

# East Georgia

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## STATE COLLEGE®

Annual Financial Report  
Fiscal Year 2025

**EAST GEORGIA STATE COLLEGE**  
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**For the Fiscal Year Ended June 30, 2025**

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# Financial Section



## INDEPENDENT ACCOUNTANT'S REVIEW REPORT

The Honorable Brian P. Kemp, Governor of Georgia  
Members of the General Assembly of the State of Georgia  
Members of the State Board of Regents of the  
University System of Georgia  
and  
Dr. Kyle Marrero, President  
East Georgia State College

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

### ***Management's Responsibility for the Financial Statements***

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

### ***Accountant's Responsibility***

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

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

### ***Accountant's Conclusion***

Based on our review, one material modification was made to the financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting and for placing the basic financial statements in an appropriate operational, economic, or historical context. Such information is the responsibility of management. We have not audited, reviewed, or compiled the required supplementary information and we do not express an opinion, a conclusion, nor provide any assurance on it.

### ***Other Matters***

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

This review report contains information pertinent to East Georgia State College's compliance with the requirements of the Southern Association of Colleges and Schools Commission on Colleges (COC) Standard 13.2 (Financial resources) as of and for the year ended June 30, 2025. Included in a separate Report on Review is a section on findings and other items for any matters that came to our attention during our engagement.

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

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

Respectfully submitted,

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

Greg S. Griffin  
State Auditor

August 27, 2025

# EAST GEORGIA STATE COLLEGE

## Management's Discussion and Analysis

### Introduction

East Georgia State College (College) is one of the 26 institutions of higher education of the University System of Georgia. The College, located in Swainsboro, Georgia, was founded in 1973 as an associate degree-granting liberal arts institution of the University System of Georgia providing students access to academically transferable programs of study and collaborative programs in occupation-related fields. East Georgia State College also offers targeted baccalaureate degrees that support the University System's initiative to expand educational opportunities. The College prepares traditional and nontraditional students for success in the global 21st century through a technologically advanced teaching and learning environment that fosters personal growth by utilizing an expanding range of resources and amenities, including an on-campus student residential option. The College also meaningfully engages the communities it serves through public service and cultural enrichment activities year-round.

	STUDENT HEADCOUNT	STUDENT FTE
FY 2025	1,826	1,458
FY 2024	1,768	1,417
FY 2023	1,900	1,557

### Overview of the Financial Statements and Financial Analysis

East Georgia State College is pleased to present its financial statements for fiscal year 2025. The emphasis of discussions about these statements will be on current year data. There are three financial statements presented: the Statement of Net Position; the Statement of Revenues, Expenses and Changes in Net Position; and the Statement of Cash Flows. This discussion and analysis of the College's financial statements provides an overview of its financial activities for the year. Comparative data is provided for fiscal year 2025 and fiscal year 2024.

### Statement of Net Position

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

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

The first category is the net investment in capital assets. It provides the College's equity in property, plant and equipment owned by the College.

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

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

Statement of Net Position for the Years Ended June 30, 2025 and June 30, 2024, condensed.

<b>CONDENSED STATEMENT OF NET POSITION</b>	<b>June 30, 2025</b>	<b>June 30, 2024</b>	<b>Increase/ (Decrease)</b>	<b>% Change</b>
<b>ASSETS</b>				
Current Assets	\$ 10,308,664	\$ 11,491,270	\$ (1,182,606)	(10.29)%
Capital Assets, Net	25,973,385	24,691,903	1,281,482	5.19 %
Other Assets	66,307	59,511	6,796	11.42 %
<b>TOTAL ASSETS</b>	<b>36,348,356</b>	<b>36,242,684</b>	<b>105,672</b>	<b>0.29 %</b>
<b>DEFERRED OUTFLOWS</b>	<b>5,070,431</b>	<b>\$ 5,899,148</b>	<b>(828,717)</b>	<b>(14.05)%</b>
<b>LIABILITIES</b>				
Current Liabilities	1,488,475	1,243,112	245,363	19.74 %
Non-Current Liabilities	20,596,989	23,523,832	(2,926,843)	(12.44)%
<b>TOTAL LIABILITIES</b>	<b>22,085,464</b>	<b>24,766,944</b>	<b>(2,681,480)</b>	<b>(10.83)%</b>
<b>DEFERRED INFLOWS</b>	<b>9,413,206</b>	<b>9,849,965</b>	<b>(436,759)</b>	<b>(4.43)%</b>
<b>NET POSITION</b>				
Net Investment in Capital Assets	25,957,595	24,683,478	1,274,117	5.16 %
Restricted, Non-Expendable	75,053	44,520	30,533	68.58 %
Restricted, Expendable	17,993	50,161	(32,168)	(64.13)%
Unrestricted	(16,130,524)	(17,253,236)	1,122,712	(6.51)%
<b>TOTAL NET POSITION</b>	<b>\$ 9,920,117</b>	<b>\$ 7,524,923</b>	<b>\$ 2,395,194</b>	<b>31.83 %</b>

Total assets and deferred outflows of resources for the College decreased by \$723,045 which was primarily due to adjustments in deferred outflows related to defined pension and post-employment benefits partially offset by increases in Total Assets. Total deferred outflows of resources decreased by \$828,717 which was mainly due to the College's proportionate share of the actuarially determined deferred loss on defined benefit pension plan administered by Teachers Retirement System of Georgia and Employees' Retirement System of Georgia along with the change in the actuarially determined deferred loss on the Institution's OPEB Plan. Within Total Assets, Current Assets decreased by \$1,182,606 due mainly to decreases in Cash and Cash Equivalents. The Total Capital Assets increased by \$1,281,482. This increase is the results of major infrastructure renovations on the Swainsboro campus, of over \$2,700,000, and other additions, partially offset by asset retirements and depreciation. The Total Assets had a modest increase of \$105,672 due to the increase in Capital Assets partially offset by a decrease in current assets.

The sum of total liabilities and deferred inflows of resources for the College decreased for the year by \$3,118,239. This decrease is primarily due to a decrease in pension liability and Other Post-Employment Benefit Liability of \$2,658,094 due to the changes in the actuarially determined liabilities for these plans. The Total Deferred Inflows decreased by \$436,759 which was mainly due to the College's actuarially determined deferred gain on the Institution's OPEB Plan partially offset by the proportionate share of the actuarially determined deferred loss on defined benefit pension plan administered by Teachers Retirement System of Georgia and Employees' Retirement System of Georgia.

The combination of the decrease in total assets and deferred outflows of resources and the larger decrease in total liabilities and deferred inflows of resources yielded an increase for the College in net position of \$2,395,194. The increase in net position is primarily in the category of Net Investment in Capital Assets, in the amount of \$1,274,117.

#### **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 College, both operating and non-operating, and the expenses paid by the College, operating and non-operating, and any other revenues, expenses, gains and losses received or spent by the College. Generally, operating revenues are received for providing goods and services to the various customers and constituencies of the College. Operating expenses are those expenses paid to acquire or produce the goods and services, provided in return for the operating revenues, and to carry out the mission of the College. Non-operating revenues are revenues received for which goods and services are not provided. For example, state appropriations are non-operating because they are provided by the Legislature to the College without the Legislature directly receiving commensurate goods and services for those revenues.

The Statement of Revenues, Expenses and Changes in Net Position reflect a positive year, which is represented by an increase in net position at the end of the year. Some highlights of the information presented on this statement are as follows:

Statement of Revenue, Expenses, and Changes in Net position for the Years Ended June 30, 2025 and June 30, 2024, condensed.

