

# AUGUSTA UNIVERSITY



## Annual Financial Report Fiscal Year 2025

Including Independent Auditor's Report

**AUGUSTA UNIVERSITY**  
**TABLE OF CONTENTS**  
**For the Fiscal Year Ended June 30, 2025**

<b>Financial Section</b> .....	
Independent Auditor's Report .....	2
Management's Discussion and Analysis .....	6
Financial Statements (GAAP Basis) .....	
Statement of Net Position .....	23
Statement of Revenues, Expenses, and Changes in Net Position .....	25
Statement of Cash Flows .....	27
Statement of Fiduciary Net Position .....	29
Statement of Changes in Fiduciary Net Position .....	30
Component Units .....	
Combining Statement of Net Position .....	31
Combining Statement of Revenues, Expenses, and Changes in Net Position .....	33
Notes to the Financial Statements .....	35
<b>Required Supplementary Information</b> .....	
Schedule of Contributions for Defined Benefit Pension Plan .....	78
Schedule of Proportionate Share of Net Pension Liability .....	79
Schedule of Employers' and Nonemployers' Net Pension Liability .....	80
Schedule of Changes in Net Pension Liability .....	81
Schedule of Investment Returns .....	83
Notes to the Required Supplementary Information for Pension Plans .....	84
Schedule of Contributions for OPEB Plan .....	85
Schedule of Proportionate Share of the Net OPEB Liability .....	86
Notes to the Required Supplementary Information for OPEB Plan .....	87
<b>Supplementary Information</b> .....	
Balance Sheet (Non-GAAP Basis) .....	89
Statement of Funds Available and Expenditures Compared to Budget (Non-GAAP Basis) .....	90
Statement of Changes to Fund Balance by Program and Funding Source (Non-GAAP Basis) .....	92



# *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. Russell Keen, 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, 2025, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents.

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

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

#### *Basis for Opinions*

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

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

### ***Emphasis of Matter***

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

### ***Responsibilities of Management for the Financial Statements***

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the University's ability to continue as a going concern for a reasonable period of time.

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

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

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

### ***Supplementary Information***

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


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

## **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2025 on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control over financial reporting and compliance.

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

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Greg S. Griffin". The signature is fluid and cursive, with a horizontal line extending from the end.

Greg S. Griffin  
State Auditor

December 5, 2025

# AUGUSTA UNIVERSITY

## Management's Discussion and Analysis

### Introduction

Established in 1828 in Augusta, Richmond County, Georgia, Augusta University is a public research institution and medical center committed to educating future innovators, leaders, and healthcare professionals. With its main campus in Augusta and additional locations throughout Georgia, Augusta University leads advanced research initiatives aimed at enhancing the human experience. The University is part of the University System of Georgia's network of higher education institutions. We are AU—home of champions.

Augusta University offers comprehensive undergraduate programs in the liberal arts and sciences, business, and education, alongside an extensive selection of graduate degrees and hands-on clinical research opportunities. Recognized as Georgia's center for educational and healthcare innovation, Augusta University is distinguished by its nationally ranked business and nursing schools, the state's flagship public medical school, and its only dental school. These attributes position the institution as a premier destination for both current students and future leaders. With locations across Augusta and satellite campuses in Athens, Albany, Rome, and Savannah, its eleven colleges and schools deliver meaningful impact throughout the state of Georgia.

The Health Sciences Campus of the University, located in downtown Augusta, hosts the Medical College of Georgia, which is the nation's 4th-largest and 13th-oldest medical school. The campus also includes the College of Nursing, the College of Allied Health Sciences, the School of Public Health, the College of Science and Mathematics, the Graduate School, and the Dental College of Georgia, the state's only dental school. In addition, the Health Sciences Campus contains the state's sole public academic medical center.

Located on the grounds of a former United States arsenal, the historic Summerville Campus houses the University's liberal arts programs. Under the canopy of established trees, faculty members from the Katherine Reese Pamplin College of Arts, Humanities, and Social Sciences, the nationally recognized James M. Hull College of Business, the College of Education, and the School of Public Health provide students with a foundation in critical thinking, creativity, and entrepreneurial acumen.

Nestled along the Savannah River in Augusta's cybersecurity corridor, the Riverfront Campus houses the Georgia Cyber Center. The facility includes the University's School of Computer and Cyber Sciences, a cyber range, a 340-seat auditorium, secure briefing areas, incubator space for innovation and entrepreneurship, and classrooms. The campus is also close to industry professionals and start-ups. This environment offers collaborative space for government, academia, and industry to work and train together.

