



UNIVERSITY OF GEORGIA



Annual Financial Report

(Including Independent Auditor's Report)

Fiscal Year Ended

June 30, 2025

UNIVERSITY OF GEORGIA
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For the Fiscal Year Ended June 30, 2025

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Introductory Section



UNIVERSITY OF
GEORGIA

Message from the President
Fiscal Year 2025 Report to the Board of Regents

Fiscal Year 2025 was full of achievements for the University of Georgia as we worked together to advance our vital land-grant and sea-grant mission and expand UGA's positive impact on our state, nation, and world. Thanks to the continued excellence of our academic community, the strong support of our state leaders, and the continued generosity of our alumni and friends, UGA continues to solidify its reputation as one of the best public institutions in the nation.

In recognition of our world-class learning environment, U.S. News & World Report ranked UGA number 18 on the list of the nation's top public universities, up two spots from the previous year and the ninth straight year in the top 20. Many of UGA's colleges and schools also secured top spots in national rankings, and the School of Law was once again ranked as the top value in legal education. Additionally, the Morehead Honors College was ranked the best honors program in the United States, and UGA ranked number one in the nation for best student life by Niche.

During the last year, the University continued to excel on many important measures of student success. In FY25, a record-high 76% of our students completed their degrees within four years and 90% graduated within six years, making UGA one of just nine public universities in the nation with a 90% six-year graduation rate. Furthermore, career outcomes data for the Class of 2024 revealed that 95% of our graduates are either employed or continuing their education within six months of completing their degree. Even more importantly, nearly two-thirds of our graduates remain in Georgia, where they drive economic progress and enhance the vitality of communities across the state.

UGA's outstanding students secured many of the nation's top honors in FY25. In the last year alone, UGA had a Knight-Hennessy Scholar, a Udall Scholar, a Truman Scholar, three Goldwater Scholars, and a record-setting three Schwarzman Scholars. In addition, the University ranked second in the nation for Boren Awards and was once again named a top producer of Fulbright students. Given these impressive accolades, it is unsurprising that the University continues to see incredible demand from prospective students. The Class of 2028, comprised of 6,175 students selected from more than 43,000 applications, is among the most academically qualified classes in UGA's history.

In research, the University's total R&D expenditures reached an all-time high of \$628.1 million. This represents a 10 percent increase from the previous year's total, and a 77 percent increase over the past decade. UGA also once again ranked first in the nation for the number of commercial products brought to market based on university research. Meanwhile, our renowned faculty continued to be recognized by prestigious national organizations, including two faculty elected to the National Academy of Sciences, one elected to the American Academy of Arts and Sciences, and five named Fellows of the American Association for the Advancement of Science.

In FY25, UGA's economic impact on the state increased to a record \$8.4 billion as we continued to expand the University's far-reaching impact. A key component of expanding this impact even further will be the development of the School of Medicine and the recently approved School of Nursing. Less than a year after it was announced, the School of Medicine received \$50 million from donors, the UGA Foundation, and the UGA Research Foundation to match the \$50 million in funds allocated by the state to build the Medical Education and Research Facility. Construction on the building is now underway, and we continue to prepare for the School's accreditation site visit during the fall semester. Furthermore, to better serve the health care needs of our state, the Board of Regents instructed UGA to begin planning for a new School of Nursing. This will bring the total number of colleges and schools at UGA to 20 and will strengthen the University's ability to address critical issues throughout the state.

Our donors continue to play a vital role in supporting important initiatives across campus. In FY25, more than 72,000 supporters contributed a record \$300.4 million, bringing the three-year rolling fundraising average to \$272.8 million. In the past year, UGA established its 1,000th need-based scholarship for undergraduate students, and donors helped us reach 391 total endowed chairs and professorships, an increase of more than 70 percent over the past decade.

The University of Georgia is experiencing an unprecedented groundswell of momentum, and we are truly grateful for the ongoing support of the University System of Georgia that makes these achievements possible. Thank you for all that you do to enhance higher education and drive progress for Georgia's citizens and communities.

Jere W. Morehead
President

Letter of Transmittal

September 30, 2025

To: Jere W. Morehead, President, University of Georgia

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

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

The University's system of internal controls is sound and sufficient to disclose material deficiencies in controls to management and to auditors. Additionally, the system of internal controls provides management with reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition.

The University's financial records are audited by the State of Georgia Department of Audits and Accounts (DOAA) on an annual basis. The University of Georgia's internal auditors also perform fiscal compliance and performance reviews, sharing the results with the University's management. The audit of the University's schedule of expenditures of federal awards and supplemental schedule of governmental, restricted accounts by agency is performed by Cherry Bekaert and submitted to the Georgia Department of Audits and Accounts in conjunction with the statewide Single Audit.

Respectfully submitted,

Ryan A. Nesbit
Vice President for Finance and Administration

Chad Cleveland
Associate Vice President for Finance

Allison Davis
Controller

Financial Section



UNIVERSITY OF
GEORGIA



INDEPENDENT AUDITOR'S REPORT

The Honorable Brian P. Kemp, Governor of Georgia
Members of the General Assembly of the State of Georgia
Members of the Board of Regents of the University System of Georgia
and
Mr. Jere W. Morehead, President
University of Georgia

Report on the Audit of the Financial Statements

Opinions

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

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

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

Basis for Opinions

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

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

Emphasis of Matter

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

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

A handwritten signature in black ink, appearing to read "Greg S. Griffin".

Greg S. Griffin
State Auditor

December 11, 2025

UNIVERSITY OF GEORGIA

Management's Discussion and Analysis

Introduction

The University of Georgia (University) is one of the 26 institutions of higher education of the University System of Georgia. The University of Georgia is incorporated by an act of the General Assembly on January 27, 1785, and Georgia thus became the first state to charter a state-supported institution.

The University of Georgia, a land-grant and sea-grant University with state-wide commitments and responsibilities is the state's flagship institution of higher education. It is also the state's oldest, most comprehensive, and most diversified institution of higher education. Its motto, "to teach, to serve, and to inquire into the nature of things," reflects the University's integral and unique role in the conservation and enhancement of the state's and nation's intellectual, cultural, and environmental heritage. As a comprehensive land-grant and sea-grant institution, the University of Georgia offers baccalaureate, masters, doctoral and professional degrees in the arts, humanities, social sciences, biological sciences, physical sciences, agricultural and environmental sciences, business, engineering, environment and design, family and consumer sciences, forest resources, journalism and mass communication, education, law, pharmacy, social work, veterinary medicine and ecology. A comparison of faculty and student numbers follow:

	<u>Faculty</u>	<u>Students (Headcount)</u>	<u>Students (FTE)</u>
FY 2025	2,201	43,146	41,420
FY 2024	2,188	41,615	39,969
FY 2023	2,115	40,607	38,946

Overview of the Financial Statements and Financial Analysis

The University is pleased to present its financial statements for fiscal year 2025. The emphasis of discussions about these statements will be on the year presented. There are five financial statements presented: the Statement of Net Position; the Statement of Revenues, Expenses and Changes in Net Position; the Statement of Cash Flows; the Statement of Fiduciary Net Position; and the Statement of Changes in Fiduciary Net Position. This discussion and analysis of the University's financial statements provides an overview of its financial activities for the year ending June 30, 2025. Comparative data is provided for fiscal year 2025 and fiscal year 2024 for business-type activities only.

Statement of Net Position

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

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

Net position is divided into three major categories. The first category, net investment in capital assets, provides the University's equity in property, plant and equipment owned by the University. The next category is restricted, which is divided into two categories, non-expendable and expendable. The corpus of non-expendable, restricted resources is available only for investment purposes. Expendable, restricted resources are available for expenditure by the University but must be spent for purposes as determined by donors and/or external entities that have placed time or purpose restrictions on the use of the assets.

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

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

Statement of Net Position, Condensed

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
Assets		
Current Assets	\$ 654,984,263	\$ 618,647,927
Capital Assets, Net	2,365,801,461	2,248,800,638
Intangible Right-to-Use Assets, Net	38,536,663	22,816,375
Other Assets	244,664,873	232,498,866
Total Assets	<u>3,303,987,260</u>	<u>3,122,763,806</u>
Deferred Outflows of Resources	<u>414,130,126</u>	<u>521,505,743</u>
Liabilities		
Current Liabilities	178,792,817	147,142,443
Non-Current Liabilities	1,847,416,670	2,081,275,547
Total Liabilities	<u>2,026,209,487</u>	<u>2,228,417,990</u>
Deferred Inflows of Resources	<u>512,211,412</u>	<u>454,551,431</u>
Net Position		
Net Investment in Capital Assets	2,171,914,070	2,042,687,273
Restricted, Non-expendable	91,790,980	86,999,897
Restricted, Expendable	216,256,541	190,075,626
Unrestricted (Deficit)	<u>(1,300,265,104)</u>	<u>(1,358,462,668)</u>
Total Net Position	<u><u>\$ 1,179,696,487</u></u>	<u><u>\$ 961,300,128</u></u>

Total assets and deferred outflows of resources increased by \$73,847,837 which was primarily due to an increase in Capital assets by \$117,000,823, with \$101,179,103 contributed to Construction work in progress, mostly due to the West Campus Parking Deck \$25,369,380 and Hunter Holmes Building Renovations \$12,137,429. Intangible Right to Use assets increased by \$15,720,288, due to an 11 year lease extension at Live Oak Square. Prepaid items increased \$16,000,000 and \$7,061,538 for UGA Real Estate Foundation construction projects related to Lumpkin Street Housing and the West Precinct. Additionally, an increase in receivables of \$11,887,069 from the Georgia State Financing and Investment Commission (GSFIC) for ongoing construction projects. State Grant Receivables increased \$8,153,872. A decrease in deferred outflows of resources of \$107,375,617 due to changes in actuarial estimates for the other postemployment benefits (OPEB) and pension liability plans.

Total liabilities and deferred inflows of resources decreased for the year by \$144,548,522, primarily due to a decrease in net other postemployment benefits liability (OPEB) of \$63,627,679, a decrease in net pension liability of \$167,594,664, and an increase in deferred inflows of resources related to OPEB and pension liabilities of \$57,659,981. These changes amount to decreases totaling \$173,562,362 and are attributable to changes in assumptions in both Plans since the prior year valuation. See Notes 14 and 17 for additional information. Accounts

payable increased \$17,756,124, contracts payable increased \$2,252,639, retainage payable increased \$1,305,764, and advances increased \$4,782,454. The combination of changes in total assets and deferred outflows of resources and changes in total liabilities and deferred inflows of resources resulted in an increase in net position of \$218,396,359. This change in net position primarily increases net investment in capital assets by \$129,226,797 and unrestricted net position by \$58,197,564.

Statement of Revenues, Expenses and Changes in Net Position

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

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

Statement of Revenues, Expenses and Changes in Net Position, Condensed

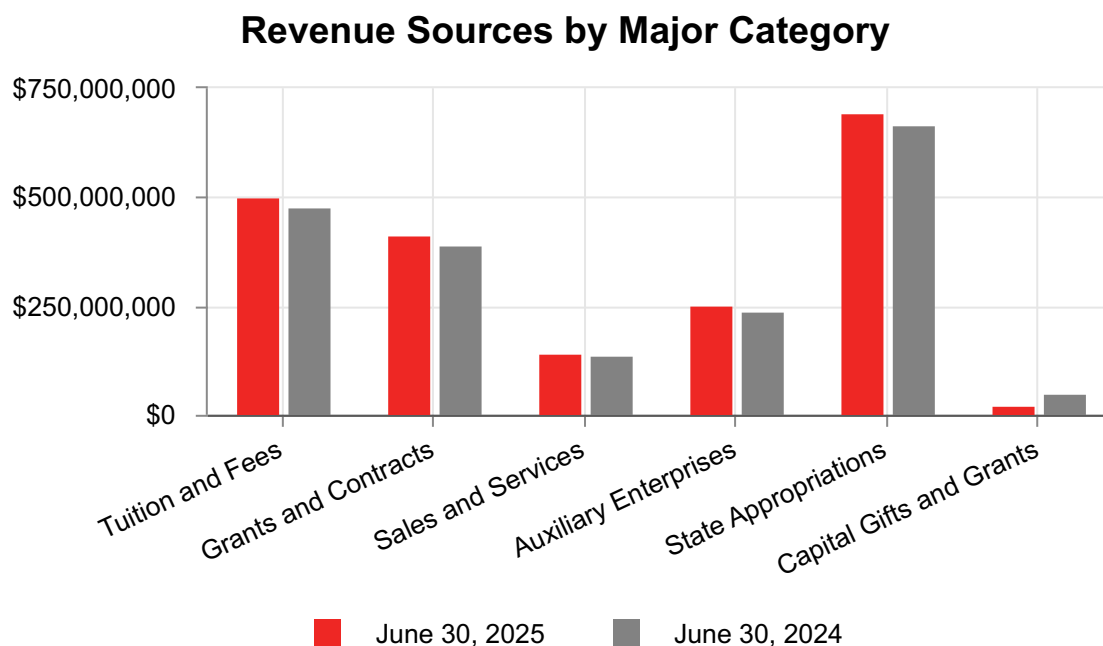
	<u>June 30, 2025</u>	<u>June 30, 2024</u>
Operating Revenue	\$ 1,342,212,336	\$ 1,273,968,776
Operating Expense	<u>2,049,261,149</u>	<u>2,048,593,372</u>
Operating Loss	(707,048,813)	(774,624,596)
Nonoperating Revenue and Expense	<u>887,905,758</u>	<u>817,756,234</u>
Income before Other Revenues, Expenses, Gains, or Losses	180,856,945	43,131,638
Other Revenues, Expenses, Gains, Losses	<u>37,539,414</u>	<u>52,061,854</u>
Change in Net Position	<u>218,396,359</u>	<u>95,193,492</u>
Net Position at Beginning of Year	<u>961,300,128</u>	<u>866,106,636</u>
Net Position at End of Year	<u>\$ 1,179,696,487</u>	<u>\$ 961,300,128</u>

The Statement of Revenues, Expenses and Changes in Net Position reflects a positive year in operations. Some highlights of the information presented on this statement are as follows:

Revenue by Source
For the Years Ended June 30, 2025 and June 30, 2024

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
Operating Revenue		
Tuition and Fees	\$ 503,567,420	\$ 479,310,196
Federal Appropriations	15,938,475	16,212,813
Grants and Contracts	414,557,100	390,971,877
Sales and Services	144,204,171	136,294,063
Auxiliary Enterprises	253,682,743	241,324,534
Other Operating Revenues	10,262,427	9,855,293
Total Operating Revenues	<u>1,342,212,336</u>	<u>1,273,968,776</u>
Nonoperating Revenue		
State Appropriations	696,009,859	666,354,113
Grants and Contracts	51,151,271	39,660,385
Gifts	121,098,190	94,044,908
Investment Income	29,793,267	29,096,229
Other Nonoperating Revenues (Expenses)	(239,310)	(1,464,016)
Total Nonoperating Revenues	<u>897,813,277</u>	<u>827,691,619</u>
Capital Gifts and Grants		
State Capital Gifts and Grants	21,451,919	51,955,574
Other Capital Gifts and Grants	2,875,884	394,655
Total Capital Gifts and Grants	<u>24,327,803</u>	<u>52,350,229</u>
Additions to Permanent and Term Endowments	2,035,138	225,709
Special Items	11,176,473	(499,028)
Extraordinary Items	—	(15,056)
Total Revenues	<u><u>\$ 2,277,565,027</u></u>	<u><u>\$ 2,153,722,249</u></u>

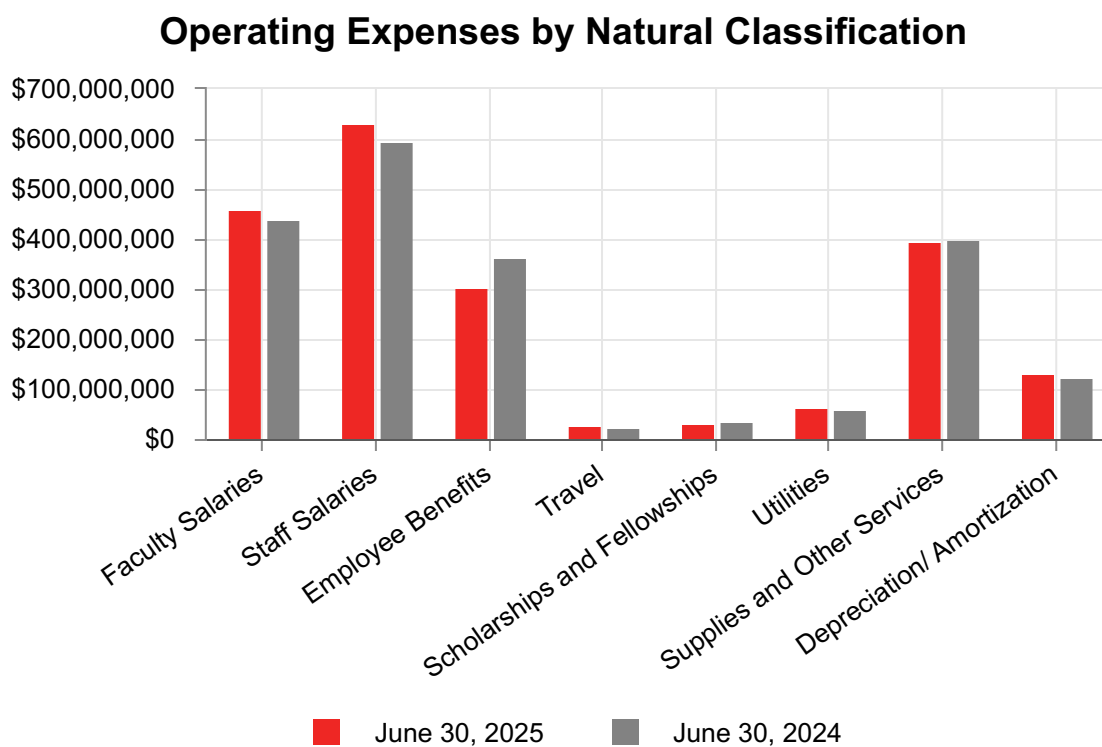
The illustration below is a comparison of the University's revenue sources by major category for the years ended June 30, 2025 and June 30, 2024.