<b>CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION</b>	<b>June 30, 2025</b>	<b>June 30, 2024</b>	<b>Increase/ (Decrease)</b>	<b>% Change</b>
Operating Revenue	\$ 4,512,829	\$ 5,432,383	\$ (919,554)	(16.93)%
Operating Expense	22,615,305	24,162,824	(1,547,519)	(6.40)%
Operating Income/Loss	(18,102,476)	(18,730,441)	627,965	(3.35)%
Non-Operating Revenue and Expense	18,116,790	19,945,451	(1,828,661)	(9.17)%
Income (Loss) before Other Revenues, Expenses, Gains, or Losses	14,314	1,215,010	(1,200,696)	(98.82)%
Other Revenues, Expenses, Gains and Losses	2,380,880	177,483	2,203,397	1,241.47 %
Change in Net Position	2,395,194	1,392,493	1,002,701	72.01 %
Net Position at beginning of year	7,524,923	6,132,430	1,392,493	22.71 %
Net Position at End of Year	\$ 9,920,117	\$ 7,524,923	\$ 2,395,194	31.83 %

### Revenues

For the years ended June 30, 2025 and June 30, 2024, revenues by source were as follows:

<b>REVENUES BY SOURCE</b>	<b>June 30, 2025</b>	<b>June 30, 2024</b>	<b>Increase/ (Decrease)</b>	<b>% Change</b>
Tuition and Fees	\$ 1,296,196	\$ 2,795,853	\$ (1,499,657)	(53.64)%
Grants and Contracts	96,751	128,793	(32,042)	(24.88)%
Sales and Services	7,086	11,349	(4,263)	(37.56)%
Auxiliary Enterprises	2,103,917	1,999,713	104,204	5.21 %
Other Operating Revenues	1,008,879	496,675	512,204	103.13 %
Total Operating Revenues	4,512,829	5,432,383	(919,554)	(16.93)%
State Appropriations	10,654,534	13,304,499	(2,649,965)	(19.92)%
Grants and Contracts	7,141,879	6,307,053	834,826	13.24 %
Gifts	91,696	49,981	41,715	83.46 %
Investment Income	228,681	285,138	(56,457)	(19.80)%
Other Nonoperating Revenues (Expenses)	—	(1,220)	1,220	(100.00)%
Total Nonoperating Revenues (Expenses)	18,116,790	19,945,451	(1,828,661)	(9.17)%
State Capital Gifts and Grants	2,380,880	177,483	2,203,397	1,241.47 %
Total Revenues	\$ 25,010,499	\$ 25,555,317	\$ (544,818)	(2.13)%

Operating revenue for the College decreased by \$919,554 mainly due to Tuition and Fees. Other Operating Revenue increased by \$512,204 due to Hurricane Helene reimbursements and revenue from the Bobcat Inclusive access for books. Total Nonoperating Revenue decreased mainly due to a decline in State Appropriation allocation due to enrollment shortfalls from two years ago.



## Expenses

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

EXPENSES BY FUNCTIONAL CLASSIFICATION	June 30, 2025	June 30, 2024	Increase/ (Decrease)	% Change
Instruction	\$ 5,055,206	\$ 5,443,112	\$ (387,906)	(7.13)%
Public Service	15,802	25,266	(9,464)	(37.46)%
Academic Support	1,912,087	2,902,675	(990,588)	(34.13)%
Student Services	2,101,661	2,165,044	(63,383)	(2.93)%
Institutional Support	4,392,369	3,406,995	985,374	28.92 %
Plant Operations and Maintenance	3,986,375	2,991,461	994,914	33.26 %
Scholarships and Fellowships	3,368,712	4,612,549	(1,243,837)	(26.97)%
Auxiliary Enterprises	1,783,093	2,615,722	(832,629)	(31.83)%
<b>Total Operating Expenses</b>	<b>22,615,305</b>	<b>24,162,824</b>	<b>(1,547,519)</b>	<b>(6.40)%</b>
<b>Total Expenses</b>	<b>\$ 22,615,305</b>	<b>\$ 24,162,824</b>	<b>\$ (1,547,519)</b>	<b>(6.40)%</b>

The Operating Expenses decreased by \$1,547,519 which is primarily related to decreases in scholarship awards. The remaining decreases can be attributed to general inflation and COLA funding, partially offset by personnel reductions, lower software expenses, and other conscious lower purchases.

## Statement of Cash Flows

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

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

CONDENSED STATEMENT OF NET CASH FLOWS	June 30, 2025	June 30, 2024
Cash Provided (Used) by:		
Operating Activities	\$ (20,048,307)	\$ (18,267,519)
Non-Capital Financing Activities	17,888,109	19,661,532
Capital and Related Financing Activities	(113,760)	(640,841)
Investing Activities	221,882	278,821
<b>Net Change in Cash</b>	<b>\$ (2,052,076)</b>	<b>\$ 1,031,993</b>
Cash and Cash Equivalents, Beginning of Year	8,208,409	7,176,416
<b>Cash and Cash Equivalents, End of Year</b>	<b>\$ 6,156,333</b>	<b>\$ 8,208,409</b>

The net of all cash activities was a decrease in the College's cash position. There were a wide range of changes attributed to decreases in revenue and expenses. Revenue from State Appropriations and tuition and fees decreased. Expenditures decreased due to lower scholarship costs, operating, and personnel services costs. The net of the increased cash outflow vs inflow resulted in a net decrease of \$2,052,076 in cash and cash equivalents.

### Capital & Intangible Right-to-Use Assets

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

CAPITAL ASSETS, net of accumulated depreciation	June 30, 2025	June 30, 2024	Increase (Decrease)	% Change
Land	\$ 309,959	\$ 309,959	\$ —	0.00 %
Construction Work-in-Progress	2,586,222	231,420	2,354,802	1,017.54 %
Infrastructure	527,940	578,894	(50,954)	(8.80)%
Building and Building Improvements	21,224,735	22,014,927	(790,192)	(3.59)%
Facilities and Other Improvements	454,430	501,763	(47,333)	(9.43)%
Equipment	814,507	999,909	(185,402)	(18.54)%
Library Collections	55,592	55,031	561	1.02 %
Capital Assets, net of accumulated depreciation	\$ 25,973,385	\$ 24,691,903	\$ 1,281,482	5.19 %

### Economic Outlook

East Georgia State College is not aware of any currently known facts, decisions or conditions that are expected to have a significant effect on the financial position or results of operations for this fiscal year. The College continues to be financially stable and continues to monitor their financial position closely. The current economic development in the surrounding area has had a positive impact on the enrollment and interest in the College. East Georgia State College anticipates the current fiscal year will be much like last and will maintain a close watch over resources to maintain the College's ability to react to unknown internal and external issues.

The Board of Regents of the University System of Georgia (USG) voted to consolidate East Georgia State College and Georgia Southern University, pending approval by the Southern Association of Colleges and Schools Commission on Colleges (SACSCOC). If approved by both the accrediting agency and the Board of Regents, the consolidation will take effect on January 1, 2026.