Established in 1991, Christenberry Fieldhouse (CFH) serves as the venue for eleven of Augusta Jaguars' fifteen athletic teams. Beyond accommodating all administrative and support personnel for the Augusta University Department of Athletics, CFH is also home to the College of Education's Department of Kinesiology. Located on the Forest Hills Campus, CFH benefits from proximity to a full-size golf course, as well as baseball, softball, and soccer fields, and it houses the Jaguars' acclaimed NCAA Division I golf team.

The Robert B. Greenblatt, M.D. Library on the Health Sciences Campus and the Reese Library on the Summerville Campus offer extensive information resources and services that support the teaching, research, and clinical care objectives of our student-focused research university and academic medical center.

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

	STUDENT HEADCOUNT	STUDENT FTE
FY 2025	11,584	10,618
FY 2024	10,546	9,654
FY 2023	9,813	9,110



## **Overview of the Financial Statements and Financial Analysis**

The University is pleased to present its financial statements for fiscal year 2025. 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 2025 and fiscal year 2024 for business-type activities only.

### **Statement of Net Position**

The Statement of Net Position is a financial condition snapshot as of June 30, 2025 and includes all assets, 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, 2025 and June 30, 2024, Condensed

<b>CONDENSED STATEMENT OF NET POSITION</b>	<b>June 30, 2025</b>	<b>June 30, 2024</b>	<b>Increase/ (Decrease)</b>	<b>% Change</b>
<b>ASSETS</b>				
Current Assets	\$ 183,902,247	\$ 166,891,227	\$ 17,011,020	10.19 %
Capital Assets, Net	749,343,606	754,256,072	(4,912,466)	(0.65)%
Intangible Right-to-Use Assets, Net	5,298,215	5,773,655	(475,440)	(8.23)%
Other Assets	174,093,591	250,911,757	(76,818,166)	(30.62)%
<b>TOTAL ASSETS</b>	<b>1,112,637,659</b>	<b>1,177,832,711</b>	<b>(65,195,052)</b>	<b>(5.54)%</b>
<b>DEFERRED OUTFLOWS</b>	<b>155,339,394</b>	<b>197,377,264</b>	<b>(42,037,870)</b>	<b>(21.30)%</b>
<b>LIABILITIES</b>				
Current Liabilities	97,306,769	114,005,757	(16,698,988)	(14.65)%
Non-Current Liabilities	685,618,337	811,851,172	(126,232,835)	(15.55)%
<b>TOTAL LIABILITIES</b>	<b>782,925,106</b>	<b>925,856,929</b>	<b>(142,931,823)</b>	<b>(15.44)%</b>
<b>DEFERRED INFLOWS</b>	<b>263,480,591</b>	<b>261,363,711</b>	<b>2,116,880</b>	<b>0.81 %</b>
<b>NET POSITION</b>				
Net Investment in Capital Assets	731,761,321	721,195,153	10,566,168	1.47 %
Restricted, Non-Expendable	3,653,697	3,321,387	332,310	10.01 %
Restricted, Expendable	57,566,910	48,600,680	8,966,230	18.45 %
Unrestricted (Deficit)	(571,410,572)	(585,127,885)	13,717,313	2.34 %
<b>TOTAL NET POSITION</b>	<b>\$ 221,571,356</b>	<b>\$ 187,989,335</b>	<b>\$ 33,582,021</b>	<b>17.86 %</b>

Total assets decreased by \$65,195,052 driven by a decrease in net capital assets of \$4,912,466 and a decrease of \$76,818,166 in other assets. These declines reflect significant reductions in cash, investments, and other assets, driven by increased operating and capital expenditures, including major payments for infrastructure projects and technology upgrades.

Cash and cash equivalents declined by \$16,837,498, reflecting the impact of higher operating expenditures across the institution. The most significant increases occurred in salaries, utilities, and supplies, consistent with ongoing efforts to support program growth and maintain operations. Additionally, a payment to the Georgia State Financing and Investment Commission (GSFIC) for the upcoming Translational Research Building project contributed to the reduction in liquidity. The decrease was further affected by the timing of grantor payments and increased research expenditures associated with a growing portfolio of grant awards.

