

AUGUSTA UNIVERSITY



Annual Financial Report Fiscal Year 2023

Including Independent Auditor's Report

AUGUSTA UNIVERSITY
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Financial Section



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. Brooks Keel, President
Augusta University

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities, aggregate discretely presented component units, and fiduciary activities of the Augusta 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, 2023, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, aggregate discretely presented component units, and fiduciary activities of the University as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

Basis for Opinions

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

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

Emphasis of Matter

As discussed in Note 1, the financial statements of the University are intended to present the financial position, the changes in financial position and, where applicable, cash flows of only those portions of the business-type activities, aggregate discretely presented component units, and fiduciary activities of the State of Georgia that are attributable to the transactions of the University. They do not purport to, and do not, present fairly the financial position of the State of Georgia as of June 30, 2023, 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.

As described in Note 1 to the financial statements, in 2023, the University adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*. The University restated beginning balances for the effect of GASB Statement No. 96. 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 appropriate 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 Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2023 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 19, 2023

AUGUSTA UNIVERSITY

Management's Discussion and Analysis

Introduction

Founded in 1828 and located in Augusta, Richmond County, Georgia, Augusta University (University) is a public research university and medical center dedicated to training the next generation of innovators, leaders, and health care providers. Based in Augusta with locations across Georgia, Augusta University is at the forefront of groundbreaking research focused on improving and enriching the human experience. The University is one of the institutions of higher education of the University System of Georgia.

Offering undergraduate programs in the liberal arts and sciences, business and education, as well as a full range of graduate programs and hands-on clinical research opportunities, Augusta University is Georgia's innovation center for education and health care. The combination of nationally ranked business and nursing schools as well as the state's flagship public medical school and only dental school makes Augusta University a destination of choice for students of today and leaders of tomorrow. With locations throughout Augusta and at satellite campuses in Athens, Albany, Rome, and Savannah, the University's ten colleges and schools have a truly statewide impact in Georgia.

Home to the Medical College of Georgia, the nation's 8th-largest and 13th-oldest medical school, the University's Health Sciences Campus is at the forefront of health care innovation. Located in beautiful downtown Augusta and housing the state's largest College of Nursing, the comprehensive College of Allied Health Sciences, The Graduate School, and the state's only dental school, The Dental College of Georgia, the Health Sciences Campus is also home to the state's only public academic medical center.

Built in and around a former United States arsenal, the historic Summerville Campus is home to the University's liberal arts curriculum. In the shade of the ancient trees, professors from the Katherine Reese Pamplin College of Arts, Humanities, and Social Sciences; the nationally-ranked James M. Hull College of Business; the College of Education; and the College of Science and Mathematics prepare students for a lifetime of critical thinking, creativity, and entrepreneurial success.

Nestled along the Savannah River, the Riverfront Campus is located in Augusta's growing cybersecurity corridor and is the home of the Georgia Cyber Center, a state-of-the-art cyber center comprised of the University's School of Computer and Cyber Sciences, a cutting-edge cyber range, a 340-seat auditorium, secure briefing space, incubator space for innovation and entrepreneurship, and classrooms; as well as proximity to industry professionals and innovative start-ups. This ecosystem provides collaborative space where Government, academia, and industry work and train together.

Opened in 1991, Christenberry Fieldhouse (CFH) houses 11 of the Augusta Jaguars' 13 competition sports. In addition to housing all administrative and support staff for the Augusta University Department of Athletics, CFH also houses the College of Education's Department of Kinesiology. The Forest Hills Campus, on which CFH is located, also houses a full-size golf course, baseball, softball, and soccer fields, and serves as the home of the Jaguars' nationally recognized NCAA Division I golf team.

Our campus libraries, the Robert B. Greenblatt, M.D. Library on the Health Sciences Campus and the Reese Library on the Summerville Campus, provide comprehensive information resources and services in support of the teaching, discovery, and clinical care mission of our student-centered research university and academic medical center.

The University continues to grow as shown by the comparison numbers that follow.

	STUDENT HEADCOUNT	STUDENT FTE
FY 2023	9,813	9,110
FY 2022	9,606	8,846
FY 2021	9,565	8,848

Overview of the Financial Statements and Financial Analysis

The University is pleased to present its financial statements for fiscal year 2023. The emphasis of discussion about these statements will be on current year data. There are five financial statements presented: the Statement of Net Position; the Statement of Revenues, Expenses, and Changes in Net Position; the Statement of Cash Flows; the Statement of Fiduciary Net Position; and the Statement of Changes in Fiduciary Net Position. This discussion and analysis of the University's financial statements provides an overview of its financial activities for the year. Comparative data is provided for fiscal year 2023 and fiscal year 2022 for business-type activities only.

Statement of Net Position

The Statement of Net Position is a financial condition snapshot as of June 30, 2023 and includes all assets, deferred outflows of resources, liabilities, and deferred inflows of resources, both current and noncurrent. The differences between current and non-current assets are discussed in the Notes to the Financial Statements. The Statement of Net Position is prepared under the accrual basis of accounting which requires revenue and asset recognition when the service is provided, and expense and liability recognition when goods or services are received despite when cash is actually exchanged.

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

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

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

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

Statement of Net Position for the Years Ended June 30, 2023 and June 30, 2022, Condensed

CONDENSED STATEMENT OF NET POSITION	June 30, 2023	June 30, 2022	Increase/ (Decrease)	% Change
ASSETS				
Current Assets	\$ 227,345,087	\$ 231,077,943	\$ (3,732,856)	(1.62)%
Capital Assets, Net	726,488,036	720,716,155	5,771,881	0.80 %
Intangible Right-to-Use Assets, Net	6,427,531	3,391,181	3,036,350	89.54 %
Other Assets	210,992,017	84,955,234	126,036,783	148.36 %
TOTAL ASSETS	1,171,252,671	1,040,140,513	131,112,158	12.61 %
DEFERRED OUTFLOWS	297,565,773	212,642,530	84,923,243	39.94 %
LIABILITIES				
Current Liabilities	107,306,755	98,395,801	8,910,954	9.06 %
Non-Current Liabilities	958,909,526	818,516,125	140,393,401	17.15 %
TOTAL LIABILITIES	1,066,216,281	916,911,926	149,304,355	16.28 %
DEFERRED INFLOWS	245,370,480	323,228,120	(77,857,640)	(24.09)%
NET POSITION				
Net Investment in Capital Assets	689,578,484	681,708,695	7,869,789	1.15 %
Restricted, Non-Expendable	3,021,483	3,295,949	(274,466)	(8.33)%
Restricted, Expendable	48,130,737	42,922,177	5,208,560	12.13 %
Unrestricted (Deficit)	(583,499,021)	(715,283,824)	131,784,803	18.42 %
TOTAL NET POSITION	\$ 157,231,683	\$ 12,642,997	\$ 144,588,686	(1,143.63)%

Total assets increased \$131,112,158 which was due to an increase in net capital assets of \$5,771,881, net increase in intangible right-to-use \$3,036,350 and an increase in other assets of \$126,036,783. Cash and cash equivalents grew by \$1,929,737, as part of a strategic approach to build cash reserves, ensuring greater financial stability and flexibility.

Total investments increased by \$133,249,852 in fiscal year 2023. Short-term investments, investments and investments externally restricted increased by \$7,243,555, \$125,220,526, and \$785,771 respectively. Accounts receivable had an overall decrease of \$(11,911,139) which was primarily due to decreases in elimination of shared services billings, a reduced number of invoices in June for GSFIC funded projects due to a new electronic delivery process for reimbursement requests, and timing of invoices for a large grant. The decreases were offset somewhat by increases in student tuition and fees and auxiliary enterprises and other operating activities. Prepaid Items resulted in a decrease of \$1,053,002 largely attributed to the use of funds held by Georgia State Financing and Investment Commission (GSFIC) managed project for the College and Science and Math Building additions.

The capital assets increase in the current year compared to the prior year is largely attributed to the completion of capital building improvements and the special item transfer of equipment from Georgia Technology Authority (GTA).

Total deferred outflows of resources increased by \$84,923,243 primarily due to the University's Teacher's Retirement System of Georgia changes in pensions resulting from the long-term rate of return assumptions from 7.25% to 6.90% along with the difference expected and actual earnings on investments. Conversely, this increase was offset by decreases in deferred outflow of resources for Employee's Retirement System and Other Post Employment Benefits.

Total liabilities increased \$149,304,355 which was due to an increase in current liabilities of \$8,910,954 and an increase in non-current liabilities of \$140,393,401. The largest increases in current liabilities were due to accounts payable, compensated absences and subscription obligations. Accounts payable increased \$8,038,244 due to increased accounts payable accruals and timing of the benefit journal posting to cash. Compensated absences increased \$5,906,645 due to the calculated three-year average of compensated balance hours compensated

balance total increasing from 44.56% in FY2022 to 55.70% in FY2023. Subscriptions obligations increased \$1,170,753 due to the new GASB 96 pronouncement for subscription based information technology arrangements. In non-current liabilities the largest increase was in net pension liability of \$299,426,077. This increase was due to changes in the long-term rate of return assumption decrease for the Teacher's Retirement System of Georgia retirement plan and the difference between expected and actual earnings on investments due to economic depreciation on investments for the Employee's Retirement Plan. Non-current liabilities also increased by \$2,031,492 and due to the new GASB 96 pronouncement for subscription information technology arrangements.

Total deferred inflows of resources decreased by \$(77,857,640) which was primarily due to the changes in pensions primarily from the difference between expected and actual earnings on investments due to economic depreciation on investments and changes in long-term rate of return for plans administered by Teachers Retirement System of Georgia and Employees' Retirement System of Georgia.

The combination of the change in total assets and deferred outflows of resources and the change in total liabilities and deferred inflows of resources yielded an increase in net position of \$144,588,686. This change in net position was primarily attributed to the increases in investments, cash and cash equivalents, and capital assets, net. The other significant change was in the category of unrestricted due to an increase in reserve for encumbrances that included a \$115,000,000 encumbrance for the new AU Health System electronic medical records system and completed building renovations projects.

Statement of Revenues, Expenses, and Changes in Net Position

Changes in total net position as presented on the Statement of Net Position are based on the activity presented in the Statement of Revenues, Expenses, and Changes in Net Position. The purpose of the statement is to present the revenues received by the University, both operating and non-operating, and the expenses paid by the University, operating and non-operating, 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.

Statement of Revenue, Expenses, and Changes in Net position for the Years Ended June 30, 2023 and June 30, 2022, Condensed

CONDENSED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION	June 30, 2023	June 30, 2022	Increase/ (Decrease)	% Change
Operating Revenue	\$ 543,469,956	\$ 567,108,363	\$ (23,638,407)	(4.17)%
Operating Expense	839,233,629	816,083,499	23,150,130	2.84 %
Operating Income/Loss	(295,763,673)	(248,975,136)	(46,788,537)	(18.79)%
Non-Operating Revenue and Expense	433,252,273	315,123,421	118,128,852	37.49 %
Income (Loss) before Other Revenues, Expenses, Gains, or Losses	137,488,600	66,148,285	71,340,315	107.85 %
Other Revenues, Expenses, Gains, Losses, and Special Item	7,100,086	10,728,919	(3,628,833)	(33.82)%
Change in Net Position	144,588,686	76,877,204	67,711,482	88.08 %
Net Position at Beginning of Year	12,642,997	(64,234,207)	76,877,204	119.68 %
Net Position at End of Year	\$ 157,231,683	\$ 12,642,997	\$ 144,588,686	1,143.63 %

The Statement of Revenues, Expenses, and Changes in Net Position reflects an increase in net position, which is largely due to liabilities as noted previously. The total increase in net position was \$144,588,686 which represents a 1,143.63% change. Operating Revenues decreased \$(23,638,407) in fiscal year 2023 and was mainly the result of decreases in grants and contracts state revenue of \$(30,897,009) or (32.22)%, tuition and fees of \$(5,024,993) or (4.83)% and rents and royalties revenue of \$(4,367,851) or (84.99)%. The decrease was offset to some degree by increases in sales and services of \$3,178,064 or 33.75%. The decrease in other revenue stemmed from a reduction in federal contributions to medical student loan programs.

Non-operating revenue and expense increased by \$118,128,852 or 37.49% in fiscal year 2023 and was primarily the result of a state appropriations increase of \$137,363,903 or 50.20% and investment income increase of \$8,706,459 or 339.12%. The increase in non-operating revenue was offset to some degree by federal grants and contracts that decreased \$(24,077,396) or (67.08)%, other nonoperating revenue that decreased \$(2,552,237) or (47.72)% and gifts that decreased \$(1,332,906) or (12.04)%. The decrease in nonoperating revenue was mainly attributable to nonoperating revenues in federal grants and contracts.

Some highlights of the information presented in this statement are as follows.

Revenues

State appropriations increased by a total of \$137,363,903 which was the result of adjustments made in Teaching, Special Funding Initiative, Georgia Cyber Innovation and Training Center and Augusta University Hospitals and Clinics with total appropriations of \$276,780,334, \$15,280,552, \$5,456,745 and \$113,708,036, respectively. State appropriations were increased in the amended fiscal year (AFY) 2023 appropriation to reflect the addition of \$7,660,000 for major repairs and renovations. In addition, state appropriations for Special Funding Initiatives were increased by \$153,888 in AFY 2023 for Nursing Initiatives. State appropriation revenue was decreased by a transfer of \$7,850,583 million to the University of Georgia to support the Medical School Expansion and enrollment growth at the AU/UGA Medical Partnership. Augusta University Hospitals and Clinics was appropriated \$105,000,000 to provide a new electronic medical records system.

As previously noted, operating grants and contracts revenue decreased by \$(16,250,643) or (3.83)% overall and was a combination of an increase in federal grants and contracts of \$2,620,549 or 3.46%, a decrease in state grants and contracts of \$(30,897,009) or (32.22%) and an increase of other grants and contracts of \$12,025,817 or 4.76%. Non-operating revenue from grants and contracts decreased \$(24,077,396) mainly attributed to a decline in federal grants and contracts. This decrease was primarily driven by ending of funds provided by the Higher Education Emergency Relief Fund (HEERF) established by the American Rescue Plan.

The change in State Capital Grants and Gifts between fiscal year 2023 and the previous fiscal year is primarily due to the receipt of cash for MRR projects in fiscal year 2023, as opposed to the State capital gift bond funds. The change in Other Capital Gifts and Grants is attributable to a private donation of a Mercedes-Benz van for the intercollegiate athletic program valued at \$107,558.

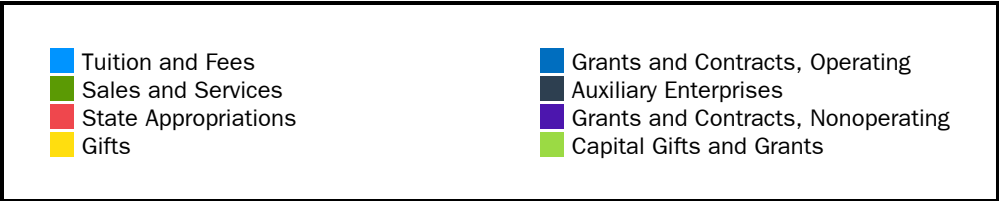
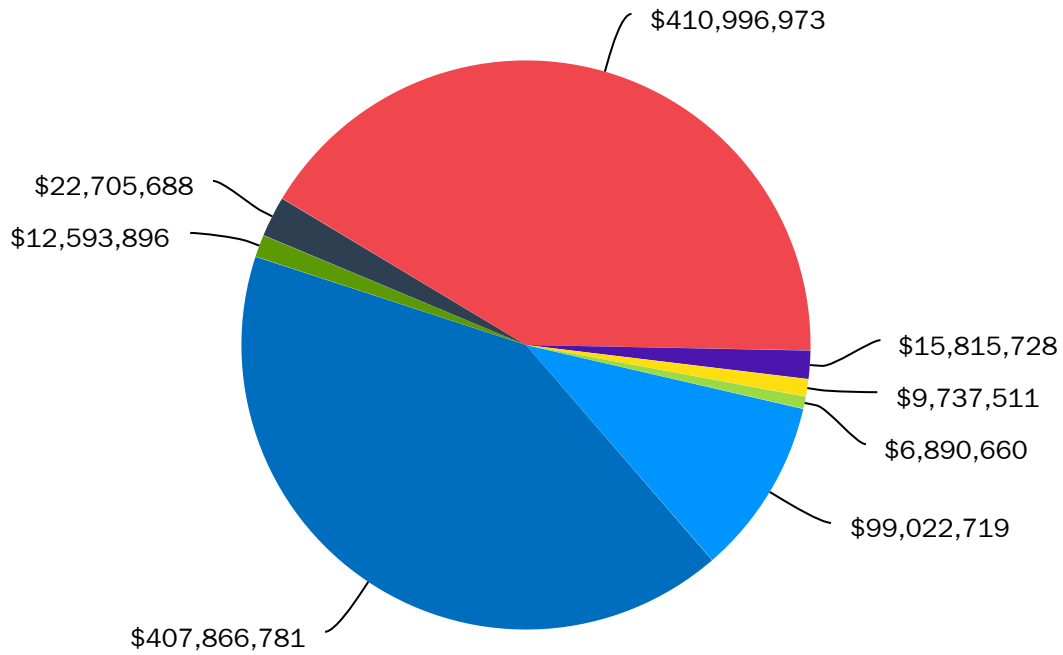
Special Items represents the transfer of Georgia Technology Authority (GTA) equipment for the Cyber Center Complex, and transfers from Augusta University to Georgia State University.

