ANNUAL FINANCIAL REPORT 2025

Including Independent Auditor's Report

KENNESAW STATE UNIVERSITY
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For the Fiscal Year Ended June 30, 2025

INTRODUCTION

Message from the President

It is with great pride that we present the Kennesaw State University (KSU) Annual Financial Report for Fiscal Year 2025, highlighting the institution's continued strategic financial growth and responsible resource allocation. Sustained enrollment increases have positively influenced the University's financial position, contributing to gains in tuition and fee revenues, auxiliary income, and state appropriations. KSU was honored to receive a ninth consecutive *Award of Distinction for Excellent Financial Reporting* by the Georgia Department of Audits and Accounts, which reflects our commitment to excellence in financial reporting, strong internal controls, and operational transparency.

Enrollment growth continues to be a key factor of KSU's financial stability. This fall, KSU will hit record enrollment numbers at both the undergraduate and graduate levels. The incoming first-time freshman class for the Fall 2025 semester exceeded 9,400 students, representing a nearly 4% increase. Meanwhile, total enrollment grew 6.7%, exceeding 51,000 students.

Student success remains at the core of our mission. To improve learning outcomes, retention, and progression, KSU has prioritized hiring new faculty to meet rising course demand and advanced efforts in digital instruction, learning analytics, and workforce-aligned degree programs. These initiatives complement holistic student success efforts, including the four-year FLIGHT program, our "You Matter - Wellbeing@KSU" campaign, and academic advising, among others. Recent achievements include an 11.3% increase in summer enrollment, surpassing the 10% target. Now in its second year, the Starting Blocks initiative helps students accelerate credit hour intensity, completing 15 credit hours in their first semester and 30 by the end of their first summer. The launch of a new degree program in aerospace engineering reflects the University's commitment to providing innovative academic offerings in a rapidly growing industry.

As a designated R2 research institution, KSU continues to foster innovation and expand its research capacity. In FY25, several major initiatives underscored this commitment. The new Interdisciplinary STEM (iSTEM) building on the Marietta Campus, set to open later this year, will serve as a hub for interdisciplinary research and innovation. In alignment with state and federal priorities, KSU has launched three new research centers focused on emerging technologies and engineering solutions.

To strengthen the research pipeline and support student success, KSU introduced an undergraduate research program for juniors and seniors, offering sustained hands-on experiences that enhance career readiness. A new initiative for high school students aims to cultivate early interest in scientific inquiry, while fostering critical thinking and strategic planning skills. In FY25, KSU faculty and staff received more than 164 external funding awards, totaling more than $22.24 million. These accomplishments reflect KSU's continued dedication to research excellence and the development of future scholars and innovators.

With the support of the University System of Georgia (USG) and the Board of Regents, KSU is continuing to expand its campus infrastructure to meet the evolving needs of our students. To support student life and athletics, a $12.5 million renovation of the baseball stadium on the Kennesaw Campus is currently nearing completion, coinciding with KSU's second year in national competition in Conference USA. Also, on the Kennesaw Campus is The Summit II—new student housing that will provide 462 beds for first-year students in Fall 2026. This will improve the University's residential capacity and enhance the student experience.

The Division of University Advancement achieved a record-breaking year in fundraising and donor engagement during FY25. Fundraising totaled over $47.3 million—a 17.4% increase over the previous fiscal year—driven by the generosity of individual donors, charitable foundations, and corporate partners, including 52 gifts at the six-, seven- and eight-figure levels. A major milestone was the successful completion of the $30 million Athletics Capital Campaign, which will support the development of three major athletics facilities.

Additionally, more than $5.5 million in foundation-funded scholarships were awarded to students, directly enhancing access to higher education. KSU's annual Giving Day impressively engaged 1,552 donors across 34 states, raising approximately $292,000 for 157 campus initiatives. As a result of these collective efforts, the KSU Foundation's net assets grew to over $225 million, reflecting continued confidence and investment of the University's philanthropic community.

These recent milestones reflect KSU's expanding reputation and growing impact across Georgia and beyond. As the University serves more students than ever, strengthens community ties, and rises as a leading public research institution, KSU will continue to advance academic excellence, innovative research, economic opportunity, and operational efficiency through its strategic plan. As we enter the new fiscal year, Kennesaw State is well-positioned for continued growth and remains steadfast in its pursuit of excellence in financial stewardship, transparency, and internal controls.

We extend our sincere appreciation to the University System of Georgia, the Georgia General Assembly, and the Office of the Governor for their continued support and guidance.

Sincerely,

Kathy S. Schwaig

Kathy S. Schwaig
President

KENNESAW STATE UNIVERSITY
OFFICE OF THE VICE PRESIDENT FOR FINANCE

Letter of Transmittal

August 15, 2025

To: Dr. Kathy Schwaig,
President
Kennesaw State University

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

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

The University's financial records are included in the University System of Georgia's financial report, which is audited by the State of Georgia Department of Audits and Accounts (DOAA) on an annual basis. The University's internal auditors also perform fiscal compliance and performance reviews, sharing the results with the University's management. The audit of the University's financial assistance programs is performed by the DOAA in conjunction with the statewide Single Audit.

Sincerely,

Ryan McLemore, CPA
Chief Financial Officer

FINANCIALS

DOAA
Georgia Department
of Audits & Accounts

Greg S. Griffin
State Auditor

INDEPENDENT AUDITOR'S REPORT

The Honorable Brian P. Kemp, Governor of Georgia
Members of the General Assembly of the State of Georgia
Members of the Board of Regents of the University System of Georgia
and
Dr. Kathy Schwaig, President
Kennesaw State University

Report on the Audit of the Financial Statements

Opinions

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

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

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

Basis for Opinions

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

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

270 Washington Street, SW, Suite 4-101 Atlanta, Georgia 30334 | Phone (404) 656-2180

Emphasis of Matter

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

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

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

Respectfully submitted,

Greg S. Griffin
State Auditor

December 11, 2025

KENNESAW STATE UNIVERSITY
Management's Discussion and Analysis

Introduction

Kennesaw State University (University) is one of the 26 institutions of higher education of the University System of Georgia (USG). The University, offering instruction on campuses in Kennesaw and Marietta, Georgia, was founded in 1963 and has nationally ranked degrees in business, engineering, and first-year programs, as well as premier teaching, nursing, architecture, science, and math programs. This broad range of educational opportunities attracts a highly qualified faculty and a student body exceeding 47,500 students in the fall of fiscal year 2025, making it the third largest Institution in the USG. The Institution had a 6.0% increase in enrollment which matched the average for comprehensive universities in Georgia. Comparison numbers follow:

	STUDENT HEADCOUNT	STUDENT FTE
FY 2025	47,845	42,410
FY 2024	45,152	40,357
FY 2023	43,268	38,575

Overview of the Financial Statements and Financial Analysis

The University is pleased to present its financial statements for fiscal year 2025. The emphasis of discussions about these statements will be on current year data. There are three business-type activities financial statements presented: the Statement of Net Position; the Statement of Revenues, Expenses and Changes in Net Position; and the Statement of Cash Flows. There are two fiduciary financial statements presented: the Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position. This discussion and analysis of the University'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 inflows & outflows and liabilities, both current and non-current. The differences between current and non-current assets are discussed in the Notes to the Financial Statements. The Statement of Net Position is prepared under the accrual basis of accounting which requires revenue and asset recognition when the service is provided, and expense and liability recognition when goods or services are received, despite when cash is actually exchanged.

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

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

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

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

The following table summarizes the Statement of Net Position:

CONDENSED STATEMENT OF NET POSITION	June 30, 2025	June 30, 2024	Increase/ (Decrease)	% Change
ASSETS				
Current Assets	$ 242,230,709	$ 249,353,205	$ (7,122,496)	(2.86)%
Capital Assets, Net	749,564,636	726,081,246	23,483,390	3.23 %
Intangible Right-to-Use Assets, Net	12,623,534	10,478,133	2,145,401	20.48 %
Other Assets	7,000,946	7,196,459	(195,513)	(2.72)%
TOTAL ASSETS	1,011,419,825	993,109,043	18,310,782	1.84 %
DEFERRED OUTFLOWS	142,182,590	170,974,824	(28,792,234)	(16.84)%
LIABILITIES				
Current Liabilities	67,781,352	64,161,283	3,620,069	5.64 %
Non-Current Liabilities	699,422,301	765,095,563	(65,673,262)	(8.58)%
TOTAL LIABILITIES	767,203,653	829,256,846	(62,053,193)	(7.48)%
DEFERRED INFLOWS	186,175,104	170,709,450	15,465,654	9.06 %
NET POSITION				
Net Investment in Capital Assets	478,670,303	439,813,200	38,857,103	8.83 %
Restricted, Non-Expendable	4,862,308	4,862,308	—	— %
Restricted, Expendable	7,412,821	10,388,275	(2,975,454)	(28.64)%
Unrestricted (Deficit)	(290,721,774)	(290,946,212)	224,438	0.08 %
TOTAL NET POSITION	$ 200,223,658	$ 164,117,571	$ 36,106,087	22.00 %

Total assets increased $18,310,782, primarily attributable to a to $23,483,390 increase in net capital assets and a $2,145,401 increase in intangible right-to-use (IRTU) assets, partially offset by a $7,122,496 decrease in current assets and a $195,513 decrease in other assets. Overall, this represents a modest 1.84% increase in total assets. Within current assets, cash and cash equivalents decreased by $43,989,639, driven by capital purchases and the timing of Pell Grant drawdowns. In fiscal year 2025, approximately $19,000,000 in Pell Grant funds for summer term students was drawn after June 30. In fiscal year 2024, a comparable draw occurred before year-end. Net capital assets increased due to acquisitions, significant renovations, and infrastructure projects, including a $14,000,000 acquisition of 500 Chastain, an administrative complex that will support facilities and athletics, and a $10,000,000 renovation of the Stillwell Baseball Stadium. IRTU assets increased as a result of new subscription-based information technology arrangements (SBITAs), primarily for software supporting facilities, public safety, and auxiliary operations. Other asset categories remained relatively unchanged year over year.

Total deferred outflows of resources decreased by $28,792,234, reflecting a $14,210,574 decrease in pension-related deferred outflows, a $14,489,624 decrease in Other Post-Employment Benefits (OPEB)-related deferred outflows, and a $92,036 decrease in deferred outflows on debt refunding. Deferred outflows of resources for pensions and OPEB generally arise from changes in actuarial assumptions, differences between expected and actual experience (e.g., health plan claims or pension activity), and investment performance variances, and are recognized as expense in future periods.

Total liabilities decreased by $62,053,193, resulting from a $65,673,262 reduction in non-current liabilities, partially offset by a $3,620,069 increase in current liabilities. The decrease in non-current liabilities was largely attributable to actuarially determined reductions in the University's proportionate share of net pension liability ($38,691,410) and net OPEB liability ($16,839,911). Pension and OPEB liabilities represent benefits earned by current and former employees that will be payable after retirement. These actuarial changes also affected associated deferred inflows, deferred outflows, and related expense recognition. Notes payable decreased in line with scheduled annual repayments.

Total deferred inflows of resources increased by $15,465,654, driven by a $36,292,482 increase in pension-related deferred inflows, partially offset by a $16,877,079 decrease in OPEB-related deferred inflows, a $3,449,173 decrease in Public-Private Partnerships (PPP) deferred inflows, a $382,645 decrease in lease-related deferred inflows, and a $117,931 decrease in deferred gains on debt refunding. Pension and OPEB deferred inflows are generated by changes in actuarial assumptions, differences between expected and actual experience, and investment earnings variances, and are recognized as revenue in future periods.

The combined effect of changes in total assets and deferred outflows of resources, together with changes in total liabilities and deferred inflows of resources, resulted in an increase in net position of $36,106,087. This increase was driven by growth in operating revenues, primarily from enrollment gains and the implementation of mandatory fees for fully online students which increased tuition and auxiliary enterprises revenues, and by higher non-operating revenues including state appropriations and federal grants that outpaced the growth in expenses.

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 statement's purpose is to present the operating and non-operating revenues received by the University, the operating and non-operating expenses paid by the University, and any other revenues, expenses, gains and losses received or spent by the University. Generally, operating revenues are received for providing goods and services to the various customers and constituencies of the University. Operating expenses are those expenses paid to acquire or produce the goods and services provided in return for the operating revenues, and to carry out the mission of the University. 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 University without the Legislature directly receiving commensurate goods and services for those revenues.

The following table summarizes Revenues, Expenses and Changes in Net Position:

CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION	June 30, 2025	June 30, 2024	Increase/ (Decrease)	% Change
Operating Revenue	$ 374,531,269	$ 354,568,012	$ 19,963,257	5.63 %
Operating Expense	750,239,203	716,493,796	33,745,407	4.71 %
Operating Income/Loss	(375,707,934)	(361,925,784)	(13,782,150)	(3.81)%
Non-Operating Revenue and Expense	404,828,463	357,969,379	46,859,084	13.09 %
Income (Loss) before Other Revenues, Expenses, Gains, or Losses	29,120,529	(3,956,405)	33,076,934	836.04 %
Other Revenues, Expenses, Gains and Losses	6,985,558	8,576,897	(1,591,339)	(18.55)%
Change in Net Position	36,106,087	4,620,492	31,485,595	681.43 %
Net Position at beginning of year	164,117,571	159,497,079	4,620,492	2.90 %
Net Position at End of Year	$ 200,223,658	$ 164,117,571	$ 36,106,087	22.00 %

The Statement of Revenues, Expenses and Changes in Net Position reflects 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:

Revenues
Operating revenues increased by $19,963,257 compared to the prior fiscal year. This increase was primarily attributable to a $2,013,615 increase in student tuition and fees, a $4,494,680 increase in grants and contracts, and an $11,953,768 increase in auxiliary enterprise revenues, partially offset by a $198,919 decrease in sales and service revenues.

Growth in student tuition and fees and in auxiliary enterprises revenues was driven by higher enrollment increases and the implementation of mandatory fees for fully online students. Beginning in fiscal year 2025, fully online students were assessed fees equivalent to 50% of the mandatory fees charged to in-person students; in prior years, these students were charged only a technology fee. Auxiliary enterprises revenues also benefited from higher bookstore sales, particularly digital textbooks, and from increased food service revenues tied to revised meal plan structures and pricing.

The $4,494,680 increase in grants and contracts was primarily the result of expanded federal research activity, consistent with the University's strategic emphasis on growing its research portfolio.