# Financial Statements (GAAP Basis)

# EAST GEORGIA STATE COLLEGE

## STATEMENT OF NET POSITION

### JUNE 30, 2025

	East Georgia State College
<b>ASSETS</b>	
<b>Current Assets</b>	
Cash and Cash Equivalents	\$ 6,146,259
Cash and Cash Equivalents (Externally Restricted)	10,074
Accounts Receivable, net	
Federal Financial Assistance	1,346,553
Affiliated Organizations	3,723
Other	2,792,310
Inventories	7,281
Prepaid Items	2,464
Total Current Assets	10,308,664
<b>Non-Current Assets</b>	
Investments	1,329
Investments (Externally Restricted)	64,978
Capital Assets, net	25,973,385
Total Non-Current Assets	26,039,692
<b>TOTAL ASSETS</b>	36,348,356
<b>DEFERRED OUTFLOWS OF RESOURCES (See Note 9)</b>	\$ 5,070,431

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

**EAST GEORGIA STATE COLLEGE**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2025**

	<u>East Georgia State College</u>
<b>LIABILITIES</b>	
<b>Current Liabilities</b>	
Accounts Payable	\$ 669,651
Salaries Payable	78,679
Benefits Payable	38,490
Contracts Payable	161,785
Retainage Payable	15,791
Due to Affiliated Organizations	285
Advances (Including Tuition and Fees)	189,769
Deposits	1,589
Deposits Held for Other Organizations	8,242
Compensated Absences	324,194
Total Current Liabilities	<u>1,488,475</u>
<b>Non-Current Liabilities</b>	
Compensated Absences	156,235
Net Other Post Employment Benefits Liability	9,767,689
Net Pension Liability	10,673,065
Total Non-Current Liabilities	<u>20,596,989</u>
<b>TOTAL LIABILITIES</b>	<u>22,085,464</u>
 <b>DEFERRED INFLOWS OF RESOURCES (See Note 9)</b>	 <u>9,413,206</u>
 <b>NET POSITION</b>	
Net Investment in Capital Assets	25,957,595
Restricted for:	
Nonexpendable	75,053
Expendable	17,993
Unrestricted (Deficit)	<u>(16,130,524)</u>
 <b>TOTAL NET POSITION</b>	 <u><u>\$ 9,920,117</u></u>

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

**EAST GEORGIA STATE COLLEGE**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**FOR FISCAL YEAR ENDED JUNE 30, 2025**

	<u>East Georgia State College</u>
<b>OPERATING REVENUES</b>	
Student Tuition and Fees (net)	\$ 1,296,196
Grants and Contracts	
State	88,992
Other	7,759
Sales and Services	7,086
Rents and Royalties	1,453
Auxiliary Enterprises	
Residence Halls	620,255
Food Services	1,032,074
Parking/Transportation	27,879
Health Services	54,897
Intercollegiate Athletics	365,073
Other Organizations	3,739
Other Operating Revenues	<u>1,007,426</u>
Total Operating Revenues	<u>4,512,829</u>
<b>OPERATING EXPENSES</b>	
Faculty Salaries	3,986,071
Staff Salaries	5,755,480
Employee Benefits	2,021,786
Other Personal Services	34,958
Travel	91,184
Scholarships and Fellowships	3,482,014
Utilities	1,287,323
Supplies and Other Services	4,803,214
Depreciation and Amortization	<u>1,153,275</u>
Total Operating Expenses	<u>22,615,305</u>
Operating Income (Loss)	<u>\$ (18,102,476)</u>

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

**EAST GEORGIA STATE COLLEGE**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**FOR FISCAL YEAR ENDED JUNE 30, 2025**

	<u>East Georgia State College</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>	
State Appropriations	\$ 10,654,534
Grants and Contracts	
Federal	6,908,338
State	63,486
Other	170,055
Gifts	91,696
Investment Income	<u>228,681</u>
Net Nonoperating Revenues	<u>18,116,790</u>
Income (Loss) Before Other Revenues, Expenses, Gains, or Losses	<u>14,314</u>
Capital Grants and Gifts	
State	<u>2,380,880</u>
Total Other Revenues, Expenses, Gains or Losses	<u>2,380,880</u>
Change in Net Position	<u>2,395,194</u>
Net Position, Beginning of Year, As Originally Reported	<u>7,524,923</u>
Net Position, Beginning of Year, Restated	<u>7,524,923</u>
Net Position, End of Year	<u><u>\$ 9,920,117</u></u>

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

# EAST GEORGIA STATE COLLEGE

## STATEMENT OF CASH FLOWS

### FOR FISCAL YEAR ENDED JUNE 30, 2025

	<u>East Georgia State College</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Payments from Customers	\$ 3,612,035
Grants and Contracts (Exchange)	(84,506)
Payments to Suppliers	(9,977,138)
Payments to Employees	(10,115,926)
Payments for Scholarships and Fellowships	(3,482,014)
Other Payments	(758)
Net Cash Used by Operating Activities	<u>(20,048,307)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
State Appropriations	10,654,534
Gifts and Grants Received for Other Than Capital Purposes	7,233,575
Net Cash Flows Provided by Non-Capital Financing Activities	<u>17,888,109</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Capital Gifts and Grants Received	2,313,632
Purchases of Capital Assets	(2,427,392)
Net Cash Used by Capital and Related Financing Activities	<u>(113,760)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment Income	221,882
Net Cash Provided by Investing Activities	<u>221,882</u>
Net Decrease in Cash and Cash Equivalents	(2,052,076)
Cash and Cash Equivalents, Beginning of Year	<u>8,208,409</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 6,156,333</u></u>

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



# EAST GEORGIA STATE COLLEGE

## STATEMENT OF CASH FLOWS

### FOR FISCAL YEAR ENDED JUNE 30, 2025

	East Georgia State College
RECONCILIATION OF OPERATING LOSS TO	
NET CASH USED BY OPERATING ACTIVITIES:	
Operating Loss	\$ (18,102,476)
Adjustments to Reconcile Net Operating Loss to	
Net Cash Used by Operating Activities	
Depreciation	1,153,275
Change in Assets and Liabilities:	
Receivables, net	(807,599)
Inventories	7,466
Prepaid Items	(2,090)
Accounts Payable	269,909
Salaries Payable	15,877
Benefits Payable	1,184
Contracts Payable	161,785
Deposits	1,589
Advances (Including Tuition and Fees)	(181,550)
Funds Held for Others	(758)
Compensated Absences	(299,068)
Due to Affiliated Organizations	285
Net Pension Liability	(2,070,140)
Other Post-Employment Benefit Liability	(587,954)
Change in Deferred Inflows/Outflows of Resources:	
Deferred Inflows of Resources	(436,759)
Deferred Outflows of Resources	828,717
Net Cash Used by Operating Activities	<u>\$ (20,048,307)</u>
NON-CASH INVESTING, NON-CAPITAL FINANCING, AND CAPITAL AND	
RELATED FINANCING TRANSACTIONS	
Current Year Accruals Related to Capital Financing Activities	<u>\$ 67,248</u>
Accrual of Capital Asset Related Payables	<u>\$ 15,790</u>
Unrealized Gain (Loss) on Investments	<u>\$ 6,799</u>

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

**EAST GEORGIA STATE COLLEGE  
STATEMENT OF FIDUCIARY NET POSITION  
FOR FISCAL YEAR ENDED JUNE 30, 2025**

	<u>Custodial Funds</u>
<b>ASSETS</b>	
Receivables	
Other	\$ <u>634,786</u>
Total Assets	<u>634,786</u>
<b>LIABILITIES</b>	
Cash Overdraft	334,953
Advances	137,671
Deposits held for other organizations	<u>72</u>
Total Liabilities	<u>472,696</u>
<b>NET POSITION</b>	
Restricted for:	
Individuals, Organizations, and Other Governments	\$ <u><u>162,090</u></u>

**EAST GEORGIA STATE COLLEGE**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FOR FISCAL YEAR ENDED JUNE 30, 2025**

	<u>Custodial Funds</u>
ADDITIONS	
Federal Financial Aid	\$ 2,997,125
State Financial Aid	1,183,934
Other Financial Aid	88,351
Clubs and Other Organizations Fund Raising	41,678
Public-Private Partnership Passthrough	<u>2,542,368</u>
Total Additions	<u>6,853,456</u>
DEDUCTIONS	
Scholarships and Other Student Support	4,271,948
Student Organizations Support	29,792
Public-Private Partnership Passthrough	<u>2,485,795</u>
Total Deductions	<u>6,787,535</u>
Net Increase (Decrease) in Fiduciary Net Position	<u>65,921</u>
Net Position, Beginning of Year, As Originally Reported	<u>96,169</u>
Net Position, Beginning of Year	<u>96,169</u>
Net Position, End of Year	<u><u>\$ 162,090</u></u>