For the years ended June 30, 2023 and June 30, 2022, revenues by source were as follows:

REVENUES BY SOURCE	June 30, 2023	June 30, 2022	Increase/ (Decrease)	% Change
Tuition and Fees	\$ 99,022,719	\$ 104,047,712	\$ (5,024,993)	(4.83)%
Grants and Contracts	407,866,781	424,117,424	(16,250,643)	(3.83)%
Sales and Services	12,593,896	9,415,832	3,178,064	33.75 %
Auxiliary Enterprises	22,705,688	23,595,073	(889,385)	(3.77)%
Other Operating Revenues	1,280,872	5,932,322	(4,651,450)	(78.41)%
Total Operating Revenues	543,469,956	567,108,363	(23,638,407)	(4.17)%
State Appropriations	410,996,973	273,633,070	137,363,903	50.20 %
Grants and Contracts	15,815,728	39,893,124	(24,077,396)	(60.35)%
Gifts	9,737,511	11,070,417	(1,332,906)	(12.04)%
Investment Income	6,139,126	(2,567,333)	8,706,459	(339.12)%
Other Nonoperating Revenues	(7,900,062)	(5,347,825)	(2,552,237)	(47.72)%
Total Nonoperating Revenues	434,789,276	316,681,453	118,107,823	37.30 %
State Capital Gifts and Grants	6,778,102	10,067,203	(3,289,101)	(32.67)%
Other Capital Gifts and Grants	112,558	—	112,558	100.00 %
Total Capital Gifts and Grants	6,890,660	10,067,203	(3,176,543)	(31.55)%
Special Items	209,426	661,716	(452,290)	(68.35)%
Total Revenues	\$ 985,359,318	\$ 894,518,735	\$ 90,840,583	10.16 %

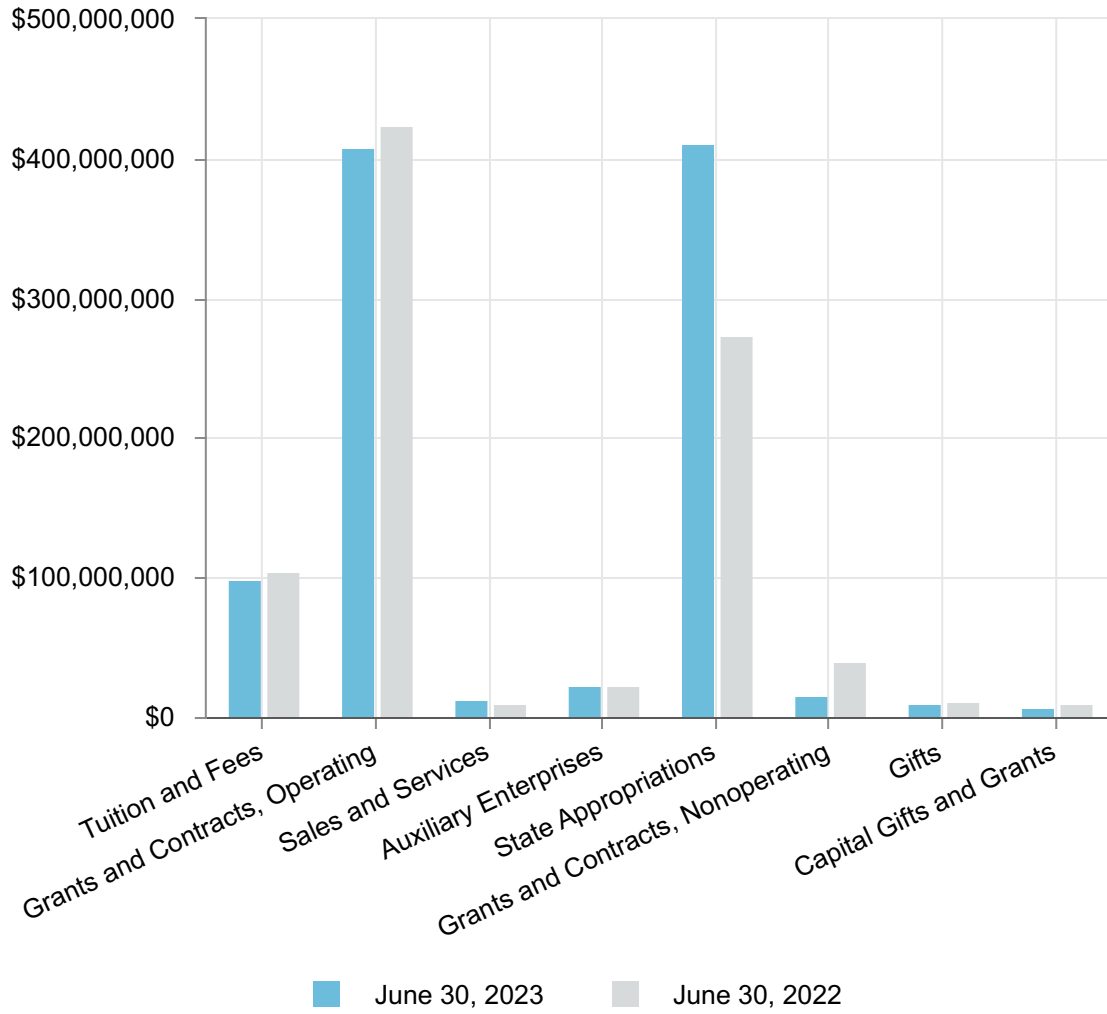
Revenue by source (state appropriations, grants and contracts, tuition and fees, auxiliaries, gifts, and other sources) is depicted by the following chart:

Revenue by Major Source



Revenue by major source for the years ended June 30, 2023 and June 30, 2022 is depicted by the following chart:

Revenue by Major Source



Expenses

For the years ended June 30, 2023 and June 30, 2022, expenses by functional classification were as follows:

EXPENSES BY FUNCTIONAL CLASSIFICATION	June 30, 2023	June 30, 2022	Increase/ (Decrease)	% Change
Instruction	\$ 187,702,934	\$ 139,256,867	\$ 48,446,067	34.79 %
Research	104,473,490	96,719,056	7,754,434	8.02 %
Public Service	55,544,869	46,138,697	9,406,172	20.39 %
Academic Support	57,250,294	54,481,849	2,768,445	5.08 %
Student Services	10,997,066	10,763,771	233,295	2.17 %
Institutional Support	84,059,231	88,473,576	(4,414,345)	(4.99)%
Plant Operations and Maintenance	50,581,170	52,960,586	(2,379,416)	(4.49)%
Scholarships and Fellowships	9,756,809	18,597,489	(8,840,680)	(47.54)%
Auxiliary Enterprises	18,493,186	18,276,348	216,838	1.19 %
Patient Care	260,374,580	290,415,260	(30,040,680)	(10.34)%
Total Operating Expenses	839,233,629	816,083,499	23,150,130	2.84 %
Interest Expense	1,537,003	1,558,032	(21,029)	(1.35)%
Total Nonoperating Expenses	1,537,003	1,558,032	(21,029)	(1.35)%
Total Expenses	\$ 840,770,632	\$ 817,641,531	\$ 23,129,101	2.83 %

Total operating expenses were \$839,233,629 in fiscal year 2023, an increase of \$23,150,130 or 2.84% when compared with fiscal year 2022. These increases were substantially attributable to the following functional classifications: Instruction \$48,446,067 or 34.79% and Public Service \$9,406,172 or 20.39%. The notable expense increase were faculty salaries \$10,740,676 or 3.98% , and employee benefits \$24,541,171 or 21.46%.

As seen in the chart above, total expenses increased \$23,129,101 or 2.83% in fiscal year 2023. The increases were substantially attributable to total operating expenses as referenced above and to a lesser extent, a decrease in interest expense of \$(21,029) or (1.35)%.

The largest increase in operating expenses is mainly attributable to costs in salaries and employee benefits. Faculty salaries saw an increase of \$10,740,676 or 3.98% as a result of Augusta University Health System allocating of personal service funding to bolster targeted programs and enhance faculty salary levels, aligning them more closely with the Association of American Medical Colleges median salary benchmark while improving faculty retention. The increase in employee benefit expenses resulted from the changes of required rate contributions for ERS and TRS retirement benefits for FY2023 combined with the retirement eligibility of the Cost-of-Living Adjustments in fiscal year 2023 for University employees .

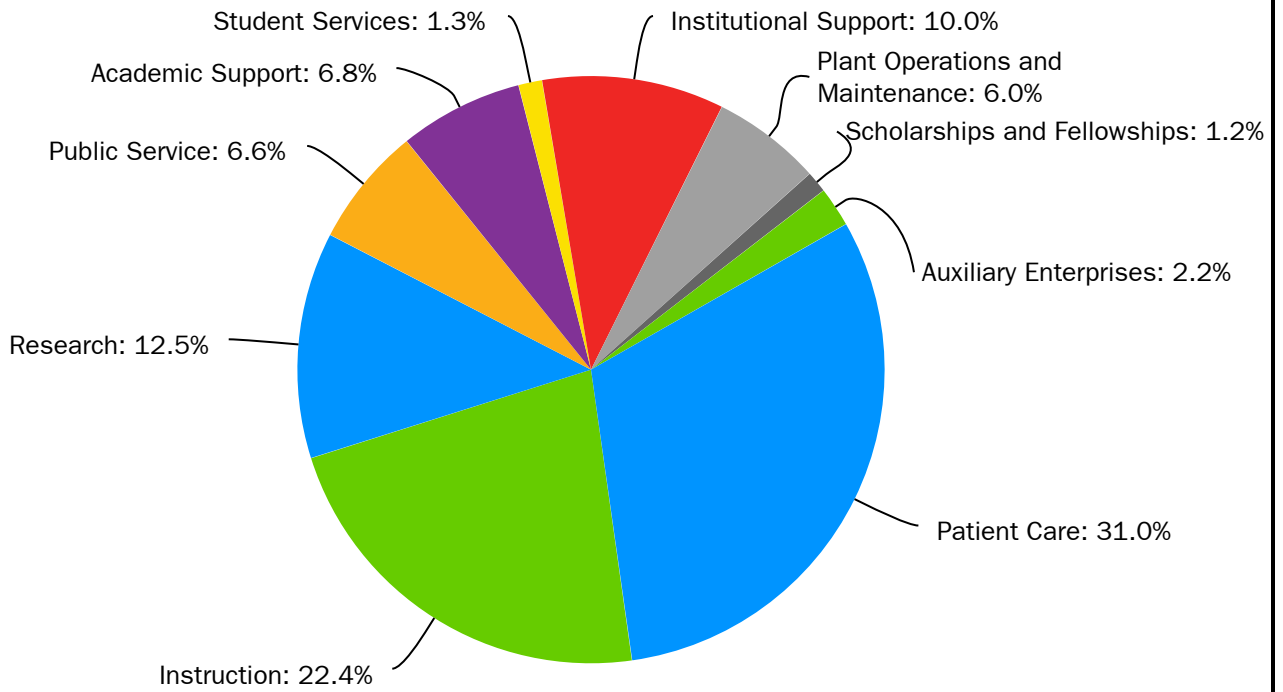
There was an increase overall in utilities expenses in fiscal year 2023 of \$1,168,138 or 8.66% related to increased electricity and gas costs. This increase was predominantly brought about by more significant inflationary costs in both utility and natural gas sectors from all utility providers.

Other categories of increased operating expense were travel of \$1,929,838 or 91.65% from the previous year. The increase in travel expenses was due to increased professional development and other instruction and research training.

The reduction in operating expenses is mainly attributable to a decrease in scholarships/fellowships and expenditures related to supplies and other services. Scholarships and fellowships saw a decrease of \$(8,648,762) or (41.46)% primarily due to the scaling down of Higher Education Emergency Relief Fund (HEERF) disbursements which concluded in FY2022 for the University. Supplies and other operating expenses decreased \$(6,584,277) or (4.66)%. The decrease can be attributed to the absence of expenses incurred in the previous year, such as Georgia Correctional Health Care (GCHC) inpatient costs, and temporary nurses, which were not incurred in FY2023 due to the conclusion of the GCHC contract. Additionally, expenses from the prior year for noncash gifts related to the Science and Math building did not occur in 2023.

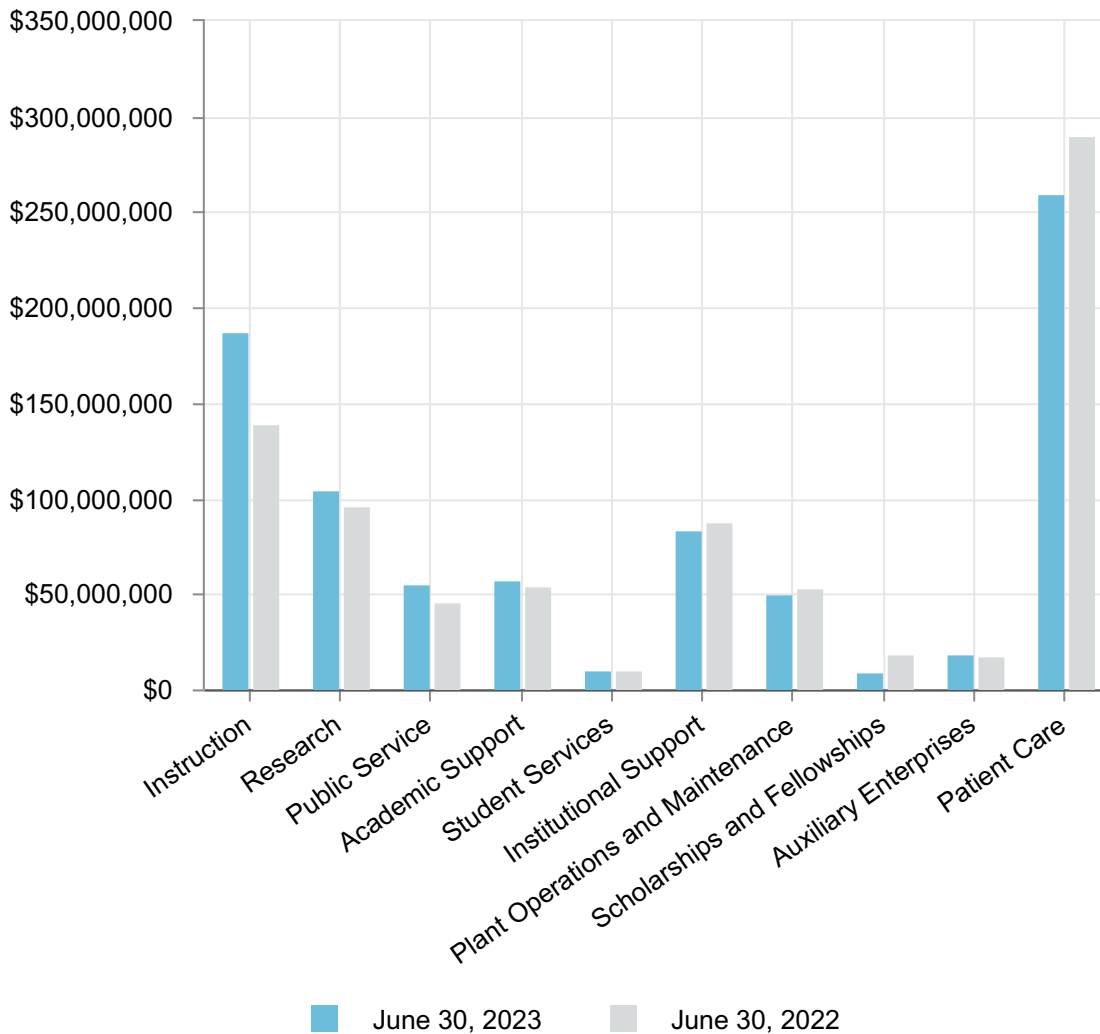
The following chart depicts the fiscal 2023 operating expenses by functional classification.

Operating Expenses by Functional Classification



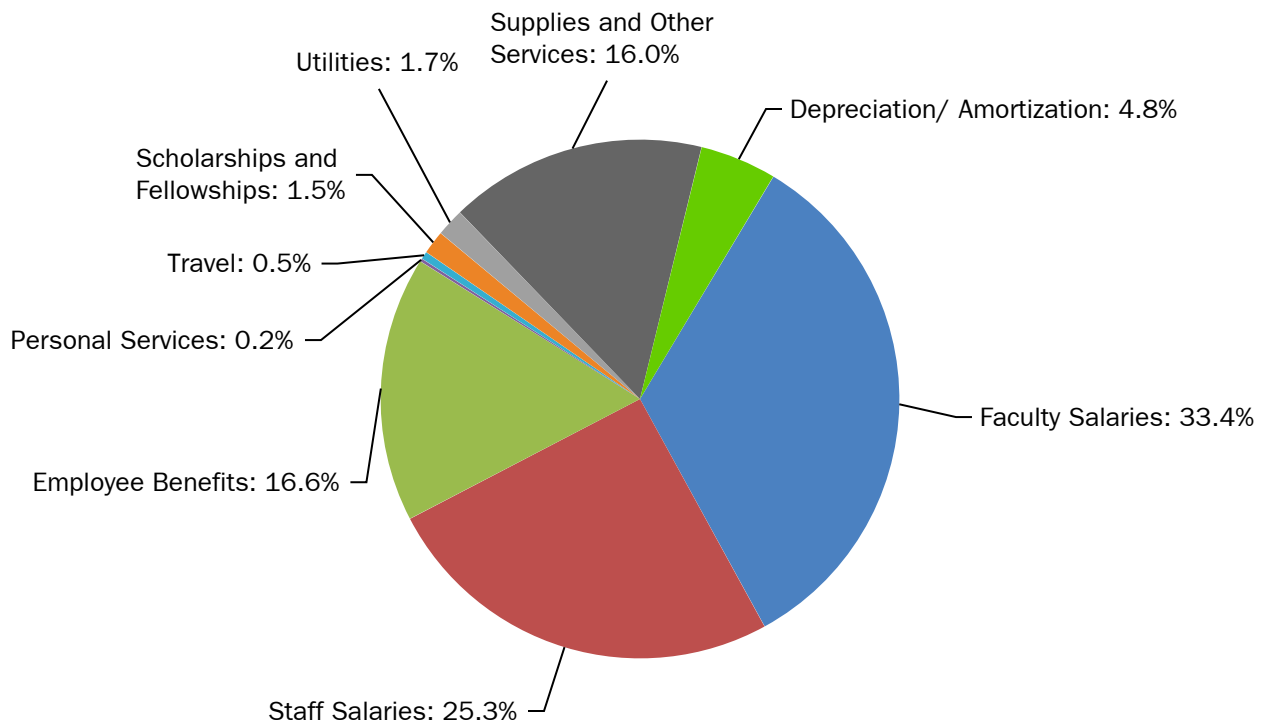
Operating expenses by functional classification for the years ended June 30, 2023 and June 30, 2022 is depicted by the following chart:

Operating Expenses by Functional Classification



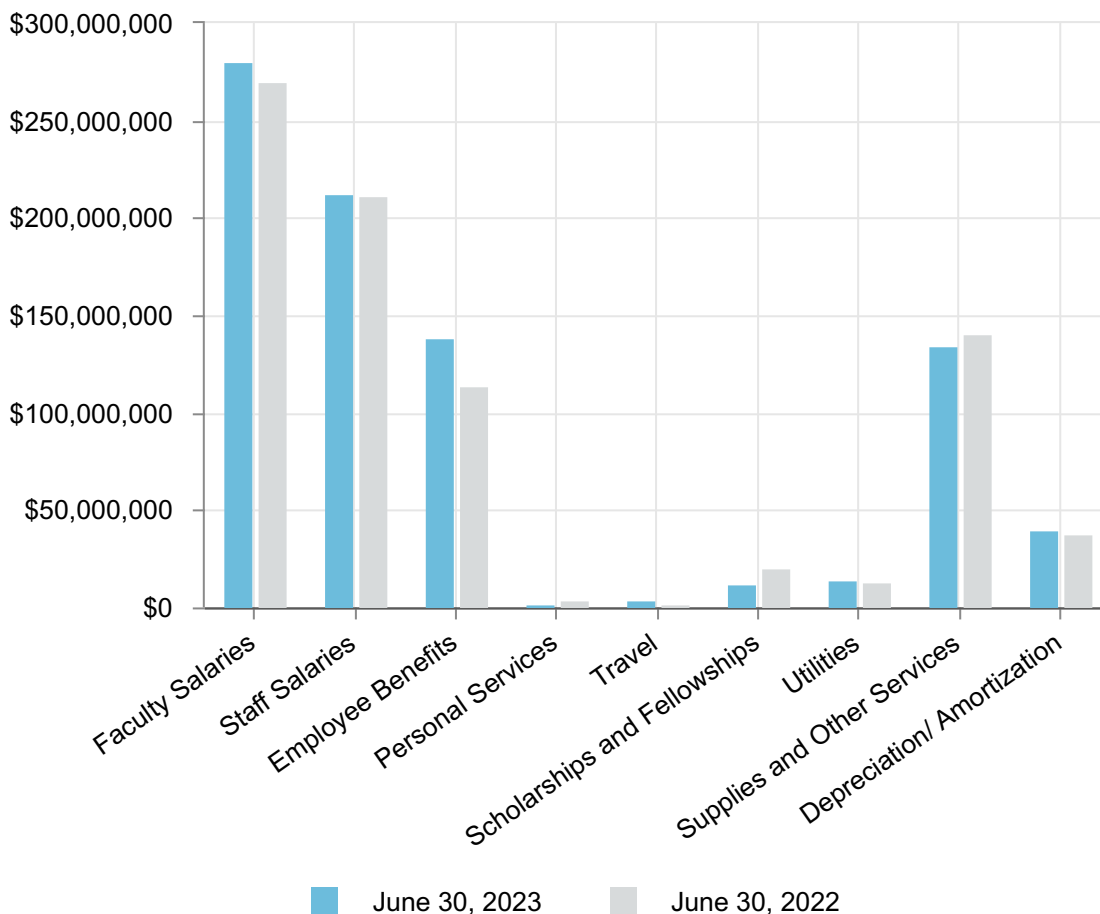
The following chart depicts the fiscal year 2023 operating expenses by natural classification.