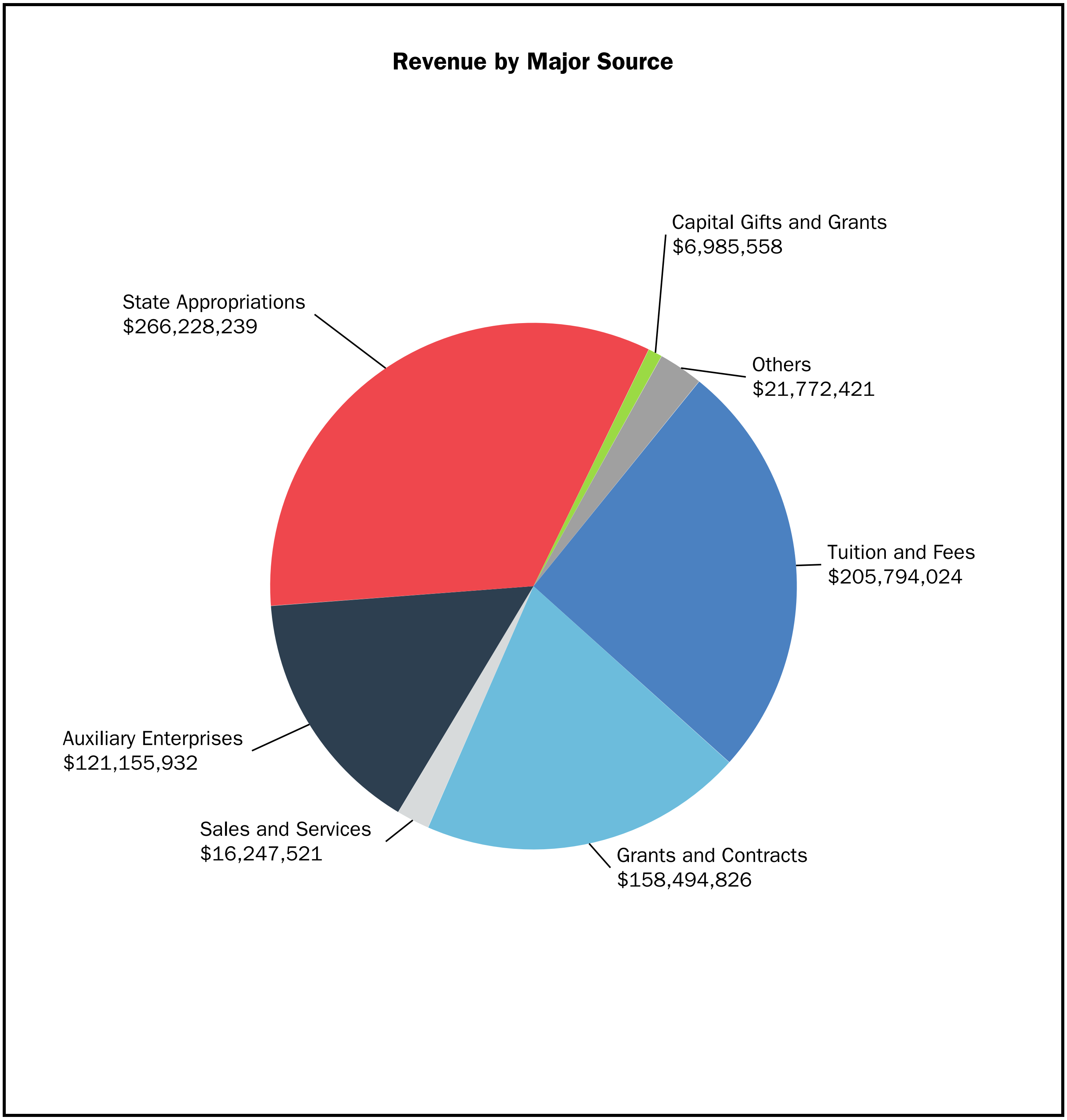
Non-operating revenues and expenses, which includes state appropriations, non-operating grants and contracts, and interest expense, increased by $46,859,084. This result was driven by a $16,138,183 increase in state appropriations, reflecting additional funding provided for enrollment growth, and a $26,569,143 increase in non-operating grants and contracts. The latter increase was largely attributable to higher numbers of Pell Grant recipients.

Other revenues, expenses, gains, or losses decreased by $1,591,339, primarily due to lower capital grants and gifts received from the State and the KSU Foundation.

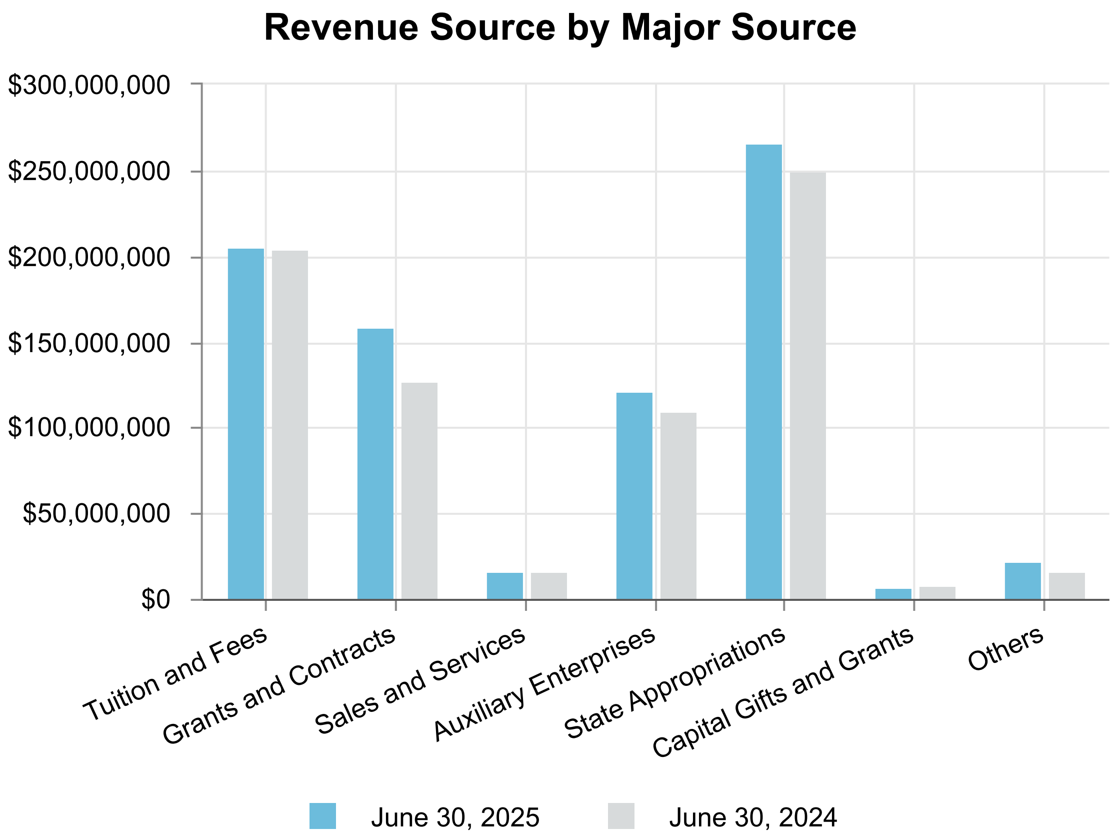
For the years ended June 30, 2025 and June 30, 2024, revenues by source were as follows:

REVENUES BY SOURCE	June 30, 2025	June 30, 2024	Increase/ (Decrease)	% Change
Tuition and Fees	$ 205,794,024	$ 203,780,409	$ 2,013,615	0.99 %
Grants and Contracts	31,320,063	26,825,383	4,494,680	16.76 %
Sales and Services	16,247,521	16,446,440	(198,919)	(1.21)%
Auxiliary Enterprises	121,155,932	109,202,164	11,953,768	10.95 %
Other Operating Revenues	13,729	(1,686,384)	1,700,113	100.81 %
Total Operating Revenues	374,531,269	354,568,012	19,963,257	5.63 %
State Appropriations	266,228,239	250,090,056	16,138,183	6.45 %
Grants and Contracts	127,174,763	100,605,620	26,569,143	26.41 %
Gifts	12,061,209	6,037,068	6,024,141	99.79 %
Investment Income	9,968,980	12,095,848	(2,126,868)	(17.58)%
Other Nonoperating Revenues	(271,497)	(40,051)	(231,446)	(577.88)%
Total Nonoperating Revenues	415,161,694	368,788,541	46,373,153	12.57 %
State Capital Gifts and Grants	3,078,852	3,991,463	(912,611)	(22.86)%
Other Capital Gifts and Grants	3,906,706	4,585,434	(678,728)	(14.80)%
Total Capital Gifts and Grants	6,985,558	8,576,897	(1,591,339)	(18.55)%
Special Items	—	—	—	0.00 %
Extraordinary Items	—	—	—	0.00 %
Total Revenues	$ 796,678,521	$ 731,933,450	$ 64,745,071	8.85 %

Revenue by source (state appropriations, grants and contracts, tuition and fees, auxiliaries, gifts and other sources) for fiscal year 2025 is depicted by the following chart:



Revenue by major source for the years ended June 30, 2025, and June 30, 2024, is depicted by the following chart:



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	$ 215,186,997	$ 228,232,293	$ (13,045,296)	(5.72)%
Research	59,796,411	40,878,284	18,918,127	46.28 %
Public Service	8,942,567	9,356,588	(414,021)	(4.42)%
Academic Support	92,713,091	95,476,779	(2,763,688)	(2.89)%
Student Services	61,298,983	54,812,460	6,486,523	11.83 %
Institutional Support	73,803,652	67,612,339	6,191,313	9.16 %
Plant Operations and Maintenance	68,653,916	63,083,176	5,570,740	8.83 %
Scholarships and Fellowships	47,000,729	41,294,745	5,705,984	13.82 %
Auxiliary Enterprises	122,842,857	115,747,132	7,095,725	6.13 %
Total Operating Expenses	750,239,203	716,493,796	33,745,407	4.71 %
Interest Expense	10,333,231	10,819,162	(485,931)	(4.49)%
Total Nonoperating Expenses	10,333,231	10,819,162	(485,931)	(4.49)%
Total Expenses	$ 760,572,434	$ 727,312,958	$ 33,259,476	4.57 %

Total operating expenses were $750,239,203 in fiscal year 2025, representing an increase of $33,745,407 compared to fiscal year 2024.

Instruction expenses decreased by $13,045,296, primarily attributable to a $20,000,000 reduction in pension-related costs, partially offset by increases in faculty salaries and benefits associated with enrollment growth.

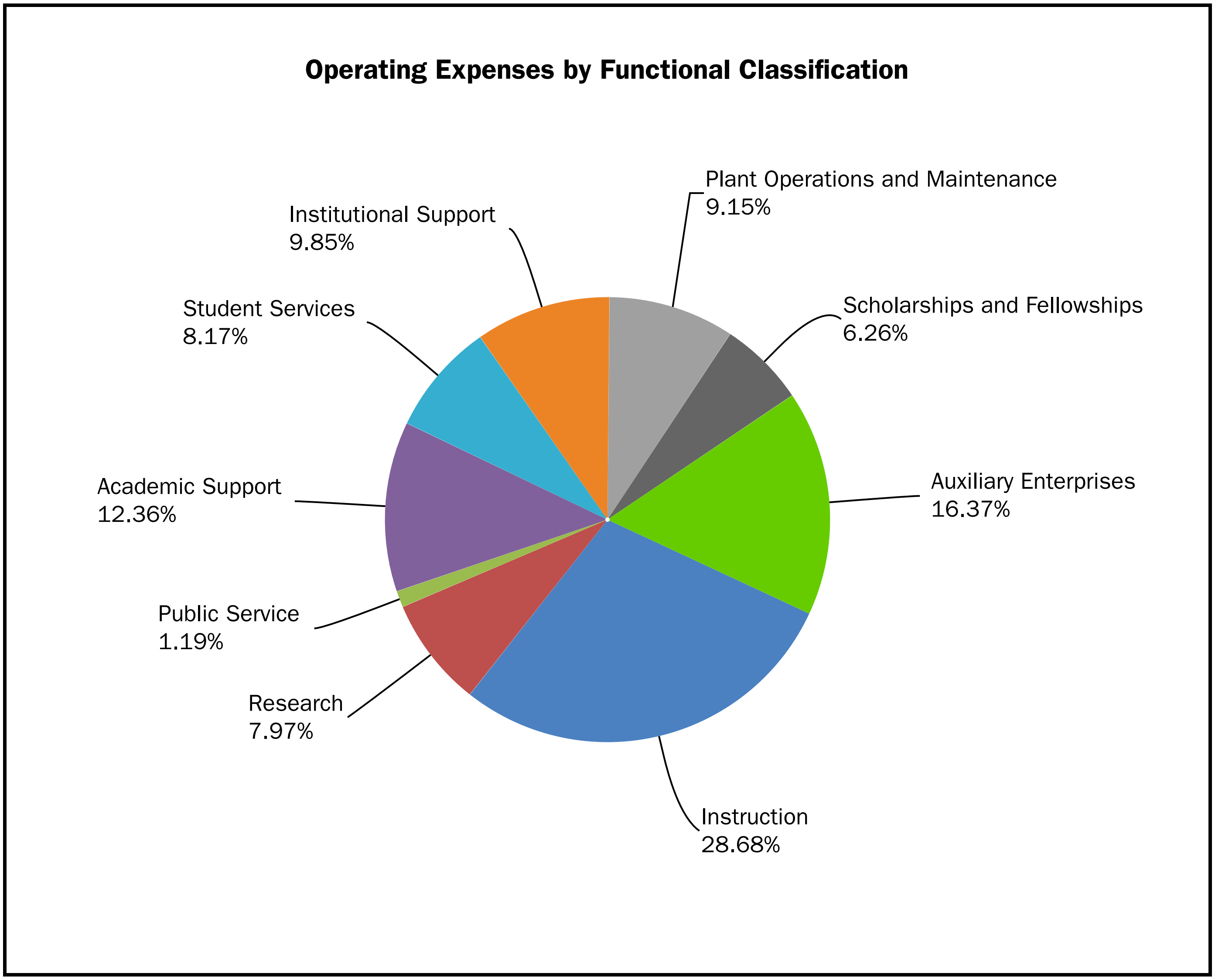
Research expenses increased by $18,918,127 as the University continued advancing its strategic research initiatives. Efforts included tracking and allocating faculty time dedicated to research, increasing direct institutional funding for research activities, and securing additional external grant awards.

Academic support expenses declined by $2,763,688 due to the absence of prior-year expenditures for technology, small equipment, and classroom supplies that were significant in fiscal year 2024.

