,836	1,653,039	1,705,963	1,594,219	1,718,186
(4,630,778)	(4,477,445)	(4,425,660)	(4,165,721)	(4,081,733)
(1,783,556)	(1,409,030)	(1,473,401)	(1,449,567)	(1,238,792)
$ 332,664	$ 1,235,138	$ 911,179	$ 1,167,106	$ 1,513,665
3.56 %	3.60 %	3.77 %	3.90 %	3.98 %

Schedule 5
Revenue Base - Personal Income by Industry
For the Last Ten Calendar Years
(amounts in millions)

	2024	2023	2022	2021	2020
Accommodation and Food Services	$ 16,887	$ 16,576	$ 16,031	$ 12,969	$ 11,381
Administrative and Waste Management Services	23,871	25,187	25,189	22,453	19,288
Arts, Entertainment and Recreation	4,563	4,454	3,378	2,992	2,699
Construction	31,295	28,776	27,161	25,569	23,232
Educational Services	7,844	7,501	6,850	6,506	5,820
Farm Earnings	3,521	1,458	4,162	1,968	1,669
Federal Government - Civilian	15,663	14,608	13,324	13,029	12,536
Federal Government - Military	8,986	8,191	7,829	7,533	7,330
Finance and Insurance	31,675	29,395	29,301	27,097	24,605
Forestry, Fishing and Related Activities	1,139	1,070	1,091	1,207	1,133
Health Care and Social Assistance	52,095	48,302	43,886	42,032	37,427
Information	20,768	17,560	27,788	25,713	20,926
Management of Companies and Enterprises	16,531	15,017	15,886	14,043	13,895
Manufacturing	42,086	40,433	37,233	33,849	30,848
Mining	776	695	977	869	948
Other Services, Except Public Administration	14,464	14,677	12,979	13,166	11,981
Professional, Scientific and Technical Services	52,465	50,872	47,573	42,233	38,693
Real Estate, Rental and Leasing	11,533	12,298	12,413	14,665	12,376
Retail Trade	28,712	27,062	26,707	25,597	23,020
State and Local Government	47,519	43,564	42,186	39,478	37,978
Transportation and Warehousing	25,539	24,704	21,873	19,087	18,484
Utilities	3,811	4,191	3,900	3,845	3,817
Wholesale Trade	28,814	26,802	25,990	23,351	21,559
Other	213,908	182,714	169,739	177,849	166,331
Total Personal Income	$ 704,465	$ 646,107	$ 623,446	$ 597,100	$ 547,976
Average Effective Rate [1]	2.2 %	2.5 %	2.8 %	2.3 %	2.3 %

(1) The total direct rate for personal income is not available. The average effective rate was calculated by dividing individual income tax collections on a fiscal year basis (see Schedule 4) by total personal income on a calendar year basis.

Source: U. S. Department of Commerce, Bureau of Economic Analysis

Calendar Year

2019	2018	2017	2016	2015
$ 11,904	$ 10,980	$ 10,507	$ 10,209	$ 9,838
18,895	17,805	16,932	15,610	15,166
2,777	2,527	2,483	2,171	2,231
21,712	21,267	18,941	17,604	15,391
5,658	5,362	5,120	4,849	4,705
1,907	2,649	1,946	1,814	2,476
12,262	11,313	11,183	10,806	10,421
7,212	6,838	6,579	6,446	6,825
23,368	22,063	21,193	19,269	18,663
1,125	1,000	973	1,045	1,010
37,057	34,561	32,850	31,688	29,914
21,721	21,089	21,069	18,669	15,118
14,117	10,529	9,189	8,443	8,179
31,096	31,805	30,423	29,125	27,921
994	862	783	787	560
12,130	11,361	10,875	10,528	10,309
36,339	34,522	32,809	31,180	30,183
9,354	7,766	7,335	6,262	5,784
21,203	20,738	20,097	19,375	19,046
39,087	37,692	37,087	35,643	33,051
17,170	17,980	17,013	16,172	14,838
3,467	3,012	2,935	2,902	2,657
22,951	20,846	21,385	21,150	20,493
138,238	126,646	120,696	112,931	106,943
$ 511,744	$ 481,213	$ 460,403	$ 434,678	$ 411,722
2.4 %	2.4 %	2.4 %	2.3 %	2.4 %