Expenses (By Functional Classification)
For the Years Ended June 30, 2025 and June 30, 2024

	June 30, 2025	June 30, 2024
Operating Expenses		
Instruction	\$ 417,388,625	\$ 400,023,783
Research	544,531,175	539,259,391
Public Service	237,491,609	241,779,248
Academic Support	199,457,917	206,417,735
Student Services	56,952,752	56,683,097
Institutional Support	128,429,998	124,697,128
Plant Operations and Maintenance	212,782,740	221,590,738
Scholarships and Fellowships	33,134,899	35,680,160
Auxiliary Enterprises	219,091,434	222,462,092
Total Operating Expenses	2,049,261,149	2,048,593,372
Nonoperating Expenses		
Interest Expense	9,907,519	9,935,385
Total Expenses	<u>\$2,059,168,668</u>	<u>\$2,058,528,757</u>

Expenses are described above by functional classification. The illustration below is a comparison of the University's operating expenses by natural classification for the years ended June 30, 2025 and June 30, 2024 is depicted by the following chart:



Operating Revenues increased by \$68,243,560 in fiscal year 2025. Tuition and fees had a net increase of \$24,257,224 that is due in part to an increase in enrollment of 1,531 students. Federal, State, and Other Grants & Contracts had a combined increase of \$23,585,223. Sales and services revenue increased \$7,910,108 and Auxiliary Enterprises increased \$12,358,209.

As a result of additional participation in services provided by auxiliary units, the auxiliary revenue increased overall by \$12,358,209 with \$3,627,583 of the increase in residence halls, \$2,611,889 in health services, and \$3,247,851 in intercollegiate athletics revenue.

Nonoperating revenue increased by \$70,121,658 for the year primarily due to a \$29,655,746 increase in state appropriations, a \$11,490,866 increase in nonoperating grants and contracts the majority of which was driven by Federal Pell Grants, a \$27,053,282 increase in nonoperating gifts mostly due to private gifts.

Total operating expenses were \$2,049,261,149 in fiscal 2025, an increase of \$667,777 when compared with fiscal year 2024. These increases are primarily attributable to increases of \$52,512,160 in faculty and staff related employee compensation due to a 4% Cost of Living Adjustment (capped at \$3,000) for full-time faculty and staff as approved and provided by the State of Georgia, additionally this increase reflects merit increases (the Board of Regents' allowed for targeted merit-based increases to recognize and reward up to 20 percent of faculty and staff for their outstanding service) and an increase in full time employees, by 1,451 full-time equivalent positions, over the prior year. Employee benefits decreased \$60,116,143 due to changes in actuarial estimates in OPEB and pension liability plans. Travel increased \$1,004,275 which was primarily associated with increases in travel cost for meals, lodging, and parking. Utilities increased \$4,981,976 due to increasing electricity costs and Supplies and Other Services decreased \$1,944,654 due to a decrease in supplies and materials and repairs and maintenance. Scholarships and Fellowships decreased \$2,545,261, this is due to a change in accounting estimate, the University adopted the revised principles outlined in NACUBO Advisory 2023-1 to ensure more accurate calculations of the scholarship allowance. Depreciation and Amortization expense increased \$7,029,180 due to various equipment additions including an NMR Console, spectrometer, and electron microscope and building renovations related to the Science and Ag Hill buildings .

Statement of Cash Flows

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

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

	June 30, 2025	June 30, 2024
Cash Provided (Used) by:		
Operating Activities	\$ (674,448,195)	\$ (653,671,848)
Non-Capital Financing Activities	867,509,599	799,938,404
Capital and Related Financing Activities	(236,617,909)	(185,491,996)
Investing Activities	11,864,978	11,807,621
Net Change in Cash	(31,691,527)	(27,417,819)
Cash and Cash Equivalents, Beginning of Year (Restated)	435,068,887	462,486,706
Cash and Cash Equivalents, End of Year	\$ 403,377,360	\$ 435,068,887

Capital and Intangible Right-to-Use Assets

The University had no significant capital asset additions for buildings or facilities in fiscal year 2025.

The Georgia State Financing and Investment Commission (GSFIC) provided \$19 million in the fiscal year 2025 for various building and facility renovations and equipment.

For additional information concerning Capital and Intangible Right-to-Use Assets, see Notes 1, 6, 8, and 13 in the Notes to the Financial Statements.

Long Term Liabilities

The University of Georgia had Long-Term Liabilities of \$280,756,082 of which \$62,832,245 was reflected as current liability at June 30, 2025.

For additional information concerning Long-Term Liabilities, see Notes 1, 8 and 13 in the Notes to the Financial Statements.

Notes to the Financial Statements

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

Economic Outlook

The University of Georgia continued to manage and use its resources wisely and in a strategic manner in fiscal year 2025. The financial position remained solid as evidenced by an increase in net position. As a result of modest increases in operating revenues and state appropriations, the University was able to provide increased support to its instruction, research, public service, and student life missions characterized by completing academic initiatives and enhancing research and economic development.

In line with expectations of the higher education community, the University remains fully committed to being prudent with its resources by spending wisely and allocating strategically to support its core academic and student life missions. As fiscal year 2026 progresses, the University will build on its efforts to plan and manage its precious resources to increase scholarship support for students, to further enhance the learning environment, and to expand the impact on individuals, families, and communities in Georgia and the world beyond.

Jere W. Morehead, President
University of Georgia

Financial Statements



UNIVERSITY OF
GEORGIA

UNIVERSITY OF GEORGIA
STATEMENT OF NET POSITION
JUNE 30, 2025

	University of Georgia	Component Units
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 222,142,116	\$ 124,956,490
Cash and Cash Equivalents (Externally Restricted)	181,235,244	13,359,236
Short-term Investments	24,935,530	133,045,906
Short-term Investments (Externally Restricted)	279,182	201,843,299
Accounts Receivable, net		
Federal Financial Assistance	9,098,401	—
Component Units	103,810,656	2,168,627
Primary Government	—	4,239,738
Pledges and Contributions	—	49,449,083
Other	67,965,004	73,510,769
Investment in Financing Lease Arrangements - Primary Government	—	9,937,770
Inventories	2,055,060	2,126,406
Prepaid Items	43,463,070	2,861,549
Other Assets	—	—
Total Current Assets	654,984,263	617,498,873
Non-Current Assets		
Accounts Receivable, net		
Primary Government	—	15,684,118
Due From USO - Capital Liability Reserve Fund	1,956,485	—
Pledges and Contributions	—	95,530,543
Other	5,148,637	—
Investments	111,026,656	298,774,151
Notes Receivable, net	620,436	—
Investment in Financing Lease Arrangements - Primary Government	—	170,193,844
Other Assets	—	3,926,683
Non-current Cash (Externally Restricted)	—	91,691,667
Investments (Externally Restricted)	125,912,659	1,616,902,321
Capital Assets, net	2,365,801,461	651,283,150
Intangible Right-to-Use Assets, net	38,536,663	19,109,402
Total Non-Current Assets	2,649,002,997	2,963,095,879
TOTAL ASSETS	3,303,987,260	3,580,594,752
DEFERRED OUTFLOWS OF RESOURCES		
	\$ 414,130,126	\$ 15,052,112

UNIVERSITY OF GEORGIA
STATEMENT OF NET POSITION
JUNE 30, 2025

	University of Georgia	Component Units
LIABILITIES		
Current Liabilities		
Accounts Payable	\$ 41,925,571	\$ 28,801,146
Salaries Payable	5,014,109	436,333
Benefits Payable	2,158,447	—
Contracts Payable	12,508,549	—
Retainage Payable	3,589,232	—
Due to Component Units	1,765,575	2,168,627
Due to Primary Government	—	103,810,656
Advances (Including Tuition and Fees)	44,818,187	46,366,548
Deposits	1,622,643	—
Deposits Held for Other Organizations	1,786,548	—
Other Liabilities	771,711	—
Subscription Obligations	2,254,247	815,959
Notes and Loans Payable - External	—	654,524
Notes and Loans Payable - Component Units	9,937,771	—
Lease Obligations - External	2,669,106	2,771,926
Lease Obligations - Component Units	4,136,999	—
Revenue Bonds and Notes Payable	—	15,700,000
Liabilities Under Split Interest Agreements	—	19,846
Pollution Remediation	165,972	—
Compensated Absences	43,668,150	—
Total Current Liabilities	178,792,817	201,545,565
Non-Current Liabilities		
Due to Other Funds	—	828,810
Advances (Including Tuition and Fees)	—	25,257,321
Subscription Obligations	2,643,939	786,333
Notes and Loans Payable - External	—	62,712,820
Notes and Loans Payable - Component Units	170,193,843	—
Lease Obligations - External	7,175,994	15,945,063
Lease Obligations - Component Units	19,832,077	—
Revenue Bonds and Notes Payable	—	378,176,671
Liabilities Under Split Interest Agreements	—	5,611,778
Interest Rate Swap	—	20,198
Compensated Absences	18,077,984	—
Net Other Post-employment Benefits Liability	708,176,304	—
Net Pension Liability	921,316,529	—
Total Non-Current Liabilities	1,847,416,670	489,338,994
TOTAL LIABILITIES	2,026,209,487	690,884,559
DEFERRED INFLOWS OF RESOURCES	512,211,412	16,929,903
NET POSITION		
Net Investment in Capital Assets	2,171,914,070	440,753,059
Restricted for:		
Nonexpendable	91,790,980	941,187,527
Expendable	216,256,541	1,027,304,066
Unrestricted (Deficit)	(1,300,265,104)	478,587,750
TOTAL NET POSITION	\$ 1,179,696,487	\$ 2,887,832,402

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

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

	University of Georgia	Component Units
OPERATING REVENUES		
Student Tuition and Fees (net)	\$ 503,567,420	\$ —
Federal Appropriations	15,938,475	—
Grants and Contracts		
Federal	323,585,222	275,390,140
State	22,873,121	12,664,459
Other	68,098,757	37,831,527
Sales and Services	144,204,171	245,792,005
Rents and Royalties	2,295,443	35,278,630
Auxiliary Enterprises		
Residence Halls	72,492,126	—
Bookstore	5,991,857	—
Food Services	58,398,416	—
Parking/Transportation	25,838,693	—
Health Services	28,674,776	—
Intercollegiate Athletics	56,475,531	—
Other Organizations	5,811,344	—
Gifts and Contributions	—	101,222,569
Endowment Income	—	91,727,120
Other Operating Revenues	7,966,984	173,260
Total Operating Revenues	1,342,212,336	800,079,710
OPERATING EXPENSES		
Faculty Salaries	459,551,277	—
Staff Salaries	630,793,930	36,728,943
Employee Benefits	302,645,172	806,277
Other Personal Services	3,198,536	—
Travel	26,401,532	17,037,841
Scholarships and Fellowships	33,134,899	74,250
Utilities	65,621,973	—
Supplies and Other Services	397,462,640	728,538,397
Depreciation and Amortization	130,451,190	21,654,756
Total Operating Expenses	2,049,261,149	804,840,464
Operating Income (Loss)	\$ (707,048,813)	\$ (4,760,754)

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

	University of Georgia	Component Units
NONOPERATING REVENUES (EXPENSES)		
State Appropriations	\$ 696,009,859	\$ —
Grants and Contracts		
Federal	49,189,505	—
State	1,475,780	—
Other	485,986	—
Gifts	121,098,190	55,676,291
Investment Income	29,793,267	136,734,504
Interest Expense	(9,907,519)	(19,836,088)
Other Nonoperating Revenues (Expenses)	(239,310)	(2,682,330)
Net Nonoperating Revenues	887,905,758	169,892,377
Income (Loss) Before Other Revenues, Expenses, Gains, or Losses	180,856,945	165,131,623
Capital Grants and Gifts		
State	21,451,919	—
Other	2,875,884	—
Additions to Permanent and Term Endowments	2,035,138	68,272,547
Special Item	11,176,473	—
Total Other Revenues, Expenses, Gains or Losses	37,539,414	68,272,547
Change in Net Position	218,396,359	233,404,170
Net Position, Beginning of Year	961,300,128	2,654,428,232
Net Position, End of Year	\$ 1,179,696,487	\$ 2,887,832,402

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

UNIVERSITY OF GEORGIA

STATEMENT OF CASH FLOWS

FOR FISCAL YEAR ENDED JUNE 30, 2025

	University of Georgia
CASH FLOWS FROM OPERATING ACTIVITIES	
Payments from Customers	\$ 893,968,042
Federal Appropriations	15,938,475
Grants and Contracts (Exchange)	398,405,334
Payments to Suppliers	(839,288,555)
Payments to Employees	(1,112,868,632)
Payments for Scholarships and Fellowships	(33,134,899)
Collection of Loans from Students	1,541,346
Other Receipts	990,694
Net Cash Used by Operating Activities	<u>(674,448,195)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
State Appropriations	696,009,859
Gifts and Grants Received for Other Than Capital Purposes	172,249,461
Other Non-Capital Financing Payments	(749,721)
Net Cash Flows Provided by Non-Capital Financing Activities	<u>867,509,599</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Capital Gifts and Grants Received	1,154,806
Proceeds from Sale of Capital Assets	3,743,901
Purchases of Capital and Intangible Right-to-Use Assets	(204,721,223)
Principal Paid on Capital Debt and Leases	(26,887,874)
Interest Paid on Capital Debt and Leases	(9,907,519)
Net Cash Used by Capital and Related Financing Activities	<u>(236,617,909)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from Sales and Maturities of Investments	768,386,854
Investment Income	19,688,949
Purchase of Investments	(776,210,825)
Net Cash Provided by Investing Activities	<u>11,864,978</u>
Net Decrease in Cash and Cash Equivalents	(31,691,527)
Cash and Cash Equivalents, Beginning of Year	<u>435,068,887</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 403,377,360</u></u>

UNIVERSITY OF GEORGIA

STATEMENT OF CASH FLOWS

FOR FISCAL YEAR ENDED JUNE 30, 2025

University of Georgia

RECONCILIATION OF OPERATING LOSS TO
NET CASH USED BY OPERATING ACTIVITIES:

Operating Loss	\$ (707,048,813)
Adjustments to Reconcile Net Operating Loss to Net Cash Used by Operating Activities	
Depreciation and Amortization	130,451,190
Receivables, net	(38,242,476)
Inventories	1,915,124
Prepaid Items	(22,729,387)
Notes Receivable, Net	1,541,346
Accounts Payable	17,756,122
Salaries Payable	780,147
Benefits Payable	142,165
Deposits	(98,641)
Advances (Including Tuition and Fees)	4,782,454
Other Liabilities	(747,382)
Funds Held for Others	467,792
Compensated Absences	3,097,812
Due to Affiliated Organizations	(431,066)
Pollution Remediation	102,163
Net Pension Liability	(167,594,664)
Net Other Post-Employment Benefit Liability	(63,627,679)
Change in Deferred Inflows/Outflows of Resources:	
Deferred Inflows of Resources	57,659,981
Deferred Outflows of Resources	107,375,617
Net Cash Used by Operating Activities	<u><u>\$ (674,448,195)</u></u>

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

Capital Financing Activities Noncash Items:

Current Year Accruals Related to Capital Financing Activities	<u>\$ 8,231,432</u>
Gift of Capital Assets	<u>\$ 34,553,700</u>
Gain (Loss) on Disposal of Capital Assets	<u>\$ (1,074,949)</u>
Accrual of Capital Asset Related Payables	<u>\$ 16,097,780</u>
Intangible Right-to-Use Assets Acquired by Incurring Lease Obligations	<u>\$ 23,398,246</u>
Intangible Right-to-Use Assets Acquired by Incurring SBITAs	<u>\$ 3,431,214</u>
Early Extinguishment of Capital Debt	<u>\$ 337,730</u>
Other Capital Financing Activities Noncash Items	<u>\$ 12,113,651</u>
Investing Activities Noncash Items:	
Unrealized Gain (Loss) on Investments	<u>\$ 7,608,244</u>
Other Investing Activities Noncash Items	<u>\$ (6,721)</u>

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

UNIVERSITY OF GEORGIA
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2025

	<u>Custodial Funds</u>
ASSETS	
Receivables	
Other	\$ 21,977,950
Total Assets	<u>21,977,950</u>
LIABILITIES	
Cash Overdraft	18,654,901
Accounts Payable	5,284
Deposits held for other organizations	<u>12,804</u>
Total Liabilities	<u>18,672,989</u>
NET POSITION	
Restricted for:	
Individuals, Organizations, and Other Governments	<u><u>\$ 3,304,961</u></u>