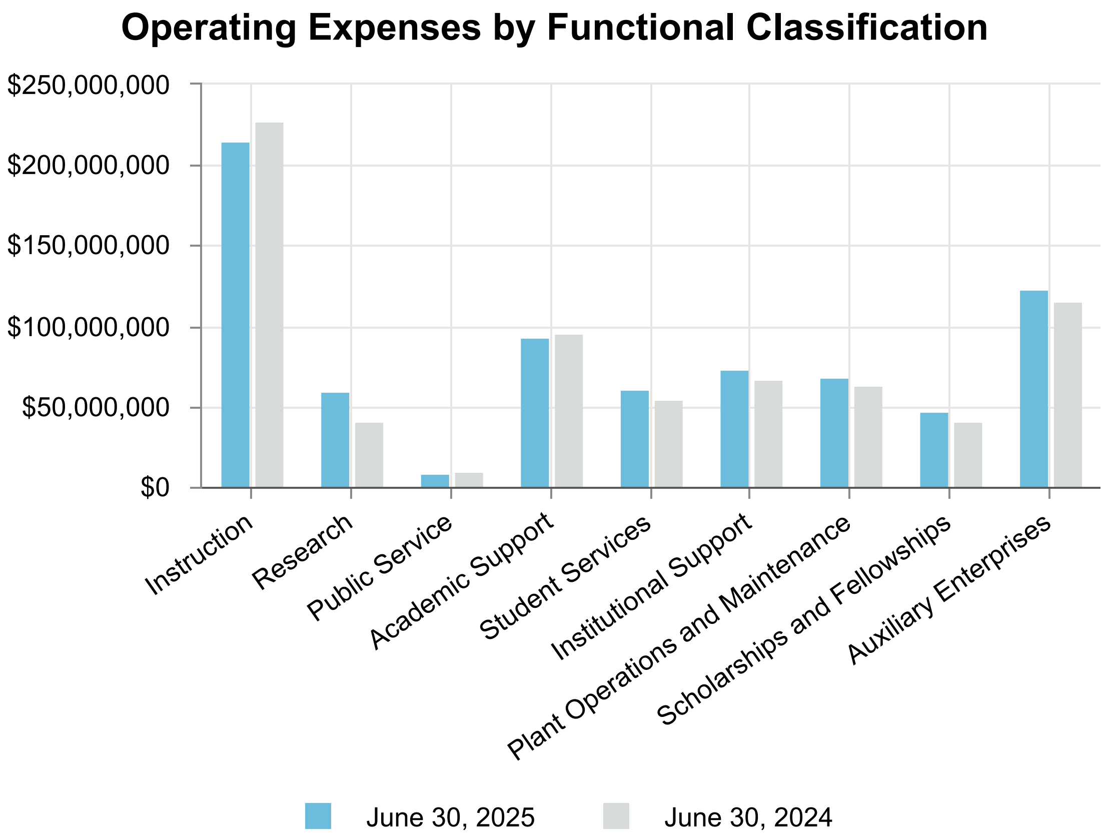
Scholarships and fellowships expenses increased by $5,705,984, reflecting higher enrollment among students eligible for Pell Grants.

Expenses within student services, institutional support, plant operations and maintenance, and auxiliary enterprises rose as a result of increased payroll costs tied to additional staffing, reduced vacancy rates, and cost-of-living adjustments. In addition, auxiliary enterprises experienced higher cost of goods sold, associated with increased sales in dining and bookstore operations.

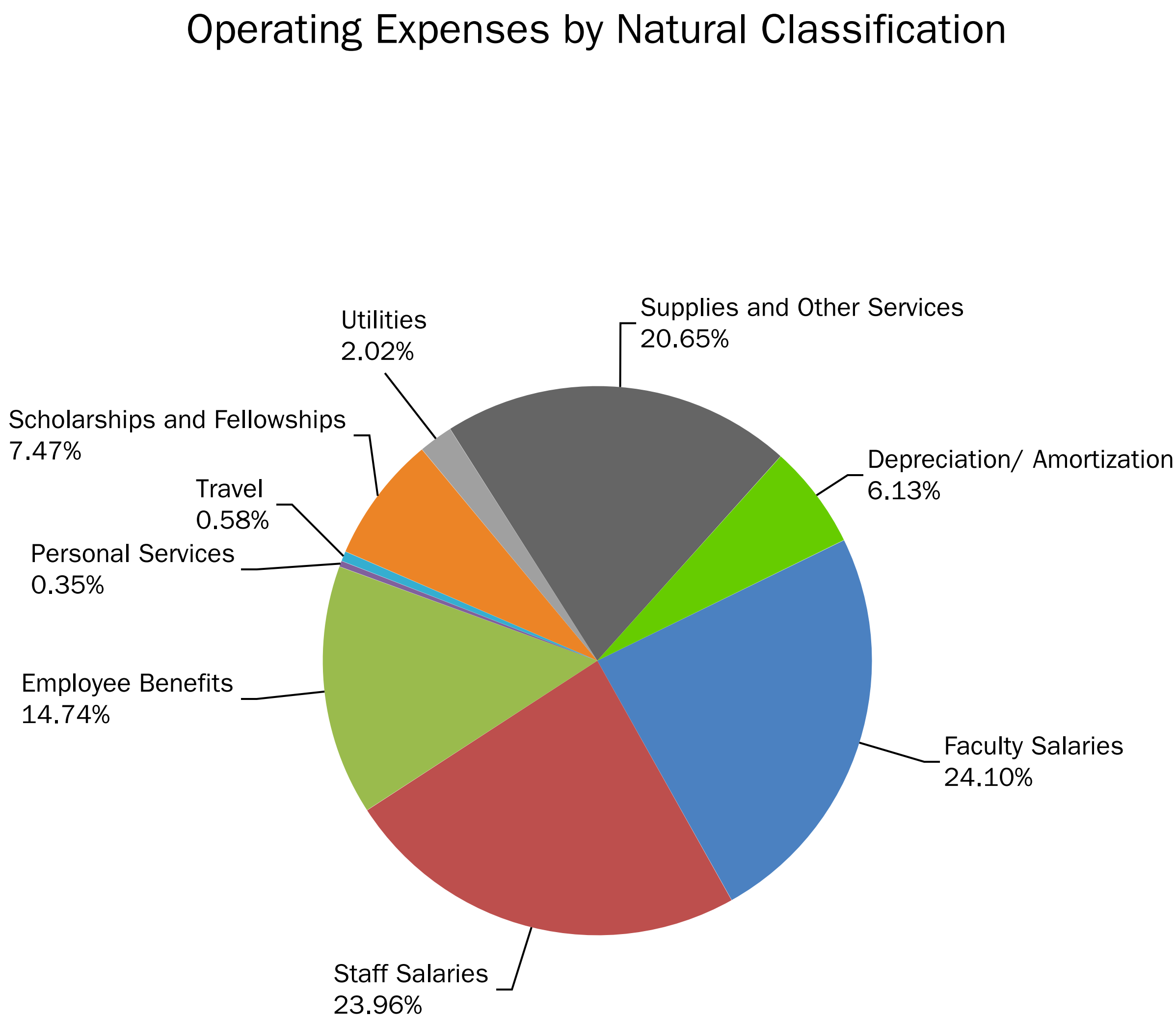
The following chart depicts the fiscal year 2025 operating expenses by functional classification.



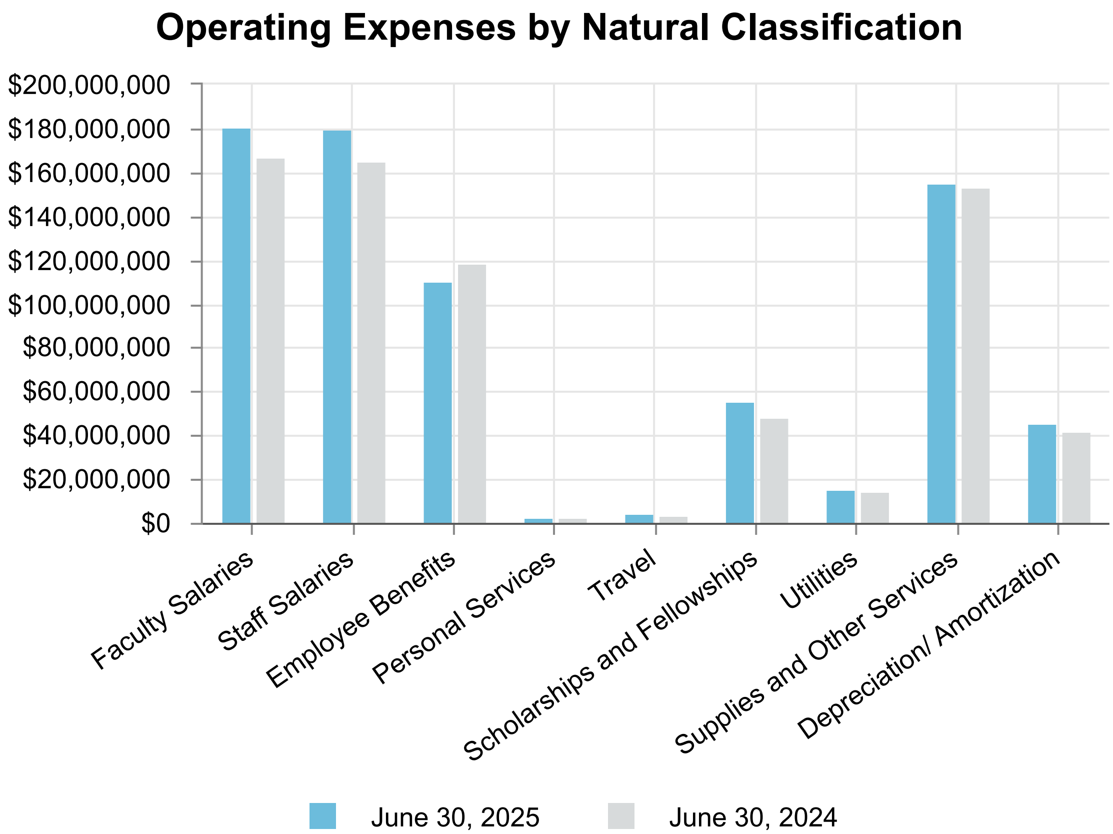
Operating expenses by functional classification for the years ended June 30, 2025, and June 30, 2024, is depicted by the following chart:



The following chart depicts the fiscal year 2025 operating expenses by natural classification:



Operating expenses by natural classification for the years ended June 30, 2025, and June 30, 2024, is depicted by the following chart:



Statement of Cash Flows

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

Cash Flows for the Years Ended June 30, 2025 and June 30, 2024 were as follows:

CONDENSED STATEMENT OF NET CASH FLOWS	June 30, 2025	June 30, 2024
Cash Provided (Used) by:		
Operating Activities	$ (338,565,499)	$ (306,716,615)
Non-Capital Financing Activities	385,502,703	360,657,743
Capital and Related Financing Activities	(100,869,556)	(77,323,453)
Investing Activities	9,942,713	17,076,874
NET CHANGE IN CASH AND CASH EQUIVALENTS	(43,989,639)	(6,305,451)
Cash and Cash Equivalents, beginning of year	206,970,466	213,275,917
Cash and Cash Equivalents, end of year	$ 162,980,827	$ 206,970,466

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 & Land Improvements	$ 50,443,934	$ 45,283,891	$ 5,160,043	11.39 %
Capitalized Collections, not depreciated	4,975,602	4,951,773	23,829	0.48 %
Construction Work-in-Progress	62,240,654	28,645,123	33,595,531	117.28 %
Infrastructure	8,197,427	8,911,590	(714,163)	(8.01)%
Building and Building Improvements	576,225,018	590,201,288	(13,976,270)	(2.37)%
Facilities and Other Improvements	9,499,590	9,372,928	126,662	1.35 %
Equipment	36,156,860	36,657,885	(501,025)	(1.37)%
Library Collections	470,585	646,398	(175,813)	(27.20)%
Capitalized Collections, depreciated	1,354,966	1,410,370	(55,404)	(3.93)%
Capital Assets, net of accumulated depreciation	$ 749,564,636	$ 726,081,246	$ 23,483,390	3.23 %

Intangible Right-to-Use assets, net of accumulated amortization, at June 30, 2025, and June 30, 2024, were as follows:

INTANGIBLE RIGHT-TO-USE ASSETS, net of accumulated amortization	June 30, 2025	June 30, 2024	Increase (Decrease)	% Change
Intangibles in Progress	$ 107,973	$ —	$ 107,973	100.00 %
Land and Land Improvements	588,086	666,221	(78,135)	(11.73)%
Building and Building Improvements	970,599	1,240,947	(270,348)	(21.79)%
Equipment	193,340	467,920	(274,580)	(58.68)%
Subscription Based IT Arrangements (SBITAs)	10,763,536	8,103,045	2,660,491	32.83 %
Intangible Right-to-Use Assets, net of accumulated amortization	$ 12,623,534	$ 10,478,133	$ 2,145,401	20.48 %

For additional information concerning capital and intangible right-to-use assets, see Notes 1, 6, 8, and 13 in the Notes to the Financial Statements.

Long-Term Liabilities

Kennesaw State University had long-term liabilities of $256,443,174 excluding pension and OPEB liability; of which $25,968,692 was reflected as current liability at June 30, 2025.

For additional information concerning long-term liabilities, see Note 8 and 13 in the Notes to the Financial Statements.

Notes to the Financial Statements

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

Economic Outlook

Kennesaw State University 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 during this fiscal year beyond those unknown variations having a global effect on virtually all types of business operations. The University's overall financial position is strong. The University anticipates that current fiscal year operations will remain consistent when compared to fiscal year 2025. Enrollment is projected to continue to increase with students returning in the fall. The University will maintain a close watch over resources to facilitate the University's ability to react to unknown internal and external issues.