Schedule 6
Individual Income Tax Rates by Filing Status and Income Level
For the Last Ten Calendar Years

Tax Rate	Effective Date
5.19%	January 1, 2025

On and after January 1, 2025, the tax imposed pursuant to subsection (a) of this Code section shall be 5.19 percent for taxable years beginning on or after January 1, 2025; provided, however, that such rate shall be reduced by 0.10 percent annually beginning on January 1, 2026, until the rate reaches 4.99 percent, provided that such annual reductions in the tax rate shall be subject to delays as provided in paragraph (2) of this subsection

Filing Status	Georgia Taxable Net Income Level	
Income Level	**2024 - 2018**	**2017 - 2016**
Single	**Tax Rate**	**Tax Rate**
Not Over $750	1%	1%
Over $750 But Not Over $2,250	$7.50 Plus 2% of Amount Over $750	$7.50 Plus 2% of Amount Over $750
Over $2,250 But Not Over $3,750	$37.50 Plus 3% of Amount Over $2,250	$37.50 Plus 3% of Amount Over $2,250
Over $3,750 But Not Over $5,250	$82.50 Plus 4% of Amount Over $3,750	$82.50 Plus 4% of Amount Over $3,750
Over $5,250 But Not Over $7,000	$142.50 Plus 5% of Amount Over $5,250	$142.50 Plus 5% of Amount Over $5,250
Over $7,000	$230.00 Plus 5.75% of Amount Over $7,000	$230.00 Plus 6% of Amount Over $7,000
Married Filing Separately		
Not Over $500	1%	1%
Over $500 But Not Over $1,500	$5.00 Plus 2% of Amount Over $500	$5.00 Plus 2% of Amount Over $500
Over $1,500 But Not Over $2,500	$25.00 Plus 3% of Amount Over $1,500	$25.00 Plus 3% of Amount Over $1,500
Over $2,500 But Not Over $3,500	$55.00 Plus 4% of Amount Over $2,500	$55.00 Plus 4% of Amount Over $2,500
Over $3,500 But Not Over $5,000	$95.00 Plus 5% of Amount Over $3,500	$95.00 Plus 5% of Amount Over $3,500
Over $5,000	$170.00 Plus 5.75% of Amount Over $5,000	$170.00 Plus 6% of Amount Over $5,000
Head of Household and Married Filing Jointly		
Not Over $1,000	1%	1%
Over $1,000 But Not Over $3,000	$10.00 Plus 2% of Amount Over $1,000	$10.00 Plus 2% of Amount Over $1,000
Over $3,000 But Not Over $5,000	$50.00 Plus 3% of Amount Over $3,000	$50.00 Plus 3% of Amount Over $3,000
Over $5,000 But Not Over $7,000	$110.00 Plus 4% of Amount Over $5,000	$110.00 Plus 4% of Amount Over $5,000
Over $7,000 But Not Over $10,000	$190.00 Plus 5% of Amount Over $7,000	$190.00 Plus 5% of Amount Over $7,000
Over $10,000	$340.00 Plus 5.75% of Amount Over $10,000	$340.00 Plus 6% of Amount Over $10,000

Source: FY16-24 OCGA § 48-7-20, Paragraph (b)(1); FY25 O.C.G.A. § 48-7-20 is presented as a (decreasing) flat tax rate, regardless of income level & filing status, rather than tiered tax rates, as has been in previous years.