# Notes to the Financial Statements

# **EAST GEORGIA STATE COLLEGE**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **JUNE 30, 2025**

#### **Note 1 Summary of Significant Accounting Policies**

##### **Nature of Operations**

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

##### **Reporting Entity**

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

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

The accompanying basic financial statements are intended to supplement the State's Annual Comprehensive Financial Report (ACFR) by presenting the financial position and changes in financial position and cash flows of only that portion of the business-type activities of the State that is attributable to the transactions of the College. These financial statements do not purport to, and do not, present fairly the financial position of the State as of June 30, 2025, the changes in its financial position or its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The accompanying basic financial statements should be read in conjunction with the State's ACFR. The most recent State of Georgia ACFR can be obtained through the State Accounting Office, 200 Piedmont Avenue, Suite 1604 (West Tower), Atlanta, Georgia 30334 or online at [sao.georgia.gov/annual-comprehensive-financial-reports](http://sao.georgia.gov/annual-comprehensive-financial-reports).

##### **Basis of Accounting and Financial Statement Presentation**

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

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

The College reports the following fiduciary funds:

- Custodial Funds - Accounts for activities of resulting from the Institution 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 Board of Regents Short-Term Investment Pool. 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 College accounts for its investments at fair value. Changes in the fair value of investments are reported as a component of investment income in the Statement of Revenues, Expenses, and Changes in Net Position. The Board of Regents Diversified Fund is included as investments. Investments that cannot be used to pay current liabilities are classified as non-current assets in the Statement of Net Position. Investments restricted as to use by a third party are reported as externally restricted.

### **Accounts Receivable**

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

### **Inventories**

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

### **Prepaid Items**

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

### **Capital Assets**

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

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

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

For projects managed by GSFIC, GSFIC retains construction in progress in its accounting records throughout the construction period and transfers the entire project to the institutional unit of the University System when complete. At June 30, 2025, GSFIC held no construction in progress for East Georgia State College. For projects managed by institutions of the USG, the institutions retain construction in progress on their books and are reimbursed by GSFIC.

### **Deferred Outflows of Resources**

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

### **Deposits**

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

### **Advances**

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

### **Deposits Held for Other Organizations**

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

### **Compensated Absences**

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

### **Non-current Liabilities**

Non-current liabilities include: (1) liabilities that will not be paid within the next fiscal year; (2) lease and 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)**

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

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

### **Pensions and Net Pension Liability**

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

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

### **Net Position**

The College's net position is classified as follows:

Investment in capital assets represents the College's total investment in 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 College maintains pertinent information related to each endowment fund including donor; amount and date of donation; restrictions by the source of limitations; limitations on investments, etc.

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

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

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

### **Income Taxes**

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

### **Classification of Revenues and Expenses**

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

- Operating revenue includes activities that have the characteristics of exchange transactions, such as (1) student tuition and fees, net of scholarship allowances, (2) certain federal, state and local grants and contracts, and (3) sales and services.
- Nonoperating revenue includes activities that have the characteristics of non-exchange transactions, such as gifts and contributions, and other revenue sources that are defined as non-operating revenue by GASB



Statements No. 9, *Reporting Cash Flows of Proprietary and Non-expendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*, and No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, such as state appropriations and investment income.

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

### **Scholarship Allowances**

Scholarship allowances are the difference between the stated charge for goods and services provided by the College, and the amount that is paid by students and/or third parties making payments on the students' behalf. Certain governmental grants, such as Pell grants, and other Federal, state or nongovernmental programs are recorded as either operating or non-operating revenues in the College's financial statements. To the extent that revenues from such programs are used to satisfy tuition, fees and other student charges, the College has recorded contra revenue for scholarship allowances. Tuition, fees and other student charges reported on the Statement of Revenues, Expenses and Changes in Net Position are net of discounts and allowances of \$3,059,890 and waivers in the amount of \$994,339.

### **Changes in Accounting Estimates**

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

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

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

## **Note 2 Deposits and Investments**

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

### **Statement of Net Position**

Current		
Cash and Cash Equivalents	\$	6,146,259
Cash and Cash Equivalents (Externally Restricted)		10,074
Noncurrent		
Non Current - Investments		1,329
Noncurrent Investments (Externally Restricted)		64,978

### **Statement of Fiduciary Net Position**

Cash and Cash Equivalents	(334,953)
	<u>\$ 5,887,687</u>

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

Cash on Hand	\$	4,850
Deposits with Financial Institutions		3,063,022
Investments		2,819,815
	\$	<u>5,887,687</u>

#### **A. Deposits with Financial Institutions**

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

1. Bonds, bills, notes, certificates of indebtedness, or other direct obligations of the United States or of the State of Georgia.
2. Bonds, bills, notes, certificates of indebtedness or other obligations of the counties or municipalities of the State of Georgia.
3. Bonds of any public authority created by the laws of the State of Georgia, providing that the statute that created the authority authorized the use of the bonds for this purpose.
4. Industrial revenue bonds and bonds of development authorities created by the laws of the State of Georgia.
5. Bonds, bills, certificates of indebtedness, notes or other obligations of a subsidiary corporation of the United States government, which are fully guaranteed by the United States government both as to principal and interest and debt obligations issued by the Federal Land Bank, the Federal Home Loan Bank, the Federal Intermediate Credit Bank, the Central Bank for Cooperatives, the Farm Credit Banks, the Federal Home Loan Mortgage Association and the Federal National Mortgage Association.
6. Letters of credit issued by a Federal Home Loan Bank.
7. Guarantee or insurance of accounts provided by the Federal Deposit Insurance Corporation.

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

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

At June 30, 2025, the bank balances of the College's deposits totaled \$3,155,858. This balance includes deposits in Fiduciary funds as these balances are not separable from the holdings of the USG. Of these deposits, \$0 were exposed to custodial credit risk.

#### **B. Investments**

The College maintains an investment policy which fosters sound and prudent judgment in the management of assets to ensure safety of capital consistent with the fiduciary responsibility it has to the citizens of Georgia and

which conforms to Board of Regents investment policy. All investments are consistent with donor intent, Board of Regents policy and applicable federal and state laws.

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

	<u>Fair Value</u>
Investment Pools	
Board of Regents	
Short-Term Fund	\$ 2,753,507
Diversified Fund	<u>66,308</u>
Total Investments	<u>\$ 2,819,815</u>

#### Board of Regents Pooled Investment Program

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

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

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

#### 1. Short-Term Fund

The Short-Term Fund is available to both University System of Georgia institutions and their affiliated organizations. The Fund provides a current return and stability of principal while affording a means of overnight liquidity for projected cash needs. Investments are in securities allowed under O.C.G.A. § 50-17-59 and 50-17-63. The average maturities of investments in this fund will typically range between daily and three years, and the fund will typically have an overall average duration of  $\frac{3}{4}$  - 1 year. The overall character of the portfolio is of Agency quality, possessing a minimal degree of financial risk. The market value of the College's position in the Short-Term Fund at June 30, 2025 was \$2,753,507, of which 100% is invested in debt securities. The Effective Duration of the Fund is 1.03 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 College's position in the Diversified Fund at June 30, 2025 was \$66,308, of which 29% is invested in debt securities. The Effective Duration of the Fund is 5.03 years.

### Interest Rate Risk

Interest rate risk is the risk that changes in interest rates of debt investments that will adversely affect the fair value of an investment. The College policy for managing interest rate risk attempts to match investments with expected cash requirements.