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

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

	<u>Custodial Funds</u>
ADDITIONS	
Federal Financial Aid	\$ 149,154,826
State Financial Aid	248,743,543
Other Financial Aid	26,048,637
Clubs and Other Organizations Fund Raising	<u>1,838,695</u>
Total Additions	<u>425,785,701</u>
DEDUCTIONS	
Scholarships and Other Student Support	423,330,242
Student Organizations Support	<u>1,846,800</u>
Total Deductions	<u>425,177,042</u>
Net Increase (Decrease) in Fiduciary Net Position	<u>608,659</u>
Net Position, Beginning of Year	<u>2,696,302</u>
Net Position, End of Year	<u><u>\$ 3,304,961</u></u>

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

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

	University of Georgia Athletic Association, Inc.	University of Georgia Foundation	University of Georgia Research Foundation, Inc.	Consolidation/ Elimination Entries	Total
ASSETS					
Current Assets					
Cash and Cash Equivalents	\$ 68,166,444	\$ 6,151,954	\$ 50,638,092	\$ —	\$ 124,956,490
Cash and Cash Equivalents (Externally Restricted)	—	11,826,026	1,533,210	—	13,359,236
Short-term Investments	—	68,821,763	64,224,143	—	133,045,906
Short-term Investments (Externally Restricted)	—	201,843,299	—	—	201,843,299
Accounts Receivable, net					
Component Units	2,157,612	11,015	—	—	2,168,627
Primary Government	—	—	4,239,738	—	4,239,738
Pledges and Contributions	—	49,449,083	—	—	49,449,083
Other	4,447,909	2,474,242	66,588,618	—	73,510,769
Investment in Financing Lease Arrangements - Primary Government	—	—	9,937,770	—	9,937,770
Inventories	2,126,406	—	—	—	2,126,406
Prepaid Items	1,633,584	1,063,002	164,963	—	2,861,549
Other Assets	—	—	—	—	—
Total Current Assets	78,531,955	341,640,384	197,326,534	—	617,498,873
Non-Current Assets					
Accounts Receivable, net					
Primary Government	—	—	15,684,118	—	15,684,118
Pledges and Contributions	—	95,530,543	—	—	95,530,543
Investments	53,811,808	298,774,151	10,858,044	(64,669,852)	298,774,151
Investment in Financing Lease Arrangements - Primary Government	—	—	170,193,844	—	170,193,844
Other Assets	—	3,467,380	459,303	—	3,926,683
Non-current Cash (Externally Restricted)	95,279	—	91,596,388	—	91,691,667
Investments (Externally Restricted)	—	1,611,137,296	5,765,025	—	1,616,902,321
Capital Assets, net	554,886,074	23,078,730	73,318,346	—	651,283,150
Intangible Rights of Use, net	2,570,290	—	16,539,112	—	19,109,402
Total Non-Current Assets	611,363,451	2,031,988,100	384,414,180	(64,669,852)	2,963,095,879
TOTAL ASSETS	689,895,406	2,373,628,484	581,740,714	(64,669,852)	3,580,594,752
DEFERRED OUTFLOWS OF RESOURCES					
	\$ 5,612,199	\$ —	\$ 9,439,913	\$ —	\$ 15,052,112

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

	University of Georgia Athletic Association, Inc.	University of Georgia Foundation	University of Georgia Research Foundation, Inc.	Consolidation/ Elimination Entries	Total
LIABILITIES					
Current Liabilities					
Accounts Payable	\$ 12,758,730	\$ 777,457	\$ 15,264,959	\$ —	\$ 28,801,146
Salaries Payable	2,618,860	—	—	(2,182,527)	436,333
Due to Component Units	480	2,157,612	10,535	—	2,168,627
Due to Primary Government	13,505,369	12,004,317	78,300,970	—	103,810,656
Advances (Including Tuition and Fees)	44,077,868	108,601	2,180,079	—	46,366,548
Deposits Held for Other Organizations	—	64,669,852	—	(64,669,852)	—
Subscription Obligations	815,959	—	—	—	815,959
Notes and Loans Payable - External	—	654,524	—	—	654,524
Lease Obligations - External	416,959	—	2,354,967	—	2,771,926
Revenue Bonds and Notes Payable	5,635,000	—	10,065,000	—	15,700,000
Liabilities Under Split Interest Agreements	—	19,846	—	—	19,846
Total Current Liabilities	79,829,225	80,392,209	108,176,510	(66,852,379)	201,545,565
Non-Current Liabilities					
Due to Other Funds	—	828,810	—	—	828,810
Advances (Including Tuition and Fees)	—	—	25,257,321	—	25,257,321
Subscription Obligations	786,333	—	—	—	786,333
Notes and Loans Payable - External	38,000,000	11,053,382	13,659,438	—	62,712,820
Lease Obligations - External	260,945	—	15,684,118	—	15,945,063
Revenue Bonds and Notes Payable	102,714,008	—	275,462,663	—	378,176,671
Liabilities Under Split Interest Agreements	—	5,611,778	—	—	5,611,778
Interest Rate Swap	—	20,198	—	—	20,198
Total Non-Current Liabilities	141,761,286	17,514,168	330,063,540	—	489,338,994
TOTAL LIABILITIES	221,590,511	97,906,377	438,240,050	(66,852,379)	690,884,559
DEFERRED INFLOWS OF RESOURCES					
	—	—	16,929,903	—	16,929,903
NET POSITION					
Net Investment in Capital Assets	412,366,963	11,370,824	17,015,272	—	440,753,059
Restricted for:					
Nonexpendable	—	941,187,527	—	—	941,187,527
Expendable	—	1,027,304,066	—	—	1,027,304,066
Unrestricted	61,550,131	295,859,690	118,995,402	2,182,527	478,587,750
TOTAL NET POSITION	\$ 473,917,094	\$ 2,275,722,107	\$ 136,010,674	\$ 2,182,527	\$ 2,887,832,402

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

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

	University of Georgia Athletic Association, Inc.	University of Georgia Foundation	University of Georgia Research Foundation, Inc.	Consolidation/ Elimination Entries	Total
OPERATING REVENUES					
Grants and Contracts					
Federal	\$ —	\$ —	\$ 275,390,140	\$ —	\$ 275,390,140
State	—	—	12,664,459	—	12,664,459
Other	—	—	37,831,527	—	37,831,527
Sales and Services	235,418,772	10,373,233	—	—	245,792,005
Rents and Royalties	—	1,205,093	34,073,537	—	35,278,630
Gifts and Contributions	—	101,222,569	—	—	101,222,569
Endowment Income	—	91,727,120	—	—	91,727,120
Other Operating Revenues	—	—	173,260	—	173,260
Total Operating Revenues	235,418,772	204,528,015	360,132,923	—	800,079,710
OPERATING EXPENSES					
Staff Salaries	29,970,850	6,905,739	—	(147,646)	36,728,943
Employee Benefits	806,277	—	—	—	806,277
Travel	16,620,908	416,933	—	—	17,037,841
Scholarships and Fellowships	—	74,250	—	—	74,250
Supplies and Other Services	180,352,114	204,010,181	344,176,102	—	728,538,397
Depreciation	18,004,720	639,738	3,010,298	—	21,654,756
Total Operating Expenses	245,754,869	212,046,841	347,186,400	(147,646)	804,840,464
Operating Income (Loss)	\$ (10,336,097)	\$ (7,518,826)	\$ 12,946,523	\$ 147,646	\$ (4,760,754)

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

	University of Georgia Athletic Association, Inc.	University of Georgia Foundation	University of Georgia Research Foundation, Inc.	Consolidation/ Elimination Entries	Total
NONOPERATING REVENUES (EXPENSES)					
Gifts	\$ 55,676,291	\$ —	\$ —	\$ —	\$ 55,676,291
Investment Income	6,104,319	117,162,927	13,467,258	—	136,734,504
Interest Expense	(5,595,723)	(715,213)	(13,525,152)	—	(19,836,088)
Other Nonoperating Revenues (Expenses)	(4,229,199)	3,476,651	(1,929,782)	—	(2,682,330)
Net Nonoperating Revenues	51,955,688	119,924,365	(1,987,676)	—	169,892,377
Income Before Other Revenues, Expenses, Gains, or Losses	41,619,591	112,405,539	10,958,847	147,646	165,131,623
Additions to Permanent and Term Endowments	—	68,272,547	—	—	68,272,547
Total Other Revenues, Expenses, Gains or Losses	—	68,272,547	—	—	68,272,547
Change in Net Position	41,619,591	180,678,086	10,958,847	147,646	233,404,170
Net Position, Beginning of Year	432,297,503	2,095,044,021	125,051,827	2,034,881	2,654,428,232
Net Position, End of Year	<u>\$ 473,917,094</u>	<u>\$ 2,275,722,107</u>	<u>\$ 136,010,674</u>	<u>\$ 2,182,527</u>	<u>\$ 2,887,832,402</u>

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

Notes to the Financial Statements



UNIVERSITY OF
GEORGIA

UNIVERSITY OF GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

Note 1 Summary of Significant Accounting Policies

Nature of Operations

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

Reporting Entity

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

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

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

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

Discretely Presented Component Units

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

- University of Georgia Athletic Association, Inc., 456 E. Broad Street, Athens, GA 30602
- University of Georgia Foundation, One Press Place, Suite 101, Athens, GA 30602
- University of Georgia Research Foundation, Inc., 324 Business Services Building, 456 E. Broad Street, Athens, GA 30602

See Component Unit Note for additional information related to discretely presented component units.

Basis of Accounting and Financial Statement Presentation

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

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

The University reports the following fiduciary fund:

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

New Accounting Pronouncements

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

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

Cash and Cash Equivalents

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

Short-Term Investments

Short-Term Investments consist of investments of 90 days - 13 months. These include certificates of deposits or other time-restricted investments with original maturities of six months or more when purchased. Funds are not readily available and there is a penalty for early withdrawal. Short-Term Investments that cannot be used to pay current liabilities are classified as non-current assets in the Statement of Net Position. Short-Term Investments restricted as to use by a third party are reported as externally restricted.

Investments

Investments include financial instruments with terms in excess of 13 months, certain other securities for the production of revenue, land, and other real estate held as investments by endowments. The University accounts for its investments at fair value. Changes in the fair value of investments are reported as a component of investment income in the Statement of Revenues, Expenses, and Changes in Net Position. The Board of Regents Legal Fund and the Board of Regents Diversified Fund are included as investments.

Investments that cannot be used to pay current liabilities are classified as non-current assets in the Statement of Net Position. Investments restricted as to use by a third party are reported as externally restricted.

Accounts Receivable

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

Inventories

Consumable supplies are carried at the lower of cost or market on the first-in, first-out ("FIFO") basis. Resale inventories are valued at cost using the average-cost basis.

Prepaid Items

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

Capital Assets

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

Depreciation, which also includes amortization of intangible assets such as water, timber, and mineral rights, easements, patents, trademarks, and copyrights, as well as software, is computed using the straight-line method over the estimated useful lives of the assets, generally 40 to 60 years for buildings, 20 to 25 years for infrastructure and land improvements, 10 years for library books, and 3 to 30 years for equipment. Residual values will generally be 10% of historical costs for infrastructure, buildings and building improvements, and facilities and other improvements.

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

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

Intangible Right-To-Use Assets

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

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

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

measurement of the lease and/or subscription liability. Intangible right-to-use assets are amortized using a straight-line basis over the shorter of the lease and/or subscription term or useful life of the underlying asset. Prepayments made before the commencement of the lease and/or subscription are reported as intangible right-to-use assets in progress.

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.

Capital Liability Reserve Fund

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

Deferred Outflows of Resources

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

Deposits

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

Advances

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

Deposits Held for Other Organizations

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

Pollution Remediation Obligations

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

Compensated Absences

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

Non-current Liabilities

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

Deferred Inflows of Resources

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

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

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

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

Pensions and Net Pension Liability

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

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

Net Position

The University's net position is classified as follows:

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

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

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

Unrestricted net position represents resources derived from student tuition and fees, state appropriations, and sales and services of educational departments and auxiliary enterprises. These resources are used for transactions relating to the educational and general operations of the University, and may be used at the discretion of the governing board or management to meet current expenses for those purposes, except for unexpended state appropriations (surplus) in the amount of \$3,514,566.24. Unexpended state appropriations must be refunded to the Office of the State Treasurer. These resources also include auxiliary enterprises, which are substantially self-supporting activities that provide services for students, faculty and staff.

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

Income Taxes

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

Classification of Revenues and Expenses

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

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

Scholarship Allowances

Scholarship allowances are the difference between the stated charge for goods and services provided by the University, and the amount that is paid by students and/or third parties making payments on the students' behalf. Certain governmental grants, such as Pell grants, and other Federal, state or nongovernmental programs are recorded as either operating or non-operating revenues in the University's financial statements. To the extent that revenues from such programs are used to satisfy tuition, fees and other student charges, the University has recorded contra revenue for scholarship allowances. Tuition, fees and other student charges reported on the Statement of Revenues, Expenses and Changes in Net Position are net of discounts and allowances of \$61,047,524 and waivers in the amount of \$41,822,123.

Changes in Accounting Estimates

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

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

This change in methodology does not have any impact on the change in net position for prior years.

Special Items

Significant transactions or other events within the control of management that are either unusual in nature or infrequent in occurrence are considered special items.

The University had an early termination of a right-to-use leased asset with a net book value of \$478,049 and remaining lease obligation of \$306,259. The resulting net loss of \$171,790 is reported as a special item. The early termination was mutually agreed upon by both parties.

On June 16, 2025, the UGA Real Estate Foundation, Inc (UGAREF) defeased the debt associated with the Athens Housing Authority Revenue Refunding Bonds (UGAREF Fraternity Row, LLC Projects), Federally Taxable Series 2017. The related financed purchases between the UGA Real Estate Foundation, Inc. and the University were terminated resulting in a special item of a \$1,122,363 gain reported on the Statement of Revenues, Expenses and Changes in Net Position.

The University of Georgia transferred land (\$256) and facilities and other improvements (\$355,133) to Georgia Public Broadcasting and equipment (\$25,283) to Valdosta State University for a total amount of transferred property with a net book value of \$35,769. The University of Georgia received land from the Georgia Department of Agriculture/Georgia Agricultural Exposition Authority with a book value of \$6,384,700. The University of Georgia received equipment transfers from the University System of Georgia Board of Regents (\$42,694), and Georgia Department of Transportation (\$90,484) with a net book value of \$23,635.

The remaining special item of \$3,853,333 is related to a land exchange discussed in Note 6.

Note 2 Deposits and Investments

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

Statement of Net Position

Current

Cash and Cash Equivalents	\$	222,142,116
Cash and Cash Equivalents (Externally Restricted)		181,235,244
Short-term Investments		24,935,530
Short-term Investments (Externally Restricted)		279,182

Noncurrent

Non Current - Investments		111,026,656
Noncurrent Investments (Externally Restricted)		125,912,659

Statement of Fiduciary Net Position

Cash and Cash Equivalents		(18,654,901)
	\$	<u>646,876,486</u>

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

Cash on Hand	\$	235,895
Deposits with Financial Institutions		206,809,421
Investments		439,831,170
	\$	<u>646,876,486</u>

A. Deposits with Financial Institutions

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

1. Bonds, bills, notes, certificates of indebtedness, or other direct obligations of the United States or of the State of Georgia.
2. Bonds, bills, notes, certificates of indebtedness or other obligations of the counties or municipalities of the State of Georgia.
3. Bonds of any public authority created by the laws of the State of Georgia, providing that the statute that created the authority authorized the use of the bonds for this purpose.
4. Industrial revenue bonds and bonds of development authorities created by the laws of the State of Georgia.
5. Bonds, bills, certificates of indebtedness, notes or other obligations of a subsidiary corporation of the United States government, which are fully guaranteed by the United States government both as to principal and

interest and debt obligations issued by the Federal Land Bank, the Federal Home Loan Bank, the Federal Intermediate Credit Bank, the Central Bank for Cooperatives, the Farm Credit Banks, the Federal Home Loan Mortgage Association and the Federal National Mortgage Association.