Total investments decreased by \$76,252,120 in fiscal year 2025. Short-term investments increased by \$493,605 and investments decreased by \$78,320,377 in response to the need to meet several financial obligations, including \$92 million in payments to Wellstar MCG Health, Inc. for the implementation of the Electronic Health Records (EHR) system, the payoff of the Cancer Research Center PPV lease, and \$16.4 million payment to Georgia State Financing and Investment Commission (GSFIC) to support the construction of a new Translation Research building. The University contribution was part of the overall funding plan following the State of Georgia's amended fiscal year 2025 budget, approved in March 2025, which included the state's allocation of funding for the facility to be located on the Augusta University's Health Sciences campus. Investments that are externally restricted increased slightly by \$1,574,652.

Total accounts receivable increased by \$16,718,444, primarily due to services provided near the close of the fiscal year end related to Wellstar, Veterans Affairs house staff services, and the Department of Juvenile Justice. Prepaid Items increased by \$16,671,761, largely due to the the transfer of funds in advance for the upcoming Translational Research Building project which will be managed by the Georgia State Financing and Investment Commission (GSFIC).

Total deferred outflows of resources decreased by \$42,037,870 primarily due to the University's Teacher's Retirement System of Georgia (TRS) and Employee's Retirement System (ERS) changes in pensions resulting from decreases in the University's proportionate share and decreases in pension expense. Additionally, this decrease in deferred outflow of resources for Other Post Employment Benefits (OPEB) was due to a reduction in the University's proportionate share and a decrease pension expense. Deferred outflows of resources decreased by \$24,049,710 for TRS, \$363,835 for ERS, and \$16,135,319 for OPEB from fiscal year 2024 to 2025.

Total liabilities decreased by \$142,931,823 driven by a decrease in current liabilities of \$16,698,988 and a decrease of \$126,232,835 in non-current liabilities. The largest component of the current liability decrease was a \$17,689,673 reduction in accounts payable, reflecting lower year-end accruals. Within non-current liabilities, net pension liability decreased by \$78,538,048 and net other post employment benefits (OPEB) liability decreased by \$31,767,707, both largely due to the impact of investment performance and a reduction in the University's proportionate share of the collective liability. In addition, notes and loans payable external declined by \$14,647,495, primarily due to the payoff of the Cancer Research Center PPV lease.

Total deferred inflows of resources increased by \$2,116,880 which was primarily due to an increase in deferred gain on defined pension plans. The deferred inflows of resources increased \$36,504,970, \$273,211, and \$3,071,811 for TRS, ERS, and the University's Early Retirement Plan (ERP), respectively, from fiscal year 2024 to 2025. These increases were offset by decreases in deferred gain on OPEB plan of \$37,686,029 and a decrease in deferred gain on debt refunding of \$47,083.

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 \$33,582,021. This improvement in net position was primarily attributable to reductions in accounts payable, notes and loans payable, net pension liability, and net other post employment benefits, as well as increases in other accounts receivable and prepaid items.

#### **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, 2025 and June 30, 2024, Condensed

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

CONDENSED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION	June 30, 2025	June 30, 2024	Increase/ (Decrease)	% Change
Operating Revenue	\$ 599,081,731	\$ 557,903,947	\$ 41,177,784	7.38 %
Operating Expense	998,403,579	935,020,294	63,383,285	6.78 %
Operating Income/Loss	(399,321,848)	(377,116,347)	(22,205,501)	(5.89)%
Non-Operating Revenue and Expense	417,186,961	389,936,754	27,250,207	6.99 %
Income (Loss) before Other Revenues, Expenses, Gains, or Losses	17,865,113	12,820,407	5,044,706	39.35 %
Other Revenues, Expenses, Gains, Losses, and Special Item	15,716,908	17,937,245	(2,220,337)	(12.38)%
Change in Net Position	33,582,021	30,757,652	2,824,369	9.18 %
Net Position at Beginning of Year	187,989,335	157,231,683	30,757,652	19.56 %
Net Position at End of Year	\$ 221,571,356	\$ 187,989,335	\$ 33,582,021	17.86 %

The Statement of Revenues, Expenses, and Changes in Net Position reflects an overall increase in net position of \$33,582,021 representing a 17.86% improvement over the prior fiscal year. As previously noted, this increase was primarily driven by reductions in long-term liabilities, including net pension and OPEB obligations, and by continued growth in grant and contract revenues.

Operating Revenues increased by \$41,177,784 in fiscal year 2025, primarily due to growth in several key revenue streams. Federal grants and contracts rose by \$16,794,600 or 18.92%, state grants and contracts increased by \$1,946,874 or 2.81%, and other grants and contracts grew by \$11,395,243 or 4.37%.