### Credit Quality Risk

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

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

## **Note 3 Accounts Receivable**

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

	Business Type Activities	Fiduciary Fund
Student Tuition and Fees	\$ 515,974	\$ —
Auxiliary Enterprises and Other Operating Activities	254,398	—
Federal Financial Assistance	1,346,553	385,392
Georgia Student Finance Commission	—	163,853
Georgia State Financing and Investment Commission	782,916	—
Due from Affiliated Organizations	3,723	—
Other	1,437,189	85,541
	4,340,753	634,786
Less: Allowance for Doubtful Accounts	198,167	—
Net Accounts Receivable	<u>\$ 4,142,586</u>	<u>\$ 634,786</u>

Other Accounts Receivable includes approximately \$1,393,455 of Employee Retention Credit funds.

## **Note 4 Inventories**

Inventories consisted of the following at June 30, 2025:

Merchandise for Resale	<u>\$ 7,281</u>
Total	<u><u>\$ 7,281</u></u>

## **Note 5 Notes and Loans Receivable**

At June 30, 2025, East Georgia State College had no notes/loans receivable.

## Note 6 Capital Assets

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

	July 1, 2024	Additions	Reductions	Balance June 30, 2025
Capital Assets, Not Being Depreciated:				
Land	\$ 309,959	\$ —	\$ —	\$ 309,959
Construction Work-in-Progress	231,420	2,391,927	37,125	2,586,222
Total Capital Assets Not Being Depreciated	541,379	2,391,927	37,125	2,896,181
Capital Assets, Being Depreciated:				
Infrastructure	1,415,389	—	—	1,415,389
Building and Building Improvements	34,700,618	—	—	34,700,618
Facilities and Other Improvements	1,034,931	—	—	1,034,931
Equipment	3,528,876	70,062	28,653	3,570,285
Library Collections	791,018	9,893	69,760	731,151
Total Capital Assets Being Depreciated	41,470,832	79,955	98,413	41,452,374
Less: Accumulated Depreciation				
Infrastructure	836,495	50,954	—	887,449
Building and Building Improvements	12,685,691	790,192	—	13,475,883
Facilities and Other Improvements	533,168	47,333	—	580,501
Equipment	2,528,967	255,464	28,653	2,755,778
Library Collections	735,987	9,332	69,760	675,559
Total Accumulated Depreciation	17,320,308	1,153,275	98,413	18,375,170
Total Capital Assets, Being Depreciated, Net	24,150,524	(1,073,320)	—	23,077,204
Capital Assets, net	<u>\$ 24,691,903</u>	<u>\$ 1,318,607</u>	<u>\$ 37,125</u>	<u>\$ 25,973,385</u>

For projects managed by GSFIC, GSFIC retains construction-in-progress on its books throughout the construction period and transfers the entire project to the Institution when complete. For projects managed by the Institution, the Institution retains construction-in-progress on its books and is reimbursed by GSFIC. At June 30, 2025, GSFIC had no construction in progress for incomplete GSFIC managed projects for the College. For the year ended June 30, 2025, GSFIC transferred no capital additions to the College related to GSFIC managed projects.

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

Fiscal Year	Depreciation Expense
2025	\$ 1,153,275
2024	\$ 1,147,786
2023	\$ 1,081,431

## 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	\$ 189,769
Totals	<u>\$ 189,769</u>

Fiduciary fund advances in the amount of \$137,671 consists of student support received prior to eligibility requirements being met.

## 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
Other Liabilities					
Compensated Absences	\$ 779,497	\$ 415,479	\$ 714,547	\$ 480,429	\$ 324,194
Total Long-Term Obligations	<u>\$ 779,497</u>	<u>\$ 415,479</u>	<u>\$ 714,547</u>	<u>\$ 480,429</u>	<u>\$ 324,194</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

The College had no debt service related to Notes and Loans Payable at June 30, 2025.

## 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 Outflow of Resources

Deferred Outflow on Defined Benefit Pension Plans (See Note 14)	\$ 3,463,743
Deferred Outflow on OPEB Plan (See Note 17)	<u>1,606,688</u>
<b>Total Deferred Outflows of Resources</b>	<b><u>\$ 5,070,431</u></b>

### Deferred Inflow of Resources

Deferred Inflow on Defined Benefit Pension Plans (See Note 14)	\$ 2,538,209
Deferred Inflow on OPEB Plan (See Note 17)	<u>6,874,997</u>
<b>Total Deferred Inflows of Resources</b>	<b><u>\$ 9,413,206</u></b>

## Note 10 Net Position

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

Net Investment in Capital Assets	\$ 25,957,595
Restricted for	
Nonexpendable	
Permanent Endowment	75,053
Expendable	
Sponsored and Other Organized Activities	17,993
Unrestricted	
Auxiliary Enterprises Operations	3,716,472
Reserve for Encumbrances	1,828,500
Reserve for Inventory	(662)
Other Unrestricted	(21,674,834)
Sub-Total	(16,130,524)
Total Net Position	\$ 9,920,117

Other unrestricted net position is reduced by \$15,035,998 related to the recording of net OPEB liability, deferred inflows of resources, and deferred outflows of resources related to the OPEB plan. Other unrestricted net position is also reduced by \$9,747,531 related to the recording of net pension liability, deferred inflow on defined benefit pension plans, and deferred outflow on defined benefit pension plans. These OPEB and pension balances are mostly funded through state appropriation, student tuition and fees that are subject to State surplus rules which prevents the accumulation of budgetary fund balance. Therefore, the College is statutorily unable to maintain accumulated net position to offset these OPEB and pension balances.

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

	Balance July 1, 2024	Additions	Reductions	Balance June 30, 2025
Net Investments in Capital Assets	\$ 24,683,478	\$ 2,434,758	\$ 1,160,641	\$ 25,957,595
Restricted Net Position	94,681	9,619,510	9,621,145	93,046
Unrestricted Net Position	(17,253,236)	15,390,989	14,268,277	(16,130,524)
Total Net Position	\$ 7,524,923	\$ 27,445,257	\$ 25,050,063	\$ 9,920,117

## Note 11 Endowments

### Donor Restricted Endowments

Investments of the College's endowment funds are pooled, unless required to be separately invested by the donor. For College controlled, donor-restricted endowments, where the donor has not provided specific instructions, the Board of Regents permits Institutions to develop policies for authorizing and spending realized and unrealized endowment income and appreciation as they determined to be prudent. Realized and unrealized appreciation in excess of the amount budgeted for current spending is retained by the endowments. Current year net increase for the endowment accounts was \$4,369 and is reflected as a reduction of expendable restricted net position.

For endowment funds where the donor has not provided specific instructions, investment return of the College's endowment funds is predicated on the total return concept. Annual payouts from the College's endowment funds

are based on a spending policy which limits spending between 4.0% and 6.0% of endowment principal market value as of the previous fiscal year end. In the event that earnings do not meet expectations, distributions will be suspended when the balance falls below 110% of historic dollar value or 90% of the previous fiscal year end balance, whichever is greater.

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

## **Note 12 Significant Commitments**

See the Net Position note for amounts reserved for outstanding encumbrances at June 30, 2025.

## **Note 13 Leases and Subscriptions**

### **Lease Obligations**

The College has recorded no leases or subscriptions as of June 30, 2025.

## **Note 14. Retirement Plans**

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

The College also provides the Regents Retirement Plan.

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

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

### **General Information about the Teachers Retirement System**

#### Plan description

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

#### Benefits Provided

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

#### Contributions

Per Title 47 of the O.C.G.A., contribution requirements of active employees and participating employers, as actuarially determined, are established and may be amended by the TRS Board. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employees were required to contribute 6% of their annual pay during fiscal year 2025.