Operating Expenses by Natural Classification



Operating expenses by natural classification for the years ended June 30, 2023 and June 30, 2022 is depicted by the following chart:

Operating Expenses by Natural Classification



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, 2023 and June 30, 2022 Condensed

CONDENSED STATEMENT OF NET CASH FLOWS	June 30, 2023	June 30, 2022
Cash Provided (Used) by:		
Operating Activities	\$ (259,863,296)	\$ (253,476,155)
Non-Capital Financing Activities	428,339,856	317,447,359
Capital and Related Financing Activities	(39,436,097)	(22,604,280)
Investing Activities	(127,110,726)	(18,757,182)
Net Change in Cash	1,929,737	22,609,742
Cash and Cash Equivalents, Beginning of Year	109,334,243	86,724,501
Cash and Cash Equivalents, End of Year	\$ 111,263,980	\$ 109,334,243

Capital Assets & Intangible Right-to-Use Assets

Capital assets, net of accumulated depreciation, at June 30, 2023 and June 30, 2022 were as follows:

CAPITAL ASSETS, net of accumulated depreciation and amortization	June 30, 2023	Restated June 30, 2022	Increase (Decrease)	% Change
Land	\$ 28,515,529	28,515,529	\$ —	— %
Capitalized Collections	94,506	87,006	7,500	8.62 %
Construction Work-in-Progress	32,774,185	12,899,985	19,874,200	154.06 %
Infrastructure	8,235,865	8,731,856	(495,991)	(5.68)%
Building and Building Improvements	601,745,271	615,579,022	(13,833,751)	(2.25)%
Facilities and Other Improvements	13,002,577	14,530,883	(1,528,306)	(10.52)%
Equipment	37,683,382	35,900,711	1,782,671	4.97 %
Library Collections	4,436,721	4,471,163	(34,442)	(0.77)%
Capital Assets, net of accumulated depreciation and amortization	\$ 726,488,036	\$ 720,716,155	\$5,771,881	0.80%

In fiscal year 2023, the University managed capital projects related to buildings and building improvements, amounting to \$3,707,552. These projects encompassed renovations for Ed Commons and the Kelly building, as well as roof upgrades for the campus recreation center and the Sanders building. Additionally, there were building improvements funded by Georgia Student Financing and Investment Commission (GSFIC) that totaled \$6,778,102. Among these, the Greenblatt Library Phase 2 renovations project received \$2,793,779 as part of the overall funding.

Within the total funded by GSFIC, there was an allocation of \$75,952 designated for the renovation and equipment for the Cyber Center Complex. The Cyber Center project was formerly managed by Georgia Technology Authority (GTA).

Other on-going projects funded by GSFIC included capital expenditures of \$3,908,371 in fiscal year 2023. The anticipated funding for GSFIC for the upcoming fiscal year is expected to remain consistent with previous years.

The increase in construction work in progress primarily stems from expenses related to several projects, including the fourth- floor buildout of the College of Sciences and Math building, the construction of the new 15th street parking deck and the ongoing Greenblatt Library renovations.

Intangible Right-to-Use assets, net of accumulated amortization, at June 30, 2023 and June 30, 2022 were as follows:

INTANGIBLE RIGHT-TO-USE ASSETS, net of accumulated amortization	June 30, 2023	June 30, 2022 (1)	Increase (Decrease)	% Change
Building and Building Improvements	\$ 2,647,274	\$ 2,533,286	\$ 113,988	4.50 %
Equipment	358,773	857,895	(499,122)	(58.18)%
Subscription Based IT Arrangements (SBITAs)	3,421,484	—	3,421,484	100.00 %
Intangible Right-to-Use Assets, net of accumulated amortization	\$ 6,427,531	\$ 3,391,181	\$ 3,036,350	89.54 %

The increase in net Intangible Right-to-Use Assets is attributed primarily to the addition of Subscription-Based Information Technology Arrangements (SBITAs) with the implementation of GASB 96 in fiscal year 2023. This GASB Statement recognizes an intangible right-to-use subscription asset and subscription liability for subscription terms in which a government entity has a noncancellable right to use the underlying IT asset.

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

Augusta University had Long-Term Liabilities of \$89,728,571 of which \$30,618,817 was reflected as current liability at June 30, 2023. Long-Term Liabilities includes lease and subscription obligations, compensated absences and notes/loans payable.

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

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

Economic Outlook

Augusta University continued to manage resources prudently in fiscal year 2023 and remains committed to student affordability and strategic allocation of resources to our core mission of teaching, discovery, clinical care, and service. For the seventh consecutive fiscal year, the University saw an increase in enrollment of 2.15% from Fall 2021 to Fall 2022. As we look forward to 2024, enrollment trends are expected to remain stable, providing a steady foundation for tuition revenues.

The University's financial position and internal conservative approach to fiscal management allows the University to navigate a path of measured growth and adaptability. Management acknowledges challenges persist, including potential fluctuations in state appropriations and the need to balance affordability with maintaining academic quality. In fiscal year 2023, the University continued to take strategic steps to position the University to weather the adverse impact from these stressors and ensure long-term success. An example was the University's investment in expanding online course offerings and investing in research partnerships. Each of these priorities are expected to yield positive returns as the university is poised to attract more students and federal research grants. In addition, the University effectively managed operational expenses and optimized resources that allowed investments in faculty recruitment, student support services, deferred maintenance of facilities, technology enhancements and new programs. We expect by continuing to explore cost-effective strategies and carefully managing resources, the university is well-positioned to achieve its academic and financial goals.

Although management maintains a positive outlook regarding the stability of both operating and non-operating revenues and expenses in comparison to prior years, the university will persist in resource management to optimize its position for maximizing the impact of available funds. Through the effective leveraging of our strong financial management strategy, embracing innovation, and carefully managing resources, the University is strategically prepared to adjust to unexpected economic shifts without jeopardizing its dedication to academic programs, research, technology and infrastructure enhancements that deliver exceptional service to students, sponsors, the State of Georgia and other stakeholders.

Dr. Brooks A. Keel, Ph.D., President
Augusta University

Yvonne Turner, Executive Vice President
Augusta University



Financial Statements (GAAP Basis)

AUGUSTA UNIVERSITY
STATEMENT OF NET POSITION
JUNE 30, 2023

	Augusta University	Component Units
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 70,369,312	\$ 123,069,675
Cash and Cash Equivalents (Externally Restricted)	40,894,668	7,841,882
Short-term Investments	30,212,197	56,169,888
Short-term Investments (Externally Restricted)	—	6,270,664
Accounts Receivable, net		
Federal Financial Assistance	12,628,492	7,442,489
Affiliated Organizations	709,103	5,199,924
Component Units	56,113,439	107,635
Primary Government	—	1,751,653
Pledges and Contributions	—	2,939,506
Other	11,792,188	206,049,883
Investment in Financing Leases - Primary Government	—	2,760,741
Inventories	162,038	26,121,879
Prepaid Items	4,463,650	12,200,728
Other Assets	—	3,383,487
Total Current Assets	227,345,087	461,310,034
Non-Current Assets		
Accounts Receivable, net		
Due From USO - Capital Liability Reserve Fund	197,730	—
Pledges and Contributions	—	3,876,160
Other	—	14,990,409
Investments	194,332,691	62,285,774
Notes Receivable, net	1,402,977	—
Investment in Financing Lease Arrangements - Primary Government	—	33,560,182
Other Assets	—	5,295,390
Non-current Cash (Externally Restricted)	—	69,973
Investments (Externally Restricted)	15,058,619	316,283,596
Capital Assets, net	726,488,036	249,309,817
Intangible Right-to-Use Assets, net	6,427,531	69,313,289
Total Non-Current Assets	943,907,584	754,984,590
TOTAL ASSETS	1,171,252,671	1,216,294,624
DEFERRED OUTFLOWS OF RESOURCES	\$ 297,565,773	\$ 2,717,519

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

AUGUSTA UNIVERSITY
STATEMENT OF NET POSITION
JUNE 30, 2023

	Augusta University	Component Units
LIABILITIES		
Current Liabilities		
Accounts Payable	\$ 26,576,149	\$ 102,601,174
Salaries Payable	1,031,902	13,130,360
Benefits Payable	160,662	—
Contracts Payable	1,178,593	—
Retainage Payable	751,771	—
Due to Affiliated Organizations	723,133	206,943
Due to Component Units	1,740,510	107,635
Due to Primary Government	—	57,108,065
Advances (Including Tuition and Fees)	44,399,428	1,738,831
Deposits	9,303	—
Deposits Held for Other Organizations	116,487	—
Other Liabilities	—	10,817,797
Subscription Obligations	1,170,753	8,900,360
Notes and Loans Payable - External	—	13,279,309
Notes and Loans Payable - Component Units	2,760,741	—
Lease Obligations - External	501,931	9,038,932
Lease Obligations - Primary Government	—	268,136
Revenue Bonds and Notes Payable	—	93,525,000
Liabilities Under Split Interest Agreements	—	1,625
Compensated Absences	26,185,392	25,881,226
Total Current Liabilities	<u>107,306,755</u>	<u>336,605,393</u>
Non-Current Liabilities		
Other Liabilities	—	26,490,695
Subscription Obligations	2,031,492	27,368,347
Notes and Loans Payable - External	—	4,500,000
Notes and Loans Payable - Component Units	33,560,182	—
Lease Obligations - External	2,695,443	30,406,606
Revenue Bonds and Notes Payable	—	116,727,832
Liabilities Under Split Interest Agreements	—	873,984
Compensated Absences	20,822,637	—
Net Other Post-employment Benefits Liability	431,217,433	1,172,170
Net Pension Liability	468,582,339	—
Total Non-Current Liabilities	<u>958,909,526</u>	<u>207,539,634</u>
TOTAL LIABILITIES	<u>1,066,216,281</u>	<u>544,145,027</u>
DEFERRED INFLOWS OF RESOURCES	<u>245,370,480</u>	<u>21,569,396</u>
NET POSITION		
Net Investment in Capital Assets	689,578,484	56,119,327
Restricted for:		
Nonexpendable	3,021,483	196,408,233
Expendable	48,130,737	163,668,457
Unrestricted (Deficit)	<u>(583,499,021)</u>	<u>237,029,975</u>
TOTAL NET POSITION	<u>\$ 157,231,683</u>	<u>\$ 653,225,992</u>

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

AUGUSTA UNIVERSITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR FISCAL YEAR ENDED JUNE 30, 2023

	Augusta University	Component Units
OPERATING REVENUES		
Student Tuition and Fees (net)	\$ 99,022,719	\$ —
Grants and Contracts		
Federal	78,406,909	74,348,220
State	64,992,384	3,058,790
Other	264,467,488	13,350,769
Sales and Services	12,593,896	167,373,582
Rents and Royalties	771,253	5,625,226
Patient Services	—	1,149,605,739
Auxiliary Enterprises		
Residence Halls	4,729,209	—
Bookstore	1,274,934	—
Food Services	3,313,881	—
Parking/Transportation	2,655,815	—
Health Services	2,906,797	—
Intercollegiate Athletics	3,158,865	—
Other Organizations	4,666,187	—
Gifts and Contributions	—	31,388,999
Endowment Income	—	19,278,324
Other Operating Revenues	509,619	1,461,491
	543,469,956	1,465,491,140
OPERATING EXPENSES		
Faculty Salaries	280,517,169	3,154,392
Staff Salaries	212,564,155	425,060,443
Employee Benefits	138,913,917	92,644,948
Other Personal Services	1,606,233	224,137,908
Travel	4,035,429	1,289,582
Scholarships and Fellowships	12,210,831	5,773,469
Utilities	14,650,394	6,851,144
Supplies and Other Services	134,613,587	649,827,825
Depreciation and Amortization	40,121,914	53,337,798
	839,233,629	1,462,077,509
Operating Income (Loss)	\$ (295,763,673)	\$ 3,413,631

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

**AUGUSTA UNIVERSITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR FISCAL YEAR ENDED JUNE 30, 2023**

	Augusta University	Component Units
NONOPERATING REVENUES (EXPENSES)		
State Appropriations	\$ 410,996,973	\$ (12,295,488)
Grants and Contracts		
Federal	11,815,728	—
Other	4,000,000	—
Gifts	9,737,511	—
Investment Income	6,139,126	12,201,672
Interest Expense	(1,537,003)	(11,897,765)
Other Nonoperating Revenues (Expenses)	(7,900,062)	(1,495,167)
Net Nonoperating Revenues	433,252,273	(13,486,748)
Income (Loss) Before Other Revenues, Expenses, Gains, or Losses	137,488,600	(10,073,117)
Capital Grants and Gifts		
State	6,778,102	—
Other	112,558	4,077,710
Additions to Permanent and Term Endowments	—	19,657,541
Special Item	209,426	—
Total Other Revenues, Expenses, Gains, Losses, and Special Item	7,100,086	23,735,251
Change in Net Position	144,588,686	13,662,134
Net Position, Beginning of Year	12,642,997	640,914,992 *
Prior Year Adjustments	—	(1,351,134)
Net Position, Beginning of Year, Restated	12,642,997	639,563,858
Net Position, End of Year	\$ 157,231,683	\$ 653,225,992

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

*See Note 20.

**AUGUSTA UNIVERSITY
STATEMENT OF CASH FLOWS
FOR FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Augusta University</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Payments from Customers	\$ 133,223,114
Grants and Contracts (Exchange)	414,204,408
Payments to Suppliers	(297,654,510)
Payments to Employees	(497,380,757)
Payments for Scholarships and Fellowships	(12,210,831)
Loans Issued to Students	(502,465)
Collection of Loans from Students	175,261
Other Receipts	295,941
Other Payments	(13,457)
Net Cash Used by Operating Activities	<u>(259,863,296)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
State Appropriations	410,996,973
Gifts and Grants Received for Other Than Capital Purposes	25,446,566
Other Non-Capital Financing Receipts	598,366
Other Non-Capital Financing Payments	(8,702,049)
Net Cash Flows Provided by Non-Capital Financing Activities	<u>428,339,856</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Capital Gifts and Grants Received	1,931,756
Proceeds from Sale of Capital Assets	144,565
Purchases of Capital and Intangible Right-to-Use Assets	(35,852,751)
Principal Paid on Capital Debt and Leases	(4,240,774)
Interest Paid on Capital Debt and Leases	(1,418,893)
Net Cash Used by Capital and Related Financing Activities	<u>(39,436,097)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment Income	5,755,229
Purchase of Investments	(132,865,955)
Net Cash Used by Investing Activities	<u>(127,110,726)</u>
Net Increase in Cash and Cash Equivalents	1,929,737
Cash and Cash Equivalents, Beginning of Year	<u>109,334,243</u>
Cash and Cash Equivalents, End of Year	<u>\$ 111,263,980</u>

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

AUGUSTA UNIVERSITY

STATEMENT OF CASH FLOWS

FOR FISCAL YEAR ENDED JUNE 30, 2023

	Augusta University
RECONCILIATION OF OPERATING LOSS TO	
NET CASH USED BY OPERATING ACTIVITIES:	
Operating Loss	\$ (295,763,673)
Adjustments to Reconcile Net Operating Loss to	
Net Cash Used by Operating Activities	
Depreciation and Amortization	40,121,914
Operating Expenses Related to Noncash Gifts	106,673
Change in Assets and Liabilities:	
Receivables, net	9,978,636
Inventories	238,726
Prepaid Items	328,019
Notes Receivable, Net	(327,204)
Accounts Payable	8,784,424
Salaries Payable	(1,758,752)
Benefits Payable	78,351
Contracts Payable	(499,336)
Retainage Payable	(54,773)
Deposits	10,049
Advances (Including Tuition and Fees)	(4,964,752)
Funds Held for Others	(13,457)
Compensated Absences	1,494,749
Net Pension Liability	299,426,077
Other Post-Employment Benefit Liability	(154,149,975)
Change in Deferred Inflows/Outflows of Resources:	
Deferred Inflows of Resources	(77,810,558)
Deferred Outflows of Resources	(85,088,434)
Net Cash Used by Operating Activities	\$ (259,863,296)
NON-CASH INVESTING, NON-CAPITAL FINANCING, AND CAPITAL AND	
RELATED FINANCING TRANSACTIONS	
Noncapital Financing Activities Noncash Items:	
Noncapital Gifts	\$ 106,673
Capital Financing Activities Noncash Items:	
Current Year Accruals Related to Capital Financing Activities	\$ 624,430
Gift of Capital Assets	\$ 7,100,088
Gain (Loss) on Disposal of Capital Assets	\$ (67,261)
Accrual of Capital Asset Related Payables	\$ 1,868,662
Capital Assets Acquired Through Prepaid Capital	\$ 607,524
Intangible Right-to-Use Assets Acquired by Incurring Lease Obligations	\$ 598,809
Amortization of Deferred Gain (Loss) of Capital Debt Refunded	\$ (118,109)
Unrealized Gain (Loss) on Investments	\$ (383,897)

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

AUGUSTA UNIVERSITY
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2023

	Early Retirement		Total
	Plan - Augusta	Custodial	
	University	Funds	
ASSETS			
Cash and Cash Equivalents	\$ 6,715,862	\$ 152,879	\$ 6,868,741
Investments			
Mutual Bond Funds	28,190,298	—	28,190,298
Equity Mutual Funds - Domestic	47,932,471	—	47,932,471
Equity Securities - Domestic	44,654,918	—	44,654,918
Receivables			
Other	—	1,096,590	1,096,590
Total Assets	127,493,549	1,249,469	128,743,018
LIABILITIES			
Deposits Held for Organization	—	45,377	45,377
Total Liabilities	—	45,377	45,377
NET POSITION			
Held in Trust for:			
Pension Benefits	127,493,549	—	127,493,549
Individuals, Organizations, and Other Governments	—	1,204,092	1,204,092
Total Net Position	\$ 127,493,549	\$ 1,204,092	\$ 128,697,641

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

**AUGUSTA UNIVERSITY
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR FISCAL YEAR ENDED JUNE 30, 2023**

	Early Retirement Plan - Augusta University	Custodial Funds	Total
ADDITIONS			
Contributions			
Employer	\$ 8,088,502	\$ —	\$ 8,088,502
Investment Income			
Dividends and Interest	3,042,726	—	3,042,726
Net Appreciation in Investments Reported at Fair Value	8,019,387	—	8,019,387
Less: Investment Expense	(156,110)	—	(156,110)
Net Investment Income	10,906,003	—	10,906,003
Federal Financial Aid	—	99,435,029	99,435,029
State Financial Aid	—	16,630,373	16,630,373
Other Financial Aid	—	2,506,535	2,506,535
Clubs and Other Organizations Fund Raising	—	2,956,316	2,956,316
Public-Private Partnership Passthrough	—	6,129,622	6,129,622
Total Additions	18,994,505	127,657,875	146,652,380
DEDUCTIONS			
Benefits	14,355,643		14,355,643
Scholarships and Other Student Support	—	118,504,407	118,504,407
Student Organizations Support	—	2,956,975	2,956,975
Public-Private Partnership Passthrough	—	5,964,120	5,964,120
Total Deductions	14,355,643	127,425,502	141,781,145
Change in Fiduciary Net Position	4,638,862	232,373	4,871,235
Fiduciary Net Position, Beginning of Year, As Originally Reported	122,854,687	971,719	123,826,406
Fiduciary Net Position, End of Year	\$ 127,493,549	\$ 1,204,092	\$ 128,697,641