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

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

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

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

At June 30, 2025, the bank balances of the University's deposits totaled \$211,325,527. This balance includes deposits in Fiduciary funds as these balances are not separable from the holdings of the University. Of these deposits, \$151,214 were exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$	151,214
Uninsured and collateralized with securities held by the pledging financial institution		—
Uninsured and collateralized with securities held by the pledging financial institution's trust departments or agents, but not in the Institution's name		—
Total deposits exposed to custodial credit risk	\$	<u><u>151,214</u></u>

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The University has a formal policy for managing exposure to foreign currency credit risk by requiring a maximum balance in a foreign account of \$100,000 U.S. currency. The University's exposure to foreign currency risk derives from deposits in foreign banks for operations of studies abroad programs. The deposits are uninsured and uncollateralized in the amount of \$151,214 as follows:

<u>Program</u>	<u>Institution</u>	<u>Currency</u>	<u>U.S. Value</u>
UGA - Oxford Program	Barclay's	British Pound	\$ 89,918
UGA Cortona Art Program	Banca CR Firenze	European Euro	61,296
			<u><u>\$ 151,214</u></u>

B. Investments

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

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

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

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

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

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

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

		Fair Value Hierarchy				
	Fair Value	Level 1	Level 2	Level 3	NAV	
Investment type:						
Debt Securities						
U.S. Treasuries	\$ 11,492,595	\$ 11,492,595	\$ —	\$ —	\$ —	
U.S. Agencies						
Explicitly Guaranteed	24,056,812	—	24,056,812	—	—	
Implicitly Guaranteed	69,018,543	—	69,018,543	—	—	
Corporate Debt	43,645,675	—	43,645,675	—	—	
Money Market Mutual Funds	249,350	249,350	—	—	—	
Mutual Bond Funds	138,847	138,847	—	—	—	
Other Investments						
Equity Mutual Funds - Domestic	469,650	469,650	—	—	—	
Equity Mutual Funds - International	337,940	337,940	—	—	—	
Equity Securities - Domestic	1,411,035	1,411,029	—	6	—	
Equity Securities - International	200,419	—	200,419	—	—	
Real Estate Held for Investment Purposes	5,983,254	—	—	—	5,983,254	
Real Estate Investment Trusts	43,128	—	—	—	43,128	
	<u>\$ 157,047,248</u>	<u>\$ 14,099,411</u>	<u>\$ 136,921,449</u>	<u>\$ 6</u>	<u>\$ 6,026,382</u>	
Investment Pools						
Board of Regents						
Legal Fund	7,359,472					
Diversified Fund	109,369,692					
Office of the State Treasurer						
Georgia Fund 1	<u>166,054,758</u>					
Total Investments	<u>\$ 439,831,170</u>					

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

Board of Regents Pooled Investment Program

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

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

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

1. Legal Fund

The Legal Fund is available to both University System of Georgia institutions and their affiliated organizations. The Fund provides an opportunity for greater return and modest principal growth to the extent possible with the securities allowed under O.C.G.A. § 50-17-59 and 50-17-63. The average maturities of investments in this fund will typically range between three and five years, with a maximum of thirty years for any individual investment. The overall character of the portfolio is Agency quality, possessing a minimal degree of financial risk. The market value of the University's position in the Legal Fund at June 30, 2025 was \$7,359,472, of which 100% is invested in debt securities. The Effective Duration of the Fund is 3.62 years.

2. Diversified Fund

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

The equity allocation shall range between 60% and 80% of the portfolio, with a target of 70% of the total portfolio. The fixed income (bond) portion of the portfolio shall range between 20% and 40%, with a target of 30% of the total portfolio. Cash reserves and excess income are invested at all times in the highest quality par stable (A1, P1) institutional money market mutual funds, or other high quality short-term instruments. The market value of the University's position in the Diversified Fund at June 30, 2025 was \$109,369,692, of which 29% is invested in debt securities. The Effective Duration of the Fund is 5.03 years.

Office of the State Treasurer Investment Pool

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

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. The University's policy for managing interest rate risk attempts to match investments with expected cash requirements by dividing between short-term and long-term investments.

		Investment Maturity				
	Fair Value	Less Than 3 Months	4-12 Months	1-5 Years	6-10 Years	More Than 10 Years
Investment type:						
Debt Securities						
U.S. Treasuries	\$ 11,492,595	\$ 5,413,295	\$ —	\$ 6,071,054	\$ 8,246	\$ —
U.S. Agencies						
Explicitly Guaranteed	24,056,812	—	—	—	—	24,056,812
Implicitly Guaranteed	69,018,543	5,191,487	7,213,356	29,936,127	11,989,116	14,688,457
Corporate Debt	43,645,675	1,017,603	17,752,006	24,618,340	257,726	—
Money Market Mutual Funds	249,350	249,350	—	—	—	—
Mutual Bond Funds	138,847	—	—	55,675	55,353	27,819
	148,601,822	\$ 11,871,735	\$ 24,965,362	\$ 60,681,196	\$ 12,310,441	\$ 38,773,088
Other Investments						
Equity Mutual Funds - Domestic	469,650					
Equity Mutual Funds - International	337,940					
Equity Securities - Domestic	1,411,035					
Equity Securities - International	200,419					
Real Estate Held for Investment Purposes	5,983,254					
Real Estate Investment Trusts	43,128					
Investment Pools						
Board of Regents						
Legal Fund	7,359,472					
Diversified Fund	109,369,692					
Office of the State Treasurer						
Georgia Fund 1	166,054,758					
Total Investments	\$ 439,831,170					

Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty to a transaction, the University will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. The University's policy for managing custodial credit risk is to ensure all securities transactions are settled on a delivery vs. payment basis through an approved depository institution such as the Depository Trust Company or the Federal Reserve.

At June 30, 2025, \$3,479,417 was uninsured and held by the investment's counterparty's trust department or agent, but not in the University's name.

Credit Quality Risk

Credit quality risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The University manages credit quality risk by establishing minimal quality ratings. Investments should have no lower than a BBB credit rating. The University also invests in investment pools managed by the University System of Georgia (USG). USG's policy for managing credit quality risk is contained in the investment policy guidelines for the various pooled investment funds, colleges, universities, and foundations:

1. In the Legal Fund, all debt issues must be eligible investments under O.C.G.A § 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 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. The Georgia Fund 1 Investment Pool is managed by the Office of the State Treasurer (OST). 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 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 investments subject to credit quality risk are reflected below:

	Fair Value	AAA	AA	A	BBB	Unrated
Related Debt Investments						
U. S. Agency Securities	\$ 69,018,543	\$ 25,945	\$ 68,992,598	\$ —	\$ —	\$ —
Corporate Debt	43,645,675	—	5,626,804	37,737,425	281,446	—
Money Market Mutual Funds	249,350	249,350	—	—	—	—
Mutual Bond Funds	138,847	—	—	—	—	138,847
	<u>\$ 113,052,415</u>	<u>\$ 275,295</u>	<u>\$ 74,619,402</u>	<u>\$ 37,737,425</u>	<u>\$ 281,446</u>	<u>\$ 138,847</u>

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The University's policy requires diversification of investments to reduce overall portfolio risk while maintaining market rates of return. Investments are divided between short-term and long-term investments. For short-term investments, certificates of deposit and repurchase agreements should comprise 25-50%, investment in the Office of Treasury and Fiscal Services, Georgia Fund I should not exceed 50% and investment in U.S. Treasury obligations or U.S. Government agency securities can be 100%. For long-term investments, equities comprise 50-75%, fixed income can range between 25-50%, and cash and cash equivalents will range between 10-25%.

At June 30, 2025, approximately 5.47% and 7.29% of the University's business-type activity and fiduciary fund investments were investments in Government National Mortgage Assn notes and pools and Federal National Mortgage Assoc. notes and pools, respectively.

Note 3 Accounts Receivable

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

	Business Type Activities	Fiduciary Fund
Student Tuition and Fees	\$ 5,606,554	\$ —
Auxiliary Enterprises and Other Operating Activities	3,816,994	—
Federal Financial Assistance	9,098,401	—
Georgia Student Finance Commission	—	\$ 21,769,534
Georgia State Financing and Investment Commission	25,960,989	—
Due from Component Units	103,810,656	—
Due From Other USG Institutions	1,956,485	—
Lease Receivable	6,104,568	—
Other	35,165,516	208,416
	191,520,163	21,977,950
Less: Allowance for Doubtful Accounts	3,540,980	—
Net Accounts Receivable	<u>\$ 187,979,183</u>	<u>\$ 21,977,950</u>

Other accounts receivable includes approximately \$17 million in state grants and contracts, \$1.3 million in DOAS insurance proceeds and \$16.9 million in miscellaneous receivables.

Note 4 Inventories

Inventories consisted of the following at June 30, 2025:

Consumable Supplies	\$ 951,380
Merchandise for Resale	1,103,680
Total	<u>\$ 2,055,060</u>

Note 5 Notes and Loans Receivable

The Federal Perkins Loan Program (the Program) comprises substantially all of the loans receivable at June 30, 2025. The Program provides for cancellation of a loan at rates of 10% to 30% per year up to a maximum of 100% if the participant complies with certain provisions. The Federal government reimburses the University for amounts canceled under these provisions. As the University determines that loans are uncollectible and not eligible for reimbursement by the federal government, the loans are written off and assigned to the U.S. Department of Education. The University has provided an allowance for uncollectible loans, which, in management's opinion, is sufficient to absorb loans that will ultimately be written off. At June 30, 2025, the allowance for uncollectible loans was \$2,740,028.

Note 6 Capital and Intangible Right-to-Use Assets

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

	Balance July 1, 2024	Special Item and Other Transfers	Additions	Reductions	Balance June 30, 2025
Capital Assets, Not Being Depreciated:					
Land	\$ 64,227,893	\$ 12,237,776	\$ —	\$ —	\$ 76,465,669
Capitalized Collections	31,119,198	—	3,427,173	126,748	34,419,623
Construction Work-in-Progress	87,989,758	—	145,469,725	44,290,622	189,168,861
Total Capital Assets Not Being Depreciated	183,336,849	12,237,776	148,896,898	44,417,370	300,054,153
Capital Assets, Being Depreciated:					
Infrastructure	113,987,597	—	7,999,587	—	121,987,184
Building and Building Improvements	2,782,550,416	—	34,612,679	18,801	2,817,144,294
Facilities and Other Improvements	91,311,731	(355,133)	3,658,052	—	94,614,650
Equipment	547,373,864	107,896	61,263,485	18,620,207	590,125,038
Library Collections	427,238,277	—	13,338,862	50,274	440,526,865
Software	53,092,431	—	—	—	53,092,431
Total Capital Assets Being Depreciated	4,015,554,316	(247,237)	120,872,665	18,689,282	4,117,490,462
Less: Accumulated Depreciation					
Infrastructure	56,701,548	—	3,766,305	—	60,467,853
Building and Building Improvements	1,050,199,164	—	66,546,574	14,563	1,116,731,175
Facilities and Other Improvements	45,700,561	(319,620)	3,217,758	—	48,598,699
Equipment	399,072,222	84,261	29,632,141	17,837,214	410,951,410
Library Collections	361,488,399	—	13,782,642	50,273	375,220,768
Software	36,928,633	—	2,844,617	1	39,773,249
Total Accumulated Depreciation/Amortization	1,950,090,527	(235,359)	119,790,037	17,902,051	2,051,743,154
Total Capital Assets, Being Depreciated, Net	2,065,463,789	(11,878)	1,082,628	787,231	2,065,747,308
Capital Assets, net	\$ 2,248,800,638	\$ 12,225,898	\$ 149,979,526	\$ 45,204,601	\$ 2,365,801,461

For projects managed by GSFIC, GSFIC retains construction-in-progress on its books throughout the construction period and transfers the entire project to the University when complete. During fiscal year 2025, the University prepaid \$3,250,000 to GSFIC as required matching and other funding for GSFIC managed projects in the construction phase. For projects managed by the University, the University retains construction-in-progress on its books and is reimbursed by GSFIC. For the year ended June 30, 2025, GSFIC transferred capital additions from previously managed GSFIC managed projects valued at \$10,769,456 to the University, of which \$10,640,023 was funded by GSFIC and \$129,722 was funded by the University. In addition, at June 30, 2025, GSFIC had construction in progress of approximately \$19,685,119 for incomplete GSFIC managed projects for the University.

The University of Georgia Athletic Association, Inc. (the Athletic Association) has an agreement with the USG whereby expenses for additions and improvements to University of Georgia owned buildings, stadium, and athletic fields used by the Athletic Association become the property of the University of Georgia upon installation or acquisition. The Athletic Association leases these athletic facilities from the USG for \$1 million per year under the current lease agreement, which expires June 30, 2025. The Athletic Association capitalizes expenses for additions and improvements to the buildings, stadium, and athletic fields owned by the University of Georgia and used by the Athletic Association. Therefore, these improvements to University of Georgia owned property are not reported as capital assets within the University of Georgia's financial statements. The cost associated with these assets is \$446,764,571 and associated accumulated depreciation is \$192,040,601.

The University entered into a land exchange agreement on December 27, 2023 with BCM Properties of UGA, LLC to acquire land located at 450 S. Lumpkin Street in exchange for land owned by the University at 290 S. Lumpkin Street. The purpose of this exchange was to consolidate land as the property was surrounded by UGA owned land.

The land received by the University has been recorded at its estimated fair value of \$5,863,333. The land given up by the University had a carrying value of \$10,000. The University paid an additional \$2,000,000 in the exchange. A gain of \$3,853,333 was recognized on the exchange.

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

	Balances July 1, 2024	Additions	Reductions	Ending Balance June 30, 2025
Intangible Right-to-use Assets, Being Amortized:				
Building and Building Improvements	\$ 31,082,635	\$ 22,685,399	\$ 3,853,262	\$ 49,914,772
Equipment	2,317,700	712,847	220,982	2,809,565
Subscription Based IT Arrangements (SBITAs)	9,628,255	3,499,914	202,873	12,925,296
Total Leased Assets Being Amortized	43,028,590	26,898,160	4,277,117	65,649,633
Less: Accumulated Amortization				
Building and Building Improvements	16,850,578	6,864,285	3,375,212	20,339,651
Equipment	929,937	629,248	190,116	1,369,069
Subscription Based IT Arrangements (SBITAs)	2,431,700	3,167,620	195,070	5,404,250
Total Accumulated Amortization	20,212,215	10,661,153	3,760,398	27,112,970
Total Intangible Right-to-use Assets, Being Amortized, Net	22,816,375	16,237,007	516,719	38,536,663
Intangible Right-to-Use Assets, net	<u>\$ 22,816,375</u>	<u>\$ 16,237,007</u>	<u>\$ 516,719</u>	<u>\$ 38,536,663</u>

Note 7 Advances (Including Tuition and Fees)

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

	Current Liabilities
Prepaid Tuition and Fees	\$ 25,678,757
Research	2,638,831
Other - Advances	16,500,599
Totals	<u>\$ 44,818,187</u>

Note 8 Long-Term Liabilities

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

	Balance July 1, 2024	Additions	Reductions	Balance June 30, 2025	Current Portion
Lease & Subscription Obligations					
Lease Obligations	\$ 16,256,816	\$ 23,398,246	\$ 5,840,886	\$ 33,814,176	\$ 6,806,105
Subscription Obligations	4,387,102	3,431,214	2,920,130	4,898,186	2,254,247
Total	<u>20,643,918</u>	<u>26,829,460</u>	<u>8,761,016</u>	<u>38,712,362</u>	<u>9,060,352</u>
Other Liabilities					
Compensated Absences	58,648,322	46,055,757	42,957,945	61,746,134	43,668,150
Notes and Loans Payable	198,596,203	—	18,464,589	180,131,614	9,937,771
Pollution Remediation	63,807	686,249	584,084	165,972	165,972
Total	<u>257,308,332</u>	<u>46,742,006</u>	<u>62,006,618</u>	<u>242,043,720</u>	<u>53,771,893</u>
Total Long-Term Liabilities	<u>\$ 277,952,250</u>	<u>\$ 73,571,466</u>	<u>\$ 70,767,634</u>	<u>\$ 280,756,082</u>	<u>\$ 62,832,245</u>

See Note 14, Retirement Plans, for information related to net pension liability. See Note 17, Post-Employment Benefits Other Than Pension Benefits, for information related to net other post employment benefits liability.

Notes and Loans Payable

Financing Lease Agreements

The University is obligated under various multi-year financing lease agreements for the acquisition or use of real property and equipment, whereby the 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. In addition, these agreements shall terminate if the State does not provide adequate funding, but that is considered a remote possibility. The University's principal and interest payments related to financing agreements for fiscal year 2025 were \$18,464,589 and \$8,881,362, respectively. The \$18,464,589 in principal payments includes the early payoff of Greek House #1, Greek House #2, Greek House #3, and Greek House #7 for \$7,516,766. Interest rates range from 3.48% - 7.56%.

The University has \$180,131,614 in outstanding notes and loans payable due to component units for financing lease agreements.

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

Description	Gross Amount	Less: Accumulated Amortization	Net Assets Held Under Financing Arrangements at June 30, 2025	Outstanding Balances per Financing Arrangement Schedules at June 30, 2025
	(+)	(-)	(=)	
Finance Buildings and Building Improvements	\$ 286,445,821	\$ 80,675,721	\$ 205,770,100	\$ 180,131,614
Total Assets Held Under Finance Arrangements	<u>\$ 286,445,821</u>	<u>\$ 80,675,721</u>	<u>\$ 205,770,100</u>	<u>\$ 180,131,614</u>

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

Description	Lessor	Original Principal	Lease Term	Begin Month/ Year	End Month/ Year	Outstanding Principal
East Campus Village Residence Halls	UGA Real Estate Foundation	\$ 65,631,566	30 years	July 2004	June 2034	\$ 33,061,487 (1)
East Village Dining Commons	UGA Real Estate Foundation	16,371,385	30 years	July 2004	June 2034	8,317,686 (1)
Tate Student Center Parking Deck	UGA Real Estate Foundation	13,400,000	29 years	August 2008	June 2037	8,652,110 (1)
Tate Student Center Expansion	UGA Real Estate Foundation	40,868,389	29 years	May 2009	June 2038	28,167,775 (1)
Intramural Parking Deck	UGA Real Estate Foundation	7,795,000	30 years	August 2009	June 2039	5,067,306 (1)
Performing Arts Center Parking Deck	UGA Real Estate Foundation	9,468,747	30 years	November 2009	June 2039	6,114,183 (1)
Greek Park House #1 - Pi Kappa Alpha	UGA Real Estate Foundation	3,287,613	16 years	August 2009	June 2025	0 (1)
Greek Park House #2 - Tau Epsilon Phi	UGA Real Estate Foundation	3,287,613	16 years	August 2009	June 2025	0 (1)
Greek Park House #3 - Sigma Nu	UGA Real Estate Foundation	3,287,613	16 years	August 2009	June 2025	0 (1)
Greek Park House #7 - Phi Delta Theta	UGA Real Estate Foundation	2,246,232	16 years	August 2009	June 2025	0 (1)
East Campus Housing Phase II	UGA Real Estate Foundation	48,741,608	30 years	July 2010	June 2040	33,663,439 (1)
Bolton Dining Commons	UGA Real Estate Foundation	24,200,067	30 years	August 2014	June 2044	16,172,870 (1)
Black Diallo Miller	UGA Real Estate Foundation	43,443,359	30 years	July 2022	June 2052	40,914,758 (1)
Total Financed Leases		<u>\$282,029,192</u>				<u>\$180,131,614</u>

(1) These financing agreements are related party transactions

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

	Principal	Interest
Year Ending June 30:		
2026	\$ 9,937,771	\$ 7,804,237
2027	10,377,964	7,344,044
2028	10,847,782	6,862,533
2029	11,328,401	6,358,752
2030	11,828,991	5,831,865
2031 through 2035	60,524,974	20,546,602
2036 through 2040	38,863,985	8,979,238
2041 through 2045	12,681,343	3,600,266
2046 through 2050	9,471,027	1,606,797
2051 through 2055	4,269,376	156,672
	<u>\$ 180,131,614</u>	<u>\$ 69,091,006</u>

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. The University of Georgia is responsible for pollution remediation at the Milledge Avenue landfill site. USG has recorded a liability related to this pollution remediation in the amount of \$165,972. The liability is based on a contractual agreement with Resolute

Environmental & Water Resources Consulting. The University of Georgia does not anticipate any changes to the expected remediation outlay. There are no expected recoveries that have reduced this liability.