Schedule 7
Individual Income Tax Filers and Liability by Income Level
For Calendar Years 2023(1) and 2014

(amounts, except income level, are in thousands)

2023(1)

Income Level	Number of Filers	Percentage of Total	Personal Income Tax Liability	Percentage of Total
$1,000 and under (2)	948,764	19.3 %	$ 945,993,478	6.3 %
$1,001 to $5,000	151,643	3.1 %	832	0.0 %
$5,001 to $10,000	232,996	4.8 %	880,160	0.0 %
$10,001 to $15,000	287,102	5.9 %	20,016,569	0.1 %
$15,001 to $20,000	280,197	5.7 %	59,347,044	0.4 %
$20,001 to $25,000	246,565	5.0 %	108,551,756	0.7 %
$25,001 to $30,000	228,351	4.7 %	162,308,188	1.1 %
$30,001 to $50,000	770,894	15.7 %	1,031,173,594	6.8 %
$50,001 to $100,000	909,014	18.5 %	2,707,884,105	17.9 %
$100,001 to $500,000	798,274	16.3 %	7,056,823,818	46.6 %
$500,001 to $1,000,000	35,726	0.7 %	1,246,774,613	8.2 %
$1,000,001 and higher	13,183	0.3 %	1,793,737,967	11.9 %
Totals	4,902,709	100.0 %	$ 15,133,492,124	100.0 %

2014

Income Level	Number of Filers	Percentage of Total	Personal Income Tax Liability	Percentage of Total
$1,000 and under (2)	821,848	18.2 %	$ 618,262,696	6.2 %
$1,001 to $5,000	227,453	5.1 %	2,350	0.0 %
$5,001 to $10,000	338,507	7.7 %	10,697,165	0.1 %
$10,001 to $15,000	370,332	8.4 %	48,714,801	0.5 %
$15,001 to $20,000	324,541	7.3 %	98,831,919	1.1 %
$20,001 to $25,000	278,886	6.4 %	147,282,388	1.6 %
$25,001 to $30,000	242,699	5.4 %	183,725,853	2.0 %
$30,001 to $50,000	658,156	14.7 %	852,068,176	9.4 %
$50,001 to $100,000	709,886	15.9 %	1,971,099,135	22.0 %
$100,001 to $500,000	472,580	10.3 %	3,653,084,061	39.4 %
$500,001 to $1,000,000	18,137	0.4 %	624,314,128	6.4 %
$1,000,001 and higher	8,282	0.2 %	1,199,754,063	11.3 %
Totals	4,471,307	100.0 %	$ 9,407,836,735	100.0 %

(1) Most recent available data.

(2) Category also includes payments from out-of-state residents and partial-year payers

Source: Department of Revenue

Schedule 8
Ratios of Outstanding Debt by Type
For the Last Ten Fiscal Years
(amounts in thousands, except per capita amounts)

	2025	2024	2023	2022
Governmental Activities[1]				
General Obligation Bonds	9,172,886	10,218,749	$ 10,549,292	$ 10,947,663
Revenue and GARVEE Bonds	384,537	440,186	514,934	593,139
Lease Obligations	854,426	817,273	863,899	894,815
Subscription Obligations	150,885	177,688	163,369	—
Notes and Loans	36,554	40,318	43,889	47,315
Total Governmental Activities Debt	**$ 10,599,288**	**$ 11,694,214**	**$ 12,135,383**	**$ 12,482,932**
Business-type Activities[1]				
Revenue and GARVEE Bonds	$ 577,373	588,530	$ 599,411	$ 610,031
Lease Obligations	461,639	489,013	474,867	515,264
Subscription Obligations	231,706	74,743	84,900	—
Notes and Loans	2,132,692	2,282,940	2,418,322	2,457,936
Total Business-type Activities Debt	**$ 3,403,410**	**$ 3,435,226**	**$ 3,577,500**	**$ 3,583,231**
Total Primary Government	**$ 14,002,698**	**$ 15,129,440**	**$ 15,712,883**	**$ 16,066,163**
Percentage of Personal Income[2]	2.0 %	2.3 %	2.5 %	2.7 %
Outstanding Debt Per Capita[2]	$ 1,252	$ 1,372	$ 1,440	$ 1,488

(1) In fiscal year 2017, it was determined that activities of SRTA, a blended component unit, should be reported reported in both Governmental Activities and Business-type Activities.