The College's contractually required contribution rate for the year ended June 30, 2025 was 20.78% of annual the College payroll. The College's contributions to TRS totaled \$1,440,002 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](https://ers.ga.gov/financials).

### Benefits provided

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

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

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

### Contributions

Member contributions under the old plan are 4% of annual compensation, up to \$4,200, plus 6% of annual compensation in excess of \$4,200. Under the old plan, the State pays member contributions in excess of 1.25% of annual compensation. Under the old plan, these State contributions are included in the members' accounts for refund purposes and are used in the computation of the members' earnable compensation for the purpose of computing retirement benefits. Member contributions under the new plan and GSEPS are 1.25% of annual compensation. The required contribution rate for the year ended June 30, 2025 was 29.20% of annual covered payroll for old and new plan members and 25.51% for GSEPS members. The College's contributions to ERS totaled \$25,416 for the year ended June 30, 2025. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

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

At June 30, 2025, the College reported a liability for its proportionate share of the net pension liability for TRS. The net pension liability was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2023. An expected total pension liability as of June 30, 2024 was determined using standard roll-forward techniques. The College's proportion of the net pension liability was based on contributions to TRS during the fiscal year ended June 30, 2024. At June 30, 2024, the College's TRS proportion was 0.041771%, which was a decrease of 0.001041% from its proportion measured as of June 30, 2023. At June 30, 2024, the College's ERS proportion was 0.003867%, which was an increase of 0.002136% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the College recognized pension expense of \$1,130,637 for TRS and \$104,864 for ERS. At June 30, 2025, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	TRS		ERS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,188,032	\$ 31,379	\$ 9,331	\$ —
Changes of assumptions	730,363	—	—	—
Net difference between projected and actual earnings on pension plan investments		1,463,784	—	19,607
Changes in proportion and differences between contributions and proportionate share of contributions	—	1,023,439	70,599	—
Contributions subsequent to the measurement date	1,440,002	—	25,416	—
Total	<u>\$ 3,358,397</u>	<u>\$ 2,518,602</u>	<u>\$ 105,346</u>	<u>\$ 19,607</u>

The College's contributions subsequent to the measurement date are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year 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	\$ (348,353)	\$ 56,771
2027	\$ 993,387	\$ 23,119
2028	\$ (741,625)	\$ (11,932)
2029	\$ (503,616)	\$ (7,635)

### Actuarial assumptions

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

#### Teachers Retirement System

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

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

mortality rates was assumed using the MP-2019 projection scale generationally. These rates of improvement were reduced by 20% for all years prior to the ultimate rate.

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

#### Employees' Retirement System

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

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

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

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

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

\* Rates shown are net of inflation

#### **Discount rate**

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

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

The following presents the College's proportionate share of the net pension liability calculated using the discount rate of 6.90% for TRS and 7.00% for ERS, as well as what the College's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

**Teachers Retirement System:**

	1% Decrease 5.90%	Current discount rate 6.90%	1% Increase 7.90%
Proportionate share of the net pension liability	\$ 18,070,843	\$ 10,498,978	\$ 4,318,019

**Employees' Retirement System:**

	1% Decrease 6.00%	Current discount rate 7.00%	1% Increase 8.00%
Proportionate share of the net pension liability	\$ 262,283	\$ 174,087	\$ 99,914

**Pension plan fiduciary net position**

Detailed information about the pension plan's fiduciary net position is available in the separately issued TRS financial reports which are publically available at [trsga.com/publications](https://trsga.com/publications) and [ers.ga.gov/financials](https://ers.ga.gov/financials), respectively.

**B. Defined Contribution Plan:****Regents Retirement Plan****Plan Description**

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

**Funding Policy**

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

The College and the covered employees made the required contributions of \$191,030 (9.24%) and \$124,045 (6.00%), respectively.

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

**Note 15 Risk Management**

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

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

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

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

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

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

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

## **Note 16 Contingencies**

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

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

## **Note 17 Post-Employment Benefits Other Than Pension Benefits**

### **Board of Regents Retiree Health Benefit Plan**

#### **Plan Description and Funding Policy**

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

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

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

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

Active Employees	146
Retirees or Beneficiaries Receiving Benefits	69
Retirees Receiving Life Insurance Only	<u>23</u>
Total	<u><u>238</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 College pays the employer portion for group insurance for eligible retirees. The employer portion of health insurance for its eligible retirees is based on rates that are established annually by the Board for the upcoming plan year. For the 2025 plan year, the employer rate was approximately 82% of the total health insurance cost for eligible retirees and the retiree rate was approximately 18%. 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 College contributed \$311,733 to the plan for current premiums or claims.

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

At June 30, 2025, the College reported a liability for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2024. The total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation as of May 1, 2024. An expected total OPEB liability as of June 30, 2024 was determined using standard roll-forward techniques. The College's proportion of the net OPEB liability was actuarially determined based on employer contributions during the fiscal year ended June 30, 2024. At June 30, 2024, the College's proportion was 0.336391%, which was an increase of 0.010469% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the College recognized OPEB expense of \$1,724,487. At June 30, 2025, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 246,885	\$ 51,704
Changes of assumptions	644,317	4,964,589
Net difference between projected and actual earnings on OPEB plan investments	23,033	—
Changes in proportion and differences between contributions and proportionate share of contributions	380,720	1,858,704
Contributions subsequent to the measurement date	311,733	—
Total	<u>\$ 1,606,688</u>	<u>\$ 6,874,997</u>

The College's contributions subsequent to the measurement date of \$311,733 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 Ended June 30:

2026	\$ (2,302,727)
2027	\$ (1,931,958)
2028	\$ (1,070,064)
2029	\$ (254,778)
2030	\$ (20,515)

Actuarial assumptions

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

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

#### Changes in Assumptions Since Prior Valuation

The financial accounting valuation reflects the following assumption changes:

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

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

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

#### Discount rate

The Plan's projected fiduciary net position at the end of 2028 is \$0, based on the valuation completed for the fiscal year ending June 30, 2024. As such, the Plan's fiduciary net position was not projected to be available to make all projected future benefit payments for current Plan members. The projected "depletion date" when projected benefits



are not covered by projected assets is 2028. Therefore, the long-term expected rate of return on Plan investments of 6.02% per annum was not applied to all periods of projected benefit payments to determine the total OPEB liability as of June 30, 2024, pursuant to paragraph 48 of GASB Statement No. 74. Instead, a single equivalent yield or index rate of 3.96% was used. This rate is comprised primarily of the yield or index rate for a 20 year, tax-exempt general obligation municipal bond with an average rating of AA or higher (3.93% from the Bond Buyers GO 20-Bond Municipal Bond Index).