Note 9 Deferred Outflows and Inflows of Resources

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

Deferred Outflows of Resources

Deferred Outflow on Defined Benefit Pension Plans (See Note 14)	\$	312,379,840
Deferred Outflow on OPEB Plan (See Note 17)		101,750,286
Total Deferred Outflows of Resources	\$	414,130,126

Deferred Inflows of Resources

Deferred Inflow on Defined Benefit Pension Plans (See Note 14)	\$	141,375,163
Deferred Inflow on OPEB Plan (See Note 17)		365,053,222
Deferred Inflows of Resources - Leases		5,783,027
Total Deferred Inflows of Resources	\$	512,211,412

Leases

The University has entered into agreements with various entities for leasing of University owned land and building spaces in various University campus locations throughout the state. The amortized revenue recorded in fiscal year 2025 was \$1,155,712 and the remaining deferred inflow of resources was \$5,783,027.

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

Description	Lessee	Begin Month/ Year	Lease Term	Amortized Revenue in FY25	Remaining Deferred Inflow of Resources
Skidaway Institute of Oceanography	Georgia Aquarium	Dec 2021	31 Years	\$ 32,795	\$ 885,462
DAS (Sanford Stadium)	AT&T	Jan 2020	5 Years	45,212	180,849
Life Sciences - 120 Green Street	AT&T	Dec 2019	5 Years	70,282	281,128
Vince - 100 Field Street	AT&T	Jul 2020	5 Years	86,423	—
Whitehall - 100 Phoenix Road	AT&T	May 2021	7 Years	50,737	101,474
105 Green Street	Sprint	Jan 2020	5 Years	54,454	217,816
Skidaway Institute of Oceanography	T-Mobile	Oct 2020	5 Years	37,140	—
Whitehall - 100 Phoenix Road	Verizon	Nov 2020	5 Years	28,229	291,327
Hull Street	Verizon	Aug 2022	7 Years	(6,661)	—
Main Library - 320 South Jackson Street	Verizon	May 2021	6 Years	51,196	51,196
Life Sciences - 122 Green Street	Verizon	Dec 2019	5 Years	56,088	224,351
Oglethorpe House	Verizon	Jan 2020	5 Years	54,076	486,687
Sanford Stadium	Verizon	Aug 2019	5 Years	—	—
Educational Broadband Service	Clearwire Spectrum Holdings	Jun 2009	30 Years	149,508	2,093,106
Center for Applied Genetic Technologies	Blue Lake Biotechnologies, LLC	Jun 2020	5 Years	66,743	76,730
Solar Farm	Georgia Power	Jun 2015	25 Years	7,917	118,761
Skidaway Institute of Oceanography	NOAA	Jun 2019	8 Years	42,293	84,586
Bledsoe Research Farm	Colorado State University	Jun 2019	5 Years	2,489	7,466
Animal Science - 425 River Road	Boehringer Ingelheim	Jul 2022	8 Years	31,167	—
Animal Science - 425 River Road	ArunA Biomedical	Jul 2023	4 Years	51,081	102,161
IPBGG - 111 Riverbend Rd	Glycoscientific	Jul 2023	4 Years	42,907	85,814

IPBGG - 111 Riverbend Rd	Lectenz	Jul 2023	4 Years	45,033	90,067
110 Riverbend Rd	MHG Meredian	Jul 2023	4 Years	47,674	95,348
110 Riverbend Rd	MHG Danimer	Jul 2023	4 Years	43,412	86,823
Animal Science - 425 River Road	Dalan Animal Health	Mar 2024	5.33 Years	25,324	101,296
GeneDartec - 111 Riverbend Rd	GeneDartec	Jul 2024	4 Years	40,193	120,579
				<u>\$ 1,155,712</u>	<u>\$ 5,783,027</u>

Note 10 Net Position

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

NET POSITION

Net Investment in Capital Assets	<u>\$ 2,171,914,070</u>
Restricted for	
Nonexpendable	
Permanent Endowment	<u>91,790,980</u>
Expendable	
Sponsored and Other Organized Activities	133,399,068
Federal Loans	347,164
Institutional Loans	12,695,129
Quasi-Endowments	40,622,172
Capital Projects	<u>29,193,008</u>
Sub-Total	<u>216,256,541</u>
Unrestricted	
Auxiliary Enterprises Operations	119,393,749
Reserve for Encumbrances	162,425,275
Reserve for Inventory	1,487,000
Capital Liability Reserve Fund	1,956,485
Other Unrestricted (Deficit)	<u>(1,585,527,613)</u>
Sub-Total	<u>(1,300,265,104)</u>
Total Net Position	<u>\$ 1,179,696,487</u>

Other unrestricted net position is reduced by \$971,479,240 related to the recording of net OPEB liability, deferred inflow of resources, and deferred outflow of resources related to OPEB plan. Other unrestricted net position is also reduced by \$750,311,852 related to the recording of net pension liability, deferred inflow of resources, and deferred outflow of resources on defined benefit pension plans. These OPEB and pension balances are mostly funded through state appropriation, student tuition and fees that are subject to State surplus rules which prevents the accumulation of budgetary fund balance. Therefore, the University is statutorily unable to maintain accumulated net position to offset these OPEB and pension balances.

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

	Balance July 1, 2024	Additions	Reductions	Balance June 30, 2025
Net Investments in Capital Assets	\$ 2,042,687,273	\$ 291,518,054	\$ 162,291,257	\$ 2,171,914,070
Restricted Net Position	277,075,523	492,071,312	461,099,314	308,047,521
Unrestricted Net Position	(1,358,462,668)	1,785,733,025	1,727,535,461	(1,300,265,104)
Total Net Position	<u>\$ 961,300,128</u>	<u>\$ 2,569,322,391</u>	<u>\$ 2,350,926,032</u>	<u>\$ 1,179,696,487</u>

Note 11 Endowments

Donor Restricted Endowments

Investments of the University's endowment funds are pooled, unless required to be separately invested by the donor. For University controlled, donor-restricted endowments, where the donor has not provided specific instructions, the Board of Regents permits Institutions to develop policies for authorizing and spending realized and unrealized endowment income and appreciation as they determine to be prudent. Realized and unrealized appreciation in excess of the amount budgeted for current spending is retained by the endowments. Current year net appreciation on endowment investments available for authorization for expenditure was \$10,104,327 and is reflected as expendable restricted net position.

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

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

Note 12 Significant Commitments

See the Net Position note for amounts reserved for outstanding encumbrances at June 30, 2025. The University entered into two lease agreements in the amount of \$1,737,877 prior to June 30, 2025, with an inception date of July 1, 2025 or later. This amount is not reflected in the accompanying basic financial statements.

Note 13 Leases and Subscriptions

The University leases facilities, office and computer equipment, and other assets. The University also enters into certain subscription-based contracts to use vendor provided information technology (IT). Although lease and/or subscription terms vary, many leases and/or subscription agreements are subject to appropriation from the General Assembly to continue the obligation. In accordance with O.C.G.A. § 50-5-64, these agreements shall terminate absolutely and without further obligation at the close of the fiscal year in which it was executed and at the close of each succeeding fiscal year for which it may be renewed. These agreements may be renewed only by a positive action taken by the University. In addition, these agreements shall terminate if the State does not provide adequate funding, but that is considered a remote possibility. The University's principal and interest payments related to leases for fiscal year 2025 were \$5,503,155 and \$808,804, respectively. Additionally, the University had reductions in principal balances due to early terminations and amendments in the amount of \$337,730. Interest rates range from 0.3449% - 3.402%.

The University's principal and interest payments related to SBITAs for fiscal year 2025 were \$2,920,130 and \$217,353 respectively. Interest rates range from 0.3449% - 2.744%.

Lease Obligations

The University has \$23,969,076 in outstanding lease obligations due to component units. Component units have \$23,969,076 in investment in lease receivables due from the University.

There were no residual guaranteed payments or variable payments based on performance expensed for fiscal year ended June 30, 2025.

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

Description	Gross Amount	Less: Accumulated Depreciation	Net Assets Held Under Lease Obligations at June 30, 2025	Outstanding Balance per Lease Schedules at June 30, 2025
	(+)	(-)	(=)	
Leased Equipment	\$ 2,809,565	\$ 1,369,069	\$ 1,440,496	\$ 1,392,915
Leased Buildings and Building Improvements	49,914,772	20,339,651	29,575,121	32,421,261
Total Assets Held Under Lease	<u>\$ 52,724,337</u>	<u>\$ 21,708,720</u>	<u>\$ 31,015,617</u>	<u>\$ 33,814,176</u>

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

LEASE SCHEDULE

Description	Lessor	Original Principal	Lease Term	Begin Month/ Year	End Month/ Year	Outstanding Principal
Cortona Italy Foundation	UGA Real Estate Foundation	\$ 547,355	13 years	Jul 2014	Jun 2026	\$ 119,196 (1)
Gwinnett Intellicenter, Duluth GA	UGA Real Estate Foundation	9,643,857	10 years	Jan 2017	Apr 2027	3,283,822 (1)
Live Oak Square, Atlanta GA	UGA Real Estate Foundation	20,210,175	11.08 years	Mar 2019	Aug 2035	17,007,466 (1)
Washington DC	UGA Foundation	2,605,318	4 years	Jul 2024	Jun 2029	2,149,831 (1)
Library Repository	UGA Research Foundation	293,268	5 years	Jul 2020	Jun 2025	— (1)
Oxford England	UGA Foundation	3,263,235	5 years	Jul 2022	Jun 2027	1,408,761 (1)
Various Building Space Leases	Various Vendors	14,292,573	3.5 - 11.17 years	Jul 2020	Jun 2032	8,452,184
Various Equipment Leases	Various Vendors	<u>2,809,565</u>	2 - 5 years	Jul 2020	Apr 2030	<u>1,392,916</u>
Total Leases		<u>\$ 53,665,346</u>				<u>\$ 33,814,176</u>

(1) These leases are related party transactions.

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

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

	Principal	Interest
Year Ending June 30:		
2026	\$ 6,806,105	\$ 853,190
2027	6,581,376	702,108
2028	4,034,312	575,381
2029	3,830,231	472,087
2030	2,392,792	383,655
2031 through 2035	9,980,286	927,909
2036 through 2040	189,074	536
Total Minimum Lease Payments	<u>\$ 33,814,176</u>	<u>\$ 3,914,866</u>

Subscription Obligations

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

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

Description	Gross Amount	Less: Accumulated Amortization	Net Assets Held Under Subscription Obligations at June 30, 2025	Outstanding Balance per Subscription Schedules at June 30, 2025
Subscription Based IT Arrangements (SBITAs)	<u>\$ 12,925,296</u>	<u>\$ 5,404,250</u>	<u>\$ 7,521,046</u>	<u>\$ 4,898,186</u>

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

	Principal	Interest
Year Ending June 30:		
2026	\$ 2,254,247	\$ 131,269
2027	1,096,372	72,435
2028	978,460	42,465
2029	569,107	15,616
Total Minimum Subscription Payments	<u>\$ 4,898,186</u>	<u>\$ 261,785</u>

Note 14 Retirement Plans

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

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

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

General Information about the Teachers Retirement System

Plan description

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

Benefits Provided

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

Contributions

Per Title 47 of the O.C.G.A., contribution requirements of active employees and participating employers, as actuarially determined, are established and may be amended by the TRS Board. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employees were required to contribute 6% of their annual pay during fiscal year 2025. The University's contractually required contribution rate for the year ended June 30, 2025 was 20.78% of the University's annual payroll. The University's contributions to TRS totaled \$123,575,022 for the year ended June 30, 2025.

General Information about the Employees' Retirement System

Plan description

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

Benefits provided

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

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

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

Contributions

Member contributions under the old plan are 4% of annual compensation, up to \$4,200, plus 6% of annual compensation in excess of \$4,200. Under the old plan, the State pays member contributions in excess of 1.25% of annual compensation. Under the old plan, these State contributions are included in the members' accounts for refund purposes and are used in the computation of the members' earnable compensation for the purpose of computing retirement benefits. Member contributions under the new plan and GSEPS are 1.25% of annual compensation. The required contribution rate for the year ended June 30, 2025 was 29.20% of annual covered payroll for old and new plan members and 25.51% for GSEPS members. The University's contributions to ERS totaled \$681,119 for the year ended June 30, 2025. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

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

At June 30, 2025, the University reported a liability for its proportionate share of the net pension liability for TRS and ERS. The net pension liability was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2023. An expected total pension liability as of June 30, 2024 was determined using standard roll-forward techniques. The University's proportion of the net pension liability was based on contributions to TRS and ERS during the fiscal year ended June 30, 2024. At June 30, 2024, the University's TRS proportion was 3.648591%, which was a decrease of (0.019150)% from its proportion measured as of June 30, 2023. At June 30, 2024, the University's ERS proportion was 0.094570%, which was a decrease of (0.006619)% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the University recognized pension expense of \$150,688,783 for TRS and \$(69,997) for ERS. At June 30, 2025, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	TRS		ERS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 103,771,619	\$ 2,740,895	\$ 228,199	\$ —
Changes of assumptions	63,795,358	—	—	—
Net difference between projected and actual earnings on pension plan investments	—	127,857,830	—	479,512
Changes in proportion and differences between contributions and proportionate share of contributions	20,328,522	10,082,475	—	214,451
Contributions subsequent to the measurement date	123,575,022	—	681,119	—
Total	<u>\$ 311,470,521</u>	<u>\$140,681,200</u>	<u>\$ 909,318</u>	<u>\$ 693,963</u>

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

Year Ending June 30:	TRS	ERS
2026	\$ 18,645,560	\$ (262,829)
2027	123,622,271	275,599
2028	(52,566,814)	(291,813)
2029	(42,486,718)	(186,721)

Actuarial assumptions

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

Teachers Retirement System

Inflation	2.50%
Salary increases	3.00% - 8.75%, average, including inflation
Investment rate of return	6.90%, net of pension plan investment expense, including inflation
Post-retirement benefit increases	1.50% semi-annually

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

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

Employees' Retirement System

Inflation	2.50%
Salary increases	3.00 – 6.75%, including inflation
Investment rate of return	7.00%, net of pension plan investment expense, including inflation
Cost-of-living-adjustment	1.05%, annually

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

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

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

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

* Rates shown are net of inflation

Discount rate

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

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

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

Teachers Retirement System:

	1% Decrease 5.90%	Current discount rate 6.90%	1% Increase 7.90%
Proportionate share of the net pension liability	1,578,442,310	\$ 917,059,119	377,167,987

Employees' Retirement System:

	1% Decrease 6.00%	Current discount rate 7.00%	1% Increase 8.00%
Proportionate share of the net pension liability	6,414,302	4,257,410	2,443,468

Pension plan fiduciary net position

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

B. Defined Contribution Plan:

Regents Retirement Plan

Plan Description

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

Funding Policy

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

The University and the covered employees made the required contributions of \$28,682,462 (9.24%) and \$18,624,978 (6.00%), respectively.

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

Note 15 Risk Management

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

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

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

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

indemnification. Limited amounts of commercial insurance are purchased applicable to property, employee and automobile liability, fidelity and certain other risks.

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

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

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

Note 16 Contingencies

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

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

Note 17 Post-Employment Benefits Other Than Pension Benefits

Board of Regents Retiree Health Benefit Plan

Plan Description and Funding Policy

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

Pursuant to the general powers conferred by the OCGA § 20-3-31, the USG has established group health and life insurance programs for regular employees of the USG. It is the policy of the USG to permit employees of the USG eligible for retirement or who become permanently and totally disabled to continue as members of the group health and life insurance programs. The USG offers its employees and retirees under the age of 65 access to three self-insured healthcare plan options and one fully insured plan option. For the USG's Plan Year 2025, the following self-insured health care options were available: Blue Choice HMO plan, (Blue Cross and Blue Shield of Georgia) Consumer Choice HSA plan, and the (Blue Cross and Blue Shield of Georgia) Comprehensive Care plan. The USG offers a self-insured dental plan administered by Delta Dental.