(2) See Schedule 11 (Population/Demographics) for personal income and population data.

Source: Financial Information included in Current and Prior Years' Comprehensive Annual Financial Reports

2021	2020	2019	2018	2017	2016
$ 10,696,568	$ 10,351,636	$ 10,352,603	$ 10,043,489	$ 9,851,713	$ 9,493,441
670,231	613,770	613,770	613,770	745,477	983,947
321,873	212,709	219,259	233,398	237,505	184,689
—	—	—	—	—	—
55,299	62,364	69,262	74,141	78,450	87,228
$ 11,743,971	**$ 11,240,479**	**$ 11,254,894**	**$ 10,964,798**	**$ 10,913,145**	**$ 10,749,305**
$ 232,337	$ 234,234	$ 242,003	$ 266,150	$ 269,136	$ 756,539
2,676,623	2,810,668	2,856,209	2,914,195	3,044,125	2,633,261
—	—	—	—	—	—
299,319	267,240	269,459	264,793	256,768	11,677
$ 3,208,279	**$ 3,312,142**	**$ 3,367,671**	**$ 3,445,138**	**$ 3,570,029**	**$ 3,401,477**
$ 14,952,250	**$ 14,552,621**	**$ 14,622,565**	**$ 14,409,936**	**$ 14,483,174**	**$ 14,150,782**
2.7 %	2.8 %	3.0 %	3.1 %	3.3 %	3.4 %
$ 1,396	$ 1,371	$ 1,390	$ 1,382	$ 1,405	$ 1,385

Schedule 9
Ratios of General Bonded Debt Outstanding
For the Last Ten Fiscal Years
(amounts in thousands, except per capita amounts)

Fiscal Year	General Obligation Bonds	SRTA General Bonded Debt	Less: Restricted for Bond Covenants/ Debt Service	Net General Bonded Debt[1]	Percentage of Personal Income[2]	Outstanding Debt Per Capita[2]
2025	$ 9,172,886	—	(61,047)	9,111,839	1.29%	$ 814.95
2024	10,218,749	—	(63,573)	10,155,176	1.57%	920.75
2023	10,549,293	19,622	(81,798)	10,487,117	1.68%	960.99
2022	10,947,662	43,224	(80,706)	10,910,180	1.83%	1,010.24
2021	10,696,568	66,185	(972,140)	9,790,613	1.79%	914.15
2020	10,351,636	215,945	(117,790)	10,449,791	2.04%	984.21
2019	10,352,603	215,945	(117,792)	10,450,756	2.17%	993.47
2018	10,043,489	215,945	(117,792)	10,141,642	2.20%	972.41
2017	9,851,713	263,438	(54,045)	10,061,106	2.31%	975.82
2016	9,493,441	310,727	(83,212)	9,720,956	2.36%	951.65

(1) In fiscal year 2017, SRTA's activities reverted back to a blended presentation, where its activity and balances are included in both Governmental Activities and Business-type Activities.

(2) See Schedule 11 (Population/Demographics) for personal income and population data.

Source: Financial Information included in Current and Prior Years' *Annual Comprehensive Financial Reports*

Schedule 10
Computation of Legal Debt Margin
For the Last Ten Calendar Years
(amounts in whole dollars)