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

**AUGUSTA UNIVERSITY
COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
JUNE 30, 2023**

	AU Health Systems, Inc.	Augusta University Foundation, Inc.	Augusta University Real Estate Corporation, Inc.	Augusta University Research Institute, Inc.	Augusta University Real Estate Foundation, Inc.	Medical College of Georgia Foundation, Inc.	Elimination/Consolidation Entries	Total
ASSETS								
Current Assets								
Cash and Cash Equivalents	\$ 84,030,075	\$ 17,651,553	3,746,748	\$ 12,981,933	\$ 282,260	\$ 4,377,106	\$ —	\$ 123,069,675
Cash and Cash Equivalents (Externally Restricted)	1,608,603	4,114,551	—	—	—	2,118,728	—	7,841,882
Short-term Investments	56,169,888	—	—	—	—	—	—	56,169,888
Short-term Investments (Externally Restricted)	5,600,314	670,350	—	—	—	—	—	6,270,664
Accounts Receivable, net								
Federal Financial Assistance	—	—	—	7,442,489	—	—	—	7,442,489
Affiliated Organizations	—	—	—	—	—	5,199,924	—	5,199,924
Component Units	—	107,635	—	—	—	—	—	107,635
Primary Government	974,949	302,728	435,170	—	2,942	—	35,864	1,751,653
Pledges and Contributions	—	2,249,901	—	—	—	689,605	—	2,939,506
Other	203,508,170	13,625	2,528,088	—	—	—	—	206,049,883
Investment in Financing Lease Arrangements - Primary Government	1,367,208	1,393,533	—	—	—	—	—	2,760,741
Inventories	26,121,879	—	—	—	—	—	—	26,121,879
Prepaid Items	11,966,653	174,752	54,266	—	5,057	—	—	12,200,728
Other Assets	3,383,487	—	—	—	—	—	—	3,383,487
Total Current Assets	394,731,226	26,678,628	6,764,272	20,424,422	290,259	12,385,363	35,864	461,310,034
Non-Current Assets								
Accounts Receivable, net								
Pledges and Contributions	—	3,106,531	—	—	—	769,629	—	3,876,160
Other	—	—	14,990,409	—	—	—	—	14,990,409
Investments	—	14,005,625	—	4,628,695	19,745	43,631,709	—	62,285,774
Investment in Financing Lease Arrangements - Primary Government	16,053,812	17,506,370	—	—	—	—	—	33,560,182
Other Assets	4,897,045	189,360	—	—	—	208,985	—	5,295,390
Non-current Cash (Externally Restricted)	—	—	—	69,973	—	—	—	69,973
Investments (Externally Restricted)	—	39,837,698	—	—	—	276,445,898	—	316,283,596
Capital Assets, net	231,479,131	—	—	—	2,295,000	15,535,686	—	249,309,817
Intangible Right-to-Use Assets, net	69,313,289	—	—	—	—	—	—	69,313,289
Total Non-Current Assets	321,743,277	74,645,584	14,990,409	4,698,668	2,314,745	336,591,907	—	754,984,590
TOTAL ASSETS	716,474,503	101,324,212	21,754,681	25,123,090	2,605,004	348,977,270	35,864	1,216,294,624
DEFERRED OUTFLOWS OF RESOURCES								
	\$ 2,717,519	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 2,717,519

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

AUGUSTA UNIVERSITY
COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
JUNE 30, 2023

	AU Health Systems, Inc.	Augusta University Foundation, Inc.	Augusta University Real Estate Corporation, Inc.	Augusta University Research Institute, Inc.	Augusta University Real Estate Foundation, Inc.	Medical College of Georgia Foundation, Inc.	Elimination/ Consolidation Entries	Total
LIABILITIES								
Current Liabilities								
Accounts Payable	\$101,409,018	\$ 607,314	\$ 440,293	\$ 61,306	\$ —	\$ 83,243	\$ —	\$ 102,601,174
Salaries Payable	13,130,360	—	—	—	—	—	—	13,130,360
Due to Affiliated Organizations	—	206,943	—	—	—	—	—	206,943
Due to Component Units	107,635	—	—	—	—	—	—	107,635
Due to Primary Government	47,988,551	573,363	20,854	7,962,685	—	598,476	(35,864)	57,108,065
Advances (Including Tuition and Fees)	204,005	1,534,826	—	—	—	—	—	1,738,831
Other Liabilities	10,462,319	—	250,431	23,004	—	82,043	—	10,817,797
Subscription Obligations	8,900,360	—	—	—	—	—	—	8,900,360
Notes and Loans Payable - External	2,025,692	—	—	—	—	11,253,617	—	13,279,309
Lease Obligations - External	9,038,932	—	—	—	—	—	—	9,038,932
Lease Obligations - Primary Government	268,136	—	—	—	—	—	—	268,136
Revenue Bonds and Notes Payable	92,290,000	1,235,000	—	—	—	—	—	93,525,000
Liabilities Under Split Interest Agreements	—	—	—	—	1,625	—	—	1,625
Compensated Absences	25,881,226	—	—	—	—	—	—	25,881,226
Total Current Liabilities	311,706,234	4,157,446	711,578	8,046,995	1,625	12,017,379	(35,864)	336,605,393
Non-Current Liabilities								
Other Liabilities	26,490,695	—	—	—	—	—	—	26,490,695
Subscription Obligations	27,368,347	—	—	—	—	—	—	27,368,347
Notes and Loans Payable - External	—	—	—	—	—	4,500,000	—	4,500,000
Lease Obligations - External	30,406,606	—	—	—	—	—	—	30,406,606
Revenue Bonds and Notes Payable	99,624,204	17,103,628	—	—	—	—	—	116,727,832
Liabilities Under Split Interest Agreements	—	—	—	—	6,920	867,064	—	873,984
Net Other Post Employment Benefits Liability	1,172,170	—	—	—	—	—	—	1,172,170
Total Non-Current Liabilities	185,062,022	17,103,628	—	—	6,920	5,367,064	—	207,539,634
TOTAL LIABILITIES	496,768,256	21,261,074	711,578	8,046,995	8,545	17,384,443	(35,864)	544,145,027
DEFERRED INFLOWS OF RESOURCES	4,926,561	—	16,642,835	—	—	—	—	21,569,396
NET POSITION								
Net Investment in Capital Assets	49,542,258	—	—	—	2,295,000	4,282,069	—	56,119,327
Restricted for:								
Nonexpendable	—	32,523,284	—	—	—	163,884,949	—	196,408,233
Expendable	7,208,917	40,239,726	—	69,973	11,200	116,138,641	—	163,668,457
Unrestricted	160,746,030	7,300,128	4,400,268	17,006,122	290,259	47,287,168	—	237,029,975
TOTAL NET POSITION	\$217,497,205	\$ 80,063,138	\$ 4,400,268	\$ 17,076,095	\$ 2,596,459	\$331,592,827	\$ —	\$ 653,225,992

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

AUGUSTA UNIVERSITY
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
COMPONENT UNITS
FOR FISCAL YEAR ENDED JUNE 30, 2023

	AU Health Systems, Inc.	Augusta University Foundation, Inc.	Augusta University Real Estate Corporation, Inc.	Augusta University Research Institute, Inc.	Augusta University Real Estate Foundation, Inc.	Medical College of Georgia Foundation, Inc.	Elimination/ Consolidation Entries	Total
OPERATING REVENUES								
Grants and Contracts								
Federal	\$ 2,944,353	\$ —	\$ —	\$ 71,403,867	\$ —	\$ —	\$ —	\$ 74,348,220
State	3,058,790	—	—	—	—	—	—	3,058,790
Other	2,174	394,038	—	12,954,557	—	—	—	13,350,769
Sales and Services	166,793,906	579,676	—	—	—	—	—	167,373,582
Rents and Royalties	623,662	194,731	4,311,971	445,392	12,300	37,170	—	5,625,226
Patient Services	1,149,605,739	—	—	—	—	—	—	1,149,605,739
Gifts and Contributions	—	29,138,965	—	—	92,068	2,157,966	—	31,388,999
Endowment Income	—	2,242,515	—	—	—	17,035,809	—	19,278,324
Other Operating Revenues	—	22,154	—	308,203	—	1,131,134	—	1,461,491
Total Operating Revenues	1,323,028,624	32,572,079	4,311,971	85,112,019	104,368	20,362,079	—	1,465,491,140
OPERATING EXPENSES								
Faculty Salaries	—	—	—	—	—	3,154,392	—	3,154,392
Staff Salaries	419,744,864	3,350,506	—	—	66,229	1,898,844	—	425,060,443
Employee Benefits	91,591,035	1,035,383	—	—	18,530	—	—	92,644,948
Other Personal Services	221,828,721	174,870	—	—	1,001	2,133,316	—	224,137,908
Travel	554,522	370,476	—	—	1,077	363,507	—	1,289,582
Scholarships and Fellowships	—	1,933,223	—	—	—	3,840,246	—	5,773,469
Utilities	6,528,174	—	—	—	—	322,970	—	6,851,144
Supplies and Other Services	533,713,066	6,325,688	452,746	83,365,958	24,333,037	1,637,330	—	649,827,825
Depreciation and Amortization	53,141,220	—	—	—	—	196,578	—	53,337,798
Total Operating Expenses	1,327,101,602	13,190,146	452,746	83,365,958	24,419,874	13,547,183	—	1,462,077,509
Operating Income (Loss)	\$ (4,072,978)	\$ 19,381,933	\$ 3,859,225	\$ 1,746,061	\$ (24,315,506)	\$ 6,814,896	\$ —	\$ 3,413,631

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

**AUGUSTA UNIVERSITY
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
COMPONENT UNITS
FOR FISCAL YEAR ENDED JUNE 30, 2023**

	AU Health Systems, Inc.	Augusta University Foundation, Inc.	Augusta University Real Estate Corporation, Inc.	Augusta University Research Institute, Inc.	Augusta University Real Estate Foundation, Inc.	Medical College of Georgia Foundation, Inc.	Elimination/ Consolidation Entries	Total
NONOPERATING REVENUES (EXPENSES)								
State Appropriations	\$(12,295,488)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$(12,295,488)
Investment Income	2,528,796	2,238,297	—	311,882	654,732	6,467,965	—	12,201,672
Interest Expense	(11,142,249)	(687,413)	—	—	—	(68,103)	—	(11,897,765)
Other Nonoperating Revenues (Expenses)	(2,036,210)	—	541,043	—	—	—	—	(1,495,167)
Net Nonoperating Revenues	(22,945,151)	1,550,884	541,043	311,882	654,732	6,399,862	—	(13,486,748)
Income (Loss) Before Other Revenues, Expenses, Gains, or Losses	(27,018,129)	20,932,817	4,400,268	2,057,943	(23,660,774)	13,214,758	—	(10,073,117)
Capital Grants and Gifts								
Other	4,077,710	—	—	—	—	—	—	4,077,710
Additions to Permanent and Term Endowments	—	7,998,296	—	—	—	11,659,245	—	19,657,541
Total Other Revenues, Expenses, Gains or Losses	4,077,710	7,998,296	—	—	—	11,659,245	—	23,735,251
Change in Net Position	(22,940,419)	28,931,113	4,400,268	2,057,943	(23,660,774)	24,874,003	—	13,662,134
Net Position, Beginning of Year	241,788,758	51,132,025	—	15,018,152	26,257,233	306,718,824	—	640,914,992
Prior Year Adjustments	(1,351,134)	—	—	—	—	—	—	(1,351,134)
Net Position, Beginning of Year, Restated	240,437,624	51,132,025	—	15,018,152	26,257,233	306,718,824	—	639,563,858
Net Position, End of Year	<u>\$217,497,205</u>	<u>\$ 80,063,138</u>	<u>\$ 4,400,268</u>	<u>\$ 17,076,095</u>	<u>\$ 2,596,459</u>	<u>\$331,592,827</u>	<u>\$ —</u>	<u>\$ 653,225,992</u>

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



Notes to the Financial Statements

AUGUSTA UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

Note 1 Summary of Significant Accounting Policies

Nature of Operations

The Augusta 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, certain discretely presented component units of the State, as discussed below, have been included since they have been determined to be essential to the fair presentation to these departmental financial statements. These financial statements do not purport to, and do not, present fairly the financial position of the State as of June 30, 2023, the changes in its financial position or its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

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

Discretely Presented Component Units

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

- Augusta University Foundation, Inc. 1120 15th Street, AD-1108, Augusta, GA, 30912
- Augusta University Research Institute, Inc. 1120 15th Street, CJ-3301, Augusta, GA, 30912
- AU Health Systems, Inc. 1120 15th Street. O-107, Augusta, GA 30912

- Georgia Regents Real Estate Corporation d/b/a Augusta University Real Estate Corporation, 1120 15th Street, AD-1108, Augusta. GA 30912
- Augusta University Real Estate Foundation, Inc., (formerly known as Georgia Health Sciences Foundation, Inc.)1120 15th Street, AD-1108, Augusta, Georgia 30912
- Medical College of Georgia Foundation, Inc., 720 Saint Sebastian Way, STE 150, Augusta, GA 30901

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

Fiduciary Component Units

GAAP requires fiduciary component units to be reported as fiduciary funds of the USG rather than as discrete component units. The USG's two fiduciary component units are the Retiree Health Benefit Fund and the Augusta University Early Retirement Pension Plan.

Augusta University Early Retirement Pension Plan (ERP) is a single-employer defined benefit pension plan administered by Augusta University. The plan was devised by Augusta University as a means of manpower reduction and was approved by the Board of Regents of the University System of Georgia effective January 1, 2000.

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:

- Early Retirement Plan-Augusta University - Accounts for the activities of the Early Retirement Plan.
- 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 May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*, effective for fiscal years beginning after December 15, 2020. In fiscal year 2020, the University adopted GASB Statement No. 95, *Postponement of Effective Dates of Certain Authoritative Guidance* which postponed the effective dates of Statement No. 91 to fiscal year 2023. The objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The adoption of this statement does not have a significant impact on the financial statements and will be applied prospectively.

In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, effective for fiscal years beginning after June 15, 2022. The objectives of this statement are to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements and to provide guidance for accounting and financial reporting for availability payment arrangements. The adoption of this statement does not have a significant impact on the financial statements and will be applied retroactively.

In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*, effective for fiscal years beginning after June 15, 2022. This statement defines subscription-based information technology arrangements and provides uniform guidance for accounting and financial reporting for transactions that

meet that definition. Under this Statement, a government is required to recognize a subscription liability and an intangible right-to-use asset for contracts that meet the definition of a subscription-based information technology arrangement. The adoption of this statement resulted in a restatement of the net position of the business-type activities.

In April 2022, the GASB issued Statement No. 99, *Omnibus 2022*, effective for certain elements of the requirement effective upon issuance. The objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation. The adoption of this statement does not have a significant impact on the financial statements.

Cash and Cash Equivalents

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

Short-Term Investments

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

Investments

Investments include financial instruments with terms in excess of 13 months, certain other securities for the production of revenue, land, and other real estate held as investments by endowments. The University accounts for its investments at fair value. Changes in the fair value of investments are reported as a component of investment income in the Statement of Revenues, Expenses, and Changes in Net Position. The Board of Regents Diversified Fund for Foundations are included as investments. Investments that cannot be used to pay current liabilities are classified as non-current assets in the Statement of Net Position. Investments restricted as to use by a third party are reported as externally restricted.

Accounts Receivable

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

Inventories

Resale inventories are valued at cost using the first in-first out basis.

Prepaid Items

Payments made to vendors and state and local government organizations for services that will benefit periods beyond June 30, 2023 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 capital lease obligations. All USG institutions participating in the PPV program financed the Fund. The Fund serves as a pooled reserve that is managed by the Board of Regents. The Fund shall only be used to address significant shortfalls and only insofar as a requesting USG institution is unable to make the required PPV capital lease payment to the designated affiliated organization. The Fund will continue as long as the Board of Regents has rental obligations under the PPV program and at the conclusion of the program, funds will be returned to each institution. The \$197,730 balance included on the University's Statement of Net Position as Due from USO - Capital Liability Reserve Fund represents the University's contribution to the Fund.

Deferred Outflows of Resources

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

Deposits

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

Advances

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

Deposits Held for Other Organizations

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

Compensated Absences

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

Non-current Liabilities

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

Deferred Inflows of Resources

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

Other Post-Employment Benefit (OPEB) 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. Information about the Augusta University Early Retirement Pension Plan is based on the information provided by the plan actuary. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Net Position

The University's net position is classified as follows:

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

Restricted - 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. Each institution 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, fees and other student charges reported on the Statement of Revenues, Expenses and Changes in Net Position are net of discounts and allowances of \$19,216,962.

Restatement of Prior Year Net Position

The University made prior period adjustments due to the adoption of GASB Statement No. 96, which required the restatement of the June 30, 2022 business type-activities and discretely presented component unit's net position. Under this statement, a governmental end user is required to recognize a subscription liability and an intangible right-to-use subscription asset.

For business-type activities, the results are an overall increase in liabilities of \$3,896,341 and an overall increase in assets of \$3,896,341 for a net impact on net position of \$0.00. The increase in liabilities is the result of an increase in subscription obligations, which is evidenced by the restatement noted in Note 8, Long-Term Liabilities. The increase in assets is the result of an increase in intangible right-to-use assets which is evidenced by the restatement noted in Note 6, Capital Assets and Intangible Right-to-Use Assets. This change is in accordance with generally accepted accounting principles.

Component Units made prior period adjustments due to the adoption of GASB Statement No. 96 and corrections of errors which required the restatement of the June 30, 2022 component unit's net position. Beginning net position has been decreased by \$1,351,134. For the implementation of GASB Statement No. 96 subscription obligations increased \$34,788,000 while intangible right-to-use assets increased \$35,303,000 resulting in an overall net impact of \$515,000. Patient credit balances for AUMA have been reclassified from patient accounts receivable in current assets to accounts payable in current liabilities resulting in an increase in current assets by \$3,905,000 and an increase in current liabilities by \$5,771,134 resulting in an overall impact of \$(1,866,134). This change is in accordance with generally accepted accounting principles.

	Augusta University	Discretely Presented Component Units
Net position, beginning of year, as originally reported	\$ 12,642,997	\$ 640,914,922
Changes in accounting principles	—	515,000
Correction of prior year errors	—	(1,866,134)
Net position, beginning of year, restated	<u>\$ 12,642,997</u>	<u>\$ 639,563,788</u>

Special Item

The Georgia Technology Authority transferred equipment for the two buildings known as the Hull McKnight and the Schaffer MacCartney Buildings which were erected in fiscal year 2019 on the Cyber Complex site located at 1 Eleventh Street, Augusta, Richmond County, Georgia. The equipment that was transferred to Augusta University in fiscal year 2023 had a reported net book value of \$231,953.

Augusta University transferred equipment to Georgia State University in fiscal year 2023 when a research principal investigator transferred to Georgia State University. The reported net book value was \$22,527, and a decrease in capital assets, net by \$22,527.

Note 2 Deposits and Investments

Cash and cash equivalents and investments as of June 30, 2023 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	\$ 70,369,312
Cash and Cash Equivalents (Externally Restricted)	40,894,668
Short-Term Investments	30,212,197
Noncurrent	
Investments	194,332,691
Investments (Externally Restricted)	15,058,619
Statement of Fiduciary Net Position	
Cash and Cash Equivalents	6,868,741
Investments	120,777,687
	\$ 478,513,915

Cash on hand, deposits and investments as of June 30, 2023 consist of the following:

Cash on Hand	\$ 80,020
Deposits with Financial Institutions	112,208,448
Investments	366,225,447
	\$ 478,513,915

A. Deposits with Financial Institutions

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

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

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

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

At June 30, 2023, the bank balances of the University's deposits totaled \$115,506,313. Of these deposits, none were exposed to custodial credit risk.

B. Investments

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

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

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

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

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

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

The following table summarizes the valuation of the University's investments measured at fair value on a recurring basis and at net asset value as of June 30, 2023.

	Fair Value	Fair Value Hierarchy	
		Level 1	Level 2
Investment type:			
Debt Securities			
U.S. Treasuries	\$ 1,032,631	\$ 1,032,631	\$ —
U.S. Agencies			
Explicitly Guaranteed	37,025,573	—	37,025,573
Implicitly Guaranteed	122,028,078	34,511,763	87,516,315
Corporate Debt	65,954,631	—	65,954,631
Money Market Mutual Funds	5,844,254	5,844,254	—
Mutual Bond Funds	28,190,297	28,190,297	—
Other Investments			
Equity Mutual Funds - Domestic	47,932,471	47,932,471	—
Equity Securities - Domestic	44,654,917	44,654,917	—
	352,662,852	<u>\$ 162,166,333</u>	<u>\$ 190,496,519</u>
Investment Pools			
Board of Regents			
Diversified Fund	13,562,595		
Total Investments	<u>\$ 366,225,447</u>		

Board of Regents Pooled Investment Program

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

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

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

The equity allocation shall range between 60% and 80% of the portfolio, with a target of 70% of the total portfolio. The fixed income (bond) portion of the portfolio shall range between 20% and 40%, with a target of 30% of the total portfolio. Cash reserves and excess income are invested at all times in the highest quality par stable (A1, P1) institutional money market mutual funds, or other high quality short term instruments. The market value of the

University's position in the Diversified Fund at June 30, 2023 was \$13,562,595, of which 27% is invested in debt securities. The Effective Duration of the Fund is 5.51 years.