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

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

Active Employees	10,931
Retirees or Beneficiaries Receiving Benefits	5,056
Retirees Receiving Life Insurance Only	<u>1,032</u>
Total	<u><u>17,019</u></u>

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

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

For fiscal year 2025, the University contributed \$23,005,349 to the plan for current premiums or claims.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2025, the University reported a liability for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2024. The total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation as of May 1, 2024. An expected total OPEB liability as of June 30, 2024 was determined using standard roll-forward techniques. The University's proportion of the net OPEB liability was actuarially determined based on employer contributions during the fiscal year ended June 30, 2024. At June 30, 2024, the University's proportion was 24.388998%, which was a increase of 0.098172% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the University recognized OPEB expense of \$(69,715,985). At June 30, 2025, the University reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 17,899,635	\$ 3,748,660
Changes of assumptions	46,714,227	359,942,339
Net difference between projected and actual earnings on OPEB plan investments	1,669,943	—
Changes in proportion and differences between contributions and proportionate share of contributions	12,461,122	1,362,215
Contributions subsequent to the measurement date	<u>23,005,349</u>	<u>—</u>
Total	<u><u>\$ 101,750,276</u></u>	<u><u>\$ 365,053,214</u></u>

The University's contributions subsequent to the measurement date of \$23,005,349 are reported as deferred outflows of resources and will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30:

2026	\$	(114,323,816)
2027		(92,504,337)
2028		(55,107,756)
2029		(22,072,170)
2030		(2,300,208)

Actuarial assumptions

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

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

Changes in Assumptions Since Prior Valuation

The financial accounting valuation reflects the following assumption changes:

- Expected claims costs were updated to reflect actual claims experience.
- Trend rate schedule was updated to anticipated future experience.
- The discount rate was updated from 3.69% as of June 30, 2023 to 3.96% as of June 30, 2024.
- The Expected Return on Assets was changed from 5.40 to 6.02%.
- The following assumptions were updated based on the 2024 Demographic Assumptions Review (experience study):
 - Retirement rates
 - Withdrawal rates
 - Percentage of participants that elect spousal coverage upon retirement was updated for males from 55% to 50%
 - Percentage of participants electing coverage upon retirement was updated for post-65 employees from 85% to 80%

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in

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

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

Discount rate

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

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

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

	1% Decrease 2.96%	Current Rate 3.96%	1% Increase 4.96%
Proportionate Share of the Net OPEB Liability	\$ 819,433,586	\$ 708,176,304	\$ 617,119,127

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

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

	1% Decrease	Current Rate	1% Increase
Proportionate Share of the Net OPEB Liability	\$ 622,850,169	\$ 708,176,304	\$ 813,905,853
Pre-Medicare Eligible	7.7% decreasing to 3.5%	8.7% decreasing to 4.5%	9.7% decreasing to 5.5%
Medicare Eligible	1.0%	2.0%	3.0%

OPEB plan fiduciary net position:

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

Note 18 Operating Expenses with Functional Classifications

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

Functional Classification	Natural Classification				
	Faculty Salaries	Staff Salaries	Employee Benefits	Personal Services	Travel
Instruction	\$ 173,151,216	\$ 98,162,236	\$ 70,738,156	\$ 740,046	\$ 7,026,960
Research	173,953,141	127,679,739	63,532,419	413,399	12,716,977
Public Service	63,571,343	71,520,519	41,719,614	102,110	3,617,801
Academic Support	30,999,800	76,937,013	33,577,200	169,840	796,996
Student Services	3,634,721	29,091,534	10,299,652	63,479	631,966
Institutional Support	6,737,054	61,234,253	28,006,204	1,325,026	1,131,315
Plant Operations and Maintenance	834,298	62,762,853	23,573,607	—	232,847
Scholarships and Fellowships	—	—	—	—	—
Auxiliary Enterprises	6,669,704	103,405,783	31,198,320	384,636	246,670
Total Operating Expenses	<u>\$ 459,551,277</u>	<u>\$ 630,793,930</u>	<u>\$ 302,645,172</u>	<u>\$ 3,198,536</u>	<u>\$ 26,401,532</u>

Functional Classification	Natural Classification				
	Scholarships and Fellowships	Utilities	Supplies and Other Services	Depreciation/Amortization	Total Operating Expenses
Instruction	\$ —	\$ 1,925,844	\$ 41,034,704	\$ 24,609,463	\$ 417,388,625
Research	—	1,667,119	125,908,834	38,659,547	544,531,175
Public Service	—	1,239,455	45,015,814	10,704,953	237,491,609
Academic Support	—	1,716,434	37,334,288	17,926,346	199,457,917
Student Services	—	341,208	10,469,845	2,420,347	56,952,752
Institutional Support	—	445,804	23,619,872	5,930,470	128,429,998
Plant Operations and Maintenance	—	46,310,209	69,514,808	9,554,118	212,782,740
Scholarships and Fellowships	33,134,899	—	—	—	33,134,899
Auxiliary Enterprises	—	11,975,900	44,564,475	20,645,946	219,091,434
Total Operating Expenses	<u>\$ 33,134,899</u>	<u>\$ 65,621,973</u>	<u>\$ 397,462,640</u>	<u>\$ 130,451,190</u>	<u>\$ 2,049,261,149</u>

Note 19 Component Units

University of Georgia Athletic Association, Inc.

The University of Georgia Athletic Association, Inc. (the Athletic Association) is a legally separate, tax-exempt component unit of the University of Georgia (University). The Athletic Association was organized in 1928 as a not-for-profit corporation to promote intercollegiate athletic sports representing the University. Although the University is not fiscally accountable for the Athletic Association, the nature and significance of the relationship between the University and the Athletic Association is such that exclusion from these departmental financial statements would render them misleading. The Athletic Association reports under GASB Standards.

During the year ended June 30, 2025, the Athletic Association made payments to the University for services such as food services, parking services, health services, tuition, gas, electricity, security, and golf course maintenance. These payments totaled \$72.5 million.

The Athletic Association has an unused line of credit in the amount of \$37,000,000.

University of Georgia Foundation, Inc.

The University of Georgia Foundation (the UGA Foundation) is a not for profit foundation that was chartered in 1937 to receive and administer contributions for the support of the academic programs of the University of Georgia (University). The UGA Foundation reports under FASB standards. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. The FASB reports were reclassified to the GASB presentation for external financial reporting purposes in these financial statements.

During the year ended June 30, 2025, the UGA Foundation distributed \$102.9 million to the University in support of program services including capital projects, scholarships, and other supporting activities, and \$10.6 million for unrestricted support including fundraising and general and administrative purposes.

University of Georgia Research Foundation, Inc.

The University of Georgia Research Foundation (the Research Foundation) is a legally separate, tax-exempt affiliated organization of the University of Georgia (University). The Research Foundation serves to enhance the research mission of the University by securing sponsored research funding and by providing funding of special research initiatives. All University intellectual property developed through these research programs is managed by the Research Foundation. The seventeen-member board of the Research Foundation consists of designated University personnel, appointees of several University constituent groups, and individuals selected by the Research Foundation itself. All sponsored research awards are subcontracted to the University and other resources and related income are used to benefit the teaching, research, and outreach missions of the University. During the year ended June 30, 2025, the Research Foundation distributed 318.6 million to the University for research contracts, \$13.6 million for restricted license and royalties, and \$7.6 million for both restricted and unrestricted support.

The Research Foundation is considered a special-purpose government entity engaged only in business-type activities and is required to follow all applicable GASB pronouncements. The Research Foundation's fiscal year is July 1 through June 30.

The Research Foundation includes one component unit; the UGA Real Estate Foundation, Inc. (the Real Estate Foundation). The Research Foundation is the sole corporate member of the Real Estate Foundation and its activities are included in the financial statements using a blended presentation. The Real Estate Foundation manages and improves various real estate assets for the benefit of the University. The Real Estate Foundation may also provide support to the Board of Regents of the University System of Georgia and its affiliated institutions.

Complete financial statements for the Research Foundation can be obtained from the University of Georgia, Finance Division, 324 Business Services Building, 456 East Broad Street, Athens, GA 30602.

The Research Foundation has an unused line of credit in the amount of \$11,340,562.

The Research Foundation's outstanding bonds payable and/or notes and loans payable are secured with collateral related to real property.

Consolidation and Elimination Adjustments

The University of Georgia Foundation maintains pooled investment funds for the University of Georgia Athletic Association and the University of Georgia Research Foundation for investment purposes. An elimination entry of \$64,669,852 was made to reduce the duplication of investment activity reflected on each component unit's individual financial statements.

An elimination entry of \$2,182,527 was made to reduce the duplication of deferred compensation payable reflected on The University of Georgia Athletic Association's individual financial statements. Deferred compensation is also reported by the University for athletic department employees.

Combined component unit's investments are comprised of the following amounts at June 30, 2025:

	Fair Value
Investment type	
Debt Securities	
U.S. Treasuries	\$ 24,199,674
U.S. Agencies	
Bond Securities	22,232,070
Corporate Debt	14,555,810
Money Market Mutual Funds	135,228,370
Municipal Obligations	66,770
Mutual Bond Funds	351,406,779
Repurchase Agreements	72,162,955
Other Investments	
Equity Mutual Funds - Domestic	440,072,651
Equity Mutual Funds - International	361,408,071
Equity Securities - Domestic	2,639,677
Hedge Funds	807
Hedge Fund Limited Partnerships	369,327,102
Private Equity Limited Partnerships	338,263,937
Natural Resources	86,520,599
Real Estate Investment Trusts	42,413,160
Real Asset Limited Partnerships	49,941,174
Commodities Common Trust funds	4,436,877
Other	2,087,124
	<u>2,316,963,607</u>
Investment Pools	
Board of Regents	
Short-Term Fund	13,539,396
Total Investments	<u><u>\$ 2,330,503,003</u></u>

Component unit investments of \$79,937,326 are reported as cash and cash equivalents on the Statement of Net Position.

Combined component unit's endowments are comprised of the following amounts at June 30, 2025:

	Unrestricted	Restricted	Total
Beginning Balance	\$ 230,159,413	\$ 1,554,191,605	\$ 1,784,351,018
Contributions	3,005,257	62,807,997	65,813,254
Net realized and unrealized gains	20,617,317	169,432,193	190,049,510
Appropriation of endowment assets for expenditure	(6,650,440)	(85,076,680)	(91,727,120)
Ending	<u><u>\$ 247,131,547</u></u>	<u><u>\$ 1,701,355,115</u></u>	<u><u>\$ 1,948,486,662</u></u>

Combined amounts due to component units related to investment in financing lease arrangement as of June 30, 2025 is as follows:

Year Ending June 30:	Year:	Principal	Interest	Total
2026	1	\$ 9,937,770	\$ 7,804,237	\$ 17,742,007
2027	2	10,377,964	7,344,044	17,722,008
2028	3	10,847,782	6,862,533	17,710,315
2029	4	11,328,401	6,358,754	17,687,155
2030	5	11,828,991	5,831,865	17,660,856
2031 through 2035	6-10	60,524,974	20,546,602	81,071,576
2036 through 2040	11-15	38,863,986	8,979,238	47,843,224
2041 through 2045	16-20	12,681,343	3,600,266	16,281,609
2046 through 2050	21-24	9,471,027	1,606,797	11,077,824
2051 through 2055	26-30	4,269,376	156,670	4,426,046
Total Minimum Lease Payments to be Received		<u>180,131,614</u>	<u>69,091,006</u>	<u>249,222,620</u>

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

Year Ending June 30:	Year:	Principal	Interest	Total
2026	1	\$ 2,474,163	\$ 536,896	\$ 3,011,059
2027	2	2,707,802	473,133	3,180,935
2028	3	1,267,635	421,908	1,689,543
2029	4	1,354,340	377,442	1,731,782
2030	5	1,445,113	329,963	1,775,076
2031 through 2035	6-10	8,741,657	821,986	9,563,643
2036 through 2040	11-15	167,571	475	168,046
Total Minimum Lease Payments to be Received		<u>18,158,281</u>	<u>2,961,803</u>	<u>21,120,084</u>

Combined component unit's capital assets are comprised of the following amounts at June 30, 2025:

Capital Assets not being Depreciated:	
Land	\$ 40,471,685
Capitalized Collections	72,547
Construction Work-in-Progress	<u>74,595,593</u>
Total Capital Assets not being Depreciated	115,139,825
Capital Assets being Depreciated:	
Building and Building Improvements	691,343,050
Facilities and Other Improvements	44,138,678
Equipment	19,821,275
Software	<u>3,274,754</u>
Total Capital Assets being Depreciated/Amortized	758,577,757
Less Total Accumulated Depreciation/Amortization	<u>222,434,432</u>
Total Capital Assets being Depreciated/Amortized, Net	<u>536,143,325</u>
Capital Assets, Net	<u>\$ 651,283,150</u>

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

Intangible Right-to-use Assets, Being Amortized	
Building and Building Improvements	\$ 24,015,007
Equipment	1,230,015
Subscription Based IT Arrangements	3,935,490
Total Intangible Assets, Being Amortized	<u>29,180,512</u>
Less: Accumulated Amortization	
Building and Building Improvements	7,475,895
Equipment	636,521
Subscription Based IT Arrangements	1,958,694
Total Accumulated Amortization	<u>10,071,110</u>
Intangible Right-to-use Assets, net	<u>\$ 19,109,402</u>

Combined component unit's long-term liabilities are comprised of the following amounts at June 30, 2025:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts due within One Year
Lease Obligation	\$ 6,070,334	\$ 14,799,180	\$ 2,152,525	\$ 18,716,989	\$ 2,771,926
Subscription Obligations	1,837,382	1,168,130	1,403,220	1,602,292	815,959
Liabilities under Split Interest Agreement	9,088,733	—	3,457,109	5,631,624	19,846
Notes and Loans Payable	26,692,674	58,000,000	21,325,330	63,367,344	654,524
Interest Rate Swap	(200,548)	200,548	(20,198)	20,198	—
Revenue/Mortgage Bonds Payable	295,815,000	115,410,000	40,875,000	370,350,000	15,700,000
Bond - Premium	23,174,654	2,811,495	2,459,478	23,526,671	—
Total Long Term Liabilities	<u>\$ 362,478,229</u>	<u>\$ 192,389,353</u>	<u>\$ 71,652,464</u>	<u>\$ 483,215,118</u>	<u>\$ 19,962,255</u>

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

		Principal	Interest	Total
Year ending June 30:	Year:			
2026	1	\$ 2,771,926	\$ 549,070	\$ 3,320,996
2027	2	2,938,594	477,110	3,415,704
2028	3	1,294,629	422,175	1,716,804
2029	4	1,357,499	377,463	1,734,962
2030	5	1,445,113	329,963	1,775,076
2031 through 2035	6-10	8,741,659	821,986	9,563,645
2036 through 2040	11-15	167,569	475	168,044
Total minimum lease payments		<u>18,716,989</u>	<u>2,978,242</u>	<u>21,695,231</u>

Combined component unit's subscription obligations are comprised of the following amounts at June 30, 2025:

		Principal	Interest	Total
Year ending June 30:	Year:			
2026	1	\$ 815,959	\$ 21,551	\$ 837,510
2027	2	588,681	6,717	595,398
2028	3	197,652	1,267	198,919
Total minimum lease payments		<u>1,602,292</u>	<u>29,535</u>	<u>1,631,827</u>

Combined component unit's notes and loans are comprised of the following amounts at June 30, 2025:

		Principal	Interest	Total
Year ending June 30:	Year:			
2026	1	\$ 654,524	\$ 467,509	\$ 1,122,033
2027	2	680,807	439,769	1,120,576
2028	3	707,780	411,444	1,119,224
2029	4	14,399,925	380,503	14,780,428
2030	5	38,773,969	348,760	39,122,729
2031 through 2035	6-10	4,387,773	1,214,896	5,602,669
2036 through 2040	11-15	3,762,566	264,349	4,026,915
Total		<u>\$ 63,367,344</u>	<u>\$ 3,527,230</u>	<u>\$ 66,894,574</u>

Combined component unit's bonds payable are comprised of the following amounts at June 30, 2025:

		Principal	Interest	Total
Year ending June 30:	Year:			
2026	1	\$ 15,700,000	\$ 15,258,761	\$ 30,958,761
2027	2	19,585,000	14,612,731	34,197,731
2028	3	20,410,000	13,746,745	34,156,745
2029	4	21,260,000	12,838,387	34,098,387
2030	5	22,140,000	11,893,913	34,033,913
2031 through 2035	6-10	102,105,000	45,555,419	147,660,419
2036 through 2040	11-15	65,280,000	28,445,725	93,725,725
2041 through 2045	16-20	39,540,000	16,716,937	56,256,937
2046 through 2050	21-24	29,530,000	10,304,787	39,834,787
2051 through 2055	26-30	29,120,000	4,548,475	33,668,475
2056 through 2060	31-35	5,680,000	230,938	5,910,938
		370,350,000	174,152,818	544,502,818
Bond Premium		23,526,671	—	23,526,671
Total		<u>\$ 393,876,671</u>	<u>\$ 174,152,818</u>	<u>\$ 568,029,489</u>