	2025	2024	2023	2022	2021
Revenue Base:					
Treasury Receipts for the Preceding Fiscal Year [1]	$ 38,212,723,939	$ 37,706,936,571	$ 36,596,472,710	$ 30,316,588,230	$ 26,900,038,894
Debt Limit Amount:					
Highest Aggregate Annual Commitments					
(Principal and Interest) Permitted Under					
Constitutional Limitation (10% of above)	$ 3,821,272,394	$ 3,770,693,657	$ 3,659,647,271	$ 3,031,658,823	$ 2,690,003,889
Debt Applicable to the Limit:					
Highest Total Annual Commitments in Current or					
any Subsequent Fiscal Year [2]	1,155,694,459	1,241,641,181	1,340,501,721	1,332,216,725	1,364,751,098
Legal Debt Margin	$ 2,665,577,935	$ 2,529,052,476	$ 2,319,145,550	$ 1,699,442,098	$ 1,325,252,791
Total Debt Applicable to the Limit as Percentage of					
Debt Limit Amount	30.2 %	32.9 %	36.6 %	43.9 %	50.7 %

(1) Includes Indigent Care Trust Fund Receipts, Brain and Spinal Injury Trust Fund Receipts, Lottery Proceeds and Tobacco Settlement Funds.

(2) Includes issued and outstanding debt as of the end of each fiscal year and appropriated debt service for any authorized but unissued general obligation (and guaranteed revenue) bonds.

Source: *Prior Year's Annual Comprehensive Financial Reports, other annual state reports, Georgia State Financing and Investment Commission, Constitution of the State of Georgia.*

Note: The Constitution of the State of Georgia limits the combined total of highest annual debt service requirements for general obligation and guaranteed revenue debt to 10% of the prior year's revenue collections.

Fiscal Year

2020	2019	2018	2017	2016
$ 22,748,258,000	$ 25,649,499,261	$ 24,519,402,190	$ 23,476,964,889	$ 21,557,498,541
$ 2,274,825,800	$ 2,564,949,926	$ 2,451,940,219	$ 2,347,696,489	$ 2,155,749,854
1,424,078,002	1,432,215,164	1,398,096,186	1,405,379,184	1,311,486,764
$ 850,747,798	$ 1,132,734,762	$ 1,053,844,033	$ 942,317,305	$ 844,263,090
62.6 %	55.8 %	57.0 %	59.9 %	60.8 %

Schedule 11
Population/Demographics
For the Last Ten Calendar Years

Year	Population	Personal Income (in millions)	Per Capita Personal Income	Public School Enrollment	Unemployment Rate
2024	11,180,878	704,465	63,006	1,736,730	3.9%
2023	11,029,227	646,108	58,581	1,747,791	4.0%
2022	10,912,876	623,447	57,129	1,744,887	3.4%
2021	10,799,566	597,101	55,289	1,736,159	4.5%
2020	10,710,017	547,976	51,165	1,723,127	8.4%
2019	10,617,423	511,744	48,236	1,760,739	3.5%
2018	10,519,475	481,213	45,745	1,759,838	3.9%
2017	10,429,379	460,403	44,145	1,761,472	4.7%
2016	10,310,371	434,678	42,159	1,757,543	5.4%
2015	10,214,860	411,722	40,306	1,749,852	5.9%

Sources:

Population - U. S. Department of Commerce, Bureau of the Census (midyear population estimates)
Personal Income - U. S. Department of Commerce, Bureau of Economic Analysis
Public School Enrollment - Georgia Department of Education (March of each school year)
Unemployment Rate - U. S. Department of Labor (annual average)

Schedule 12
Principal Private Sector Employers
Fiscal Year 2024 and Nine Years Previous (2015)

2025 Employers	2016 Employers
Amazon.Com Services, Inc.	Children's Healthcare of Atlanta
Chick-Fil-A, Inc.	Delta Air Lines, Inc.
Children's Healthcare	Emory Healthcare, Inc.
Delta Air Lines, Inc.	Emory University
Emory Healthcare, Inc.	Gulfstream Aerospace Corporation
Emory University	Lowe's Home Centers, Inc.
FedEx	Mohawk Carpet Distribution LP
Kyle Enterprises, LLC	Northside Hospital
McDonalds	Publix Super Markets, Inc.
Northside Hospital, Inc.	Shaw Industries Group, Inc.
Publix Super Markets, Inc.	The Home Depot, Inc.
Target	The Kroger Company
The Home Depot, Inc.	United Parcel Service, Inc.
The Kroger Company	Waffle House
United Parcel Service, Inc.	Wal-Mart Stores, Inc.
Wal-Mart Stores, Inc.	Wellstar Health System, Inc.
Wellstar Health System, Inc.	