FINANCIAL STATEMENTS

KENNESAW STATE UNIVERSITY
STATEMENT OF NET POSITION
JUNE 30, 2025

	Kennesaw State University	Component Unit
ASSETS		
Current Assets		
Cash and Cash Equivalents	$ 157,554,539	$ 3,201,690
Cash and Cash Equivalents (Externally Restricted)	5,426,288	—
Short-term Investments	—	20,390,158
Accounts Receivable, net		
Federal Financial Assistance	23,994,495	—
Affiliated Organizations	4,610,344	—
Component Unit	4,439,484	—
Primary Government	—	319,967
Pledges and Contributions	—	609,386
Other	11,939,926	115,619
Investment in Financing Lease Arrangements - Primary Government	—	9,092,246
Inventories	2,617,733	—
Prepaid Items	31,647,900	79,682
Total Current Assets	242,230,709	33,808,748
Non-Current Assets		
Accounts Receivable, net		
Component Units	2,671,954	—
Due From USO - Capital Liability Reserve Fund	2,170,611	—
Pledges and Contributions	—	23,327,491
Other	1,228,793	—
Investments	470,264	—
Notes Receivable, net	459,324	—
Investment in Financing Lease Arrangements - Primary Government	—	182,650,426
Non-current Cash (Externally Restricted)	—	120,108,794
Short-term Investments (Externally Restricted)	—	134,990,007
Investments (Externally Restricted)	—	28,465,279
Capital Assets, net	749,564,636	170,543,281
Intangible Right-to-Use Assets, net	12,623,534	3,734,737
Total Non-Current Assets	769,189,116	663,820,015
TOTAL ASSETS	1,011,419,825	697,628,763
DEFERRED OUTFLOWS OF RESOURCES	$ 142,182,590	$ —

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

KENNESAW STATE UNIVERSITY
STATEMENT OF NET POSITION
JUNE 30, 2025

	Kennesaw State University	Component Unit
LIABILITIES		
Current Liabilities		
Accounts Payable	$ 16,176,156	$ 10,028,405
Salaries Payable	737,044	—
Benefits Payable	1,159,157	—
Contracts Payable	556,094	—
Retainage Payable	1,616,334	—
Due to Affiliated Organizations	1,978	—
Due to Component Unit	76,634	—
Due to Primary Government	—	4,250,480
Advances (Including Tuition and Fees)	20,794,864	12,861,563
Deposits	66,874	—
Deposits Held for Other Organizations	530,127	—
Other Liabilities	97,398	—
Subscription Obligations	2,149,070	—
Notes Payable - External	1,995,043	—
Notes Payable - Component Units	9,007,746	—
Lease Obligations - External	345,278	51,838
Lease Obligations - Primary Government	—	196,533
Lease Obligations - Component Unit	170,178	—
Revenue Bonds and Notes Payable	—	14,450,000
Compensated Absences	12,301,377	—
Total Current Liabilities	67,781,352	41,838,819
Non-Current Liabilities		
Subscription Obligations	4,282,719	—
Notes Payable - External	38,105,514	—
Notes Payable - Component Units	181,999,661	
Lease Obligations - External	214,839	496,747
Lease Obligations - Primary Government	—	3,078,253
Lease Obligations - Component Unit	1,236,061	—
Revenue Bonds and Notes Payable	—	417,298,688
Compensated Absences	4,635,688	—
Net Other Post-Employment Benefits Liability	196,732,840	—
Net Pension Liability	272,214,979	—
Total Non-Current Liabilities	699,422,301	420,873,688
TOTAL LIABILITIES	767,203,653	462,712,507
DEFERRED INFLOWS OF RESOURCES	186,175,104	—
NET POSITION		
Net Investment in Capital Assets	478,670,303	(5,678,199)
Restricted for:		
Nonexpendable	4,862,308	103,694,554
Expendable	7,412,821	94,254,654
Unrestricted (Deficit)	(290,721,774)	42,645,247
TOTAL NET POSITION	$ 200,223,658	$ 234,916,256

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

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

	Kennesaw State University	Component Unit
OPERATING REVENUES		
Student Tuition and Fees (net)	$ 205,794,024	$ —
Grants and Contracts		
Federal	14,004,311	—
State	2,494,912	—
Other	14,820,840	—
Sales and Services	16,247,521	229,144
Rents and Royalties	619,066	41,735,644
Auxiliary Enterprises		
Residence Halls	24,752,646	—
Bookstore	18,257,724	—
Food Services	33,969,259	—
Parking	16,216,852	—
Health Services	4,772,644	—
Intercollegiate Athletics	19,944,644	—
Other Organizations	3,242,163	—
Gifts and Contributions	—	39,396,226
Endowment Income	—	3,620,135
Other Operating Revenues	(605,337)	—
Total Operating Revenues	374,531,269	84,981,149
OPERATING EXPENSES		
Faculty Salaries	180,779,260	—
Staff Salaries	179,745,825	3,746,626
Employee Benefits	110,610,161	1,340,666
Other Personal Services	2,641,014	—
Travel	4,382,768	247,700
Scholarships and Fellowships	56,053,517	14,013,941
Utilities	15,157,139	3,066,624
Supplies and Other Services	154,894,306	12,918,191
Depreciation and Amortization	45,975,213	8,008,721
Total Operating Expenses	750,239,203	43,342,469
Operating Income (Loss)	$ (375,707,934)	$ 41,638,680

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

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

	Kennesaw State University	Component Unit
NONOPERATING REVENUES (EXPENSES)		
State Appropriations	$ 266,228,239	$ —
Grants and Contracts		
Federal	121,274,569	—
State	683	—
Other	5,899,511	—
Gifts	12,061,209	—
Investment Income	9,968,980	14,309,875
Interest Expense	(10,333,231)	(12,893,279)
Other Nonoperating Revenues (Expenses)	(271,497)	(1,377,407)
Net Nonoperating Revenues (Expenses)	404,828,463	39,189
Income (Loss) Before Other Revenues, Expenses, Gains, or Losses	29,120,529	41,677,869
Capital Grants and Gifts		
State	3,078,852	—
Other	3,906,706	—
Additions to Permanent and Term Endowments	—	4,269,906
Total Other Revenues, Expenses, Gains or Losses	6,985,558	4,269,906
Change in Net Position	36,106,087	45,947,775
Net Position, Beginning of Year, As Originally Reported	164,117,571	188,968,481
Net Position, End of Year	$ 200,223,658	$ 234,916,256

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

KENNESAW STATE UNIVERSITY
STATEMENT OF CASH FLOWS
FOR FISCAL YEAR ENDED JUNE 30, 2025

	Kennesaw State University
CASH FLOWS FROM OPERATING ACTIVITIES	
Payments from Customers	$ 338,121,769
Grants and Contracts (Exchange)	30,860,871
Payments to Suppliers	(290,966,152)
Payments to Employees	(363,810,738)
Payments for Scholarships and Fellowships	(56,053,517)
Loans Issued to Students	48,296
Collection of Loans from Students	31,776
Other Receipts	3,289,638
Other Payments	(87,442)
Net Cash Used by Operating Activities	(338,565,499)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
State Appropriations	266,228,239
Gifts and Grants Received for Other Than Capital Purposes	119,699,408
Other Non-Capital Financing Receipts	(162,831)
Other Non-Capital Financing Payments	(262,113)
Net Cash Flows Provided by Non-Capital Financing Activities	385,502,703
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Capital Gifts and Grants Received	2,922,757
Proceeds from Sale of Capital Assets	60,900
Purchases of Capital and Intangible Right-to Use Assets	(79,764,644)
Principal Paid on Capital Debt and Leases	(13,729,445)
Interest Paid on Capital Debt and Leases	(10,359,124)
Net Cash Used by Capital and Related Financing Activities	(100,869,556)
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment Income	9,942,713
Net Cash Provided by Investing Activities	9,942,713
Net Decrease in Cash and Cash Equivalents	(43,989,639)
Cash and Cash Equivalents, Beginning of Year	206,970,466
Cash and Cash Equivalents, End of Year	$ 162,980,827

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

KENNESAW STATE UNIVERSITY
STATEMENT OF CASH FLOWS
FOR FISCAL YEAR ENDED JUNE 30, 2025

	Kennesaw State University
RECONCILIATION OF OPERATING LOSS TO	
NET CASH USED BY OPERATING ACTIVITIES:	
Operating Loss	$ (375,707,934)
Adjustments to Reconcile Net Operating Loss to	
Net Cash Used by Operating Activities	
Depreciation and Amortization	45,975,213
Operating Expenses Related to Noncash Gifts	61,760
Change in Assets and Liabilities:	
Receivables, net	(5,041,798)
Inventories	237,947
Prepaid Items	148,472
Notes Receivable, Net	80,072
Accounts Payable	(1,193,384)
Salaries Payable	141,114
Benefits Payable	161,617
Contracts Payable	248,935
Retainage Payable	38,876
Deposits	13,084
Advances (Including Tuition and Fees)	3,331,046
Other Liabilities	(26,196)
Funds Held for Others	(87,445)
Compensated Absences	982,523
Due to Affiliated Organizations	(131,036)
Net Pension Liability	(38,691,410)
Net Other Post-Employment Benefit Liability	(16,839,911)
Change in Deferred Inflows/Outflows of Resources:	
Deferred Inflows of Resources	19,032,758
Deferred Outflows of Resources	28,700,198
Net Cash Used by Operating Activities	$ (338,565,499)
NON-CASH INVESTING, NON-CAPITAL FINANCING, AND CAPITAL AND RELATED FINANCING TRANSACTIONS	
Noncapital Financing Activities Noncash Items:	
Noncapital Gifts	$ 61,760
Current Year Accruals Related to Non-operating Non-capital Grants and Gifts	$ 23,671,519
Current Year Accruals Related to Capital Financing Activities	$ 3,977,157
Gain (Loss) on Disposal of Capital Assets	$ (510,877)
Accrual of Capital Asset Related Payables	$ 2,553,002
Intangible Right-to-Use Assets Acquired by Incurring Lease Obligations	$ 117,278
Intangible Right-to-Use Assets Acquired by Incurring SBITAs	$ 4,525,897
Amortization of Capital Financing Activities Advances and Deferred Inflows	$ 3,449,175
Amortization of Deferred Gain (Loss) of Capital Debt Refunded	$ 25,894
Other Capital Financing Activities Noncash Items	$ 374,036
Unrealized Gain (Loss) on Investments	$ 26,267

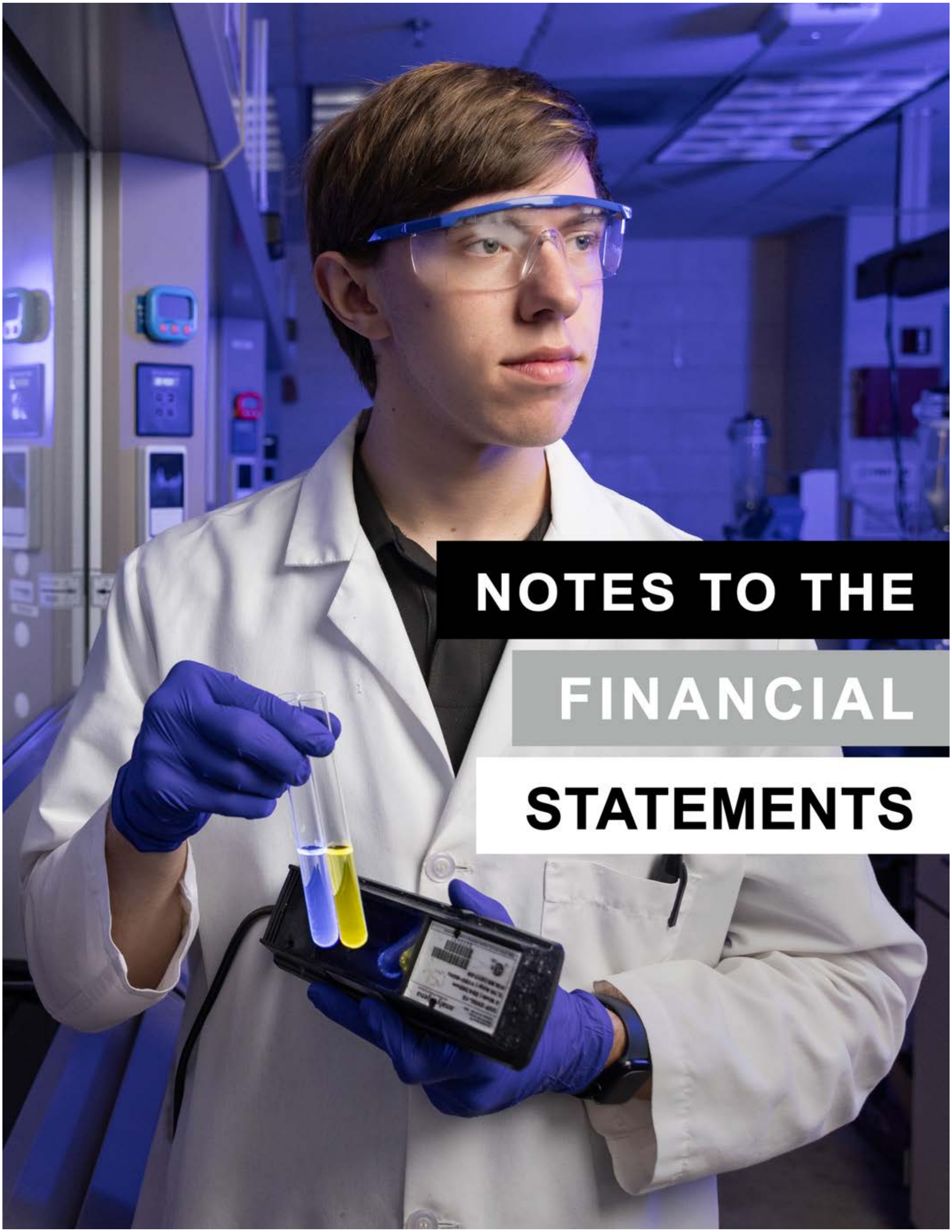
The notes to the financial statements are an integral part of this statement.

KENNESAW STATE UNIVERSITY
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2025

		Custodial Funds
ASSETS		
Receivables		
Other	$	30,283,643
Total Assets		30,283,643
LIABILITIES		
Cash Overdraft		27,046,402
Accounts Payable		5,369
Due to Component Units		243,333
Advances		2,914,577
Deposits held for other organizations		14,245
Total Liabilities		30,223,926
NET POSITION		
Restricted for:		
Individuals, Organizations, and Other Governments	$	59,717

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

	Custodial Funds
ADDITIONS	
Federal Financial Aid	$ 135,411,108
State Financial Aid	122,286,780
Other Financial Aid	20,943,872
Clubs and Other Organizations Fund Raising	3,281,617
Public-Private Partnership Passthrough	26,037,608
Total Additions	307,960,985
DEDUCTIONS	
Scholarships and Other Student Support	278,641,760
Student Organizations Support	3,283,202
Public-Private Partnership Passthrough	26,037,608
Total Deductions	307,962,570
Net Decrease in Fiduciary Net Position	(1,585)
Net Position, Beginning of Year	61,302
Net Position, End of Year	$ 59,717



NOTES TO THE FINANCIAL STATEMENTS

Note 1 Summary of Significant Accounting Policies

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

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

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

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

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

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

- Kennesaw State University Foundation, Inc., 3391 Town Point Drive, Suite 4530/Mail drop 9101, Kennesaw, GA 30144.

See Component Unit Note 20 for additional information related to the discretely presented component unit.

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

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

The University reports the following fiduciary funds:

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

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

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

Cash and Cash Equivalents
Cash and cash equivalents consist of petty cash, demand deposits and time deposits in authorized financial institutions, and cash management pools that have the general characteristics of demand deposit accounts. This includes the 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.

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

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

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

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

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

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

Depreciation, which also includes amortization of intangible assets such as water, timber, and mineral rights, easements, patents, trademarks, and copyrights, as well as software, is computed using the straight-line method over the estimated useful lives of the assets, generally 40 to 60 years for buildings, 20 to 25 years for infrastructure and land improvements, 10 years for library books, and 3 to 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 University, it is necessary to look at the activities of the Georgia State Financing and Investment Commission (GSFIC) - an organization that is external to the USG. GSFIC issues bonds for and on behalf of the State of Georgia, pursuant to powers granted to it in the Constitution of the State of Georgia and the Act creating the GSFIC. The bonds so issued constitute direct and general obligations of the State of Georgia, to the payment of which the full faith, credit and taxing power of the State are pledged.

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

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

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

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

Rental income arising from leases as a lessor is included as a receivable and deferred inflow of resources at the commencement of the lease and revenue is recognized on a straight line basis over the lease term.