Required Supplementary Information



UNIVERSITY OF
GEORGIA

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

	Year Ended	Actuarially Determined Contribution (a)	Contributions in Relation to the Actuarially Determined Contribution (b)	Contribution Deficiency (Excess) (b-a)	Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
Employees' Retirement System	June 30, 2025	\$ 681,119	\$ 681,119	\$ —	\$ 2,457,939	27.71%
	June 30, 2024	\$ 754,512	\$ 754,512	\$ —	\$ 2,570,001	29.36%
	June 30, 2023	\$ 789,643	\$ 789,643	\$ —	\$ 2,543,937	31.04%
	June 30, 2022	\$ 578,702	\$ 578,702	\$ —	\$ 2,346,791	24.66%
	June 30, 2021	\$ 546,902	\$ 546,902	\$ —	\$ 2,217,760	24.66%
	June 30, 2020	\$ 590,091	\$ 590,091	\$ —	\$ 2,389,403	24.70%
	June 30, 2019	\$ 597,920	\$ 597,920	\$ —	\$ 2,406,752	24.84%
	June 30, 2018	\$ 588,349	\$ 588,349	\$ —	\$ 2,272,341	25.89%
	June 30, 2017	\$ 508,186	\$ 508,186	\$ —	\$ 1,979,582	25.67%
	June 30, 2016	\$ 519,785	\$ 519,785	\$ —	\$ 2,061,311	25.22%
Teachers Retirement System	June 30, 2025	\$ 123,575,022	\$ 123,575,022	\$ —	\$ 594,647,949	20.78%
	June 30, 2024	\$ 112,783,451	\$ 112,783,451	\$ —	\$ 563,773,426	20.01%
	June 30, 2023	\$ 104,919,010	\$ 104,919,010	\$ —	\$ 526,162,911	19.94%
	June 30, 2022	\$ 92,797,418	\$ 92,797,418	\$ —	\$ 467,939,531	19.83%
	June 30, 2021	\$ 86,865,189	\$ 86,865,189	\$ —	\$ 456,497,341	19.03%
	June 30, 2020	\$ 98,517,318	\$ 98,517,318	\$ —	\$ 464,009,556	21.23%
	June 30, 2019	\$ 95,082,088	\$ 95,082,088	\$ —	\$ 448,603,779	21.20%
	June 30, 2018	\$ 72,820,704	\$ 72,820,704	\$ —	\$ 432,012,936	16.86%
	June 30, 2017	\$ 60,690,947	\$ 60,690,947	\$ —	\$ 426,989,538	14.21%
	June 30, 2016	\$ 57,583,354	\$ 57,583,354	\$ —	\$ 404,092,295	14.25%

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

	Year Ended	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Covered Payroll	Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
Employees' Retirement System	June 30, 2025	0.094570%	\$ 4,257,410	\$ 2,570,001	165.66%	78.75%
	June 30, 2024	0.101189%	\$ 6,036,521	\$ 2,543,937	237.29%	71.20%
	June 30, 2023	0.105555%	\$ 7,049,454	\$ 2,346,791	300.39%	67.44%
	June 30, 2022	0.096104%	\$ 2,247,780	\$ 2,217,760	101.35%	87.62%
	June 30, 2021	0.095000%	\$ 4,004,209	\$ 2,389,403	167.58%	76.21%
	June 30, 2020	0.095743%	\$ 3,950,865	\$ 2,406,752	164.16%	76.74%
	June 30, 2019	0.091022%	\$ 3,741,944	\$ 2,272,341	164.67%	76.68%
	June 30, 2018	0.081550%	\$ 3,312,019	\$ 1,979,582	167.31%	76.33%
	June 30, 2017	0.090000%	\$ 4,214,520	\$ 2,061,311	204.46%	72.34%
	June 30, 2016	0.076807%	\$ 3,111,757	\$ 1,733,437	179.51%	76.20%
Teachers Retirement System	June 30, 2025	3.648591%	\$ 917,059,119	\$ 563,773,426	162.66%	80.86%
	June 30, 2024	3.667741%	\$1,082,874,672	\$ 526,162,911	205.81%	76.29%
	June 30, 2023	3.488567%	\$1,132,805,139	\$ 467,939,531	242.08%	72.85%
	June 30, 2022	3.540144%	\$ 313,102,124	\$ 456,497,341	68.59%	92.03%
	June 30, 2021	3.642312%	\$ 882,310,527	\$ 464,009,556	190.15%	77.01%
	June 30, 2020	3.727000%	\$ 801,582,530	\$ 448,603,779	178.68%	78.56%
	June 30, 2019	3.680000%	\$ 683,344,097	\$ 432,012,936	158.18%	80.27%
	June 30, 2018	3.750000%	\$ 696,491,851	\$ 426,989,538	163.12%	79.33%
	June 30, 2017	3.720000%	\$ 766,801,603	\$ 404,092,295	189.76%	76.06%
	June 30, 2016	3.620000%	\$ 550,468,579	\$ 378,176,373	145.56%	81.44%

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

Changes of assumptions

Employees' Retirement System:

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

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

Teachers Retirement System:

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

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

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

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

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

Year Ended	Contractually Required Contribution (a)	Contributions in Relation to the Contractually Required Contribution (b)	Contribution Deficiency (Excess) (b-a)	Covered Employee Payroll (c)	Contributions as a Percentage of Covered Employee Payroll (b/c)
June 30, 2025	\$ 23,005,349	\$ 23,005,349	\$ —	\$ 925,581,097	2.49%
June 30, 2024	\$ 22,803,905	\$ 22,803,905	\$ —	\$ 886,534,207	2.57%
June 30, 2023	\$ 24,651,808	\$ 24,651,808	\$ —	\$ 825,048,018	2.99%
June 30, 2022	\$ 35,384,986	\$ 35,384,986	\$ —	\$ 780,710,307	4.53%
June 30, 2021	\$ 28,246,688	\$ 28,246,688	\$ —	\$ 728,014,959	3.88%
June 30, 2020	\$ 24,718,097	\$ 24,718,097	\$ —	\$ 735,283,862	3.36%
June 30, 2019	\$ 38,281,461	\$ 38,281,461	\$ —	\$ 670,452,954	5.71%
June 30, 2018	\$ 38,104,754	\$ 38,104,754	\$ —	\$ 647,913,211	5.88%
June 30, 2017	\$ 23,984,368	\$ 23,984,368	\$ —	\$ 668,496,675	3.59%

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

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

Year Ended	Proportion of the Net OPEB Liability	Proportionate Share of the Net OPEB Liability	Covered Employee Payroll	Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
June 30, 2025	24.388995%	\$ 708,176,304	\$ 886,534,207	79.88%	7.19%
June 30, 2024	24.290827%	\$ 771,803,983	\$ 825,048,018	93.55%	6.44%
June 30, 2023	24.179502%	\$ 957,827,936	\$ 780,710,307	122.69%	5.08%
June 30, 2022	24.064159%	\$ 1,211,168,523	\$ 728,014,959	166.37%	3.74%
June 30, 2021	24.046709%	\$ 1,282,583,952	\$ 735,283,862	174.43%	2.91%
June 30, 2020	23.868779%	\$ 1,067,308,683	\$ 670,452,954	159.19%	3.13%
June 30, 2019	24.053003%	\$ 1,060,918,096	\$ 647,913,211	163.74%	1.69%
June 30, 2018	24.084583%	\$ 1,016,303,379	\$ 668,496,675	152.03%	0.19%

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

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

Changes in Assumptions Since Prior Valuation

The financial accounting valuation reflects the following assumption changes:

- Expected claims costs were updated to reflect actual claims experience.
- Trend rate schedule was updated to anticipated future experience.
- The discount rate was updated from 3.69% as of June 30, 2023 to 3.96% as of June 30, 2024.
- The Expected Return on Assets was changed from 5.40 to 6.02%.
- The following assumptions were updated based on the 2024 Demographic Assumptions Review (experience study):
 - Retirement rates
 - Withdrawal rates
 - Percentage of participants that elect spousal coverage upon retirement was updated for males from 55% to 50%
 - Percentage of participants electing coverage upon retirement was updated for post-65 employees from 85% to 80%

Supplementary Information



UNIVERSITY OF
GEORGIA

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

ASSETS

Cash and Cash Equivalents	\$	341,513,712.68
Accounts Receivable		
Federal Financial Assistance		45,802,812.30
Other		100,523,984.64
Prepaid Expenditures		1,079,952.68
Inventories		909,290.87
Total Assets		489,829,753.17

LIABILITIES AND FUND EQUITY

Liabilities		
Accrued Payroll		3,962,266.52
Encumbrance Payable		162,425,275.18
Accounts Payable		3,972,470.92
Deferred Revenue		61,640,083.09
Funds Held for Others		1,616,615.37
Other Liabilities		15,864.25
Total Liabilities		233,632,575.33

Fund Balances		
Reserved		
Property Reserves		6,304,707.49
Department Sales and Services		55,089,211.61
Indirect Cost Recoveries		31,570,439.13
Technology Fees		8,606,736.22
Restricted/Sponsored Funds		143,191,349.15
Uncollectible Accounts Receivable		3,235,218.84
Inventories		1,487,000.00
Tuition Carry - Forward		3,197,949.16
Unreserved		
Surplus		3,514,566.24
Total Fund Balances		256,197,177.84

Total Liabilities and Fund Balances	\$	489,829,753.17

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

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

	Original	Final	Funds Available Compared to Budget	
	Appropriation	Budget	Current Year Revenues	Prior Year Reserve Carry-Over
Agricultural Experiment Station				
State Appropriation				
State General Funds	\$ 54,413,208.00	\$ 54,413,208.00	\$ 54,413,208.00	\$ —
State General Fund Prior Year	—	700,000.00	—	700,000.00
Federal Funds				
Federal Funds Not Specifically Identified	38,250,210.00	58,995,143.00	55,570,973.43	406,333.50
Federal Funds - COVID-19				
Federal Funds Not Specifically Identified – COVID-19	—	4,350.00	4,350.00	—
Other Funds	28,511,900.00	55,497,710.00	48,096,968.49	30,064,091.57
Total Agricultural Experiment Station	121,175,318.00	169,610,411.00	158,085,499.92	31,170,425.07
Athens and Tifton Veterinary Laboratories Contract				
Federal Funds				
Federal Funds Not Specifically Identified	605,000.00	1,095,000.00	862,031.24	—
Other Funds	6,642,766.00	13,909,167.00	9,962,975.72	4,190,353.07
Total Athens and Tifton Veterinary Laboratories Contract	7,247,766.00	15,004,167.00	10,825,006.96	4,190,353.07
Cooperative Extension Service				
State Appropriation				
State General Funds	50,810,027.00	51,278,156.00	51,278,156.00	—
Federal Funds				
Federal Funds Not Specifically Identified	12,361,094.00	12,855,903.00	12,077,811.47	87,357.44
Other Funds	22,707,707.00	37,161,626.00	27,792,325.01	7,916,006.14
Total Cooperative Extension Service	85,878,828.00	101,295,685.00	91,148,292.48	8,003,363.58
Forestry Cooperative Extension				
State Appropriation				
State General Funds	1,107,906.00	1,118,294.00	1,118,294.00	—
Federal Funds				
Federal Funds Not Specifically Identified	450,000.00	1,350,000.00	1,124,674.21	—
Other Funds	346,988.00	1,654,375.00	1,084,304.70	309,397.78
Total Forestry Cooperative Extension	1,904,894.00	4,122,669.00	3,327,272.91	309,397.78
Forestry Research				
State Appropriation				
State General Funds	3,250,424.00	3,272,926.00	3,272,926.00	—
Federal Funds				
Federal Funds Not Specifically Identified	4,169,000.00	4,923,000.00	4,656,590.44	15,829.60
Federal Funds - COVID-19				
Federal Funds Not Specifically Identified – COVID-19	—	17,000.00	16,507.79	—
Other Funds	8,310,243.00	14,268,315.00	11,794,829.96	4,208,990.59
Total Forestry Research	15,729,667.00	22,481,241.00	19,740,854.19	4,224,820.19

Marine Institute

State Appropriation				
State General Funds	1,159,126.00	1,166,694.00	1,166,694.00	—
Federal Funds				
Federal Funds Not Specifically Identified	296,648.00	67,648.00	—	—
Other Funds	302,183.00	755,943.00	355,307.43	887,141.45
Total Marine Institute	1,757,957.00	1,990,285.00	1,522,001.43	887,141.45

Marine Resources Extension Center

State Appropriation				
State General Funds	1,772,529.00	1,782,900.00	1,782,900.00	—
Federal Funds				
Federal Funds Not Specifically Identified	—	1,505,000.00	1,288,396.71	—
Other Funds	1,700,000.00	3,165,121.00	2,400,087.90	558,694.36
Total Marine Resources Extension Center	3,472,529.00	6,453,021.00	5,471,384.61	558,694.36

Public Service/Special Funding Initiatives

State Appropriation				
State General Funds	1,703,066.00	3,153,066.00	3,153,066.00	—
State Funds - Prior Year Carry-Over				
State General Fund Prior Year	—	395,725.00	—	395,725.00
Total Public Service/Special Funding Initiatives	1,703,066.00	3,548,791.00	3,153,066.00	395,725.00

Skidaway Institute of Oceanography

State Appropriation				
State General Funds	3,215,522.00	3,219,492.00	3,219,492.00	—
Federal Funds				
Federal Funds Not Specifically Identified	2,392,407.00	5,565,000.00	5,397,250.15	527.46
Other Funds	2,009,390.00	7,711,643.00	4,269,269.32	3,434,754.62
Total Skidaway Institute of Oceanography	7,617,319.00	16,496,135.00	12,886,011.47	3,435,282.08

Teaching

State Appropriation				
State General Funds	547,698,825.00	571,816,503.00	571,816,503.00	
Federal Funds				
Federal Funds Not Specifically Identified	158,850,000.00	224,965,000.00	221,826,138.96	1,355,854.54
Federal Funds - COVID-19				
Federal Funds Not Specifically Identified – COVID-19		610,000.00	217,387.04	390,797.51
Other Funds	890,112,127.00	1,172,345,490.00	1,001,389,833.33	170,907,030.01
Total Teaching	1,596,660,952.00	1,969,736,993.00	1,795,249,862.33	172,653,682.06

Veterinary Medicine Experiment Station

State Appropriation				
State General Funds	5,282,499.00	5,302,507.00	5,302,507.00	—
Federal Funds				
Federal Funds Not Specifically Identified	200,000.00	2,260,000.00	2,023,208.58	57,890.27
Other Funds	1,100,000.00	2,549,000.00	2,053,530.49	483,338.98
Total Veterinary Medicine Experiment Station	6,582,499.00	10,111,507.00	9,379,246.07	541,229.25

Veterinary Medicine Teaching Hospital

State Appropriation				
State General Funds	591,855.00	593,161.00	593,161.00	—
Other Funds	29,000,000.00	39,236,869.00	34,565,164.19	5,236,868.54
Total Veterinary Medicine Teaching Hospital	29,591,855.00	39,830,030.00	35,158,325.19	5,236,868.54

Total Operating Activity	\$ 1,879,322,650.00	\$ 2,360,680,935.00	\$ 2,145,946,823.56	\$ 231,606,982.43
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Actual amounts were prepared on a prescribed basis of accounting that demonstrates compliance with budgetary statutes and regulations of the State of Georgia, which is a special purpose framework.