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

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

	1% Decrease 2.96%	Current Rate 3.96%	1% Increase 4.96%
Proportionate Share of the Net OPEB Liability	\$ 11,302,231	\$ 9,767,689	\$ 8,511,761

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

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

	1% Decrease	Current Rate	1% Increase
Proportionate Share of the Net OPEB Liability	\$ 8,590,808	\$ 9,767,689	\$ 11,225,988
Pre-Medicare Eligible	7.7% decreasing to 3.5%	8.7% decreasing to 4.5%	9.7% decreasing to 5.5%
Medicare Eligible	1%	2%	3%

OPEB plan fiduciary net position:

Detailed information about the Plan's fiduciary net position is available in the USG Consolidated Annual Financial Report which is publicly available at [usg.edu/fiscal\\_affairs/financial\\_reporting/](https://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	\$ 3,557,948	\$ 691,083	\$ 681,873	\$ —	\$ 14,330
Public Service	—	8,701	263	—	—
Academic Support	251,242	1,003,747	203,488	—	13,420
Student Services	69,599	1,394,439	267,237	—	17,870
Institutional Support	107,282	931,756	535,062	34,958	21,383
Plant Operations and Maintenance	—	813,058	131,173	—	11,165
Scholarships and Fellowships	—	—	—	—	—
Auxiliary Enterprises	—	912,696	202,690	—	13,016
Total Operating Expenses	<u>\$ 3,986,071</u>	<u>\$ 5,755,480</u>	<u>\$ 2,021,786</u>	<u>\$ 34,958</u>	<u>\$ 91,184</u>

Functional Classification	Natural Classification				
	Scholarships and Fellowships	Utilities	Supplies and Other Services	Depreciation/Amortization	Total Operating Expenses
Instruction	\$ —	\$ 456	\$ 97,519	\$ 11,997	\$ 5,055,206
Public Service	—	—	6,838	—	15,802
Academic Support	—	7,690	294,264	138,236	1,912,087
Student Services	—	5,175	334,328	13,013	2,101,661
Institutional Support	—	444,910	2,288,297	28,721	4,392,369
Plant Operations and Maintenance	—	825,886	1,321,743	883,350	3,986,375
Scholarships and Fellowships	3,368,712	—	—	—	3,368,712
Auxiliary Enterprises	113,302	3,206	460,225	77,958	1,783,093
Total Operating Expenses	<u>\$ 3,482,014</u>	<u>\$ 1,287,323</u>	<u>\$ 4,803,214</u>	<u>\$ 1,153,275</u>	<u>\$ 22,615,305</u>

## Note 19 Subsequent Event

The Board of Regents of the University System of Georgia (USG) voted to consolidate East Georgia State College and Georgia Southern University, pending approval by the Southern Association of Colleges and Schools Commission on Colleges (SACSCOC). If approved by both the accrediting agency and the Board of Regents, the consolidation will take effect on January 1, 2026.

# Required Supplementary Information

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

	Year Ended	Actuarially Determined Contribution (a)	Contributions in Relation to the Actuarially Determined Contribution (b)	Contribution Deficiency (Excess) (b-a)	Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
Employees' Retirement System	June 30, 2025	\$ 25,416	\$ 25,416	\$ —	\$ 85,038	29.89%
	June 30, 2024	\$ 39,898	\$ 39,898	\$ —	\$ 124,325	32.09%
Teachers' Retirement System	June 30, 2025	\$ 1,440,002	\$ 1,440,002	\$ —	\$ 6,973,219	20.65%
	June 30, 2024	\$ 1,300,051	\$ 1,300,051	\$ —	\$ 6,513,033	19.96%
	June 30, 2023	\$ 1,236,892	\$ 1,236,892	\$ —	\$ 6,240,337	19.80%
	June 30, 2022	\$ 1,194,234	\$ 1,194,234	\$ —	\$ 6,102,439	19.57%
	June 30, 2021	\$ 1,333,453	\$ 1,333,453	\$ —	\$ 6,975,418	19.12%
	June 30, 2020	\$ 1,515,443	\$ 1,515,443	\$ —	\$ 7,146,327	21.21%
	June 30, 2019	\$ 1,474,615	\$ 1,474,615	\$ —	\$ 7,024,657	20.99%
	June 30, 2018	\$ 1,183,853	\$ 1,183,853	\$ —	\$ 7,026,654	16.85%
	June 30, 2017	\$ 971,977	\$ 971,977	\$ —	\$ 6,772,759	14.35%
	June 30, 2016	\$ 877,823	\$ 877,823	\$ —	\$ 6,151,530	14.27%

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

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

	Year Ended	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Covered Payroll	Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
Employees' Retirement System	June 30, 2025	0.003867%	\$ 174,087	\$ 124,325	140.03%	78.75%
	June 30, 2024	0.001731%	\$ 103,264	\$ 49,490	208.66%	71.20%
Teachers Retirement System	June 30, 2025	0.041771%	\$ 10,498,978	\$ 6,513,033	161.20%	80.86%
	June 30, 2024	0.042812%	\$ 12,639,941	\$ 6,240,337	202.55%	76.29%
	June 30, 2023	0.045111%	\$ 14,648,414	\$ 6,102,439	240.04%	72.85%
	June 30, 2022	0.053612%	\$ 4,741,624	\$ 6,975,418	67.98%	92.03%
	June 30, 2021	0.055329%	\$ 13,402,849	\$ 7,146,327	187.55%	77.01%
	June 30, 2020	0.057545%	\$ 12,373,731	\$ 7,024,657	176.15%	78.56%
	June 30, 2019	0.059005%	\$ 10,952,592	\$ 7,026,654	155.87%	80.27%
	June 30, 2018	0.058952%	\$ 10,956,411	\$ 6,772,759	161.77%	79.33%
	June 30, 2017	0.056100%	\$ 11,574,056	\$ 6,151,530	188.15%	76.06%
	June 30, 2016	0.054325%	\$ 8,270,442	\$ 5,734,713	144.22%	81.44%

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

**EAST GEORGIA STATE COLLEGE  
REQUIRED SUPPLEMENTARY INFORMATION  
NOTES TO THE REQUIRED SUPPLEMENTAL INFORMATION  
DEFINED BENEFIT PENSION PLAN  
METHODS AND ASSUMPTIONS  
FOR FISCAL YEAR ENDED JUNE 30, 2025**

*Changes of assumptions*

Employees' Retirement System:

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

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

Teachers Retirement System:

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

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

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

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

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

Year Ended	Contractually Required Contribution (a)	Contributions in Relation to the Contractually Required Contribution (b)	Contribution Deficiency (Excess) (b-a)	Covered Employee Payroll (c)	Contributions as a Percentage of Covered Employee Payroll (b/c)
June 30, 2025	\$ 311,733	\$ 311,733	\$ —	\$ 9,234,582	3.38%
June 30, 2024	\$ 314,529	\$ 314,529	\$ —	\$ 8,923,248	3.52%
June 30, 2023	\$ 330,765	\$ 330,765	\$ —	\$ 8,493,483	3.89%
June 30, 2022	\$ 508,185	\$ 508,185	\$ —	\$ 9,410,083	5.40%
June 30, 2021	\$ 446,468	\$ 446,468	\$ —	\$ 10,004,714	4.46%
June 30, 2020	\$ 393,260	\$ 393,260	\$ —	\$ 10,378,143	3.79%
June 30, 2019	\$ 652,441	\$ 652,441	\$ —	\$ 10,179,670	6.41%
June 30, 2018	\$ 663,650	\$ 663,650	\$ —	\$ 9,734,406	6.82%
June 30, 2017	\$ 424,644	\$ 424,644	\$ —	\$ 9,423,046	4.51%

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

**EAST GEORGIA STATE COLLEGE  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF PROPORTIONATE SHARE OF NET OPEB LIABILITY  
BOARD OF REGENTS RETIREE HEALTH BENEFIT PLAN  
FOR THE LAST EIGHT FISCAL YEARS\***

Year Ended	Proportion of the Net OPEB Liability	Proportionate Share of the Net OPEB Liability	Covered Employee Payroll	Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
June 30, 2025	0.336391%	\$ 9,767,689	\$ 8,923,248	109.46%	7.19%
June 30, 2024	0.325921%	\$ 10,355,643	\$ 8,493,483	121.92%	6.44%
June 30, 2023	0.347257%	\$ 13,755,968	\$ 9,410,083	146.18%	5.08%
June 30, 2022	0.380359%	\$ 19,143,775	\$ 10,004,714	191.35%	3.74%
June 30, 2021	0.382578%	\$ 20,405,636	\$ 10,378,143	196.62%	2.91%
June 30, 2020	0.406802%	\$ 18,190,428	\$ 10,179,670	178.69%	3.13%
June 30, 2019	0.418918%	\$ 18,477,430	\$ 9,734,406	189.82%	1.69%
June 30, 2018	0.426418%	\$ 17,993,671	\$ 9,423,046	190.95%	0.19%