Capital Liability Reserve Fund
The Capital Liability Reserve Fund (Fund) was established by the Board of Regents to protect the fiscal integrity of the USG to maintain the strongest possible credit ratings associated with Public Private Venture (PPV) projects and to ensure that the Board of Regents can effectively support its long-term lease obligations. All USG institutions participating in the PPV program finance the Fund. The Fund serves as a pooled reserve that is managed by the Board of Regents. The Fund shall only be used to address significant shortfalls and only insofar as a requesting USG institution is unable to make the required PPV lease payment to the designated affiliated organization. The Fund will continue as long as the Board of Regents has rental obligations under the PPV program and at the conclusion of the program, funds will be returned to each institution. The balance included on the University's Statement of Net Position as Due from USO - Capital Liability Reserve Fund of $2,170,611 represents the University's contribution to the Fund.

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

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

Deposits Held for Other Organizations
Deposits held for other organizations result primarily from escheated funds that are the result of unclaimed property.

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

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

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

Other Post-Employment Benefit (OPEB) and Net OPEB Liability
The net OPEB liability represents the University's proportionate share of the difference between the total OPEB liability and the fiduciary net position or the fair value of the plan assets as of a given measurement date.

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

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

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

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

Net Position
The University's net position is classified as follows:

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

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

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

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

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

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

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

- Operating revenue includes activities that have the characteristics of exchange transactions, such as (1) student tuition and fees, net of scholarship allowances, (2) certain federal, state and local grants and contracts, and (3) sales and services.

- Nonoperating revenue includes activities that have the characteristics of non-exchange transactions, such as gifts and contributions, and other revenue sources that are defined as non-operating revenue by GASB Statements No. 9, *Reporting Cash Flows of Proprietary and Non-expendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting,* and No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments,* such as state appropriations and investment income.

- Operating expense includes activities that have the characteristics of exchange transactions.

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

Scholarship Allowances

Scholarship allowances are the difference between the stated charge for goods and services provided by the University, and the amount that is paid by students and/or third parties making payments on the students' behalf. Certain governmental grants, such as Pell grants, and other Federal, state, or nongovernmental programs are recorded as either operating or non-operating revenues in the University's financial statements. To the extent that revenues from such programs are used to satisfy tuition and fees and other student charges, the University has recorded contra revenue for scholarship allowances. Tuition and fees and other student charges reported on the Statement of Revenues, Expenses and Changes in Net Position are net of discounts and allowances of $78,763,295 and waivers in the amount of $32,186,153.

Changes in Accounting Estimates

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

The change in estimate was implemented prospectively and reflects updated assumptions and methodologies based on the Advisory's recommendations. The impact of this change on the financial statements for the current fiscal year, as reflected in the Statement of Revenues and Expenditures, is a increase in Student Tuition and Fees (net) and a 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	$	157,554,539
Cash and Cash Equivalents (Externally Restricted)		5,426,288
Noncurrent		
Investments		470,264
Statement of Fiduciary Net Position		
Cash and Cash Equivalents		(27,046,402)
	$	136,404,689

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

Cash on Hand	$	28,100
Deposits with Financial Institutions		110,267,228
Investments		26,109,361
	$	136,404,689

A. Deposits with Financial Institutions

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

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

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

3. Bonds of any public authority created by the laws of the State of Georgia, providing that the statute that created the authority authorized the use of the bonds for this purpose.

4. Industrial revenue bonds and bonds of development authorities created by the laws of the State of Georgia.

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

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

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

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

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

At June 30, 2025, the bank balances of the University's deposits totaled $116,927,538. Of these deposits, $0 were exposed to custodial credit risk. This balance includes deposits in Fiduciary funds as these balances are not separable from the holdings of the University.

B. Investments

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

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

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

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

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

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

	Fair Value	Fair Value Hierarchy Level 1
Investment type:		
Equity Securities - Domestic	$ 423,563	$ 423,563
Real Estate Investment Trusts	8,750	8,750
Other	37,951	37,951
	470,264	$ 470,264
Investment Pools		
Board of Regents		
Short-Term Fund	25,639,097	
Total Investments	$ 26,109,361	

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

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

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

1. **Short-Term Fund**
   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 four years, and the fund will typically have an overall average duration of ¾ - 1 year. The overall character of the portfolio is of Agency quality, possessing a minimal degree of financial risk. The market value of the University's position in the Short-Term Fund at June 30, 2025 was $25,639,097, of which 100% is invested in debt securities. The Effective Duration of the Fund is 1.03 years.

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

Custodial Credit Risk
Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty to a transaction, the University will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. The University policy for managing custodial credit risk is:

1. The USG has appointed a federally regulated banking institution as custodian. The custodian performs its duties to the standards of professional custodian and is liable to the USG for claims, losses, liabilities and expenses arising from its failure to exercise ordinary care, its willful misconduct, or its failure to otherwise act in accordance with the contract.

2. All securities transactions are to be settled on a delivery vs. payment basis through an approved depository institution such as the Depository Trust Company or the Federal Reserve.

3. Repurchase agreements are to be collateralized by United States Treasury securities at 102% of the market value of the investment at all times.

At June 30, 2025, $0 was uninsured and held by the investment's counterparty's trust department or agent, but not in the University's name.

Credit Quality Risk
Credit quality risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The University'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, 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.

Concentration of Credit Risk
Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The University policy requires diversification of investments to reduce overall portfolio risk while maintaining market rates of return and has no exposure to concentration of credit risk at June 30, 2025.

Foreign Currency Risk
Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. Exposure to foreign currency credit risk is limited to funds maintained in foreign accounts for the Study Abroad Program. The University does not have a formal policy for managing foreign currency risk and does not have any exposure to foreign currency risk at June 30, 2025.

Note 3 Accounts Receivable

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

	Business Type Activities	Fiduciary Fund
Student Tuition and Fees	$ 8,524,428	$ 234,724
Auxiliary Enterprises and Other Operating Activities	4,238,654	—
Federal Financial Assistance	23,994,495	15,210,638
Georgia Student Finance Commission	—	14,838,281
Georgia State Financing and Investment Commission	5,161,947	—
Due from Affiliated Organizations	4,610,346	—
Due from Component Unit	7,111,437	—
Due From Other USG Institutions	2,184,811	—
Lease Receivable	1,382,915	—
Other	1,540,545	—
	58,749,578	30,283,643
Less: Allowance for Doubtful Accounts	7,693,971	—
Net Accounts Receivable	$ 51,055,607	$ 30,283,643

Note 4 Inventories

Inventories consisted of merchandise for resale of $2,617,733 at June 30,2025.

Note 5 Notes and Loans Receivable

Notes receivable consists of resources made available for financial loans to students of the University. The Nurse Faculty Loan Program (NFLP) comprises the majority of the loans receivable at June 30, 2025. The NFLP offers loans to students enrolled in advanced education nursing degree programs who are committed to become nurse faculty. In exchange for full-time post-graduation employment as nurse faculty, the program authorizes cancellation of up to 85% of any such loan (plus interest thereon). Allowances for uncollectible loans are reported based on management's best estimate considering type, age, collection history, and other factors considered appropriate. At June 30, 2025, the allowance for uncollectible loans was $0.

Note 6 Capital and Intangible Right-to-Use Assets

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

	Balance July 1, 2024	Additions	Reductions	Balance June 30, 2025
Capital Assets, Not Being Depreciated:				
Land	$ 45,283,891	$ 5,160,043	$ —	$ 50,443,934
Capitalized Collections	4,951,773	23,829	—	4,975,602
Construction Work-in-Progress	28,645,123	33,595,531	—	62,240,654
Total Capital Assets Not Being Depreciated	78,880,787	38,779,403	—	117,660,190
Capital Assets, Being Depreciated				
Infrastructure	18,542,654	—	—	18,542,654
Building and Building Improvements	1,026,879,720	14,689,981	—	1,041,569,701
Facilities and Other Improvements	17,350,778	891,130	—	18,241,908
Equipment	100,542,285	10,707,718	6,414,637	104,835,366
Library Collections	26,562,498	748	506,782	26,056,464
Capitalized Collections	2,463,448	—	—	2,463,448
Total Capital Assets Being Depreciated	1,192,341,383	26,289,577	6,921,419	1,211,709,541
Less: Accumulated Depreciation				
Infrastructure	9,631,064	714,163	—	10,345,227
Building and Building Improvements	436,678,432	28,666,251	—	465,344,683
Facilities and Other Improvements	7,977,850	764,468	—	8,742,318
Equipment	63,884,400	10,906,367	6,112,261	68,678,506
Library Collections	25,916,100	176,562	506,783	25,585,879
Capitalized Collections	1,053,078	55,404	—	1,108,482
Total Accumulated Depreciation	545,140,924	41,283,215	6,619,044	579,805,095
Total Capital Assets, Being Depreciated Net	647,200,459	(14,993,638)	302,375	631,904,446
Capital Assets, net	$ 726,081,246	$ 23,785,765	$ 302,375	$ 749,564,636

For projects managed by GSFIC, GSFIC retains construction-in-progress on its books throughout the construction period and transfers the entire project to the University when complete. For projects managed by the University, the University retains construction-in-progress on its books and is reimbursed by GSFIC. At June 30, 2025, GSFIC had $30,543,233 construction in progress for incomplete GSFIC managed projects for the University.

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

	Beginning Balances July 1, 2024	Additions	Reductions	Ending Balance June 30, 2025
Intangible Right-to-use Assets, Not Being Amortized:				
Intangibles in Progress	$ —	$ 107,973	—	$ 107,973
Intangible Right-to-use Assets, Being Amortized:				
Land and Land Improvements	973,566	1,578	—	975,144
Building and Building Improvements	2,100,792	206,859	—	2,307,651
Equipment	870,279	—	505,949	364,330
Subscription Based IT Arrangements (SBITAs)	11,370,426	6,729,491	1,323,768.00	16,776,149
Total Leased Assets Being Amortized	15,315,063	6,937,928	1,829,717	20,423,274
Less: Accumulated amortization				
Land and Land Improvements	307,345	79,713	—	387,058
Building and Building Improvements	859,845	477,207	—	1,337,052
Equipment	402,359	172,322	403,691	170,990
Subscription Based IT Arrangements (SBITAs)	3,267,381	3,962,756	1,217,524	6,012,613
Total Accumulated Amortization	4,836,930	4,691,998	1,621,215	7,907,713
Total Intangible Right-to-use Assets, Being Amortized, Net	10,478,133	2,245,930	208,502	12,515,561
Intangible Right-to-use Assets, net	$ 10,478,133	$ 2,353,903	$ 208,502	$ 12,623,534

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

Fiscal Year	Depreciation & Amortization
2025	$45,975,213
2024	$41,571,013
2023	$38,877,667

Note 7 Advances (Including Tuition and Fees)

Business-type activities advances, including tuition and fees, consisted of the following at June 30, 2025:

	Current Liabilities
Prepaid Tuition and Fees	$ 18,077,594
Grants and Contracts	265,916
Other - Advances	2,451,354
Totals	$ 20,794,864

Fiduciary fund advances in the amount of $2,914,577 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
Lease & Subscription Obligations										
Lease Obligations	$	2,530,857	$	117,278	$	681,779	$	1,966,356	$	515,456
Subscription Obligations		4,424,704		4,525,897		2,518,812		6,431,789		2,149,070
Total		6,955,561		4,643,175		3,200,591		8,398,145		2,664,526
Other Liabilities										
Compensated Absences		15,954,542		13,551,870		12,569,347		16,937,065		12,301,377
Notes Payable		241,636,818		—		10,528,854		231,107,964		11,002,789
Total		257,591,360		13,551,870		23,098,201		248,045,029		23,304,166
Total Long-Term Obligations	$	264,546,921	$	18,195,045	$	26,298,792	$	256,443,174	$	25,968,692

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 Payable

Financing Lease Agreements

The University is obligated under various multi-year financing lease agreements for the acquisition or use of real property and equipment, whereby the asset(s) transfers ownership at the end of the agreement**.**

In accordance with O.C.G.A. § 50-5-64, these agreements shall terminate absolutely and without further obligation at the close of the fiscal year in which it was executed and at the close of each succeeding fiscal year for which it may be renewed. These agreements may be renewed only by a positive action taken by the University. In addition, these agreements shall terminate if the State does not provide adequate funding, but that is considered a remote possibility. The University's principal and interest payments related to financing lease agreements for fiscal year 2025 were $10,528,854 and $10,248,974, respectively.

The University has $191,007,407 in outstanding notes payable due to component units for financing lease agreements.

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

Description		Gross Amount		Less: Accumulated Amortization		Net Assets Held Under Financing Lease Arrangements at June 30, 2025		Outstanding Balances per Lease Schedules at June 30, 2025
		(+)		(-)		(=)		
Financed Land and Land Improvements	$	19,879,664	$	—	$	19,879,664	$	—
Finance Buildings and Building Improvements		303,696,781		135,255,911		168,440,870		231,107,964
Total Assets Held Under Finance Lease Arrangement	$	323,576,445	$	135,255,911	$	188,320,534	$	231,107,964

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

Description	Lessor	Original Principal	Lease Term	Begin Month/ Year	End Month/ Year	Outstanding Principal	
Central Parking Deck	KSU Foundation	28,528,584	21 years	February 2017	June 2038	20,432,409	(1)
Dining Hall Facility	KSU Foundation	17,012,109	22 years	February 2017	June 2039	13,172,558	(1)
Sports Complex	KSU Foundation	61,884,585	24 years	September 2020	June 2044	51,071,081	(1)
Student Housing (UPII)	KSU Foundation	26,768,863	29 years	August 2012	June 2041	21,371,937	(1)
Summit Student Housing	KSU Foundation	37,132,763	30 years	July 2022	June 2052	35,730,186	(1)
Student Recreation Center	KSU Foundation	43,053,851	28 years	July 2014	June 2042	32,583,428	(1)
Marietta Student Housing - Howell	KSU Foundation	9,854,543	31 years	July 2021	June 2052	9,407,354	(1)
Commons Housing	KSU Foundation	8,742,600	14 years	June 2013	June 2027	1,620,304	(1)
Courtyard Housing	KSU Foundation	18,387,400	16 years	June 2013	June 2029	5,618,150	(1)
Parking Deck	USG Real Estate Foundation	17,323,738	25 years	June 2015	June 2040	13,318,980	
Housing / Dining	USG Real Estate Foundation	34,019,686	20 years	March 2019	June 2039	26,781,577	
Total Financed Leases		$ 302,708,722				$ 231,107,964	

All of the financing lease agreements above are related-party transactions (1)

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

	Principal	Interest
Year Ending June 30:		
2026	$ 11,002,789	$ 9,784,397
2027	11,503,759	9,298,146
2028	11,175,872	8,803,682
2029	11,689,644	8,306,447
2030	10,648,558	7,805,905
2031 through 2035	61,082,786	31,392,334
2036 through 2040	67,372,247	16,527,498
2041 through 2045	30,982,754	5,151,572
2046 through 2050	10,816,415	1,672,164
2051 through 2055	4,833,140	186,337
Total Minimum Lease Payments	$ 231,107,964	$ 98,928,482

Note 9 Deferred Outflows and Inflows of Resources

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

Deferred Outflows of Resources		
Deferred Loss on Debt Refunding	$	313,343
Deferred Defined Benefit Pension Plans (See Note 14)		102,133,355
Deferred OPEB Plan (See Note 17)		39,735,892
Total Deferred Outflows of Resources	$	142,182,590
Deferred Inflows of Resources		
Deferred Gain on Debt Refunding	$	1,651,015
Deferred Inflows Public-Private or Public-Public Partnership (PPP)		40,121,083
Deferred Defined Benefit Pension Plans (See Note 14)		39,097,054
Deferred OPEB Plan (See Note 17)		101,034,110
Deferred Resources - Leases		4,271,842
Total Deferred Inflows of Resources	$	186,175,104

Deferred Outflow/Inflow on Debt Refunding
The unamortized deferred loss on debt refunding at year end, related to refunding debt on two residence halls and a parking deck, is $313,343. The unamortized deferred gain on debt refunding of $1,651,015 relates to refunding debt on housing and dining facilities.