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

	Funds Available Compared to Budget			Expenditures Compared to Budget		Excess of Funds
	Program Transfers	Total	Variance	Current Year	Variance	Available
	or Adjustments	Funds Available	Positive (Negative)	Actual	Positive (Negative)	Over/(Under) Expenditures
Agricultural Experiment Station						
State Appropriation						
State General Funds	\$ —	\$ 54,413,208.00	\$ —	\$ 54,413,208.00	\$ —	\$ —
State Funds - Prior Year Carry-Over						
State General Fund Prior Year	—	700,000.00	—	700,000.00	—	—
Federal Funds						
Federal Funds Not Specifically Identified	—	55,977,306.93	(3,017,836.07)	55,266,604.21	3,728,538.79	710,702.72
Federal Funds - COVID-19						
Federal Funds Not Specifically Identified – COVID-19	—	4,350.00	—	4,350.00	—	—
Other Funds	—	78,161,060.06	22,663,350.06	45,772,848.30	9,724,861.70	32,388,211.76
Total Agricultural Experiment Station	—	189,255,924.99	19,645,513.99	156,157,010.51	13,453,400.49	33,098,914.48
Athens and Tifton Veterinary Laboratories Contract						
Federal Funds						
Federal Funds Not Specifically Identified	—	862,031.24	(232,968.76)	862,031.24	232,968.76	—
Other Funds	—	14,153,328.79	244,161.79	9,680,599.81	4,228,567.19	4,472,728.98
Total Athens and Tifton Veterinary Laboratories Contract	—	15,015,360.03	11,193.03	10,542,631.05	4,461,535.95	4,472,728.98
Cooperative Extension Service						
State Appropriation						
State General Funds	—	51,278,156.00	—	51,278,156.00	—	—
Federal Funds						
Federal Funds Not Specifically Identified	—	12,165,168.91	(690,734.09)	12,077,811.47	778,091.53	87,357.44
Other Funds	—	35,708,331.15	(1,453,294.85)	26,321,186.38	10,840,439.62	9,387,144.77
Total Cooperative Extension Service	—	99,151,656.06	(2,144,028.94)	89,677,153.85	11,618,531.15	9,474,502.21
Forestry Cooperative Extension						
State Appropriation						
State General Funds	—	1,118,294.00	—	1,118,294.00	—	—
Federal Funds						
Federal Funds Not Specifically Identified	—	1,124,674.21	(225,325.79)	1,124,674.21	225,325.79	—
Other Funds	—	1,393,702.48	(260,672.52)	1,125,660.54	528,714.46	268,041.94
Total Forestry Cooperative Extension	—	3,636,670.69	(485,998.31)	3,368,628.75	754,040.25	268,041.94
Forestry Research						
State Appropriation						
State General Funds	—	3,272,926.00	—	3,272,926.00	—	—
Federal Funds						
Federal Funds Not Specifically Identified	—	4,672,420.04	(250,579.96)	4,652,789.07	270,210.93	19,630.97
Federal Funds - COVID-19						
Federal Funds Not Specifically Identified – COVID-19	—	16,507.79	(492.21)	16,507.79	492.21	—
Other Funds	—	16,003,820.55	1,735,505.55	11,266,064.57	3,002,250.43	4,737,755.98
Total Forestry Research	—	23,965,674.38	1,484,433.38	19,208,287.43	3,272,953.57	4,757,386.95

Marine Institute

State Appropriation						
State General Funds	—	1,166,694.00	—	1,166,694.00	—	—
Federal Funds						
Federal Funds Not Specifically Identified	—	—	(67,648.00)	—	67,648.00	—
Other Funds	—	1,242,448.88	486,505.88	364,979.38	390,963.62	877,469.50
Total Marine Institute	—	2,409,142.88	418,857.88	1,531,673.38	458,611.62	877,469.50

Marine Resources Extension Center

State Appropriation						
State General Funds	—	1,782,900.00	—	1,782,900.00	—	—
Federal Funds						
Federal Funds Not Specifically Identified	—	1,288,396.71	(216,603.29)	1,288,396.71	216,603.29	—
Other Funds	—	2,958,782.26	(206,338.74)	2,396,744.97	768,376.03	562,037.29
Total Marine Resources Extension Center	—	6,030,078.97	(422,942.03)	5,468,041.68	984,979.32	562,037.29

Public Service/Special Funding Initiatives

State Appropriation						
State General Funds	—	3,153,066.00	—	1,847,945.65	1,305,120.35	1,305,120.35
State Funds - Prior Year Carry-Over						
State General Fund Prior Year	—	395,725.00	—	—	395,725.00	395,725.00
Total Public Service/Special Funding Initiatives	—	3,548,791.00	—	1,847,945.65	1,700,845.35	1,700,845.35

Skidaway Institute of Oceanography

State Appropriation						
State General Funds	—	3,219,492.00	—	3,219,492.00	—	—
Federal Funds						
Federal Funds Not Specifically Identified	—	5,397,777.61	(167,222.39)	5,395,840.18	169,159.82	1,937.43
Other Funds	—	7,704,023.94	(7,619.06)	3,213,282.43	4,498,360.57	4,490,741.51
Total Skidaway Institute of Oceanography	—	16,321,293.55	(174,841.45)	11,828,614.61	4,667,520.39	4,492,678.94

Teaching

State Appropriation						
State General Funds	—	571,816,503.00	—	571,816,503.00	—	—
Federal Funds						
Federal Funds Not Specifically Identified	—	223,181,993.50	(1,783,006.50)	221,063,537.01	3,901,462.99	2,118,456.49
Federal Funds - COVID-19						
Federal Funds Not Specifically Identified – COVID-19	—	608,184.55	(1,815.45)	607,590.11	2,409.89	594.44
Other Funds	—	1,172,296,863.34	(48,626.66)	995,621,252.92	176,724,237.08	176,675,610.42
Total Teaching	—	1,967,903,544.39	(1,833,448.61)	1,789,108,883.04	180,628,109.96	178,794,661.35

Veterinary Medicine Experiment Station

State Appropriation						
State General Funds	—	5,302,507.00	—	5,302,507.00	—	—
Federal Funds						
Federal Funds Not Specifically Identified	—	2,081,098.85	(178,901.15)	2,043,246.66	216,753.34	37,852.19
Other Funds	—	2,536,869.47	(12,130.53)	2,174,844.17	374,155.83	362,025.30
Total Veterinary Medicine Experiment Station	—	9,920,475.32	(191,031.68)	9,520,597.83	590,909.17	399,877.49

Veterinary Medicine Teaching Hospital

State Appropriation						
State General Funds	—	593,161.00	—	593,161.00	—	—
Other Funds	—	39,802,032.73	565,163.73	32,682,026.87	6,554,842.13	7,120,005.86
Total Veterinary Medicine Teaching Hospital	—	40,395,193.73	565,163.73	33,275,187.87	6,554,842.13	7,120,005.86

Total Operating Activity	<u>\$</u>	<u>—</u>	<u>\$2,377,553,805.99</u>	<u>\$</u>	<u>16,872,870.99</u>	<u>\$</u>	<u>2,131,534,655.65</u>	<u>\$</u>	<u>229,146,279.35</u>	<u>\$</u>	<u>246,019,150.34</u>
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Actual amounts were prepared on a prescribed basis of accounting that demonstrates compliance with budgetary statutes and regulations of the State of Georgia, which is a special purpose framework

UNIVERSITY OF GEORGIA
STATEMENT OF CHANGES TO FUND BALANCE
BY PROGRAM AND FUNDING SOURCE
BUDGET FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Beginning Fund Balance/(Deficit) July 1	Fund Balance Carried Over from Prior Year as Funds Available	Return of June 30, 2024 Surplus	Prior Year Adjustments	Other Adjustments
Agricultural Experiment Station					
State Appropriation					
State General Funds	\$ —	\$ —	\$ —	\$ 82,893.90	\$ —
State Funds - Prior Year Carry-Over					
State General Fund Prior Year	771,869.54	(700,000.00)	(71,869.54)	—	—
Federal Funds					
Federal Funds Not Specifically Identified	406,333.50	(406,333.50)	—	—	—
Other Funds	30,064,091.57	(30,064,091.57)	—	81,189.60	—
Total Agricultural Experiment Station	31,242,294.61	(31,170,425.07)	(71,869.54)	164,083.50	—
Athens and Tifton Veterinary Laboratories Contract					
Other Funds	4,190,353.07	(4,190,353.07)	—	67,806.52	—
Total Athens and Tifton Veterinary Laboratories Contract	4,190,353.07	(4,190,353.07)	—	67,806.52	—
Cooperative Extension Service					
State Appropriation					
State General Funds	65,056.40	—	(65,056.40)	63,068.13	—
Federal Funds					
Federal Funds Not Specifically Identified	87,357.44	(87,357.44)	—	—	—
Other Funds	7,916,006.14	(7,916,006.14)	—	337,477.46	—
Total Cooperative Extension Service	8,068,419.98	(8,003,363.58)	(65,056.40)	400,545.59	—
Forestry Cooperative Extension					
State Appropriation					
State General Funds	93.41	—	(93.41)	80.95	—
Other Funds	309,397.78	(309,397.78)	—	3,023.56	—
Total Forestry Cooperative Extension	309,491.19	(309,397.78)	(93.41)	3,104.51	—
Forestry Research					
State Appropriation					
State General Funds	891.26	—	(891.26)	976.40	—
Federal Funds					
Federal Funds Not Specifically Identified	15,829.60	(15,829.60)	—	—	—
Other Funds	4,210,250.62	(4,208,990.59)	(1,260.03)	2,643.51	—
Total Forestry Research	4,226,971.48	(4,224,820.19)	(2,151.29)	3,619.91	—
Marine Institute					
State Appropriation					
State General Funds	372.35	—	(372.35)	1.01	—
Other Funds	887,141.45	(887,141.45)	—	154.17	—
Total Marine Institute	887,513.80	(887,141.45)	(372.35)	155.18	—
Marine Resources Extension Center					
State Appropriation					
State General Funds	705.60	—	(705.60)	2,118.24	—
Other Funds	558,694.36	(558,694.36)	—	6,405.66	—
Total Marine Resources Extension Center	559,399.96	(558,694.36)	(705.60)	8,523.90	—

Public Service/Special Funding Initiatives

State Appropriation					
State General Funds	358,141.36		(358,141.36)	—	—
State Funds - Prior Year Carry-Over					
State General Fund Prior Year	395,725.00	(395,725.00)	—	—	—
Total Public Service/Special Funding Initiatives	753,866.36	(395,725.00)	(358,141.36)	—	—

Skidaway Institute of Oceanography

State Appropriation					
State General Funds	7,166.87	—	(7,166.87)	3,357.35	—
Federal Funds					
Federal Funds Not Specifically Identified	527.46	(527.46)	—	—	—
Other Funds	3,434,754.62	(3,434,754.62)	—	10,137.92	—
Total Skidaway Institute of Oceanography	3,442,448.95	(3,435,282.08)	(7,166.87)	13,495.27	—

Teaching

State Appropriation					
State General Funds	557,667.60	—	(557,667.60)	880,117.71	—
Federal Funds					
Federal Funds Not Specifically Identified	1,355,854.54	(1,355,854.54)	—	—	—
Federal Funds - COVID-19					
Federal Funds Not Specifically Identified – COVID-19	390,797.51	(390,797.51)	—	—	—
Other Funds	170,949,460.45	(170,907,030.01)	(42,430.44)	3,121,667.82	(183,785.66)
Total Teaching	173,253,780.10	(172,653,682.06)	(600,098.04)	4,001,785.53	(183,785.66)

Veterinary Medicine Experiment Station

State Appropriation					
State General Funds	1,393.51	—	(1,393.51)	10,235.26	—
Federal Funds					
Federal Funds Not Specifically Identified	57,890.27	(57,890.27)	—	—	—
Other Funds	483,338.98	(483,338.98)	—	—	—
Total Veterinary Medicine Experiment Station	542,622.76	(541,229.25)	(1,393.51)	10,235.26	—

Veterinary Medicine Teaching Hospital

Other Funds	5,236,868.54	(5,236,868.54)	—	1,270,494.17	(304,255.02)
Total Veterinary Medicine Teaching Hospital	5,236,868.54	(5,236,868.54)	—	1,270,494.17	(304,255.02)

Prior Year Reserve**Not Available for Expenditure**

Inventories	1,487,000.00	—	—	—	—
Uncollectible Accounts Receivable	2,747,178.16	—	—	—	488,040.68

Budget Unit Totals

\$ 236,948,208.96	\$ (231,606,982.43)	\$ (1,107,048.37)	\$ 5,943,849.34	\$ —
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Actual amounts were prepared on a prescribed basis of accounting that demonstrates compliance with budgetary statutes and regulations of the State of Georgia, which is a special purpose framework.

UNIVERSITY OF GEORGIA
STATEMENT OF CHANGES TO FUND BALANCE
BY PROGRAM AND FUNDING SOURCE
BUDGET FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Excess (Deficiency)		Ending Fund Balance/(Deficit) June 30	Analysis of Ending Fund Balance		
	Early Return of June 30, 2025	of Funds Available Over/(Under) Expenditures		Reserved	Surplus/(Deficit)	Total
	Surplus					
Agricultural Experiment Station						
State Appropriation						
State General Funds	\$ —	\$ —	\$ 82,893.90	\$ —	\$ 82,893.90	\$ 82,893.90
Federal Funds						
Federal Funds Not Specifically Identified	—	710,702.72	710,702.72	710,702.72	—	710,702.72
Other Funds	—	32,388,211.76	32,469,401.36	32,469,401.36	—	32,469,401.36
Total Agricultural Experiment Station	—	33,098,914.48	33,262,997.98	33,180,104.08	82,893.90	33,262,997.98
Athens and Tifton Veterinary Laboratories Contract						
Other Funds	—	4,472,728.98	4,540,535.50	4,540,535.50	—	4,540,535.50
Total Athens and Tifton Veterinary Laboratories Contract	—	4,472,728.98	4,540,535.50	4,540,535.50	—	4,540,535.50
Cooperative Extension Service						
State Appropriation						
State General Funds	—	—	63,068.13	—	63,068.13	63,068.13
Federal Funds						
Federal Funds Not Specifically Identified	—	87,357.44	87,357.44	87,357.44	—	87,357.44
Other Funds	—	9,387,144.77	9,724,622.23	9,724,622.23	—	9,724,622.23
Total Cooperative Extension Service	—	9,474,502.21	9,875,047.80	9,811,979.67	63,068.13	9,875,047.80
Forestry Cooperative Extension						
State Appropriation						
State General Funds	—	—	80.95	—	80.95	80.95
Other Funds	—	268,041.94	271,065.50	271,065.50	—	271,065.50
Total Forestry Cooperative Extension	—	268,041.94	271,146.45	271,065.50	80.95	271,146.45
Forestry Research						
State Appropriation						
State General Funds	—	—	976.40	—	976.40	976.40
Federal Funds						
Federal Funds Not Specifically Identified	—	19,630.97	19,630.97	19,630.97	—	19,630.97
Other Funds	—	4,737,755.98	4,740,399.49	4,740,266.38	133.11	4,740,399.49
Total Forestry Research	—	4,757,386.95	4,761,006.86	4,759,897.35	1,109.51	4,761,006.86
Marine Institute						
State Appropriation						
State General Funds	—	—	1.01	—	1.01	1.01
Other Funds	—	877,469.50	877,623.67	877,623.67	—	877,623.67
Total Marine Institute	—	877,469.50	877,624.68	877,623.67	1.01	877,624.68
Marine Resources Extension Center						
State Appropriation						
State General Funds	—	—	2,118.24	—	2,118.24	2,118.24
Other Funds	—	562,037.29	568,442.95	568,442.95	—	568,442.95
Total Marine Resources Extension Center	—	562,037.29	570,561.19	568,442.95	2,118.24	570,561.19

Public Service/Special Funding Initiatives

State Appropriation						
State General Funds	—	1,305,120.35	1,305,120.35	—	1,305,120.35	1,305,120.35
State Funds - Prior Year Carry-Over						
State General Fund Prior Year	—	395,725.00	395,725.00	—	395,725.00	395,725.00
Total Public Service/Special Funding Initiatives	—	1,700,845.35	1,700,845.35	—	1,700,845.35	1,700,845.35

Skidaway Institute of Oceanography

State Appropriation						
State General Funds	—	—	3,357.35	—	3,357.35	3,357.35
Federal Funds						
Federal Funds Not Specifically Identified	—	1,937.43	1,937.43	1,937.43	—	1,937.43
Other Funds	—	4,490,741.51	4,500,879.43	4,500,879.43	—	4,500,879.43
Total Skidaway Institute of Oceanography	—	4,492,678.94	4,506,174.21	4,502,816.86	3,357.35	4,506,174.21

Teaching

State Appropriation						
State General Funds		—	880,117.71	—	880,117.71	880,117.71
Federal Funds						
Federal Funds Not Specifically Identified		2,118,456.49	2,118,456.49	2,118,456.49	—	2,118,456.49
Federal Funds - COVID-19						
Federal Funds Not Specifically Identified – COVID-19		594.44	594.44	594.44	—	594.44
Other Funds		176,675,610.42	179,613,492.58	178,842,753.75	770,738.83	179,613,492.58
Total Teaching	—	178,794,661.35	182,612,661.22	180,961,804.68	1,650,856.54	182,612,661.22

Veterinary Medicine Experiment Station

State Appropriation						
State General Funds	—	—	10,235.26	—	10,235.26	10,235.26
Federal Funds						
Federal Funds Not Specifically Identified	—	37,852.19	37,852.19	37,852.19		37,852.19
Other Funds	—	362,025.30	362,025.30	362,025.30	—	362,025.30
Total Veterinary Medicine Experiment Station	—	399,877.49	410,112.75	399,877.49	10,235.26	410,112.75

Veterinary Medicine Teaching Hospital

Other Funds	—	7,120,005.86	8,086,245.01	8,086,245.01	—	8,086,245.01
Total Veterinary Medicine Teaching Hospital	—	7,120,005.86	8,086,245.01	8,086,245.01	—	8,086,245.01

Total Operating Activity	\$	—	\$ 246,019,150.34	\$ 251,474,959.00	\$ 247,960,392.76	\$ 3,514,566.24	\$ 251,474,959.00
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Prior Year Reserve**Not Available for Expenditure**

Inventories	—	—	1,487,000.00	1,487,000.00	—	1,487,000.00
Uncollectible Accounts Receivable	—	—	3,235,218.84	3,235,218.84	—	3,235,218.84

Budget Unit Totals	\$	—	\$ 246,019,150.34	\$ 256,197,177.84	\$ 252,682,611.60	\$ 3,514,566.24	\$ 256,197,177.84
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Summary of Ending Fund Balance

Reserved

Property Reserves	\$ 6,304,707.49	\$ —	\$ 6,304,707.49
Department Sales and Services	\$ 55,089,211.61	\$ —	\$ 55,089,211.61
Indirect Cost Recoveries	\$ 31,570,439.13	\$ —	\$ 31,570,439.13
Technology Fees	\$ 8,606,736.22	\$ —	\$ 8,606,736.22
Restricted/Sponsored Funds	\$ 143,191,349.15	\$ —	\$ 143,191,349.15
Uncollectible Accounts Receivable	\$ 3,235,218.84	\$ —	\$ 3,235,218.84
Inventories	\$ 1,487,000.00	\$ —	\$ 1,487,000.00
Tuition Carry - Forward	\$ 3,197,949.16	\$ —	\$ 3,197,949.16
Surplus	\$ —	\$ 3,514,566.24	\$ 3,514,566.24

Total Ending Fund Balance - June 30	\$ 252,682,611.60	\$ 3,514,566.24	\$ 256,197,177.84
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