Interest Rate Risk

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

The University's investments as of June 30, 2023 are presented below. All investments are presented by investment type and debt securities are presented by maturity.

	Fair Value	Less Than 3 Months	4-12 Months	1-5 Years	6-10 Years	More Than 10 Years
Investment type:						
Debt Securities						
U.S. Treasuries	\$ 1,032,631	\$ 1,032,631	\$ —	\$ —	\$ —	\$ —
U.S. Agencies						
Explicitly Guaranteed	37,025,573	29,671,592	215,674	7,062,823	75,484	—
Implicitly Guaranteed	122,028,078	40,347,432	21,080,354	60,600,292	—	—
Corporate Debt	65,954,631	1,266,847	45,015,420	19,672,364	—	—
Money Market Mutual Funds	5,844,254	5,844,254	—	—	—	—
Mutual Bond Funds	28,190,297	—	—	5,138,657	10,117,451	12,934,189
	<u>\$ 260,075,464</u>	<u>\$ 78,162,756</u>	<u>\$ 66,311,448</u>	<u>\$ 92,474,136</u>	<u>\$ 10,192,935</u>	<u>\$ 12,934,189</u>
Other Investments						
Equity Mutual Funds - Domestic	47,932,471					
Equity Securities - Domestic	44,654,917					
Investment Pools						
Board of Regents						
Diversified Fund	<u>13,562,595</u>					
Total Investments	<u>\$ 366,225,447</u>					

Custodial Credit Risk

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

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, 2023, \$260,075,464 of the University's applicable investments were uninsured and held by the investment's counterparty's trust department or agent, 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 to establish minimal quality ratings. The investments subject to credit quality risk are reflected below:

	<u>Fair Value</u>	<u>AAA</u>	<u>AA</u>	<u>A</u>	<u>Unrated</u>
Related Debt Investments					
U. S. Agency Securities	\$ 122,028,078	\$ 122,028,078	\$ —	\$ —	\$ —
Corporate Debt	65,954,631	1,992,920	7,821,958	56,139,753	—
Money Market Mutual Funds	5,844,254	5,844,254	—	—	—
Mutual Bond Funds	28,190,297	—	—	—	28,190,297
	<u>\$ 222,017,260</u>	<u>\$ 129,865,252</u>	<u>\$ 7,821,958</u>	<u>\$ 56,139,753</u>	<u>\$ 28,190,297</u>

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The University's policy requires diversification of investments to reduce overall portfolio risk while maintaining market rates of return.

At June 30, 2023, approximately 5.76% of the University's investments were investments in Invesco S&P Equal Weight ETF.

Note 3 Accounts Receivable

Accounts receivable consisted of the following at June 30, 2023:

	Business Type Activities	Fiduciary Fund
Student Tuition and Fees	\$ 927,494	\$ 117,462
Auxiliary Enterprises and Other Operating Activities	1,086,945	—
Federal Financial Assistance	12,628,492	86,228
Georgia Student Finance Commission	—	892,900
Georgia State Financing and Investment Commission	624,430	—
Due from Affiliated Organizations	709,103	—
Due from Component Units	55,838,559	—
Due From Other USG Institutions	203,330	—
Lease Receivable	274,880	—
Other	10,046,214	—
	<u>82,339,447</u>	<u>1,096,590</u>
Less: Allowance for Doubtful Accounts	898,495	—
	<u>81,440,952</u>	<u>1,096,590</u>
Net Accounts Receivable	<u>\$ 81,440,952</u>	<u>\$ 1,096,590</u>

Other includes approximately \$8.6 million state grants.

Note 4 Inventories

Inventories consisted of the following at June 30, 2023:

Merchandise for Resale	<u>\$ 162,038</u>
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Note 5 Notes and Loans Receivable

The HRSA Medical/Dental/Nursing Loans, Federal Perkins Loan Program, and Emergency/Foundation Loans comprises the loans receivable at June 30, 2023. The HRSA Medical/Dental/Nursing Loan Programs provide a service cancellation to the student borrowers. The Federal government funds the cancellations. The Federal Perkins Loan Program provides for cancellation of a loan at rates of 10% to 30% per year up to a maximum of 100% if the participant complies with certain provisions. The Federal government reimburses the University for amounts canceled under these provisions. As the University determines that loans are uncollectible and not eligible for reimbursement by the federal government, the loans are written off and assigned to the U.S. Department of Education. The University has provided an allowance for uncollectible loans, which, in management's opinion, is sufficient to absorb loans that will ultimately be written off. At June 30, 2023, the allowance for uncollectible loans was \$412,709, and consisted of HRSA Medical/Dental/Nursing Loans, Federal Perkins Loan Program, and Emergency/Foundation Loans of 39.59%, 36.50%, and 23.91%, respectively.

Note 6 Capital and Intangible Right-to-Use Assets

Changes in capital assets for the year ended June 30, 2023 are shown below:

	Balance July 1, 2022	Special Item and Other Transfers	Additions	Reductions	Balance June 30, 2023
Capital Assets, Not Being Depreciated:					
Land	\$ 28,515,529	\$ —	\$ —	\$ —	\$ 28,515,529
Capitalized Collections	87,006	—	7,500	—	94,506
Construction Work-in-Progress	12,899,985	—	25,733,339	5,859,139	32,774,185
Total Capital Assets Not Being Depreciated	41,502,520	—	25,740,839	5,859,139	61,384,220
Capital Assets, Being Depreciated					
Infrastructure	13,649,269	—	—	—	13,649,269
Building and Building Improvements	1,001,773,122	—	9,756,515	—	1,011,529,637
Facilities and Other Improvements	28,692,135	—	—	—	28,692,135
Equipment	138,348,725	1,032,186	13,930,388	4,838,685	148,472,614
Library Collections	31,795,407	—	724,227	3,546	32,516,088
Total Capital Assets Being Depreciated	1,214,258,658	1,032,186	24,411,130	4,842,231	1,234,859,743
Less: Accumulated Depreciation/					
Infrastructure	4,917,413	—	495,991	—	5,413,404
Building and Building Improvements	386,194,100	—	23,590,266	—	409,784,366
Facilities and Other Improvements	14,161,252	—	1,528,306	—	15,689,558
Equipment	102,448,014	822,760	12,316,278	4,797,820	110,789,232
Library Collections	27,324,244	—	758,669	3,546	28,079,367
Total Accumulated Depreciation	535,045,023	822,760	38,689,510	4,801,366	569,755,927
Total Capital Assets, Being Depreciated, Net	679,213,635	209,426	(14,278,380)	40,865	665,103,816
Capital Assets, net	<u>\$ 720,716,155</u>	<u>\$ 209,426</u>	<u>\$ 11,462,459</u>	<u>\$ 5,900,004</u>	<u>\$ 726,488,036</u>

The University has received and transferred capital assets from other entities within the State's reporting entity. The university has reported these transactions as a special item on the Statement of Revenues, Expenses and Changes in Net Position. See Note 1 - Special Item for additional information related to these transactions.

For projects managed by Georgia State Financing and Investing Commission (GSFIC), GSFIC retains construction-in-progress on its books throughout the construction period and transfers the entire project to the University when

they deem it substantially complete. For projects managed by the University, the University retains construction-in-progress on its books and is reimbursed by GSFIC.

At June 30 2023, GSFIC did not have any construction in progress on their books for incomplete GSFIC managed projects for the University. Projects funded by GSFIC that were managed by the University include building and building improvements, equipment and research and development infrastructure total \$6,778,102, which includes \$75,952 for renovating and equipping the Cyber Center Complex, a project which was being managed by the Georgia Technology Authority (GTA) and transferred to the University as it is completed.

Intangible Right-to-Use Assets

Changes in intangible assets for the year ended June 30, 2023 are shown below:

	(Restated) Beginning Balances July 1, 2022	Additions	Reductions	Ending Balance June 30, 2023
Intangible Right-to-use Assets				
Building and Building Improvements	\$ 2,921,099	\$ 528,878	\$ —	\$ 3,449,977
Equipment	1,449,900	69,931	135,574	1,384,257
Subscription Based IT Arrangements (SBITAs)	3,896,341	—	—	3,896,341
	<u>8,267,340</u>	<u>598,809</u>	<u>135,574</u>	<u>8,730,575</u>
Less: Accumulated amortization				
Building and Building Improvements	387,813	414,890	—	802,703
Equipment	592,005	542,657	109,178	1,025,484
Subscription Based IT Arrangements (SBITAs)	—	474,857	—	474,857
	<u>979,818</u>	<u>1,432,404</u>	<u>109,178</u>	<u>2,303,044</u>
Intangible Right-to-use Assets, net	<u>\$ 7,287,522</u>	<u>\$ (833,595)</u>	<u>26,396</u>	<u>\$ 6,427,531</u>

The July 1, 2022 balance related to intangible right-to-use assets was restated as a result of the implementation of GASB Statement No. 96. See Note 1 - Restatement of Prior Year Net Position for additional information related to these transactions.

Note 7 Advances (Including Tuition and Fees)

Advances, including tuition and fees, consisted of the following at June 30, 2023:

	Current Liabilities
Prepaid Tuition and Fees	\$ 4,449,816
Research	38,327,632
Other - Advances	1,621,980
Totals	<u>\$ 44,399,428</u>

The amount in Other - Advances above includes \$559,982 from related parties.

Note 8 Long-Term Liabilities

Changes in long-term liability for the year ended June 30, 2023 was as follows:

	(Restated)			Balance June 30, 2023	Current Portion
	Balance July 1, 2022	Additions	Reductions		
Lease & Subscription Obligations					
Lease Obligations	\$ 3,060,824	\$ 598,809	\$ 462,259	\$ 3,197,374	\$ 501,931
Subscription Obligations	3,896,341	—	694,096	3,202,245	1,170,753
Total	<u>6,957,165</u>	<u>598,809</u>	<u>1,156,355</u>	<u>6,399,619</u>	<u>1,672,684</u>
Other Liabilities					
Compensated Absences	45,513,280	31,423,373	29,928,624	47,008,029	26,185,392
Notes and Loans Payable	<u>39,242,812</u>	<u>—</u>	<u>2,921,889</u>	<u>36,320,923</u>	<u>2,760,741</u>
Total	<u>84,756,092</u>	<u>31,423,373</u>	<u>32,850,513</u>	<u>83,328,952</u>	<u>28,946,133</u>
Total Long-Term Obligations	<u>\$ 91,713,257</u>	<u>\$ 32,022,182</u>	<u>\$ 34,006,868</u>	<u>\$ 89,728,571</u>	<u>\$ 30,618,817</u>

The July 1, 2022 balance related to Subscription Obligations was restated as a result of the implementation of GASB Statement No. 96. See Note 1 - Restatement of Prior Year Net Position for additional information related to these transactions.

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 2023 were \$2,921,889 and \$1,281,881, respectively. Interest rates range from 2.93% - 4.088%.

The University has \$36,320,923 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, 2023:

Description	Gross Amount (+)	Less: Accumulated Amortization (-)	Net Assets Held Under Financing Arrangements at June 30, 2023 (=)	Outstanding Balances per Lease Schedules at June 30, 2023
Finance Buildings and Building Improvements	\$ 59,733,497	\$ 29,964,264	\$ 29,769,233	\$ 36,320,923
Financed Equipment	1,195,266	1,195,266	—	—
Total Assets Held Under Finance Lease Arrangement	\$ 60,928,763	\$ 31,159,530	\$ 29,769,233	\$ 36,320,923

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
Cancer Research Center (CRC)	MCG-PPG, CRC LLC	\$ 27,704,398	30 years	01/2006	06/2034	\$ 17,421,019 (1)
University Housing	AU Foundation	20,246,137	30 years	09/2005	01/2035	12,537,972 (1)
Student Center	AU Foundation	11,782,962	29 years	03/2006	12/2033	6,361,932 (1)
Unified Communications	Key Govt Finance, Inc.	1,195,266	5 years	07/2018	07/2022	—
Total Leases		\$ 60,928,763				\$ 36,320,923

(1) These financing lease agreements are related party transactions.

Below is the annual debt service related to the outstanding notes payable at June 30, 2023.

Year Ending June 30:	Principal	Interest
2024	\$ 2,760,741	\$ 1,191,910
2025	2,854,706	1,098,856
2026	2,952,554	1,002,551
2027	3,043,794	902,941
2028	3,154,048	800,017
2029 through 2033	17,411,711	2,325,485
2034 through 2038	4,143,369	115,274
Total Notes and Loans Payable	\$ 36,320,923	\$ 7,437,034

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, 2023, consisted of the following:

Deferred Outflows of Resources

Deferred Outflows on Debt Refunding	\$ 1,817,098
Deferred Outflows on Defined Benefit Pension Plans (See Note 14)	224,094,288
Deferred Outflows on OPEB Plan (See Note 17)	71,654,387
Total Deferred Outflows of Resources	<u>\$ 297,565,773</u>

Deferred Inflows of Resources

Deferred Inflows on Debt Refunding	\$ 564,976
Deferred Inflows on Defined Benefit Pension Plans (See Note 14)	48,340,583
Deferred Inflows on OPEB Plan (See Note 17)	196,170,954
Deferred Inflows of Resources - Lease	293,967
Total Deferred Inflows of Resources	<u>\$ 245,370,480</u>

Deferred Outflows/Inflows on Debt Refunding

In October 2014, the MCG-PPG Cancer Research Center, LLC, refunded the bonds associated with this lease and passed the perceived economic advantages of this refunding to the University by reducing the interest rate to 4.15% and the lease term maturity to June, 2034. The future minimum lease payments did not change as a result of this refunding. The University recognized a Deferred Outflow on Debt Refunding in the amount of \$2,647,632. The unamortized Deferred Outflows on Debt Refunding at year end related to this transaction is \$1,617,997.

In October 2014, the Augusta University Foundation refunded the bonds associated with the student activities center and passed the perceived advantages of this refunding to the University by reducing the effective interest rate to 3.72% with a maturity date of December, 2033. The future minimum lease payments did not change as a result of the refunding. The University recognized a Deferred Loss on Debt Refunding of \$325,802. The unamortized Deferred Loss on Debt Refunding at year end related to this transaction is \$199,101.

In November 2012, the Augusta University Foundation refunded the bond associated with the student housing complex lease at 4.26% for the same term with the same maturity date of January, 2035. The University recognized a Deferred Gain on Debt Refunding of \$894,546. The unamortized Deferred Gain on Debt Refunding at year end related to this transaction is \$564,976.

Leases

The University entered into an agreement with Augusta University Medical Associates in July 2021 for the office space located at the Annex 1 Building, 1499 Walton Way, Augusta, Georgia 30901. The agreement is renewable for one year for a total receivable of \$571,764. The amortized revenue recorded in fiscal year 2023 was \$274,880 and the remaining Deferred Gain of resources was \$293,967.

Note 10 Net Position

The breakdown of business-type activity net position for the University fund at June 30, 2023 is as follows:

Net Investment in Capital Assets	\$ 689,578,484
Restricted for	
Nonexpendable	
Permanent Endowment	3,021,483
Expendable	
Sponsored and Other Organized Activities	32,101,370
Federal Loans	4,426,807
Institutional Loans	1,105,897
Quasi-Endowments	10,496,663
Sub-Total	48,130,737
Unrestricted	
Auxiliary Enterprises Operations	20,333,731
Reserve for Encumbrances	195,752,459
Capital Liability Reserve Fund	197,730
Other Unrestricted	(799,782,941)
Sub-Total	(583,499,021)
Total Net Position	\$ 157,231,683

Other unrestricted net position is reduced by \$555,734,000 related to the recording of net OPEB liability, deferred inflows of resources, and deferred outflows of resources related to OPEB plan. Other unrestricted net position is also reduced by \$292,828,634 related to the recording of net pension liability, deferred inflows of resources, and deferred outflows of resources related to benefit pension plans. These OPEB and pension balances are mostly funded through state appropriation and student tuition and fees that are subject to State surplus rules which prevent 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, 2023 are as follows:

	Balance July 1, 2022	Additions	Reductions	Balance June 30, 2023
Net Investments in Capital Assets	\$ 681,708,695	\$ 49,179,309	\$ 41,309,520	\$ 689,578,484
Restricted Net Position	46,218,126	430,573,169	425,639,075	51,152,220
Unrestricted Net Position	(715,283,824)	562,686,211	430,901,408	(583,499,021)
Total Net Position	\$ 12,642,997	\$ 1,042,438,689	\$ 897,850,003	\$ 157,231,683

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.

For the current year there was an investment loss of \$274,466 due to unrealized losses that exceeded the related endowment's available accumulated income and net appreciation.

Note 12 Significant Commitments

See the Net Position note for amounts reserved for outstanding encumbrances at June 30, 2023. In addition to these encumbrances, the University had other significant unearned outstanding construction or renovation contracts in the amount of \$508,956 executed as of June 30, 2023. This amount is not reflected in the accompanying basic financial statements.

Note 13 Leases and Subscriptions

The University leases facilities, office and computer equipment, and other assets. The University also enters into certain subscription-based contracts to use vendor-provided information technology (IT). Although lease and/or subscription terms vary, many leases and/or subscription agreements are subject to appropriation from the General Assembly to continue the obligation. In accordance with O.C.G.A. § 50-5-64, these agreements shall terminate absolutely and without further obligation at the close of the fiscal year in which it was executed and at the close of each succeeding fiscal year for which it may be renewed. These agreements may be renewed only by a positive action taken by the University. In addition, these agreements shall terminate if the State does not provide adequate funding, but that is considered a remote possibility. The University's principal and interest cash payments related to leases for fiscal year 2023 were \$602,498 and \$70,208 respectively. In addition, a principal adjustment of \$140,239 was made for leases ending early, bringing the total reduction to \$462,259. Interest rates range from 0.34% - 20.44%.

The University's principal and interest payments related to SBITAs for fiscal year 2023 were \$694,096 and \$66,804, respectively. Interest rate is 2.26%.

Lease Obligations

There were no residual guaranteed payment, variable payments based on performance, nor termination penalties expensed for fiscal year ended June 30, 2022.

The following is a summary of the carrying values of intangible right-to-use assets held under lease at June 30, 2023:

Description	Gross Amount	Less: Accumulated Amortization	Net Assets Held Under Lease Obligations at June 30, 2023	Outstanding Balance per Lease Schedules at June 30, 2023
	(+)	(-)	(=)	
Leased Equipment	\$ 1,384,257	\$ 1,025,484	\$ 358,773	\$ 547,008
Leased Buildings and Building Improvements	3,449,977	802,703	2,647,274	2,650,366
Total Assets Held Under Lease	<u>\$ 4,834,234</u>	<u>\$ 1,828,187</u>	<u>\$ 3,006,047</u>	<u>\$ 3,197,374</u>

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

Description	Lessor	Original Principal	Lease Term	Begin Month/Year	End Month/Year	Outstanding Principal
Multiple Individual Copier Leases	Various Vendors (Equipment)	\$ 720,372	5 years	44378	46174	\$ 212,970
KXL System	Glaukos (Equipment)	19,592	1.5 years	44378	44927	703
A447012-61044	Phoebe Putney Memorial Hospital (Building)	163,113	7 years	44378	47635	622,464
C452360-61043	Ballard Enterprises (Building)	106,413	3 years	44378	45444	12,007
N447791-61045	Green Acres (Building)	2,651,573	9 years	44378	47635	2,185,310
New copier leases FY2022	Various Vendors (Equipment)	127,774	5 years	44409	46204	98,842
New copier leases FY2023	Various Vendors (Equipment)	69,931	5 years	44743	46569	65,078
Total Leases		<u>\$ 3,858,768</u>				<u>\$ 3,197,374</u>

Certain leases provide for renewal options.