Leases
At June 30, 2025, Kennesaw State University (KSU) was a participant in three lease agreements as the lessor.

In June 2011, Kennesaw State University entered into an agreement with Kennesaw State University Foundation, Inc. (KSUF) for the KSU Sports and Recreation Park on the KSU campus. The agreement for the sports and recreation park is renewable for 29 years. As of June 30, 2025, the total remaining receivables are $3,516,564. The amortized revenue recorded in fiscal year 2025 was $233,379 and the remaining deferred inflow of resources was $2,888,927.

In September 2008, Kennesaw State University (KSU) entered into an agreement with Verizon Wireless for cell tower space. The agreement is renewable for 25 years. As of June 30, 2025, the total remaining receivables are $587,419. The amortized revenue recorded in fiscal year 2025 was $59,792 and the remaining deferred inflow of resources was $553,958.

In August 2010, Kennesaw State University (KSU) entered into an agreement with AT&T for cell tower space. The agreement is renewable for 25 years. As of June 30, 2025, the total remaining receivables are $879,029. The amortized revenue recorded in fiscal year 2025 was $89,474 and the remaining deferred inflow of resources was $828,957.

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

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

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

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

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

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

At June 30, 2025, the University reports the three housing residences and one retail space as capital assets with a net carrying value of $40,121,083. For fiscal year 2025, the University reported a remaining deferred inflows of resources of $40,121,083 and amortized revenue of $3,449,175.

For the fiscal year 2025, KSU received variable payments related to revenue sharing arrangements, based on performance of the operator and/or the usage of the underlying PPP asset in the amount of $192,414.

Description	Operator	Begin Month/ Year	PPP Term	Discount Rate (if applicable)	Amortized Revenue in Current Year	Interest Income	Remaining Deferred Inflow of Resources	Related Party for Institution
University Place	KSU Foundation	August 2001	35 years	N/A	617,809	—	6,447,837	Yes
University Village	KSU Foundation	August 2003	33 years	N/A	1,331,314	—	14,461,150	Yes
University Village Suites	KSU Foundation	August 2007	31 years	N/A	1,474,924	—	18,906,698	Yes
Panda Express	Panda Express	July 2017	20 years	N/A	25,128	—	305,398	No
Total PPPs					$ 3,449,175	$ —	$40,121,083	

Note 10 Net Position

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

Net Investment in Capital Assets	$ 478,670,303
Restricted for	
Nonexpendable	
Permanent Endowment	4,862,308
Expendable	
Sponsored and Other Organized Activities	6,390,905
Federal Loans	913,546
Institutional Loans	108,370
Sub-Total	7,412,821
Unrestricted	
Auxiliary Enterprises Operations	56,417,449
Reserve for Encumbrances	64,537,082
Capital Liability Reserve Fund	2,170,611
Other Unrestricted (Deficit)	(413,846,916)
Sub-Total	(290,721,774)
Total Net Position	$ 200,223,658

Other unrestricted net position is reduced by $258,031,058 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 $209,178,678 related to the recording of net pension liability, deferred inflows of resources, and deferred outflows of resources on defined benefit pension plans. These OPEB and pension balances are mostly funded through state appropriation and student tuition and fees and are subject to State surplus rules which prevents the accumulation of budgetary fund balance. Therefore, the University is statutorily unable to maintain accumulated net position to offset these OPEB and pension balances.

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

	Balance June 30, 2024	Additions	Reductions	Balance June 30, 2025
Net Investments in Capital Assets	$ 439,813,200	$ 85,844,326	$ 46,987,223	$ 478,670,303
Restricted Net Position	15,250,583	165,480,384	168,455,838	12,275,129
Unrestricted Net Position	(290,946,212)	631,469,634	631,245,196	(290,721,774)
Total Net Position	$ 164,117,571	$ 882,794,344	$ 846,688,257	$ 200,223,658

Note 11 Endowments

Donor Restricted Endowments

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

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

Note 12 Significant Commitments

See the Net Position note for amounts reserved for outstanding encumbrances at June 30, 2025. The University did not have any other significant unearned outstanding construction or renovation contracts in excess of these encumbrances at June 30, 2025.

Note 13 Leases and Subscriptions

Lease Obligations
The University leases land, facilities, office and computer equipment, and other assets. The University also enters into certain subscription-based contracts to use vendor-provided information technology (IT). Although lease and/or subscription terms vary, many leases and/or subscription agreements are subject to appropriation from the General Assembly to continue the obligation. In accordance with O.C.G.A. § 50-5-64, these agreements shall terminate absolutely and without further obligation at the close of the fiscal year in which it was executed and at the close of each succeeding fiscal year for which it may be renewed. These agreements may be renewed only by a positive action taken by the University. In addition, these agreements shall terminate if the State does not provide adequate funding, but that is considered a remote possibility. The University's principal and interest payments related to leases for fiscal year 2025 were $681,779 and $57,228, respectively. Interest rates range from 0.3449 % to 5.983%.

The University has $1,407,685 in outstanding lease obligations due to component units. The Institution has $201,348 in outstanding lease obligations due to affiliated organizations and other related party organizations.

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

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

Description	Gross Amount	Less: Accumulated Depreciation	Net, Assets Held Under Lease at June 30, 2025	Outstanding Balance per Lease Schedules at June 30, 2025
	(+)	(-)	(=)	
Leased Land and Land Improvements	$ 975,144	$ 387,058	$ 588,086	$ 664,959
Leased Equipment	364,330	170,990	193,340	220,519
Leased Buildings and Building Improvements	2,307,651	1,337,052	970,599	1,080,878
Total Assets Held Under Lease	$ 3,647,125	$ 1,895,100	$ 1,752,025	$ 1,966,356

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

LEASE SCHEDULE

Description	Lessor	Original Principal	Lease Term	Begin Month/ Year	End Month/ Year	Outstanding Principal	
Classroom Building	KSU Foundation	$ 953,858	9 years	July 2021	August 2030	$ 333,521	(1)
Clinic	KSU Foundation	685,000	15 years	July 2021	June 2036	401,749	(1)
1st United Lutheran Church	1st United Lutheran Church	98,054	5 years	July 2021	June 2026	20,539	
Canon Print Shop	Canon	156,248	2 years	July 2021	July 2023	—	
Canon imagePress V1000	Canon	323,959	5 years	December 2023	November 2028	220,523	
Machinist Union	KSU Foundation	875,512	13 year	July 2021	October 2034	587,844	(1)
University Village Skillet	KSU Foundation	33,231	6 years	July 2024	June 2030	28,001	(1)
Uganda Youth Dev (UYDEL)	Uganda Youth Development	173,627	3 years	October 2022	October 2027	116,261	
N20021899 WTS Tracking	Quadient	50,117	4 years	July 2021	June 2025	—	
N21041215 DS85i Feeder	Quadient	46,225	5 years	July 2021	June 2025	—	
N21073098 WTS & Scanner	Quadient	25,183	5 years	July 2021	June 2025	—	
N21082092 iX7 Mail Machine	Quadient	20,206	5 years	August 2021	June 2025	—	
Ricoh IMC2500 Copier	Ricoh	4,894	4 years	February 2022	June 2025	—	
Ricoh IMC3000 Copier	Ricoh	7,750	5 years	December 2021	June 2025	—	
N22032442 & N22032418 iX9C	Quadient	108,533	5 years	August 2022	June 2025	—	
WTS Parcel Locker (Bkstr)	Quadient	19,753	5 years	September 2022	August 2027	—	
IMC2500 Copier (KST207)	Ricoh	4,236	4 years	July 2022	June 2025	—	
Canon iJet Color	Canon	16,074	3 years	July 2022	June 2025	—	
IMC3000 Copier (MJ330)	Ricoh	3,930	2 years	July 2022	October 2024	—	
4 - IMC3000 Copiers	Ricoh	14,215	2 years	July 2022	October 2024	—	
MP2555SP Copier	Ricoh	2,445	2 years	July 2022	October 2024	—	
IMC6000 Copier	Ricoh	5,805	2 years	July 2022	October 2024	—	
3 - IMC2500 Copiers	Ricoh	9,288	2 years	July 2022	October 2024	—	
IMC4500 Copier	Ricoh	4,487	2 years	July 2022	October 2024	—	
MP3055SP Copier	Ricoh	2,793	2 years	July 2022	October 2024	—	
IMC2500 Copier (MJ263)	Ricoh	3,096	2 years	July 2022	October 2024	—	
2 - IM350F Copiers	Ricoh	1,996	2 years	July 2022	October 2024	—	
Gateway Newsstand	KSU Foundation	161,784	5 years	July 2022	June 2027	56,570	(1)
3380 Town Point (Football Ops)	KSU Athletic Association	959,261	4 years	July 2022	February 2026	201,348	(1)
Total Leases		$ 4,771,560				$ 1,966,356	

(1) These leases are related-party transactions.

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

	Principal	Interest
Year Ending June 30:		
2026	$ 515,456	$ 48,798
2027	305,475	36,047
2028	227,915	29,531
2029	194,482	23,528
2030	174,730	17,005
2031 through 2035	501,467	41,244
2036 through 2040	46,831	1,344
Total Minimum Lease Payments	$ 1,966,356	$ 197,497

Subscription Obligations

The University has no outstanding subscription obligations due to component units, affiliated organizations and other related party organizations.

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

The University's principal and interest payments related to SBITA's for fiscal year 2025 were $2,518,812 and $52,922, respectively.

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

Description	Gross Amount	Less: Accumulated Amortization	Net Assets Held Under Subscription Obligations at June 30, 2025	Outstanding Balance per Subscription Schedules at June 30, 2025
Subscription Based IT Arrangements (SBITAs) - Work in Progress	$ 107,973	$ —	$ 107,973	$ —
Subscription Based IT Arrangements (SBITAs)	16,776,149	6,012,613	10,763,536	6,431,789
Total Assets Held Under Subscription Based Information Technology Arrangements (SBITAs)	$ 16,884,122	$ 6,012,613	$ 10,871,509	$ 6,431,789

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

	Principal	Interest
Year Ending June 30:		
2026	$ 2,149,070	$ 127,253
2027	2,172,810	82,973
2028	1,300,231	41,826
2029	722,606	17,933
2030	87,072	568
Total Minimum Subscription Payments	$ 6,431,789	$ 270,553

Note 14 Retirement Plans

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

The University also provides the Regents Retirement Plan.

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

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

General Information about the Teachers Retirement System

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

Benefits Provided
TRS provides service retirement, disability retirement, and death benefits. Normal retirement benefits are determined as 2% of the average of the employee's two highest paid consecutive years of service, multiplied by the number of years of creditable service up to 40 years. An employee is eligible for normal service retirement after 30 years of creditable service, regardless of age, or after 10 years of service and attainment of age 60.

Ten years of service is required for disability and death benefits eligibility. Disability benefits are based on the employee's creditable service and compensation up to the time of disability. Death benefits equal the amount that would be payable to the employee's beneficiary had the employee retired on the date of death. Death benefits are based on the employee's creditable service and compensation up to the date of death.

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

The University’s contractually required contribution rate for the year ended June 30, 2025, was 20.78% of the annual University payroll. The University’s contributions to TRS totaled $38,029,117, for the year ended June 30, 2025.

General Information about the Employees’ Retirement System

Plan description

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

Benefits provided

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

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

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

Contributions

Member contributions under the old plan are 4% of annual compensation, up to $4,200, plus 6% of annual compensation in excess of $4,200. Under the old plan, the State pays member contributions in excess of 1.25% of annual compensation. Under the old plan, these State contributions are included in the members’ accounts for refund purposes and are used in the computation of the members’ earnable compensation for the purpose of computing retirement benefits. Member contributions under the new plan and GSEPS are 1.25% of annual compensation. The required contribution rate for the year ended June 30, 2025 was 29.20% of annual covered payroll for old and new plan members and 25.51% for GSEPS members. The University’s contributions to ERS totaled $63,719 for the year ended June 30, 2025. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

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

At June 30, 2025, the University reported a liability for its proportionate share of the net pension liability for TRS and ERS. The net pension liability was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2023. An expected total pension liability as of June 30, 2024, was determined using standard roll-forward techniques. The University’s proportion of the net pension liability was based on contributions to TRS and ERS during the fiscal year ended June 30, 2024. At June 30, 2024, the University’s TRS proportion was 1.081736%, which was an increase of 0.030148% from its proportion measured as of June 30, 2023. At June 30, 2024, the University’s ERS proportion was 0.007216%, which was a decrease of 0.000033% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the University recognized pension expense of $50,032,138 for TRS and $(127,656) for ERS. At June 30, 2025, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	TRS		ERS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 30,766,259	$ 812,622	$ 17,412	$ —
Changes of assumptions	18,914,078	—	—	—
Net difference between projected and actual earnings on pension plan investments	—	37,907,350	—	36,588
Changes in proportion and differences between contributions and proportionate share of contributions	14,342,770	315,227	—	25,267
Contributions subsequent to the measurement date	38,029,117	—	63,719	—
Total	$ 102,052,224	$ 39,035,199	$ 81,131	$ 61,855

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

Year Ending June 30:	TRS	ERS
2026	$ 10,184,663	$ (31,283)
2027	$ 40,071,333	$ 23,354
2028	$ (13,421,768)	$ (22,266)
2029	$ (11,846,320)	$ (14,248)

Actuarial assumptions

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

Teachers Retirement System

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

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

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

Employees' Retirement System

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

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

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

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

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

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

* Rates shown are net of inflation

Discount rate

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

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

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

Teachers Retirement System:

	1% Decrease 5.90%	Current discount rate 6.90%	1% Increase 7.90%
Proportionate share of the net pension liability	$ 467,977,329	$ 271,890,125	$ 111,822,945

Employees' Retirement System:

	1% Decrease 6.00%	Current discount rate 7.00%	1% Increase 8.00%
Proportionate share of the net pension liability	$ 489,432	$ 324,854	$ 186,445

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

B. Defined Contribution Plan:

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

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

The University and the covered employees made the required contributions of $12,892,086 (9.24%) and $8,371,484 (6.00%), respectively.