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



**EAST GEORGIA STATE COLLEGE  
REQUIRED SUPPLEMENTARY INFORMATION  
NOTES TO THE REQUIRED SUPPLEMENTAL INFORMATION  
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

**EAST GEORGIA STATE COLLEGE  
BALANCE SHEET (NON-GAAP BASIS)  
BUDGET FUNDS  
JUNE 30, 2025  
(UNAUDITED)**

<u>ASSETS</u>	
Cash and Cash Equivalents	\$ 2,075,154.19
Investments	1,329.17
Accounts Receivable	
Federal Financial Assistance	1,346,553.44
Other	3,188,284.75
Prepaid Expenditures	<u>2,463.79</u>
<b>Total Assets</b>	<b>\$ 6,613,785.34</b>
<u>LIABILITIES AND FUND EQUITY</u>	
Liabilities	
Accrued Payroll	\$ 70,727.51
Encumbrance Payable	1,698,258.29
Accounts Payable	308,004.30
Deferred Revenue	162,093.44
Funds Held for Others	<u>8,241.96</u>
<b>Total Liabilities</b>	<b><u>2,247,325.50</u></b>
Fund Balances	
Reserved	
Department Sales and Services	229,639.72
Indirect Cost Recoveries	209,910.91
Technology Fees	701,062.55
Restricted/Sponsored Funds	2,883,069.06
Uncollectible Accounts Receivable	170,418.32
Tuition Carry - Forward	121,122.80
Unreserved	
Surplus	<u>51,236.48</u>
<b>Total Fund Balances</b>	<b><u>4,366,459.84</u></b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ <u>6,613,785.34</u></b>

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.

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

	Original Appropriation	Final Budget	Funds Available Compared to Budget	
			Current Year Revenues	Prior Year Reserve Carry-Over
<b>Teaching</b>				
State Appropriation				
State General Funds	\$ 9,979,617.00	\$ 10,881,617.00	\$ 10,881,617.00	\$ —
Federal Funds				
Federal Funds Not Specifically Identified	5,200,000.00	7,614,989.00	6,896,621.43	—
Other Funds	21,509,535.00	12,577,841.00	6,479,065.15	5,281,482.83
<b>Total Teaching</b>	<b>36,689,152.00</b>	<b>31,074,447.00</b>	<b>24,257,303.58</b>	<b>5,281,482.83</b>
<b>Total Operating Activity</b>	<b>\$ 36,689,152.00</b>	<b>\$ 31,074,447.00</b>	<b>\$ 24,257,303.58</b>	<b>\$ 5,281,482.83</b>

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.

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

	<u>Funds Available Compared to Budget</u>		<u>Expenditures Compared to Budget</u>		<u>Excess of Funds</u>
	<u>Total</u>	<u>Variance</u>	<u>Current Year</u>	<u>Variance</u>	<u>Available</u>
	<u>Funds Available</u>	<u>Positive (Negative)</u>	<u>Actual</u>	<u>Positive (Negative)</u>	<u>Over/(Under) Expenditures</u>
<b>Teaching</b>					
State Appropriation					
State General Funds	\$ 10,881,617.00	\$ —	\$ 10,872,166.05	\$ 9,450.95	\$ 9,450.95
Federal Funds					
Federal Funds Not Specifically Identified	6,896,621.43	(718,367.57)	6,896,621.43	718,367.57	—
Other Funds	11,760,547.98	(817,293.02)	7,599,307.94	4,978,533.06	4,161,240.04
<b>Total Teaching</b>	<u>29,538,786.41</u>	<u>(1,535,660.59)</u>	<u>25,368,095.42</u>	<u>5,706,351.58</u>	<u>4,170,690.99</u>
<b>Total Operating Activity</b>	<u>\$ 29,538,786.41</u>	<u>\$ (1,535,660.59)</u>	<u>\$ 25,368,095.42</u>	<u>\$ 5,706,351.58</u>	<u>\$ 4,170,690.99</u>

Actual amounts were prepared on a prescribed basis of accounting that demonstrates compliance with budgetary statutes and regulations of the State of Georgia, which is a special purpose framework.

**EAST GEORGIA STATE COLLEGE  
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
<b>Teaching</b>					
State Appropriation					
State General Funds	\$ 1,533.14	\$ —	\$ (1,533.14)	\$ 15,424.82	\$ 513.00
Other Funds	5,507,032.48	(5,281,482.83)	(225,549.65)	4,115.71	5,297.00
<b>Total Teaching</b>	<u>5,508,565.62</u>	<u>(5,281,482.83)</u>	<u>(227,082.79)</u>	<u>19,540.53</u>	<u>5,810.00</u>
<b>Total Operating Activity</b>	5,508,565.62	(5,281,482.83)	(227,082.79)	19,540.53	5,810.00
<b>Prior Year Reserve</b>					
<b>Not Available for Expenditure</b>					
Inventories	513.00	—	—	—	(513.00)
Uncollectible Accounts Receivable	175,715.32	—	—	—	(5,297.00)
<b>Budget Unit Totals</b>	<u>\$ 5,684,793.94</u>	<u>\$ (5,281,482.83)</u>	<u>\$ (227,082.79)</u>	<u>\$ 19,540.53</u>	<u>\$ —</u>

Actual amounts were prepared on a prescribed basis of accounting that demonstrates compliance with budgetary statutes and regulations of the State of Georgia, which is a special purpose framework.

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

	Excess (Deficiency) of Funds Available Over/(Under) Expenditures	Ending Fund Balance/(Deficit) June 30	Analysis of Ending Fund Balance		
			Reserved	Surplus/(Deficit)	Total
<b>Teaching</b>					
State Appropriation					
State General Funds	\$ 9,450.95	\$ 25,388.77		\$ 25,388.77	\$ 25,388.77
Other Funds	4,161,240.04	4,170,652.75	4,144,805.04	25,847.71	4,170,652.75
<b>Total Teaching</b>	<b>4,170,690.99</b>	<b>4,196,041.52</b>	<b>4,144,805.04</b>	<b>51,236.48</b>	<b>4,196,041.52</b>
<b>Total Operating Activity</b>	<b>4,170,690.99</b>	<b>4,196,041.52</b>	<b>4,144,805.04</b>	<b>51,236.48</b>	<b>4,196,041.52</b>
<b>Prior Year Reserve</b>					
<b>Not Available for Expenditure</b>					
Inventories	—	—		—	—
Uncollectible Accounts Receivable	—	170,418.32	170,418.32	—	170,418.32
<b>Budget Unit Totals</b>	<b>\$ 4,170,690.99</b>	<b>\$ 4,366,459.84</b>	<b>\$ 4,315,223.36</b>	<b>\$ 51,236.48</b>	<b>\$ 4,366,459.84</b>

**Summary of Ending Fund Balance**

Reserved			
Department Sales and Services	\$ 229,639.72		\$ 229,639.72
Indirect Cost Recoveries	209,910.91		209,910.91
Technology Fees	701,062.55		701,062.55
Restricted/Sponsored Funds	2,883,069.06		2,883,069.06
Uncollectible Accounts Receivable	170,418.32		170,418.32
Tuition Carry - Forward	121,122.80		121,122.80
Unreserved, Undesignated			—
Surplus	—	51,236.48	51,236.48
<b>Total Ending Fund Balance - June 30</b>	<b>\$ 4,315,223.36</b>	<b>\$ 51,236.48</b>	<b>\$ 4,366,459.84</b>

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.

# **EAST GEORGIA STATE COLLEGE**

131 College Circle  
Swainsboro, Ga 30401

**[ega.edu](http://ega.edu)**