Below is the future commitments related to the outstanding lease obligations as of June 30, 2023:

Year Ending June 30:	Principal	Interest
2024	\$ 501,931	\$ 103,529
2025	467,055	79,687
2026	453,104	60,787
2027	436,296	45,236
2028	433,726	31,589
2029 through 2033	905,262	75,162
Total Minimum Lease Payments	<u>\$ 3,197,374</u>	<u>\$ 395,990</u>

Subscription Obligations

For the fiscal year 2023, there were no variable payments based on performance, nor termination penalties expensed for fiscal year ended June 30, 2023.

The following is a summary of the carrying values of intangible right-to-use assets held under SBITA at June 30, 2023:

Description	Gross Amount	Less: Accumulated Amortization	Net Assets Held Under Subscription Obligations at June 30, 2023	Outstanding Balance per Subscription Schedules at June 30, 2023
Subscription Based IT Arrangements (SBITAs)	<u>\$ 3,896,341</u>	<u>\$ 474,857</u>	<u>\$ 3,421,484</u>	<u>\$ 3,202,245</u>

Below are the future commitments related to the outstanding subscription obligations year at June 30, 2023:

	Principal	Interest
Year Ending June 30:		
2024	\$ 1,170,753	\$ 82,640
2025	964,449	40,451
2026	454,254	18,646
2027	612,789	8,794
Total Minimum Subscription Payments	\$ 3,202,245	\$ 150,531

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 two other retirement plans - the Augusta University Early Retirement Pension Plan and 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 2023. The University's contractually required contribution rate for the year ended June 30, 2023 was 19.98% of the annual University payroll. The University's contributions to TRS totaled \$40,784,840 for the year ended June 30, 2023.

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, 2023 was 31.01% of annual covered payroll for old and new plan members and 27.47% for GSEPS members. The rates include the annual actuarially determined contribution rate of 24.67% of annual covered payroll for old and new plan members and 21.59% for GSEPS members, plus a 6.34% adjustment to the old and new plan and a 5.88% adjustment to the GSEPS plan for the commencement of COLA prefunding for certain retired ERS members. The University's contributions to ERS totaled \$761,216 for the year ended June 30, 2023. 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, 2023, 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, 2022. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2021. An expected total pension liability as of June 30, 2022 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, 2022.

At June 30, 2022, the University's TRS proportion was 1.384352% which was a decrease of (0.261784)% from its proportion measured as of June 30, 2021. At June 30, 2022, the University's ERS proportion was 0.110932%, which was a decrease of (0.008970)% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the University recognized pension expense of \$53,827,682 for TRS and \$1,522,369 for ERS. At June 30, 2023, 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	\$ 18,659,930	\$ 2,339,887	\$ 15,911	\$ 67,195
Changes of assumptions	67,667,984	—	1,316,944	—
Net difference between projected and actual earnings on pension plan investments	88,319,041	—	860,798	—
Changes in proportion and differences between contributions and proportionate share of contributions	1,070,491	45,738,786	—	194,715
Contributions subsequent to the measurement date	40,784,840	—	761,216	—
Total	\$ 216,502,286	\$ 48,078,673	\$ 2,954,869	\$ 261,910

The University's contributions subsequent to the measurement date are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. 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
2024	\$ 33,722,930	\$ 974,050
2025	\$ 22,276,113	\$ 274,234
2026	\$ 13,449,115	\$ 21,464
2027	\$ 58,190,615	\$ 661,995

Actuarial assumptions

The total pension liability as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2021 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, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2013 – June 30, 2018, with the exception of the investment rate of return and payroll growth assumption.

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

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, 2021 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	Long-term expected real rate of return*	ERS Target allocation	Long-term expected real rate of return*
Fixed income	30.00 %	0.20 %	30.00 %	0.20 %
Domestic large equities	46.30 %	9.40 %	46.30 %	9.40 %
Domestic small equities	1.20 %	13.40 %	1.20 %	13.40 %
International developed market equities	12.30 %	9.40 %	12.30 %	9.40 %
International emerging market equities	5.20 %	11.40 %	5.20 %	11.40 %
Alternatives	5.00 %	10.50 %	5.00 %	10.50 %
Total	<u>100.00 %</u>		<u>100.00 %</u>	

* Rates shown are net of inflation

Discount rate

The discount rate used to measure the total TRS and ERS pension liability was 6.90% and 7.00%, respectively. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and State of Georgia contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the TRS and ERS pension plans' fiduciary net positions 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, 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	\$ 678,185,642	\$ 449,525,854	\$ 262,794,890

Employees' Retirement System:

	1% Decrease 6.00%	Current discount rate 7.00%	1% Increase 8.00%
Proportionate share of the net pension liability	\$ 9,862,158	\$ 7,408,555	\$ 5,345,264

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. Early Retirement Pension Plan

Plan Description

Augusta University Early Retirement Pension Plan (ERP) is a single-employer defined benefit pension plan administered by the University. The plan was derived by Augusta University as a means of workforce reduction and was approved by the Board of Regents of the University System of Georgia (BOR) effective January 1, 2000.

The plan was designed to provide eligible participants additional benefits above the amounts payable through Teachers Retirement System of Georgia (TRS). The plan was designed to allow vested employees aged 55 or employees of any age with 25 years of creditable service to retire without penalties as applied by the Teachers Retirement System of Georgia (TRS) for early retirement.

The plan would allow for all participants to retire as if they were vested and aged 60 or had attained 30 years of creditable service. Any member who opted into the Optional Retirement Plan aged 55 with 10 years of service by June 30, 2000 was also eligible to participate in the plan.

The plan is closed to new entrants. There were no active plan participants. As of January 1, 2023, plan participants consisted of the following:

Inactive Plan Participants:

Retirees and Beneficiaries Currently Receiving Benefits	533
Terminated Employees Entitled to Deferred Benefits	0
Disabled Employees Entitled to Deferred Benefits	0
	<hr/>
Total	533
	<hr/> <hr/>

Benefits Provided

TRS provides a benefit equal to 2.00% of the participant's average annual compensation during the two consecutive years of creditable service which produce the highest such average, multiplied by the number of years of creditable service, limited to 40 years.

If the participant has less than 30 years of creditable service and has not attained age 60 at the time of retirement, the benefit will be reduced by the lesser of 1/12 of 7% for each month that retirement precedes age 60 or 7% for each year or fraction of a year by which the participant has less than 30 years of creditable service at the time of retirement. In addition, a one-time 3% increase is applied to the first \$37,500 of the participant's benefit at retirement.

The ERP provides the additional benefits that would have been payable under TRS based on the following adjustments:

- Age of the participant was increased five years
- Participant's creditable service was increased five years
- Participant's annual rate of earnings as of August 1, 1999 was projected five years into the future with 3% increases each year

ERP benefits will be increased 3% a year as a cost-of-living adjustment (COLA): 1.5% on each January 1 and July 1. The ERP provided COLA's for both the ERP and TRS benefits until actual eligibility for a COLA through TRS occurred. Since that time, the ERP has provided COLA's only on the portion of the benefit paid by the ERP, and TRS has provided COLA's under the terms of the TRS plan.

The ERP does not issue a standalone report.

Funding Policy

The fund sources that provided for an employee's salary, as of December 31, 1999, would be responsible for funding the annuity to provide for retiree benefits. There is no additional cost to the employee/retiree, USG, or State of Georgia for this plan. Contributions are made by Augusta University based on the actuarial valuation of the plan. For fiscal year 2023, affiliated organizations contributed \$3,639,826 to the plan on-behalf of the University.

Since this plan was not pre-funded, Augusta University's approach is to collect and deposit as much into the ERP fund in the earlier years as is possible, thereby, realizing a greater return on investment. Effective January 1, 2021, the period to amortize the unfunded accrued liability was extended 1 year. With this change, the plan should be fully funded by June 30, 2026. The funding policy is reasonable and in compliance with minimum funding requirements set forth in Code Section 47-20-10 of the Public Retirement Systems Standards Law.

Investments

Augusta 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 of the institution to the citizens of Georgia and which conforms to the USG investment policy. All investments are consistent with USG policy and applicable Federal and state laws.

Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price. The Augusta University's Investment Policy and Guidelines for managing concentration of credit risk requires that stocks and debt issues be diversified. Augusta University also relies upon the concentration of credit risk policy of the individual investment vehicles related to plan assets. More than 5% of the Pension Plan's

Investments are in Invesco S&P Equal Weight EFT and Vanguard Total Stock Market ETF. These investments are 16.66% and 12.97%, respectively of the Plan's total investments.

For the fiscal year ended June 30, 2023, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 9.07%.

Net Pension Liability (NPL)

The components of the net pension liability at June 30, 2023 were as follows:

Total Pension Liability	\$ 139,141,479
Plan Fiduciary Net Position	<u>(127,493,549)</u>
Net Pension Liability	<u>\$ 11,647,930</u>

Plan Fiduciary Net Position as a percentage of total pension liability is 91.63%.

Actuarial Assumptions

The total pension liability was determined by the actuarial valuation as of January 1, 2023 with the results rolled forward to the June 30, 2023 measurement date using the following actuarial assumptions, applied to all periods included in the measurement: (a) rate of return of 7.00% per annum, compounded annually (b) inflation of 2.50% per annum, compounded annually, and (c) cost of living adjustments of 3% per annum, compounded annually.

There were no changes in actuarial methods from the prior year report. There were no other changes in plan provisions or actuarial assumptions and methods since the prior report.

The projection of cash flows used to determine the discount rate of 7.00% per annum, compounded annually assumes that employer contributions will be made at rates equal to the actuarially determined contribution rates. Based on that assumption, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was established with the January 1, 2023 valuation. A blend of future capital market projections and historical market returns was used in a building-block method in which a best-estimate of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These best-estimates 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 best-estimates of geometric real rates of return and the plan investment policy target asset allocation for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*	Weighted Real Return
Domestic Equity	80.00%	5.25%	4.20 %
Fixed income	20.00%	1.50%	0.30 %
Portfolio Real Return			4.50 %
Assumed Inflation			2.50 %
Long-Term Expected Rate of Return			7.00 %

*Rates shown are net of inflation.

Sensitivity of Net Pension Liability to Changes in the Discount Rate

The following represents the net pension liability calculated using the stated discount rate, as well as what 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:

	1% Decrease 6.00%	Current discount rate 7.00%	1% Increase 8.00%
Net Pension Liability	\$ 21,745,936	\$ 11,647,930	\$ 2,720,050

Schedule of Changes in Net Pension Liability

For the year ended June 30, 2023, the University recognized net pension liability of \$11,647,930 calculated as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance, June 30, 2022	\$ 143,616,807	\$ 122,854,687	\$ 20,762,120
Interest	9,550,729	—	9,550,729
Experience losses (gains)	329,586	—	329,586
Contributions - Employer	—	8,088,502	(8,088,502)
Net investment income	—	10,906,003	(10,906,003)
Benefit payments	(14,355,643)	(14,355,643)	—
Net Change	(4,475,328)	4,638,862	(9,114,190)
Balance, June 30, 2023	\$ 139,141,479	\$ 127,493,549	\$ 11,647,930

Affiliated organizations contributed \$3,639,826 to the plan on behalf of the University.

Schedule of Changes in Pension Expense

For the year ended June 30, 2023, the University recognized pension expense of \$2,425,323 from the following sources:

Interest	\$ 9,550,729
Projected investment income	(8,380,478)
Recognition of experience (gain)/loss	329,586
Investment losses (gains)	925,486
Pension Expense June 30, 2023	\$ 2,425,323

Deferred Outflows/Inflows of Resources

At June 30, 2023, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Pension Outflows of Resources	Deferred Pension Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 4,637,133	\$ —

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:		
2024	\$	921,536
2025	\$	(130,371)
2026	\$	4,351,073
2027	\$	(505,105)

C. 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 2023, 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 \$17,276,216 (9.24%) and \$11,218,321 (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 2023, the following self-insured health care options were available: Blue Choice HMO plan, (Blue Cross and Blue Shield of Georgia) Consumer Choice HSA plan, and the (Blue Cross and Blue Shield of Georgia) Comprehensive Care plan.

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

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

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

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

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

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

Note 16 Contingencies

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

Litigation, claims and assessments filed against the University, if any, are generally considered to be actions against the State of Georgia. Accordingly, significant litigation, claims and assessments pending against the State of Georgia are disclosed in the State of Georgia Annual Comprehensive Financial Report for the fiscal year ended June 30, 2023.

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 2023, 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, 2023:

Active Employees	4,449
Retirees or Beneficiaries Receiving Benefits	2,242
Retirees Receiving Life Insurance Only	<u>708</u>
 Total	 <u><u>7,399</u></u>

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

The University pays the employer portion for group insurance for eligible retirees. The employer portion of health insurance for its eligible retirees is based on rates that are established annually by the Board for the upcoming plan year. For the 2023 plan year, the employer rate was approximately 84% of the total health insurance cost for eligible retirees and the retiree rate was approximately 16%. 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 2023, the University contributed \$10,810,435 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, 2023, the University reported a liability for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2022. The total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation as of May 1, 2022. An expected total OPEB liability as of June 30, 2022 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, 2022. At June 30, 2022, the University's proportion was 10.885695%, which was a decrease of (0.744705)% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the University recognized OPEB expense of \$(14,650,878). At June 30, 2023, the University reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 19,911,153	\$ 3,611,257
Changes of assumptions	37,076,134	155,289,126
Net difference between projected and actual earnings on OPEB plan investments	1,744,501	—
Changes in proportion and differences between contributions and proportionate share of contributions	2,112,164	37,270,571
Contributions subsequent to the measurement date	<u>10,810,435</u>	<u>—</u>
Total	<u><u>\$ 71,654,387</u></u>	<u><u>\$ 196,170,954</u></u>

The University's contributions subsequent to the measurement date of \$10,810,435 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, 2024.

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:		
2024	\$	(36,709,474)
2025	\$	(36,469,769)
2026	\$	(35,645,761)
2027	\$	(24,741,867)
2028	\$	(1,760,131)
Thereafter	\$	—

Actuarial assumptions

The total OPEB liability as of June 30, 2022 was determined by an actuarial valuation as of May 1, 2022 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 6/30/2022 3.54% GO 20-Municipal Bond Index Rate Interest Rate as of 6/30/2021 2.16% from Bond Buyers GO 20- Municipal Bond Index; Discount Rate 2.18%
	Long-term Rate of Return 4.36% General Inflation 2.40% 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	7%
Medicare Eligible	4%
Ultimate Trend Rate	
Pre-Medicare Eligible	4.5%
Medicare Eligible	4%
Year Ultimate Trend is Reached	Fiscal Year 2034 for Pre-Medicare Eligible, Fiscal Year 2022 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 three-year period ending June 30, 2019 with the exception of the disability and salary increase assumptions. 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 experience.
- Trend rate schedule was updated to reflect anticipated future experience.
- Mortality improvement scale was updated from MP-2020 to MP-2021.
- Mortality base rates for future disabled participants were updated to reflect Pub-2010 for Teachers (headcount weighted) disabled mortality,
- The discount rate was updated from 2.18% as of June 30, 2021, to 3.54% as of June 30, 2022; and
- The Expected Return on Assets was changed from 4.37% to 4.36%.

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, 2022 are summarized in the following table:

Asset Class	Long-term Expected Real Rate of Return, Net of Inflation	Target Allocation
Fixed Income	0.34 %	70 %
Equity Allocation	4.03 %	30 %

Discount rate

The Plan's projected fiduciary net position at the end of 2025 is \$0, based on the valuation completed for the fiscal year ending June 30, 2022. 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 2026. Therefore, the long-term expected rate of return on Plan investments of 4.36% per annum was not applied to all periods of projected benefit payments to determine the total OPEB liability as of June 30, 2022. Instead, a yield or index rate for a 20 year, tax-exempt general obligation municipal bond with an average rating of AA or higher was used. This rate was determined to be 3.54% 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% lower (2.54%) or 1% higher (4.54%) than the current discount rate (3.54%):

	1% Decrease 2.54%	Current Rate 3.54%	1% Increase 4.54%
Proportionate Share of the Net OPEB Liability	\$ 512,240,581	\$ 431,217,433	\$ 367,447,257

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% lower or 1% higher than the current healthcare cost trend rates:

	1% Decrease	Current Rate	1% Increase
Proportionate Share of the Net OPEB Liability	\$ 370,027,215	\$ 431,217,433	\$ 509,795,272
Pre-Medicare Eligible	6.0% decreasing to 3.5%	7.0% decreasing to 4.5%	8.0% decreasing to 5.5%
Medicare Eligible	3.0%	4.0%	5.0%

OPEB plan fiduciary net position:

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

Note 18 Operating Expenses with Functional Classifications

Business-type activity operating expenses by functional classification for fiscal year 2023 are shown below:

Functional Classification	Natural Classification				
	Faculty Salaries	Staff Salaries	Employee Benefits	Personal Services	Travel
Instruction	\$ 96,115,015	\$ 24,635,096	\$ 20,137,598	\$ 527,967	\$ 1,362,697
Research	33,146,436	21,943,355	14,697,702	52,954	1,112,362
Public Service	7,809,260	20,168,510	8,347,811	10,991	409,323
Academic Support	13,429,303	21,351,624	12,649,749	59,187	236,461
Student Services	915,177	4,476,381	1,811,503	103,790	162,964
Institutional Support	5,495,180	25,323,376	29,962,234	303,923	328,912
Plant Operations and Maintenance	402,600	13,197,102	5,464,687	20,097	32,973
Scholarships and Fellowships	—	—	—	—	—
Auxiliary Enterprises	131,733	4,996,586	1,755,660	14,793	69,028
Patient Care	123,072,465	76,472,125	44,086,973	512,531	320,709
Total Operating Expenses	\$ 280,517,169	\$ 212,564,155	\$ 138,913,917	\$ 1,606,233	\$ 4,035,429

Functional Classification	Natural Classification				
	Scholarships and Fellowships	Utilities	Supplies and Other Services	Depreciation/Amortization	Total Operating Expenses
Instruction	\$ 1,253,187	\$ 1,147,713	\$ 24,044,648	\$ 18,479,013	\$ 187,702,934
Research	115,258	67,666	29,786,208	3,551,549	104,473,490
Public Service	151,664	186,681	17,948,309	512,320	55,544,869
Academic Support	62	149,306	6,397,698	2,976,904	57,250,294
Student Services	49,675	56,590	3,402,444	18,542	10,997,066
Institutional Support	—	(11,032)	15,504,413	7,152,225	84,059,231
Plant Operations and Maintenance	—	12,456,702	12,772,024	6,234,985	50,581,170
Scholarships and Fellowships	9,756,809	—	—	—	9,756,809
Auxiliary Enterprises	884,176	504,257	8,997,666	1,139,287	18,493,186
Patient Care	—	92,511	15,760,177	57,089	260,374,580
Total Operating Expenses	\$ 12,210,831	\$ 14,650,394	\$ 134,613,587	\$ 40,121,914	\$ 839,233,629

Note 19 Subsequent Events

In July of 2023, Georgia's Office of Attorney General approved the partnership between the University System of Georgia, Augusta University Health System (AUHS), Augusta University Medical College of Georgia and Wellstar Health system. Wellstar will become the "parent" organization of AUHS. AUHS will be a subsidiary of Wellstar and will be called Wellstar MCG Health. Current Wellstar facilities will retain their same name and branding. The partnership will expand Augusta University's educational and research missions, expand opportunities for students to learn and train in the medical field, and provide expanded support for more patients across the state of Georgia. Although the partnership was effective on August 30, 2023, most of the day-to-day operations will remain the same.