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

Note 15 Risk Management

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

The University's participating employees and eligible retirees pay premiums into the plan fund to access benefits coverage. All units of the USG share the risk of loss for claims associated with these plans. The plan fund is considered to be a self-sustaining risk fund. The USG has contracted with Blue Cross and Blue Shield of Georgia, a wholly owned subsidiary of Anthem, Inc., to serve as the claims administrator for the self-insured healthcare plan options. In addition to the self-insured healthcare plan options offered to the employees and eligible retirees of the

USG, a fully insured HMO healthcare plan option also is offered through Kaiser Permanente. The Comprehensive Care plan has a carved-out prescription drug plan administered through CVS Caremark. Pharmacy drug claims are processed in accordance with guidelines established for the Board of Regents' Prescription Drug Benefit Program. Generally, claims are submitted by participating pharmacies directly to CVS Caremark for verification, processing and payment. CVS Caremark maintains an eligibility file based on information furnished by Blue Cross and Blue Shield of Georgia on behalf of the various organizational units of the University System of Georgia. The self-insured dental plan is administered through Delta Dental.

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

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

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

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

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

Note 16 Contingencies

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

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

Note 17 Post-Employment Benefits Other Than Pension Benefits

Board of Regents Retiree Health Benefit Plan

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

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

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

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

Active Employees	3,806
Retirees or Beneficiaries Receiving Benefits	908
Retirees Receiving Life Insurance Only	189
Total	4,903

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

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

For fiscal year 2025, the University contributed $6,603,437 to the plan for current premiums or claims.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB
At June 30, 2025, the University reported a liability for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2024. The total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation as of May 1, 2024. An expected total OPEB liability as of June 30, 2024 was determined using standard roll-forward techniques. The University's proportion of the net OPEB liability was actuarially determined based on employer contributions during the fiscal year ended June 30, 2024. At June 30, 2024, the University's proportion was 6.775314%, which was an increase of 0.053582% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the University recognized OPEB expense of $(12,623,929). At June 30, 2025, the University reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 4,972,555	$ 1,041,386
Changes of assumptions	12,977,308	99,992,724
Net difference between projected and actual earnings on OPEB plan investments	463,914	—
Changes in proportion and differences between contributions and proportionate share of contributions	14,718,678	—
Contributions subsequent to the measurement date	6,603,437	—
Total	$ 39,735,892	$ 101,034,110

The University's contributions subsequent to the measurement date of $6,603,437 are reported as deferred outflows of resources and will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30:		
2026	$	(25,912,592)
2027	$	(22,266,953)
2028	$	(13,419,856)
2029	$	(5,695,607)
2030	$	(606,647)

Actuarial assumptions

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

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

Changes in Assumptions Since Prior Valuation

The financial accounting valuation reflects the following assumption changes:

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

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

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

Discount rate

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

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

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

	1% Decrease 2.96%	Current Rate 3.96%	1% Increase 4.96%
Proportionate Share of the Net OPEB Liability	$ 227,640,343	$ 196,732,840	$ 171,436,968

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

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

	1% Decrease	Current Rate	1% Increase
Proportionate Share of the Net OPEB Liability	$ 173,029,064	$ 196,732,840	$ 226,104,726
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 Annual Consolidated Financial Report which is publicly available at usg.edu/fiscal_affairs/financial_reporting/.

Note 18 Operating Expenses with Functional Classifications

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

	Natural Classification				
Functional Classification	Faculty Salaries	Staff Salaries	Employee Benefits	Personal Services	Travel
Instruction	$ 133,789,223	$ 22,735,401	$ 40,214,382	$ 381,260	$ 1,841,153
Research	31,097,247	8,482,446	8,034,168	10,000	931,872
Public Service	462,858	3,708,729	1,279,859	22,327	110,379
Academic Support	13,584,475	35,384,045	15,723,528	178,378	442,183
Student Services	357,927	32,667,665	11,232,021	41,027	285,953
Institutional Support	1,486,492	30,321,325	17,993,640	1,542,718	245,254
Plant Operations and Maintenance	1,038	19,043,842	7,072,631	—	55,044
Scholarships and Fellowships	—	—	—	—	—
Auxiliary Enterprises	—	27,402,372	9,059,932	465,304	470,930
Total Operating Expenses	$ 180,779,260	$ 179,745,825	$ 110,610,161	$ 2,641,014	$ 4,382,768

	Natural Classification				
Functional Classification	Scholarships and Fellowships	Utilities	Supplies and Other Services	Depreciation/ Amortization	Total Operating Expenses
Instruction	$ 409,547	$ 320,466	$ 11,814,021	$ 3,681,544	$ 215,186,997
Research	2,048,931	41,758	7,284,780	1,865,209	59,796,411
Public Service	275,345	6,144	2,892,423	184,503	8,942,567
Academic Support	72,712	117,464	22,148,507	5,061,799	92,713,091
Student Services	157,355	788,999	11,644,637	4,123,399	61,298,983
Institutional Support	—	1,433,867	17,933,970	2,846,386	73,803,652
Plant Operations and Maintenance	—	6,610,892	21,561,775	14,308,694	68,653,916
Scholarships and Fellowships	47,000,729	—	—	—	47,000,729
Auxiliary Enterprises	6,088,898	5,837,549	59,614,193	13,903,679	122,842,857
Total Operating Expenses	$ 56,053,517	$ 15,157,139	$ 154,894,306	$ 45,975,213	$ 750,239,203

Note 19 Subsequent Event

Kennesaw State University (KSU) entered into an agreement with Kennesaw State University Foundation, Inc. (KSUF) where KSUF would construct and equip a student housing facility. This new facility will be leased to KSU for a 30-year period through June 30, 2056, with lease payments totaling $93,295,719, which includes prepaid rent of $12,000,000 to be used for construction. At the end of the lease, the ownership of the student housing facility will transfer to KSU. The commencement of the lease will occur in August 2026, after the substantial completion of the improvements is finalized. On April 8, 2025, Kennesaw State University Foundation, Inc. entered into a promissory note agreement to repay $39,450,000 Series 2025 bonds issued by the Development Authority of Cobb County. The proceeds of the bonds will be used for the purpose of (i) financing the cost of acquiring, constructing and equipping a student housing facility consisting of 462 beds to be located on the Kennesaw campus of Kennesaw State University, (ii) fund capitalized interest for the Series 2020 Bonds and (iii) paying all or a portion of the costs of issuing the Series 2025 Bonds.

Note 20 Component Unit

Kennesaw State University Foundation, Inc.
The Kennesaw State University Foundation (KSUF) is a private nonprofit organization that reports under FASB standards. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. The FASB reports were reclassified to the GASB presentation for external financial reporting purposes in these financial statements.

The relationship between Kennesaw State University and the Kennesaw State University Foundation, Inc. is such that exclusion of KSUF financial statements from these departmental financial statements would render them misleading. KSUF met the requirements for discrete presentation as defined by GASB Codification Sections 2100 and 2600.

The KSUF acts primarily as a fund-raising and financing organization to supplement the resources that are available to the Kennesaw State University in support of its programs. During the year ended June 30, 2025, the KSUF distributed approximately $14,013,941 to Kennesaw State University in support of capital outlay projects, scholarships and other supporting activities.

The University manages the operations of the Foundation-owned housing for a management fee. The budgeted dollar amount as well as the management fee received from Foundation was accounted as Other Grants and Contract revenues by the University offset by the expenses incurred by University to manage the housing.

The KSUF has an unused line of credit in the amount of $5,000,000.

The KSUF’s outstanding bonds payable are secured with collateral related to real property.

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

	Fair Value
Investment type	
Debt Securities	
U.S. Treasuries	$ 14,935,970
Corporate Debt	22,667,918
Money Market Mutual Funds	7,650,152
Municipal Obligations	1,306,438
Mutual Bond Funds	1,132,141
Other Investments	
Equity Mutual Funds - Domestic	656,699
Equity Mutual Funds - International	71,732,045
Hedge Funds	13,776,940
Private Equities	9,294,280
Private Equity Limited Partnerships	2,553,783
Real Estate Investment Trusts	5,414,875
Real Asset Limited Partnerships	8,812,003
Venture Capital Equity Funds	6,874,279
Other	17,037,921
Total Investments	$ 183,845,444

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

	Without Donor Restrictions	With Donor Restrictions	Total
Beginning Balance	$ 1,048,148	$ 118,131,998	$ 119,180,146
Contributions	—	4,269,906	4,269,906
Net realized and unrealized gains	93,278	11,517,086	11,610,364
Appropriation of endowment assets for expenditure	(6,765)	(3,613,370)	(3,620,135)
Transfers to comply with donor intent	—	1,007,126	1,007,126
Other	611,400	42,500	653,900
Ending	$ 1,746,061	$ 131,355,246	$ 133,101,307

Amounts due to component unit related to investments in financing lease arrangements as of June 30, 2025, is as follows:

	Principal	Interest	Total
Year Ending June 30:			
2026	$ 9,092,246	$ 7,820,798	$ 16,913,044
2027	9,492,996	7,430,948	16,923,944
2028	9,069,916	7,033,057	16,102,973
2029	9,470,077	6,647,112	16,117,189
2030	8,318,063	6,258,711	14,576,774
2031 through 2035	47,109,827	25,602,998	72,712,825
2036 through 2040	52,557,239	14,580,759	67,137,998
2041 through 2045	30,982,754	5,151,572	36,134,326
2046 through 2050	10,816,415	1,672,164	12,488,579
2051 through 2055	4,833,139	186,337	5,019,476
Total Minimum Lease Payments to be Received	$ 191,742,672	$ 82,384,456	$ 274,127,128

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

Capital Assets not being Depreciated:	
Land	$ 10,004,470
Capitalized Collections	1,298,388
Construction Work-in-Progress	11,475,765
Total Capital Assets not being Depreciated	22,778,623
Capital Assets being Depreciated:	
Building and Building Improvements	231,721,417
Equipment	15,364,562
Software	82,581
Total Capital Assets being Depreciated	247,168,560
Less Total Accumulated Depreciation	99,403,902
Total Capital Assets being Depreciated, Net	147,764,658
Capital Assets, Net	$ 170,543,281

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

Intangible Right-to-use Assets, Being Amortized	
Facilities and Other Improvements	$ 4,903,107
Total Intangible Right-to-Use Assets, Being Amortized	4,903,107
Less: Accumulated Amortization	
Facilities and Other Improvements	1,168,370
Total Accumulated Amortization	1,168,370
Total Intangible Right-to-use Assets, Being Amortized, Net	3,734,737
Intangible Right-to-use Assets, Net	$ 3,734,737

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

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts due within One Year
Lease Obligation	$ 4,061,374	$ —	$ 238,003	$ 3,823,371	$ 248,371
Notes and Loans Payable	700,575	—	700,575	—	—
Revenue/Mortgage Bonds Payable	299,915,000	140,645,000	13,790,000	426,770,000	14,450,000
Bond - Premium	10,468,140	2,891,965	2,067,501	11,292,604	—
Bond - (Discount and Issuance Cost)	(3,462,632)	(3,257,296)	(406,012)	(6,313,916)	—
Total Long Term Liabilities	$ 311,682,457	$ 140,279,669	$ 16,390,067	$ 435,572,059	$ 14,698,371

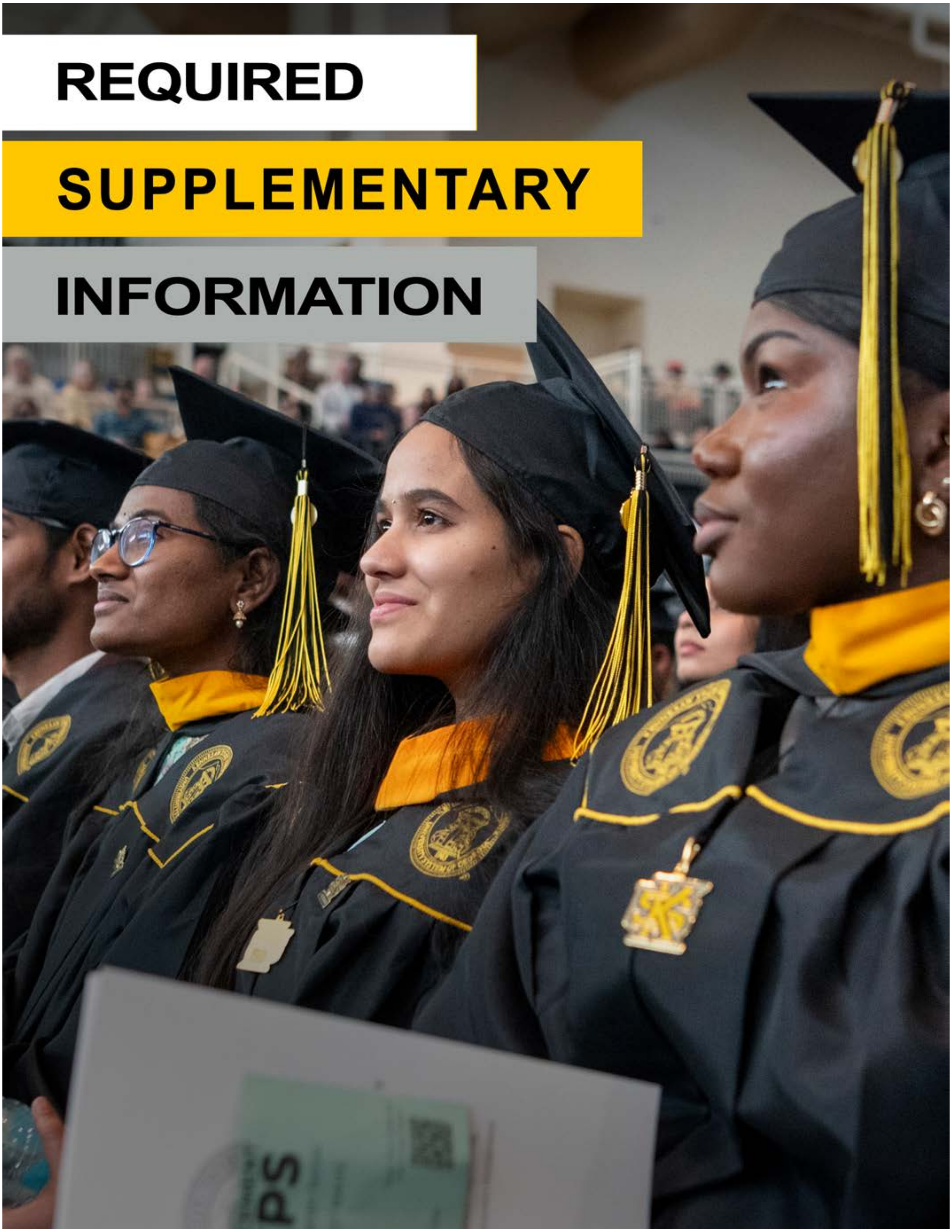
Component unit's lease obligations are comprised of the following amounts at June 30, 2025:

	Principal	Interest	Total
Year ending June 30:			
2026	$ 248,371	$ 64,864	$ 313,235
2027	253,545	60,571	314,116
2028	258,820	56,191	315,011
2029	264,196	51,723	315,919
2030	269,678	47,163	316,841
2031 through 2035	1,389,168	164,341	1,553,509
2036 through 2040	1,139,593	52,170	1,191,763
Total minimum lease payments	$ 3,823,371	$ 497,023	$ 4,320,394

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

	Principal	Interest	Total
Year ending June 30:			
2026	$ 14,450,000	$ 18,520,740	$ 32,970,740
2027	16,345,000	18,289,163	34,634,163
2028	16,030,000	17,556,726	33,586,726
2029	16,995,000	16,797,434	33,792,434
2030	18,090,000	15,966,239	34,056,239
2031 through 2035	96,460,000	67,139,683	163,599,683
2036 through 2040	94,695,000	44,960,091	139,655,091
2041 through 2045	57,405,000	29,481,566	86,886,566
2046 through 2050	41,860,000	19,603,075	61,463,075
2051 through 2055	47,435,000	9,348,919	56,783,919
2056 through 2060	7,005,000	216,797	7,221,797
	$ 426,770,000	$ 257,880,433	$ 684,650,433
Bond Premium	11,292,604		11,292,604
Bond (Discount)	(6,313,916)		(6,313,916)
	$ 431,748,688	$ 257,880,433	$ 689,629,121

REQUIRED SUPPLEMENTARY INFORMATION



KENNESAW STATE UNIVERSITY
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	$ 63,719	$ 63,719	$ —	$ 218,216	29.20%
	June 30, 2024	$ 62,285	$ 62,285	$ —	$ 212,215	29.35%
	June 30, 2023	$ 61,702	$ 61,702	$ —	$ 198,975	31.01%
	June 30, 2022	$ 79,453	$ 79,453	$ —	$ 322,586	24.63%
	June 30, 2021	$ 104,701	$ 104,701	$ —	$ 424,578	24.66%
	June 30, 2020	$ 102,597	$ 102,597	$ —	$ 457,657	22.42%
	June 30, 2019	$ 96,890	$ 96,890	$ —	$ 329,046	29.45%
	June 30, 2018	$ 33,651	$ 33,651	$ —	$ 137,017	24.56%
	June 30, 2017	$ 49,098	$ 49,098	$ —	$ 198,195	24.77%
	June 30, 2016	$ 39,126	$ 39,126	$ —	$ 158,275	24.72%
Teachers' Retirement System	June 30, 2025	$ 38,029,117	$ 38,029,117	$ —	$ 183,008,263	20.78%
	June 30, 2024	$ 33,763,879	$ 33,763,879	$ —	$ 168,988,383	19.98%
	June 30, 2023	$ 30,551,245	$ 30,551,245	$ —	$ 152,909,134	19.98%
	June 30, 2022	$ 26,466,513	$ 26,466,513	$ —	$ 133,593,648	19.81%
	June 30, 2021	$ 23,680,274	$ 23,680,274	$ —	$ 124,240,682	19.06%
	June 30, 2020	$ 26,588,070	$ 26,588,070	$ —	$ 125,771,381	21.14%
	June 30, 2019	$ 25,259,080	$ 25,259,080	$ —	$ 121,159,582	20.85%
	June 30, 2018	$ 19,646,648	$ 19,646,648	$ —	$ 116,891,631	16.81%
	June 30, 2017	$ 14,757,957	$ 14,757,957	$ —	$ 103,247,814	14.29%
	June 30, 2016	$ 13,576,004	$ 13,576,004	$ —	$ 95,179,702	14.26%

KENNESAW STATE UNIVERSITY
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	0.007216%	$ 324,854	$ 212,215	153.08%	78.75%
	June 30, 2024	0.007249%	$ 432,446	$ 198,975	217.34%	71.20%
	June 30, 2023	0.012861%	$ 858,917	$ 322,586	266.26%	67.44%
	June 30, 2022	0.017099%	$ 399,929	$ 424,578	94.19%	87.62%
	June 30, 2021	0.017383%	$ 732,686	$ 457,657	160.10%	76.21%
	June 30, 2020	0.014079%	$ 580,974	$ 329,046	176.56%	76.74%
	June 30, 2019	0.005372%	$ 220,845	$ 137,017	161.18%	76.68%
	June 30, 2018	0.008080%	$ 328,156	$ 198,195	165.57%	76.33%
	June 30, 2017	0.006807%	$ 322,000	$ 158,275	203.44%	72.34%
	June 30, 2016	0.004634%	$ 187,742	$ 105,956	177.19%	76.20%
Teachers Retirement System	June 30, 2025	1.081736%	$ 271,890,125	$ 168,988,383	160.89%	80.86%
	June 30, 2024	1.051588%	$ 310,473,943	$ 152,909,134	203.04%	76.29%
	June 30, 2023	0.985529%	$ 320,020,317	$ 133,593,648	239.55%	72.85%
	June 30, 2022	0.959470%	$ 84,858,722	$ 124,240,682	68.30%	92.03%
	June 30, 2021	0.970005%	$ 234,973,177	$ 125,771,381	186.83%	77.01%
	June 30, 2020	0.991055%	$ 213,103,623	$ 121,159,582	175.89%	78.56%
	June 30, 2019	0.980684%	$ 182,035,957	$ 116,891,631	155.73%	80.27%
	June 30, 2018	0.898854%	$ 167,054,784	$ 103,247,814	161.80%	79.33%
	June 30, 2017	0.866499%	$ 178,768,405	$ 95,179,702	187.82%	76.06%
	June 30, 2016	0.835486%	$ 127,194,447	$ 88,267,171	144.10%	81.44%

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%.

KENNESAW STATE UNIVERSITY
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	$ 6,603,437	$ 6,603,437	$ —	$ 325,966,599	2.03%
June 30, 2024	$ 6,334,973	$ 6,334,973	$ —	$ 300,779,786	2.11%
June 30, 2023	$ 6,821,622	$ 6,821,622	$ —	$ 274,619,299	2.48%
June 30, 2022	$ 9,565,891	$ 9,565,891	$ —	$ 260,415,130	3.67%
June 30, 2021	$ 7,471,326	$ 7,471,326	$ —	$ 234,273,937	3.19%
June 30, 2020	$ 6,388,334	$ 6,388,334	$ —	$ 228,397,295	2.80%
June 30, 2019	$ 9,940,821	$ 9,940,821	$ —	$ 219,848,409	4.52%
June 30, 2018	$ 9,499,540	$ 9,499,540	$ —	$ 211,487,878	4.49%
June 30, 2017	$ 5,809,862	$ 5,809,862	$ —	$ 192,024,215	3.03%

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

KENNESAW STATE UNIVERSITY
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	6.775314%	$ 196,732,840	$ 300,779,786	65.41%	7.19%
June 30, 2024	6.721731%	$ 213,572,751	$ 274,619,299	77.77%	6.44%
June 30, 2023	6.536627%	$ 258,936,845	$ 260,415,130	99.43%	5.08%
June 30, 2022	6.365036%	$ 320,357,393	$ 234,273,937	136.74%	3.74%
June 30, 2021	6.214816%	$ 331,480,838	$ 228,397,295	145.13%	2.91%
June 30, 2020	6.198176%	$ 277,155,654	$ 219,848,409	126.07%	3.13%
June 30, 2019	5.996430%	$ 264,487,602	$ 211,487,878	125.06%	1.69%
June 30, 2018	5.834138%	$ 246,184,631	$ 192,024,215	128.20%	0.19%

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

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

Changes in Assumptions Since Prior Valuation

The financial accounting valuation reflects the following assumption changes:

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

SUPPLEMENTARY INFORMATION

KENNESAW STATE UNIVERSITY
BALANCE SHEET (NON-GAAP BASIS)
BUDGET FUNDS
JUNE 30, 2025
(UNAUDITED)

ASSETS	
Cash and Cash Equivalents	$ 58,837,615.92
Investments	101,030.34
Accounts Receivable	
Federal Financial Assistance	26,947,771.00
Other	21,747,372.75
Prepaid Expenditures	364,403.96
Other Assets	14,200.00
Total Assets	108,012,393.97
LIABILITIES AND FUND EQUITY	
Liabilities	
Accrued Payroll	557,983.16
Encumbrance Payable	54,996,099.87
Accounts Payable	2,237,009.58
Deferred Revenue	15,669,526.96
Funds Held for Others	509,943.70
Other Liabilities	(64.76)
Total Liabilities	73,970,498.51
Fund Balances	
Reserved	
Department Sales and Services	10,985,502.32
Indirect Cost Recoveries	5,840,236.14
Technology Fees	2,413,612.29
Restricted/Sponsored Funds	5,528,982.86
Uncollectible Accounts Receivable	4,910,119.94
Tuition Carry - Forward	4,043,459.74
Unreserved	
Surplus	319,982.17
Total Fund Balances	34,041,895.46
Total Liabilities and Fund Balances	$ 108,012,393.97

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.

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

			Funds Available Compared to Budget	
	Original Appropriation	Final Budget	Current Year Revenues	Prior Year Reserve Carry-Over
Public Service/Special Funding Initiatives				
State Appropriation				
State General Funds	$ 949,046.00	$ 1,019,383.00	$ 1,019,383.00	$ —
Total Public Service/Special Funding Initiatives	949,046.00	1,019,383.00	1,019,383.00	—
Teaching				
State Appropriation				
State General Funds	262,593,111.00	265,593,111.00	265,593,111.00	$ —
Federal Funds				
Federal Funds Not Specifically Identified	84,556,267.00	135,237,439.00	133,250,861.19	—
Other Funds	290,788,295.00	329,580,043.00	307,730,276.48	32,651,546.65
Total Teaching	637,937,673.00	730,410,593.00	706,574,248.67	32,651,546.65
Total Operating Activity	$ 638,886,719.00	$ 731,429,976.00	$ 707,593,631.67	$ 32,651,546.65

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.

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

	Funds Available Compared to Budget			Expenditures Compared to Budget		Excess of Funds
	Program Transfers or Adjustments	Total Funds Available	Variance Positive (Negative)	Current Year Actual	Variance Positive (Negative)	Available Over/(Under) Expenditures
Public Service/Special Funding Initiatives						
State Appropriation						
State General Funds	$ —	$ 1,019,383.00	$ —	$ 1,019,229.48	$ 153.52	$ 153.52
Total Public Service/Special Funding Initiatives	—	1,019,383.00	—	1,019,229.48	153.52	153.52
Teaching						
State Appropriation						
State General Funds	—	265,593,111.00	—	265,593,111.00	—	—
Federal Funds						
Federal Funds Not Specifically Identified	—	133,250,861.19	(1,986,577.81)	133,250,861.19	1,986,577.81	—
Other Funds	—	340,381,823.13	10,801,780.13	311,681,254.11	17,898,788.89	28,700,569.02
Total Teaching	—	739,225,795.32	8,815,202.32	710,525,226.30	19,885,366.70	28,700,569.02
Total Operating Activity	$ —	$ 740,245,178.32	$ 8,815,202.32	$ 711,544,455.78	$ 19,885,520.22	$ 28,700,722.54

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.

KENNESAW STATE UNIVERSITY
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
Public Service/Special Funding Initiatives					
State Appropriation					
State General Funds	$ 168.52	$ —	$ (168.52)	—	—
Total Public Service/Special Funding Initiatives	168.52	—	(168.52)	—	—
Teaching					
State Appropriation					
State General Funds	$ 162,102.66	$ —	$ (162,102.66)	290,016.13	—
Federal Funds		—			
Federal Funds Not Specifically Identified	—	—	—	—	—
Other Funds	32,873,530.02	(32,651,546.65)	(221,983.37)	467,993.92	(326,957.07)
Total Teaching	33,035,632.68	(32,651,546.65)	(384,086.03)	758,010.05	(326,957.07)
Total Operating Activity	33,035,801.20	(32,651,546.65)	(384,254.55)	758,010.05	(326,957.07)
Prior Year Reserve					
Not Available for Expenditure					
Uncollectible Accounts Receivable	4,583,162.87	—	—	—	326,957.07
Budget Unit Totals	$ 37,618,964.07	$ (32,651,546.65)	$ (384,254.55)	$ 758,010.05	$ —

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.

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

	Early Return of June 30, 2025 Surplus	Excess (Deficiency) of Funds Available Over/(Under) Expenditures	Ending Fund Balance/(Deficit) June 30	Analysis of Ending Fund Balance Reserved	Surplus/(Deficit)	Total
Public Service/Special Funding Initiatives						
State Appropriation						
State General Funds	$ —	$ 153.52	$ 153.52		153.52	$ 153.52
Total Public Service/Special Funding Initiatives	—	153.52	153.52	—	153.52	153.52
Teaching						
State Appropriation						
State General Funds	$ —	$ —	290,016.13		290,016.13	$ 290,016.13
Federal Funds						
Federal Funds Not Specifically Identified	—	—	—		—	—
Other Funds	—	28,700,569.02	28,841,605.87	28,811,793.35	29,812.52	28,841,605.87
Total Teaching	—	28,700,569.02	29,131,622.00	28,811,793.35	319,828.65	29,131,622.00
Total Operating Activity	—	28,700,722.54	29,131,775.52	28,811,793.35	319,982.17	29,131,775.52
Prior Year Reserve						
Not Available for Expenditure						
Uncollectible Accounts Receivable	—	—	4,910,119.94	4910119.94	—	4,910,119.94
Budget Unit Totals	$ —	$ 28,700,722.54	$ 34,041,895.46	$ 33,721,913.29	$ 319,982.17	$ 34,041,895.46

Summary of Ending Fund Balance	Reserved	Surplus/(Deficit)	Total
Reserved			
Department Sales and Services	$ 10,985,502.32		10,985,502.32
Indirect Cost Recoveries	$ 5,840,236.14		5,840,236.14
Technology Fees	$ 2,413,612.29		2,413,612.29
Restricted/Sponsored Funds	$ 5,528,982.86		5,528,982.86
Uncollectible Accounts Receivable	$ 4,910,119.94		4,910,119.94
Tuition Carry - Forward	$ 4,043,459.74		4,043,459.74
Unreserved,Undesignated			—
Surplus	—	$ 319,982.17	319,982.17
Total Ending Fund Balance - June 30	$ 33,721,913.29	$ 319,982.17	$ 34,041,895.46

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.

KENNESAW CAMPUS
1000 Chastain Road
Kennesaw, GA 30144
470-578-6000

MARIETTA CAMPUS
1100 South Marietta Pkwy
Marietta, GA 30060
470-678-6000

KENNESAW STATE UNIVERSITY

kennesaw.edu