To protect employer confidentiality, OCGA § 34-8-121(b)(3) prohibits the release of employee numbers by employer.

Sources: 2025 - Department of Labor (1st quarter 2025)
2016 - Comprehensive Annual Financial Report - Fiscal Year Ended June 30, 2016

Schedule 13
State Government Employment by Function
For the Last Ten Fiscal Years (1)

	2025	2024	2023	2022	2021	2020
Governmental Activities						
General Government	8,886	8,691	8,554	7,999	8,020	8,118
Education	2,931	2,918	2,814	2,521	2,462	2,466
Health and Welfare	20,661	20,619	20,130	20,532	21,212	21,013
Transportation	4,768	4,657	4,598	4,392	4,335	4,618
Public Safety	22,145	19,895	19,794	20,026	21,551	24,991
Economic Development and Assistance	1,898	1,837	2,130	2,210	1,998	2,026
Culture and Recreation	3,350	3,341	3,234	3,189	3,066	3,097
Conservation	679	690	696	733	743	766
	65,318	62,648	61,950	61,602	63,387	67,095
Business-Type Activities (2) (5)						
State Road and Tollway Authority (3)	133	136	139	140	130	132
Higher Education Fund (4)	128,179	127,008	123,856	92,077	89,175	85,707
	128,312	127,144	123,995	92,217	89,305	85,839
Total Employment	193,630	189,792	185,945	153,819	152,692	152,934

(1) Includes employees that were active at any time during the Fiscal Year. An individual employee may, therefore, be included in multiple functions if the employee transferred among functions during the fiscal year. This does not represent the number of active employees at the end of the year.

(2) Employees of certain Business-Type Activities organizations are included in Governmental Activities as follows:

Employees of the State Health Benefit Plan are included as employees of the Department of Community Health in Health and Welfare.

Employees of the Unemployment Compensation Fund are included as employees of the Department of Labor in Economic Development and Assistance.

(3) In fiscal year 2017 SRTA, was examined and it was determined that the toll facilities and customer service center (previously part of Governmental Activities) are now reported as part of Business-Type Activities.

(4) No employees for the Nonmajor Enterprise Funds (Business-Type Activities) Georgia Higher Education Finance Authority and Higher Education Foundations are included as these organizations either have no employees, their data is not available or their employees are already reported as employees of another organization in either the Governmental Activities or Business-Type Activities.

Source: Open.Georgia.gov

Fiscal Year			
2019	2018	2017	2016
8,619	8,408	8,432	8,722
2,513	2,342	2,152	2,184
20,922	21,203	21,845	21,073
4,883	4,863	4,872	5,023
26,789	28,686	27,780	25,728
2,092	2,258	2,421	2,487
3,227	3,112	3,080	2,982
808	818	852	820
69,853	71,690	71,434	69,019
129	116	107	—
82,525	80,237	79,456	80,004
82,654	80,353	79,563	80,004
152,507	152,043	150,997	149,023

Schedule 14
Operating Indicators and Capital Assets by Function
For the Last Ten Years (1)