Augusta University (AU) entered into an agreement with the AU Jaguar Facilities Development, LLC (AUJFD) where AUJFD would construct a parking deck facility. AU paid an initial rent payment of \$16,958,990 in October 2023. This new facility will be leased to AU for a 30-year period through June 30, 2055, with lease payments totaling \$49,916,170. At the end of the lease, the ownership of the parking deck facility will transfer to AU. The commencement of the lease will occur on the first day of the first month following substantial completion, but no earlier than July 1, 2025. On October 1, 2023, AU Jaguar Facilities Development, LLC entered into a promissory note agreement to repay \$20,640,000 Series 2023 bonds issued by the Development Authority of Augusta, Georgia. The proceeds of the bonds will be used for the purpose of (a) financing the cost of constructing and equipping a parking deck facility consisting of approximately 1,350 spaces to be located on the Health Sciences campus of

Augusta University, (b) fund capitalized interest for the Series 2023 Bonds and (c) paying all or a portion of the costs of issuing the Series 2023 Bonds.

Note 20 Component Units

Augusta University Foundation, Inc.

The Augusta University Foundation, Inc. (AUF) 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 AUF acts primarily as a fund-raising organization to supplement the resources that are available to Augusta University in support of its programs. During the year ended June 30, 2023, the AUF distributed approximately \$4,792,289 to Augusta University in support of capital outlay projects, scholarships, and other supporting activities.

Augusta University Research Institute, Inc.

Augusta University Research Institute, Inc. (AURI) is a legally separate, tax-exempt component unit of the State of Georgia reporting entity that reports under GASB standards. The AURI serves to enhance the research mission of Augusta University by securing sponsored research funding and by providing funding of special research initiatives. During the year ended June 30, 2023, the AURI distributed approximately \$83,365,958 to Augusta University in support of capital outlay projects, scholarships, and other supporting activities.

Augusta University Real Estate Foundation, Inc. (formerly known as Georgia Health Sciences Foundation, Inc.)

Augusta University Real Estate Foundation (AUREF) 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 AUREF is organized and operated for the purpose of managing real property gifts and other real estate investments to support the educational purposes of Augusta University and its affiliated entities. During the year ended June 30, 2023, the AUREF distributed approximately \$146,607 to Augusta University in support of capital outlay projects, scholarships, and other supporting activities.

AU Health System, Inc.

AU Health System, Inc. (the Health System), located in Augusta, Georgia, was incorporated under the laws of the State of Georgia as a nonprofit corporation on June 1, 2010. The Health System is a legally separate, tax-exempt organization, which was established to promote the health science education missions and other tax-exempt functions and purposes of the Augusta University (the University), AU Medical Associates (AUMA), AU Medical Center, Inc. (AUMC), Roosevelt Warm Springs Rehabilitation & Specialty Hospitals, Inc. (RWSH), and other cooperating organizations and entities within the University. The Health System reports under FASB standards.

Georgia Regents Real Estate Corporation d/b/a Augusta University Real Estate Corporation

Georgia Regents Real Estate Corporation (GRREC) d/b/a Augusta University Real Estate Corporation is a legally separate, tax-exempt component unit of the State of Georgia reporting entity that reports under GASB standards. The GRREC serves to receive funds, property and other things of value on behalf of and to manage and administer such items solely for the exclusive benefit of the Board of Regents of the University System of Georgia on behalf of the Georgia Cyber Innovation and Training Center (GCITC) of Georgia located at Augusta University.

During the year ended June 30, 2023, the GRREC distributed approximately \$118,780 to Augusta University for payments for parking.

Medical College of Georgia Foundation, Inc.

Medical College of Georgia Foundation, Inc. (the Foundation) is a nonprofit corporation incorporated under the laws of the State of Georgia in 1954. The Foundation serves the needs and interests of the Medical College of Georgia, the Augusta University Health Sciences campus, and the Augusta University Health System. The Foundation presents its financial statements in accordance with Financial Accounting Standards Board (FASB) ASC, Financial

Statements of Not-for-Profit Organizations. 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.

Medical College of Georgia Foundation, Inc. receives and administers funds for the support of the Medical College of Georgia, the Augusta University Health Sciences campus, and the Augusta University Health System, and manages investments and distributed funds in accordance with donor instructions and board of director's intentions for gifts. The Foundation provides support for faculty chairs, research, scholarships, and other institutional programs. During the year ended June 30, 2023, the Foundation paid approximately \$8,089,794 to Augusta University and its affiliates in support of students and University programs. The Foundation paid approximately \$1,137,105 to non-affiliated organizations on behalf of Augusta University.

Elimination and Consolidation Adjustments

An elimination entry was necessary for Augusta University Research Institution, Inc. to increase Current Assets Accounts Receivable, net - Primary Government in the amount of \$35,864 and to decrease Current Liabilities Due To Primary Government in the amount of \$35,864. This was to reflect the correct Current Assets Primary Government due from Augusta University as it was netted with the Current Liabilities Due To Primary Government.

Combined component unit's investments are comprised of the following amounts at June 30, 2023:

	<u>Fair Value</u>
Investment type	
Debt Securities	
U.S. Agencies	
Implicitly Guaranteed	\$ 5,303,293
Bond Securities	3,716,246
General Obligation Bonds	297,021
Money Market Mutual Funds	5,411,143
Mutual Bond Funds	61,987,849
Repurchase Agreements	670,350
Other Investments	
Equity Mutual Funds - Domestic	28,551,972
Equity Mutual Funds - International	7,366,242
Equity Securities - Domestic	5,595,589
Equity Securities - International	1,211,924
Private Equities	297,331,980
Real Estate Held for Investment Purposes	1,221,117
Real Estate Investment Trusts	1,617,471
Real Asset Limited Partnerships	15,839,464
Other	292,339
	<u>436,414,000</u>
Investment Pools	
Board of Regents	
Short-Term Fund	7,883,585
Balanced Income Fund	4,584,843
Total Return Fund	11,079
	<u>11,079</u>
Total Investments	<u>\$ 448,893,507</u>

Of the investments disclosed above, \$7,883,585 of the Board of Regents Short-Term investment pool held by Augusta University Research Institute, Inc. and Augusta University Foundation, Inc. is reported as cash and cash equivalents on the Statement of Net Position.

Component unit's noncurrent cash and cash equivalents are restricted assets limited as to use.

Combined component unit's endowments are comprised of the following amounts at June 30, 2023:

	Without Donor Restrictions	With Donor Restrictions	Total
Beginning	\$ 37,698,875	\$ 278,326,810	\$ 316,025,685
Contributions	1,222,014	19,657,540	20,879,554
Net realized and unrealized gains	1,127,467	25,260,595	26,388,062
Appropriation of endowment assets for expenditure	(681,410)	(18,596,914)	(19,278,324)
Transfers to comply with donor intent	3,687,428	20,522	3,707,950
Other	349,081	(6,308,495)	(5,959,414)
Ending	<u>\$ 43,403,455</u>	<u>\$ 298,360,058</u>	<u>\$ 341,763,513</u>

Combined amounts due to component units related to investments in financing lease arrangement activity as of June 30, 2023 is as follows:

Year Ending June 30:	Year:	Principal	Interest	Total
2024	1	\$ 2,760,741	\$ 500,494	\$ 3,261,235
2025	2	2,854,706	460,151	3,314,857
2026	3	2,952,554	418,637	3,371,191
2027	4	3,043,794	375,894	3,419,688
2028	5	3,154,048	331,947	3,485,995
2029 through 2033	6-10	17,661,381	957,908	18,619,289
2034 through 2038	11-15	3,893,699	38,164	3,931,863
Total Minimum Lease Payments to be Received		<u>\$ 36,320,923</u>	<u>\$ 3,083,195</u>	<u>\$ 39,404,118</u>

Combined component unit's capital assets are comprised of the following amounts at June 30, 2023:

Capital Assets not being Depreciated:	
Land and Land Improvements	\$ 34,893,661
Construction Work-in-Progress	25,296,452
Software Development-in-Progress	<u>572,603</u>
Total Capital Assets not being Depreciated	<u>60,762,716</u>
Capital Assets, Being Depreciated/Amortized:	
Buildings and Building Improvements	42,337,341
Facilities and Other Improvements	235,872,791
Equipment	262,147,083
Patents, Trademarks, and Copyrights	160,000
Software	<u>106,612,022</u>
Total Capital Assets being Depreciated/Amortized	647,129,237
Less Total Accumulated Depreciation/Amortization	<u>458,582,136</u>
Total Capital Assets being Depreciated/Amortized, Net	<u>188,547,101</u>
Capital Assets, Net	<u><u>\$ 249,309,817</u></u>

Combined intangible right-to-use assets for Component Units are comprised of the following amounts at June 30, 2023:

Intangible Right-to-use Assets, Being Amortized	
Land and Land Improvements	\$ 562,830
Building and Building Improvements	38,943,757
Equipment	15,680,869
Subscription Based IT Arrangements	<u>45,546,835</u>
Total Intangible Assets, Being Amortized	100,734,291
Less: Accumulated Amortization	
Land and Land Improvements	52,470
Building and Building Improvements	13,447,777
Equipment	9,113,283
Subscription Based IT Arrangements	<u>8,807,472</u>
Total Accumulated Amortization	<u>31,421,002</u>
Intangible Right-to-use Assets, net	<u><u>\$ 69,313,289</u></u>

Combined component unit's long-term liabilities are comprised of the following amounts at June 30, 2023:

	(Restated) Beginning Balance	Additions	Reductions	Ending Balance	Amounts due within One Year
Compensated Absences	\$ 26,308,094	\$ 5,368,800	\$ 5,795,668	\$ 25,881,226	\$ 25,881,226
Lease Obligations	46,386,341	4,228,416	10,901,083	39,713,674	9,307,068
Subscription Obligations	34,788,154	10,930,929	9,450,376	36,268,707	8,900,360
Liabilities under Split Interest Agreement	808,175	68,103	669	875,609	1,625
Notes and Loans Payable	16,253,617	2,747,708	1,222,016	17,779,309	13,279,309
Interest Rate Swap	10,336,669	—	10,336,669	—	—
Other Post Employment Benefits Obligation	5,108,880	308,232	4,244,942	1,172,170	—
Revenue/Mortgage Bonds Payable	216,380,000	—	9,800,000	206,580,000	93,525,000
Bond - Premium	4,790,723	—	492,022	4,298,701	—
Unamortized Issuance and Other Bond Related Costs	(673,292)	—	(47,423)	(625,869)	—
Total Long Term Liabilities	\$ 360,487,361	\$ 23,652,188	\$ 52,196,022	\$ 331,943,527	\$ 150,894,588

Combined component unit's lease obligations are comprised of the following amounts at June 30, 2023:

	Principal	Interest	Total
Year ending June 30:			
2024	\$ 9,307,068	\$ 1,353,343	\$ 10,660,411
2025	7,345,457	1,055,108	8,400,565
2026	6,425,691	799,085	7,224,776
2027	5,007,515	583,515	5,591,030
2028	4,092,046	396,951	4,488,997
2029 through 2033	7,139,531	443,955	7,583,486
2034 through 2038	121,977	41,303	163,280
2039 through 2043	165,308	23,978	189,286
2044 through 2048	109,081	3,738	112,819
Total minimum lease payments	\$ 39,713,674	\$ 4,700,976	\$ 44,414,650

Combined component unit's subscription obligations are comprised of the following amounts at June 30, 2023:

	Principal	Interest	Total
Year ending June 30:			
2024	\$ 8,900,360	\$ 1,321,367	\$ 10,221,727
2025	7,017,589	975,235	7,992,824
2026	6,256,632	701,051	6,957,683
2027	6,449,062	447,866	6,896,928
2028	6,662,946	184,938	6,847,884
2029 through 2033	982,118	11,628	993,746
Total minimum lease payments	\$ 36,268,707	\$ 3,642,085	\$ 39,910,792

Combined component unit's notes and loans payable are comprised of the following amounts at June 30, 2023:

	Principal	Interest	Total
Year ending June 30:			
2024	\$ 13,279,309	\$ 95,974	\$ 13,375,283
2025	4,500,000	—	4,500,000
Total	\$ 17,779,309	\$ 95,974	\$ 17,875,283

Combined component unit's bonds payable are comprised of the following amounts at June 30, 2023:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30:			
2024	\$ 93,525,000	\$ 6,638,900	\$ 100,163,900
2025	3,875,000	4,918,100	8,793,100
2026	4,765,000	4,683,975	9,448,975
2027	5,205,000	4,449,088	9,654,088
2028	5,480,000	4,201,892	9,681,892
2029 through 2033	37,800,000	16,876,653	54,676,653
2034 through 2038	44,930,000	8,313,816	53,243,816
2039 through 2043	11,000,000	440,000	11,440,000
	<u>206,580,000</u>	<u>50,522,424</u>	<u>257,102,424</u>
Bond Premium	4,298,701	—	4,298,701
Bond (Discount and Other Issuance Cost)	(625,869)	—	(625,869)
Total	<u>\$ 210,252,832</u>	<u>\$ 50,522,424</u>	<u>\$ 260,775,256</u>



Required Supplementary Information

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

	Year Ended	Actuarially Determined Contribution (a)	Contributions in Relation to the Actuarially Determined Contribution (b)	Contribution Deficiency (Excess) (a-b)	Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
Early Retirement Plan	June 30, 2023	\$ 8,088,502	\$ 8,088,502	\$ —	N/A	N/A
	June 30, 2022	\$ 10,416,356	\$ 20,416,356	\$ (10,000,000)	N/A	N/A
	June 30, 2021	\$ 10,838,070	\$ 10,838,070	\$ —	N/A	N/A
	June 30, 2020	\$ 11,474,114	\$ 11,474,114	\$ —	N/A	N/A
	June 30, 2019	\$ 11,521,141	\$ 13,084,672	\$ (1,563,531)	N/A	N/A
	June 30, 2018	\$ 11,767,714	\$ 13,084,672	\$ (1,316,958)	N/A	N/A
	June 30, 2017	\$ 12,107,903	\$ 13,084,672	\$ (976,769)	N/A	N/A
	June 30, 2016	\$ 12,760,669	\$ 13,084,672	\$ (324,003)	N/A	N/A
	June 30, 2015	\$ 12,996,582	\$ 13,084,672	\$ (88,090)	N/A	N/A
	June 30, 2014	\$ 13,045,051	\$ 13,084,672	\$ (39,621)	N/A	N/A
Employees' Retirement System	June 30, 2023	\$ 761,216	\$ 761,216	\$ —	\$ 2,464,985	30.88%
	June 30, 2022	\$ 603,561	\$ 603,561	\$ —	\$ 2,459,921	24.54%
	June 30, 2021	\$ 696,020	\$ 696,020	\$ —	\$ 2,900,019	24.00%
	June 30, 2020	\$ 738,277	\$ 738,277	\$ —	\$ 3,003,087	24.58%
	June 30, 2019	\$ 781,583	\$ 781,583	\$ —	\$ 3,160,791	24.73%
	June 30, 2018	\$ 816,038	\$ 816,038	\$ —	\$ 3,296,810	24.75%
	June 30, 2017	\$ 457,473	\$ 457,473	\$ —	\$ 1,845,641	24.79%
	June 30, 2016	\$ 178,786	\$ 178,786	\$ —	\$ 723,246	24.72%
	June 30, 2015	\$ 143,532	\$ 143,532	\$ —	\$ 653,608	21.96%
	June 30, 2014	\$ 104,806	\$ 104,806	\$ —	\$ 567,746	18.46%
Teachers Retirement System	June 30, 2023	\$ 40,784,840	\$ 40,784,840	\$ —	\$ 204,119,469	19.98%
	June 30, 2022	\$ 37,038,439	\$ 37,038,439	\$ —	\$ 186,957,522	19.81%
	June 30, 2021	\$ 40,828,505	\$ 40,828,505	\$ —	\$ 218,843,507	18.66%
	June 30, 2020	\$ 47,068,026	\$ 47,068,026	\$ —	\$ 222,651,221	21.14%
	June 30, 2019	\$ 43,584,273	\$ 43,584,273	\$ —	\$ 208,586,496	20.90%
	June 30, 2018	\$ 34,287,410	\$ 34,287,410	\$ —	\$ 203,978,259	16.81%
	June 30, 2017	\$ 27,473,760	\$ 27,473,760	\$ —	\$ 192,528,053	14.27%
	June 30, 2016	\$ 26,234,649	\$ 26,234,649	\$ —	\$ 183,847,072	14.27%
	June 30, 2015	\$ 23,837,005	\$ 23,837,005	\$ —	\$ 181,274,041	13.15%
	June 30, 2014	\$ 21,780,531	\$ 21,780,531	\$ —	\$ 177,368,194	12.28%

**AUGUSTA UNIVERSITY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
MULTIPLE EMPLOYER DEFINED BENEFIT PENSION PLANS
FOR THE LAST NINE 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, 2023	0.110932%	\$ 7,408,555	\$ 2,459,921	301.17%	67.44%
	June 30, 2022	0.119902%	\$ 2,804,393	\$ 2,900,019	96.70%	87.62%
	June 30, 2021	0.120412%	\$ 5,075,314	\$ 3,003,087	169.00%	76.21%
	June 30, 2020	0.123308%	\$ 5,088,343	\$ 3,160,791	160.98%	76.74%
	June 30, 2019	0.129632%	\$ 5,329,214	\$ 3,296,810	161.65%	76.68%
	June 30, 2018	0.074670%	\$ 3,032,599	\$ 1,845,641	164.31%	76.33%
	June 30, 2017	0.031106%	\$ 1,471,444	\$ 723,246	203.45%	72.34%
	June 30, 2016	0.025072%	\$ 1,102,710	\$ 653,608	168.71%	76.20%
	June 30, 2015	0.025214%	\$ 945,681	\$ 567,746	166.57%	77.99%
Teachers Retirement System	June 30, 2023	1.384352%	\$ 449,525,854	\$ 186,957,522	240.44%	72.85%
	June 30, 2022	1.646136%	\$ 145,589,749	\$ 218,843,507	66.53%	92.03%
	June 30, 2021	1.722620%	\$ 417,285,987	\$ 222,651,221	187.42%	77.01%
	June 30, 2020	1.708647%	\$ 367,405,307	\$ 208,586,496	176.14%	78.56%
	June 30, 2019	1.712017%	\$ 317,787,027	\$ 203,978,259	155.79%	80.27%
	June 30, 2018	1.676517%	\$ 311,585,848	\$ 192,528,053	161.84%	79.33%
	June 30, 2017	1.675586%	\$ 345,692,075	\$ 183,847,072	188.03%	76.06%
	June 30, 2016	1.716662%	\$ 261,344,743	\$ 181,274,041	144.17%	81.44%
	June 30, 2015	1.738329%	\$ 219,614,941	\$ 177,368,194	123.82%	84.03%

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

**AUGUSTA UNIVERSITY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYERS' AND NON-EMPLOYERS' NET PENSION LIABILITY
EARLY RETIREMENT PLAN - AUGUSTA UNIVERSITY
SINGLE EMPLOYER DEFINED BENEFIT PENSION PLAN
FOR THE LAST TEN FISCAL YEARS**

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	Covered Payroll	Employers' and Nonemployers' Net Pension Liability as a Percentage of Covered Payroll
June 30, 2023	\$ 139,141,479	\$ (127,493,549)	\$ 11,647,930	91.63 %	— %	N/A
June 30, 2022	\$ 143,616,807	\$ (122,854,687)	\$ 20,762,120	85.54 %	— %	N/A
June 30, 2021	\$ 150,586,024	\$ (131,608,571)	\$ 18,977,453	87.40 %	— %	N/A
June 30, 2020	\$ 144,974,323	\$ (105,142,271)	\$ 39,832,052	72.52 %	— %	N/A
June 30, 2019	\$ 146,605,709	\$ (105,375,867)	\$ 41,229,842	71.88 %	— %	N/A
June 30, 2018	\$ 148,863,688	\$ (99,022,119)	\$ 49,841,569	66.52 %	— %	N/A
June 30, 2017	\$ 149,152,995	\$ (90,408,065)	\$ 58,744,930	60.61 %	— %	N/A
June 30, 2016	\$ 151,817,059	\$ (80,322,348)	\$ 71,494,711	52.91 %	— %	N/A
June 30, 2015	\$ 143,780,226	\$ (79,125,737)	\$ 64,654,489	55.03 %	— %	N/A
June 30, 2014	\$ 145,384,819	\$ (76,193,610)	\$ 69,191,209	52.41 %	— %	N/A

**AUGUSTA UNIVERSITY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY
EARLY RETIREMENT PLAN - AUGUSTA UNIVERSITY
SINGLE EMPLOYER DEFINED BENEFIT PENSION PLAN**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total Pension Liability					
Interest	\$ 9,550,729	\$ 10,039,980	\$ 9,993,093	\$ 10,461,152	\$ 10,636,036
Differences Between Expected and Actual Experience	329,586	(2,387,778)	336,562	393,469	1,581,985
Changes of Assumptions	—	(305,931)	9,559,171	1,761,370	(376,246)
Benefit Payments/Refunds	<u>(14,355,643)</u>	<u>(14,315,488)</u>	<u>(14,277,125)</u>	<u>(14,247,377)</u>	<u>(14,099,754)</u>
Net Change in Total Pension Liability	(4,475,328)	(6,969,217)	5,611,701	(1,631,386)	(2,257,979)
Total Pension Liability - Beginning	<u>143,616,807</u>	<u>150,586,024</u>	<u>144,974,323</u>	<u>146,605,709</u>	<u>148,863,688</u>
Total Pension Liability - Ending (a)	<u>\$ 139,141,479</u>	<u>\$ 143,616,807</u>	<u>\$ 150,586,024</u>	<u>\$ 144,974,323</u>	<u>\$ 146,605,709</u>
Plan Fiduciary Net Position					
Contributions - Employer	\$ 8,088,502	\$ 20,416,356	\$ 10,838,070	\$ 11,474,114	\$ 13,084,672
Net Investment Income	10,906,003	(14,854,752)	29,905,355	2,539,667	7,368,830
Benefit Payments/Refunds	<u>(14,355,643)</u>	<u>(14,315,488)</u>	<u>(14,277,125)</u>	<u>(14,247,377)</u>	<u>(14,099,754)</u>
Net Change in Plan Fiduciary Net Position	4,638,862	(8,753,884)	26,466,300	(233,596)	6,353,748
Plan Fiduciary Net Position - Beginning	<u>122,854,687</u>	<u>131,608,571</u>	<u>105,142,271</u>	<u>105,375,867</u>	<u>99,022,119</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$ 127,493,549</u>	<u>\$ 122,854,687</u>	<u>\$ 131,608,571</u>	<u>\$ 105,142,271</u>	<u>\$ 105,375,867</u>
Net Pension Liability Ending (a - b)	<u>\$ 11,647,930</u>	<u>\$ 20,762,120</u>	<u>\$ 18,977,453</u>	<u>\$ 39,832,052</u>	<u>\$ 41,229,842</u>

**AUGUSTA UNIVERSITY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY
EARLY RETIREMENT PLAN - AUGUSTA UNIVERSITY
SINGLE EMPLOYER DEFINED BENEFIT PENSION PLAN**

	2018	2017	2016	2015	2014
Total Pension Liability					
Interest	\$ 10,669,543	\$ 10,875,630	\$ 10,278,138	\$10,405,981	\$ 10,607,438
Differences Between Expected and Actual Experience	664,493	77,619	1,349,554	1,266,248	(127,876)
Changes of Assumptions	2,161,493	—	9,885,919	—	—
Benefit Payments/Refunds	(13,784,836)	(13,617,313)	(13,476,778)	(13,276,822)	(13,054,512)
Net Change in Total Pension Liability	(289,307)	(2,664,064)	8,036,833	(1,604,593)	(2,574,950)
Total Pension Liability - Beginning	149,152,995	151,817,059	143,780,226	145,384,819	147,959,769
Total Pension Liability - Ending (a)	<u>\$ 148,863,688</u>	<u>\$ 149,152,995</u>	<u>\$ 151,817,059</u>	<u>\$ 143,780,226</u>	<u>\$ 145,384,819</u>
Plan Fiduciary Net Position					
Contributions - Employer	\$ 13,084,672	\$ 13,084,672	\$ 13,084,672	\$ 13,084,672	\$ 13,084,672
Net Investment Income	9,314,218	10,618,358	1,588,717	3,124,277	11,727,751
Benefit Payments/Refunds	(13,784,836)	(13,617,313)	(13,476,778)	(13,276,822)	(13,054,512)
Net Change in Plan Fiduciary Net Position	8,614,054	10,085,717	1,196,611	2,932,127	11,757,911
Plan Fiduciary Net Position - Beginning	90,408,065	80,322,348	79,125,737	76,193,610	64,435,699
Plan Fiduciary Net Position - Ending (b)	<u>\$ 99,022,119</u>	<u>\$ 90,408,065</u>	<u>\$ 80,322,348</u>	<u>\$ 79,125,737</u>	<u>\$ 76,193,610</u>
Net Pension Liability Ending (a - b)	<u>\$ 49,841,569</u>	<u>\$ 58,744,930</u>	<u>\$ 71,494,711</u>	<u>\$ 64,654,489</u>	<u>\$ 69,191,209</u>

**AUGUSTA UNIVERSITY
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF INVESTMENT RETURNS
 EARLY RETIREMENT PLAN - AUGUSTA UNIVERSITY
 SINGLE EMPLOYER DEFINED BENEFIT PENSION PLAN
 FOR THE LAST TEN FISCAL YEARS**

	<u>Annual Money-Weighted Rate of Return, Net Investment Expense</u>
June 30, 2023	9.07 %
June 30, 2022	(11.47)%
June 30, 2021	29.04 %
June 30, 2020	2.43 %
June 30, 2019	7.53 %
June 30, 2018	10.42 %
June 30, 2017	13.39 %
June 30, 2016	2.02 %
June 30, 2015	4.13 %
June 30, 2014	18.35 %

**AUGUSTA UNIVERSITY
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
DEFINED BENEFIT PENSION PLANS
METHODS AND ASSUMPTIONS
FOR FISCAL YEAR ENDED JUNE 30, 2023**

Early Retirement Plan:

There were no changes in actuarial methods or assumptions from the prior year report.

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%.

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. The assumption for future COLAs was set at 1.05%. 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, disability, withdrawal and salary increases. The expectation of retired life mortality was changed to RP-2000 White Collar Mortality Table with future mortality improvement projected to 2025 with the Society of Actuaries' projection scale BB (set forward one year for males).

On May 15, 2019, the Board adopted and 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%.

**AUGUSTA UNIVERSITY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS FOR OPEB PLAN
BOARD OF REGENTS RETIREE HEALTH BENEFIT PLAN
FOR THE LAST SEVEN 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, 2023	\$ 10,810,435	\$ 10,810,435	\$ —	\$ 469,742,401	2.30%
June 30, 2022	\$ 15,903,443	\$ 15,903,443	\$ —	\$ 466,404,190	3.41%
June 30, 2021	\$ 13,651,850	\$ 13,651,850	\$ —	\$ 472,381,448	2.89%
June 30, 2020	\$ 12,062,285	\$ 12,062,285	\$ —	\$ 473,972,170	2.54%
June 30, 2019	\$ 18,702,320	\$ 18,702,320	\$ —	\$ 415,848,815	4.50%
June 30, 2018	\$ 18,710,488	\$ 18,710,488	\$ —	\$ 400,360,594	4.67%
June 30, 2017	\$ 11,802,809	\$ 11,802,809	\$ —	\$ 378,955,612	3.11%

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

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

<u>Year Ended</u>	<u>Proportion of the Net OPEB Liability</u>	<u>Proportionate Share of the Net OPEB Liability</u>	<u>Covered Employee Payroll</u>	<u>Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability</u>
June 30, 2023	10.885695%	\$ 431,217,433	\$ 466,404,190	92.46%	5.08%
June 30, 2022	11.630400%	\$ 585,367,408	\$ 472,381,448	123.92%	3.74%
June 30, 2021	11.734653%	\$ 625,893,448	\$ 473,972,170	132.05%	2.91%
June 30, 2020	11.661036%	\$ 521,431,154	\$ 415,848,815	125.39%	3.13%
June 30, 2019	11.810690%	\$ 520,940,139	\$ 400,360,594	130.12%	1.69%
June 30, 2018	11.852125%	\$ 500,127,185	\$ 378,955,612	131.98%	0.19%

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

**AUGUSTA UNIVERSITY
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION FOR OPEB PLAN
BOARD OF REGENTS RETIREE HEALTH BENEFIT PLAN
METHODS AND ASSUMPTIONS
FOR FISCAL YEAR ENDED JUNE 30, 2023**

Changes in Assumptions Since Prior Valuation

The financial accounting valuation reflects the following assumption changes:

- Expected claims costs were updated to reflect actual experience.
- Trend rate schedule was updated to reflect anticipated future experience.
- Mortality improvement scale was updated from MP-2020 to MP-2021.
- Mortality base rates for future disabled participants were updated to reflect Pub-2010 for Teachers (headcount weighted) disabled mortality,
- The discount rate was updated from 2.18% as of June 30, 2021, to 3.54% as of June 30, 2022; and
- The Expected Return on Assets was changed from 4.37% to 4.36%.



Supplementary Information

**AUGUSTA UNIVERSITY
BALANCE SHEET (NON-GAAP BASIS)
BUDGET FUNDS
JUNE 30, 2023**

ASSETS

Cash and Cash Equivalents	\$ 78,380,620.58
Investments	225,035,463.69
Accounts Receivable	
Federal Financial Assistance	8,712,171.59
Other	69,414,397.13
Prepaid Expenditures	2,078,062.38
Other Assets	5,600.00
	<hr/>
Total Assets	<u>\$ 383,626,315.37</u>

LIABILITIES AND FUND EQUITY

Liabilities

Accrued Payroll	\$ 1,008,853.20
Encumbrance Payable	194,747,908.85
Accounts Payable	6,308,640.20
Unearned Revenue	43,367,948.90
Funds Held for Others	82,851.30
	<hr/>
Total Liabilities	<u>245,516,202.45</u>

Fund Balances

Reserved	
Department Sales and Services	16,363,622.43
Indirect Cost Recoveries	42,729,385.08
Technology Fees	362,890.10
Restricted/Sponsored Funds	75,040,368.79
Uncollectible Accounts Receivable	618,227.66
Tuition Carry - Forward	2,921,876.05
Unreserved	
Surplus	73,742.81
	<hr/>
Total Fund Balances	<u>138,110,112.92</u>

Total Liabilities and Fund Balances	<u>\$ 383,626,315.37</u>
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Actual amounts were prepared on a prescribed basis of accounting that demonstrates compliance with budgetary statutes and regulations of the State of Georgia, which is a special purpose framework.

**AUGUSTA UNIVERSITY
STATEMENT OF FUNDS AVAILABLE AND EXPENDITURES COMPARED TO BUDGET (NON-GAAP BASIS)
BY PROGRAM AND FUNDING SOURCE
BUDGET FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Funds Available Compared to Budget				Funds Available Compared to Budget
	Original Appropriation	Final Budget	Current Year Revenues	Prior Year Reserve Carry-Over	Program Transfers or Adjustments
Augusta University Hospital and Clinics					
State Appropriation					
State General Funds	\$ 8,708,036.00	\$ 113,708,036.00	\$ 113,708,036.00	\$ —	\$ —
Total Augusta University Hospital and Clinics	8,708,036.00	113,708,036.00	113,708,036.00	—	—
Georgia Cyber Innovation and Training Center					
State Appropriation					
State General Funds	5,456,745.00	5,456,745.00	5,456,745.00	—	—
Federal Funds					
Federal Funds Not Specifically Identified	—	307,731.00	307,731.45	—	—
Other Funds	745,488.00	4,418,914.00	911,507.50	7,416,378.17	—
Total Cyber Innovation and Training Center	6,202,233.00	10,183,390.00	6,675,983.95	7,416,378.17	—
Public Service / Special Funding Initiatives					
State Appropriation					
State General Funds	15,126,664.00	15,280,552.00	15,280,552.00	—	—
Total Public Service / Special Funding Initiatives	15,126,664.00	15,280,552.00	15,280,552.00	—	—
Teaching					
State Appropriation					
State General Funds	276,970,917.00	276,780,334.00	276,780,334.00	—	—
Federal Funds					
Federal Funds Not Specifically Identified	64,936,590.00	81,292,189.00	76,534,837.26	—	2,091,519.36
Federal Funds-COVID19	—	112,904.00	111,945.69	—	—
Other Funds	517,224,035.00	573,609,505.00	487,154,054.49	137,789,901.11	-2,091,519.36
Total Teaching	859,131,542.00	931,794,932.00	840,581,171.44	137,789,901.11	—
Total Operating Activity	\$ 889,168,475.00	\$ 1,070,966,910.00	\$ 976,245,743.39	\$145,206,279.28	\$ —

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.

AUGUSTA UNIVERSITY
STATEMENT OF FUNDS AVAILABLE AND EXPENDITURES COMPARED TO BUDGET (NON-GAAP BASIS)
BY PROGRAM AND FUNDING SOURCE
BUDGET FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Funds Available Compared to Budget		Expenditures Compared to Budget		Excess (Deficiency) of Funds Available Over/(Under) Expenditures
	Total Funds Available	Variance Positive (Negative)	Actual	Variance Positive (Negative)	
Augusta University Hospital and Clinics					
State Appropriation					
State General Funds	\$ 113,708,036.00	\$ —	\$ 113,708,036.00	\$ —	\$ —
Total Augusta University Hospital and Clinics	113,708,036.00	—	113,708,036.00	—	—
Georgia Cyber Innovation and Training Center					
State Appropriation					
State General Funds	5,456,745.00	—	5,456,745.00	—	—
Federal Funds					
Federal Funds Not Specifically Identified	307,731.45	0.45	307,731.00	—	0.45
Other Funds	8,327,885.67	3,908,971.67	3,731,476.19	687,437.81	4,596,409.48
Total Cyber Innovation and Training Center	14,092,362.12	3,908,972.12	9,495,952.19	687,437.81	4,596,409.93
Public Service / Special Funding Initiatives					
State Appropriation					
State General Funds	15,280,552.00	—	15,277,096.57	3455.43	3455.43
Total Public Service / Special Funding Initiatives	15,280,552.00	—	15,277,096.57	3,455.43	3,455.43
Teaching					
State Appropriation					
State General Funds	276,780,334.00	—	276,779,695.61	638.39	638.39
Federal Funds					
Federal Funds Not Specifically Identified	78,626,356.62	-2,665,832.38	78,131,861.13	3,160,327.87	494,495.49
Federal Funds-COVID19	111,945.69	-958.31	111,945.69	958.31	—
Other Funds	622,852,436.24	49,242,931.24	490,485,630.20	83,123,874.80	132,366,806.04
Total Teaching	978,371,072.55	46,576,140.55	845,509,132.63	86,285,799.37	132,861,939.92
Total Operating Activity	\$ 1,121,452,022.67	\$ 50,485,112.67	\$ 983,990,217.39	\$ 86,976,692.61	\$ 137,461,805.28

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.

**AUGUSTA UNIVERSITY
STATEMENT OF CHANGES TO FUND BALANCE (NON-GAAP BASIS)
BY PROGRAM AND FUNDING SOURCE
BUDGET FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Beginning Fund Balance/(Deficit)	Fund Balance Carried Over from Prior Year as Funds Available	Return of Fiscal Year 2022 Surplus	Prior Year Adjustments	Other Adjustments
Augusta University Hospital and Clinics					
State Appropriation					
State General Funds	\$ —	\$ —	\$ —	\$ —	\$ —
Total Augusta University Hospital and Clinics	—	—	—	—	—
Georgia Cyber Innovation and Training Center					
State Appropriation					
State General Funds	54,786.65	—	(54,786.65)	8.03	—
Federal Funds					
Federal Funds Not Specifically Identified	—	—	—	—	—
Other Funds	7,416,378.17	-7,416,378.17	—	—	—
Total Georgia Cyber Innovation and Training Center	7,471,164.82	-7,416,378.17	-54,786.65	8.03	—
Public Service / Special Funding Initiatives					
State Appropriation					
State General Funds	56,183.58	—	-56,183.58	452.49	—
Total Public Service / Special Funding Initiatives	56,183.58	—	-56,183.58	452.49	—
Teaching					
State Appropriation					
State General Funds	102,113.12	—	-102,113.12	56,797.21	—
Federal Funds					
Federal Funds Not Specifically Identified	—	—	—	—	—
Federal Funds - COVID19					
Other Funds	137,805,511.59	-137,789,901.11	-15,610.48	36,360.38	-63,538.13
Total Teaching	137,907,624.71	-137,789,901.11	-117,723.60	93,157.59	-63,538.13
Total Operating Activity	145,434,973.11	-145,206,279.28	-228,693.83	93,618.11	-63,538.13
Prior Year Reserves					
Not Available for Expenditure					
Uncollectible Accounts Receivable	554,689.53	—	—	—	63,538.13
Budget Unit Totals	\$ 145,989,662.64	\$ -145,206,279.28	\$ -228,693.83	\$ 93,618.11	\$ —

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.

**AUGUSTA UNIVERSITY
STATEMENT OF CHANGES TO FUND BALANCE (NON-GAAP BASIS)
BY PROGRAM AND FUNDING SOURCE
BUDGET FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Early Return of Fiscal Year 2023 Surplus	Excess (Deficiency) of Funds Available Over/Under Expenditures	Ending Fund Balance/(Deficit) June 30	Analysis of Ending Fund Balance		
				Reserved	Surplus/(Deficit)	Total
Augusta University Hospital and Clinics						
State Appropriation						
State General Funds	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Total Augusta University Hospital and Clinics	—	—	—	—	—	—
Georgia Cyber Innovation and Training Center						
State Appropriation						
State General Funds	—	—	8.03	—	8.03	8.03
Federal Funds						
Federal Funds Not Specifically Identified	—	0.45	0.45	0.45	—	0.45
Other Funds	—	4,596,409.48	4,596,409.48	4,596,409.48	0.00	4,596,409.48
Total Georgia Cyber Innovation and Training Center	—	4,596,409.93	4,596,417.96	4,596,409.93	8.03	4,596,417.96
Public Service / Special Funding Initiatives						
State Appropriation						
State General Funds	—	3,455.43	3,907.92	—	3,907.92	3,907.92
Total Public Service / Special Funding Initiatives	—	3,455.43	3,907.92	—	3,907.92	3,907.92
Teaching						
State Appropriation						
State General Funds	—	638.39	57,435.60	—	57,435.60	57,435.60
Federal Funds						
Federal Funds Not Specifically Identified	—	494,495.49	494,495.49	494,495.49	—	494,495.49
Federal Funds - COVID						
Federal Coronavirus Relief Funds	—	—	—	—	—	—
Other Funds	—	132,366,806.04	132,339,628.29	132,327,237.03	12,391.26	132,339,628.29
Total Teaching	—	132,861,939.92	132,891,559.38	132,821,732.52	69,826.86	132,891,559.38
Total Operating Activity	—	137,461,805.28	137,491,885.26	137,418,142.45	73,742.81	137,491,885.26
Prior Year Reserves						
Not Available for Expenditure						
Uncollectible Accounts Receivable	—	—	618,227.66	618,227.66	—	618,227.66
Budget Unit Totals	\$ —	\$ 137,461,805.28	\$ 138,110,112.92	\$ 138,036,370.11	\$ 73,742.81	\$ 138,110,112.92
				Departmental Sales and Services	\$ 16,363,622.43	\$ 16,363,622.43
				Indirect Cost Recovery	42,729,385.08	42,729,385.08
				Technology Fees	362,890.10	362,890.10
				Restricted/Sponsored Funds	75,040,368.79	75,040,368.79
				Tuition Carry-Forward	2,921,876.05	2,921,876.05
				Uncollectible Accounts Receivable	618,227.66	618,227.66
				Surplus	—	73,742.81
					73,742.81	73,742.81
					\$ 138,036,370.11	\$ 138,110,112.92

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.



AUGUSTA UNIVERSITY

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