	2025	2024	2023	2022	2021
General Government					
Department of Revenue					
Number of Personal Income Tax Filers	NCA	NCA	4,902,709	4,975,951	5,026,208
Education					
Department of Education					
Public School Enrollment (March FTE Count)					
Pre Kindergarten through Grade 5	806,891	813,283	811,184	803,799	792,304
Grades 6 through 8	393,308	396,485	400,969	407,442	413,283
Grades 9 through 12	536,531	537,926	532,734	524,918	517,540
Board of Regents of the University System of Georgia					
Number of Separate Institutions	26	26	26	26	26
Number of Active Educators	14,904	14,724	14,820	14,859	14,902
Number of Students	364,725	344,392	334,459	340,638	341,489
Health and Welfare					
Department of Human Services					
Food Stamp Recipients	1,455,156	1,375,814	1,530,426	1,557,946	1,690,194
Temporary Assistance for Needy Families Recipients	6,516	7,506	9,152	13,299	15,285
Transportation					
Department of Transportation					
Miles of State Highway (3)	NCA	17,908	17,906	17,922	17,923
Public Safety					
Department of Corrections					
Number of Inmates	52,804	51,570	49,513	47,815	46,586
Number of Probationers	NCA	NCA	NCA	NCA	NCA
Department of Community Supervision					
Number of Offenders	228,934	228,174	190,974	193,158	210,246
Economic Development and Assistance					
Department of Economic Development					
Economic Impact of Tourism (in millions):					
Domestic Traveler Spending - Direct	NCA	36,792	$ 35,442	$ 32,725	$ 28,487
Domestic Travel-generated State Tax Revenues	NCA	2,864	$ 2,766	$ 2,592	$ 2,295
Culture and Recreation:					
Department of Natural Resources					
Number of State Parks	48	48	47	43	51
Number of Historic Sites	15	15	13	13	15
Acreage of State Parks and Historic Sites (in acres)	88,613	89,447	85,667	84,506	88,237
Number of Daily Park Passes Sold	878,606	945,529	935,345	1,023,640	1,170,802
Number of Annual Park Passes Sold	119,810	96,275	62,880	69,448	65,453
Number of Hunting and Fishing Licenses Sold	3,172,595	3,241,354	1,776,208	1,638,328	1,626,599
Number of Registered Boats	326,099	379,067	368,649	353,862	362,580
Conservation					
Forestry Commission					
Economic Impact of Forestry Industry					
Output (in millions)	NCA	NCA	30,400	$ 24,984	$ 24,600
Employment	NCA	NCA	57,325	57,228	55,418
Compensation (in millions)	NCA	NCA	4,800	$ 4,431	$ 4,400

(1) Data is presented by either fiscal year or calendar year based on availability of information.

(2) As of 2017- DCS no longer uses the categories Parolees and Probationers. DCS has one category-

(3) As of 2024, DOT Miles of State Highway data is reported
on a 1 year lag, due to a change in availability of information

Source: NCA - Not Currently Available; Information obtained from the individual organizations listed.

Fiscal Year

2020	2019	2018	2017	2016
4,989,368	4,826,829	4,642,733	4,532,560	4,389,981
833,266	841,190	850,534	856,077	856,413
415,766	409,008	400,469	394,565	392,095
511,707	509,640	510,469	506,901	500,808
26	26	29	29	29
15,242	15,197	15,161	15,012	14,606
333,507	328,712	325,203	321,551	318,164
1,396,889	1,379,463	1,564,906	1,654,152	1,745,876
15,852	18,968	21,993	21,876	26,635
17,953	17,943	17,959	17,912	17,902
51,219	54,757	54,758	54,636	53,852
NCA	NCA	NCA	165,635	168,088
223,635	221,434	275,777	258.843	—
$ 21,057	$ 29,465	$ 27,902	$ 26,483	$ 25,558
$ 1,666	$ 1,497	$ 1,421	$ 1,356	$ 1,307
51	50	49	49	49
15	15	15	15	15
83,184	79,216	85,490	85,430	85,430
962,076	871,566	875,817	905,504	802,267
46,300	26,981	15,498	11,954	9,444
1,584,133	1,443,657	1,196,097	1,335,703	1,346,360
367,762	368,094	338,210	134,095	143,587
$ 23,400	$ 22,000	$ 21,500	$ 21,300	$ 20,800
54,185	55,562	55,089	53,933	51,900
$ 4,200	$ 3,900	$ 4,000	$ 3,840	$ 3,740