Non-operating revenue and expense increased by \$27,250,207 or 6.99% in fiscal year 2025, compared to the prior year. This growth was primarily driven by a \$26,380,283 or 7.44% increase in state appropriations. Additional increases in non-operating revenues include a \$3,786,838 or 26.79% increase in federal non-operating grants and contracts. These increases were partially offset by \$1,819,350 or 9.91% decline in investment income and a \$1,175,745 or 75.12% reduction in interest expense, the latter primarily resulting from debt service savings following the payoff of the Cancer Research Center PPV lease. Among all non-operating revenue sources, the most significant driver of year-over-year growth was the increase in state appropriations.

## Revenues

State appropriations increased by \$26,380,283 in fiscal year 2025, primarily driven by \$4.8 million in enrollment based earnings, the restoration of a \$10.3 million in reductions from fiscal year 2023, and \$4.7 million in new funding to support the Medical College of Georgia (MCG) expansion at Georgia Southern University.

Operating grants and contracts revenue increased by \$30,136,717 or 7.19% reflecting growth across all major sources. Federal grants and contracts increased by \$16,794,600 or 18.92%, primarily due to a change in the methodology used to record 340B program income for the Ryan White program. The increase also reflects the timing of grantor payments and higher research expenditures driven by a growing portfolio of grant awards. In addition, other grants and contracts rose by \$11,395,243 or 4.37%, reflecting the operational transition from AU Health System, Inc. to Wellstar MCG Health, Inc. State tuition and fee revenue increased by \$4,888,887 or 4.78%, consistent with enrollment trends, while other operating revenues saw an increase of \$4,958,814 or 844.97%. These gains were partially offset by a \$2,124,609 or 18.94% decrease in sales and services revenue.

State capital grants and gifts increased significantly during the fiscal year, primarily due to the completion and asset transfer of the Central Energy Plant upgrades project as well as completion of renovations to the Christenberry Fieldhouse. In addition, capital gifts included donations in support of the University's intercollegiate athletics program, such as a baseball scoreboard valued at \$207,844 and a 2022 GMC Denali valued at \$58,520.

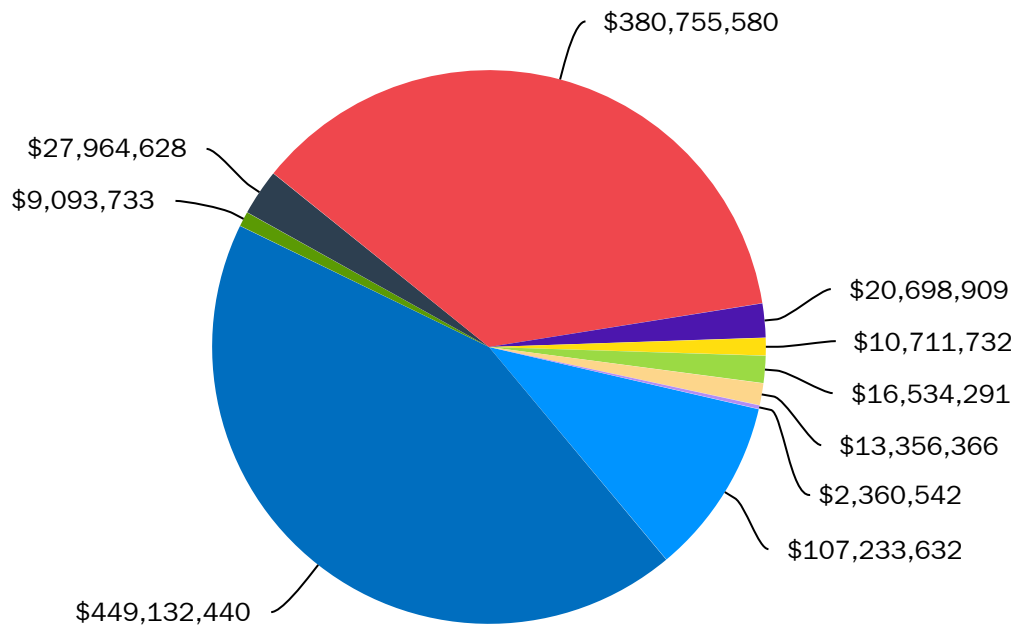
For the years ended June 30, 2025 and June 30, 2024, revenues by source were as follows:

REVENUES BY SOURCE	June 30, 2025	June 30, 2024	Increase/ (Decrease)	% Change
Tuition and Fees	\$ 107,233,632	\$ 102,344,745	\$ 4,888,887	4.78 %
Grants and Contracts	449,132,440	418,995,723	30,136,717	7.19 %
Sales and Services	9,093,733	11,218,342	(2,124,609)	(18.94)%
Auxiliary Enterprises	27,964,628	24,017,413	3,947,215	16.43 %
Other Operating Revenues	5,657,298	1,327,724	4,329,574	326.09 %
<b>Total Operating Revenues</b>	<b>599,081,731</b>	<b>557,903,947</b>	<b>41,177,784</b>	<b>7.38 %</b>
State Appropriations	380,755,580	354,375,297	26,380,283	7.44 %
Grants and Contracts	20,698,909	17,112,993	3,585,916	20.95 %
Gifts	10,711,732	10,751,623	(39,891)	(0.37)%
Investment Income	16,534,291	18,353,641	(1,819,350)	(9.91)%
Other Nonoperating Revenues	(8,772,619)	(9,091,613)	318,994	3.51 %
<b>Total Nonoperating Revenues</b>	<b>419,927,893</b>	<b>391,501,941</b>	<b>28,425,952</b>	<b>7.26 %</b>
State Capital Gifts and Grants	13,008,473	2,734,222	10,274,251	375.77 %
Other Capital Gifts and Grants	347,893	467,906	(120,013)	(25.65)%
<b>Total Capital Gifts and Grants</b>	<b>13,356,366</b>	<b>3,202,128</b>	<b>10,154,238</b>	<b>317.11 %</b>
Special Items	2,360,542	14,735,117	(12,374,575)	(83.98)%
<b>Total Revenues</b>	<b>\$ 1,034,726,532</b>	<b>\$ 967,343,133</b>	<b>\$ 67,383,399</b>	<b>6.97 %</b>



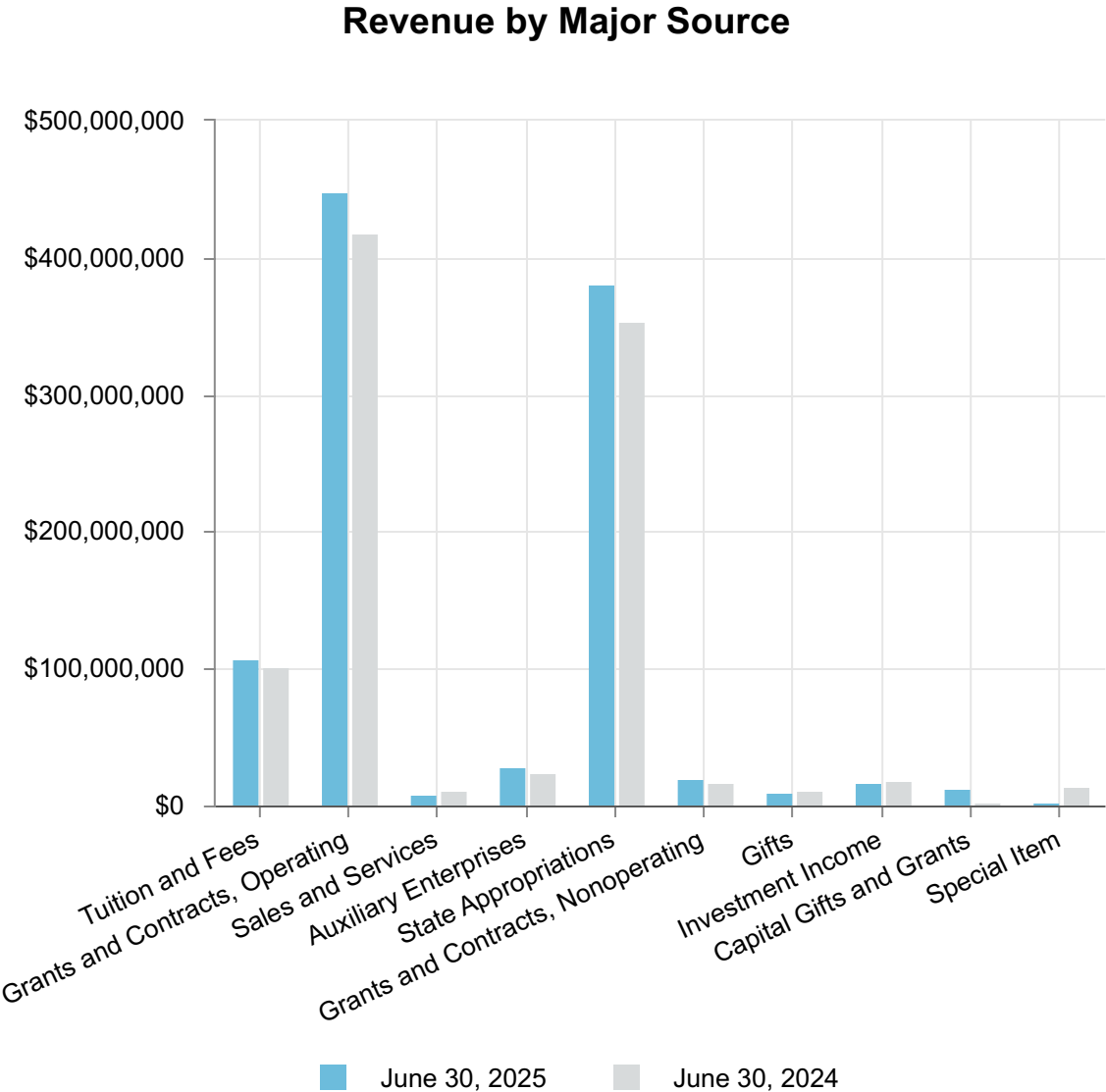
Revenue by source (state appropriations, grants and contracts, tuition and fees, auxiliaries, gifts, and other sources) is depicted by the following chart:

**Revenue by Major Source**



Tuition and Fees	Grants and Contracts, Operating
Sales and Services	Auxiliary Enterprises
State Appropriations	Grants and Contracts, Nonoperating
Gifts	Investment Income
Capital Gifts and Grants	Special Item

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



## Expenses

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

EXPENSES BY FUNCTIONAL CLASSIFICATION	June 30, 2025	June 30, 2024	Increase/ (Decrease)	% Change
Instruction	\$ 182,561,019	\$ 188,622,504	\$ (6,061,485)	(3.21)%
Research	128,070,566	133,583,671	(5,513,105)	(4.13)%
Public Service	36,925,395	55,296,164	(18,370,769)	(33.22)%
Academic Support	61,455,817	58,145,971	3,309,846	5.69 %
Student Services	15,126,896	12,690,513	2,436,383	19.20 %
Institutional Support	187,377,411	124,838,980	62,538,431	50.10 %
Plant Operations and Maintenance	67,061,744	54,074,776	12,986,968	24.02 %
Scholarships and Fellowships	9,077,972	11,243,037	(2,165,065)	(19.26)%
Auxiliary Enterprises	23,348,087	19,130,690	4,217,397	22.05 %
Patient Care	287,398,672	277,393,988	10,004,684	3.61 %
Total Operating Expenses	998,403,579	935,020,294	63,383,285	6.78 %
Interest Expense	2,740,932	1,565,187	1,175,745	75.12 %
Total Nonoperating Expenses	2,740,932	1,565,187	1,175,745	75.12 %
Total Expenses	\$1,001,144,511	\$ 936,585,481	\$ 64,559,030	6.89 %

Total operating expenses were \$998,403,579 in fiscal year 2025, an increase of \$63,383,285 or 6.78% when compared with fiscal year 2024. These increases were substantially attributable to the following functional classifications: Institutional Support \$62,538,431 or 50.10%, Plant Operations and Maintenance \$12,986,968 or 24.02%, and Patient Care \$10,004,684 or 3.61%. The notable expense increases are in supplies and other services of \$52,747,969 or 28.49%, faculty salaries of \$22,687,970 or 7.55%, staff salaries of \$12,472,864 or 5.46%, and utilities of \$2,261,801 or 16.41%.

As seen in the chart above, total expenses increased \$64,559,030 or 6.89% in fiscal year 2025. The increases were substantially attributable to total operating expenses as referenced above and to a lesser extent, an increase in interest expense of \$1,175,745 or 75.12%.

The largest increases in operating expenses is mainly attributable to costs in supplies and other services and faculty and staff salaries. Supplies and other services saw an increase of \$52,747,969 or 28.49% as a result of increased spending in the MCG Hospital and Clinics. The increase in faculty and staff salaries of \$22,687,970 or 7.55% and \$12,472,864 or 5.46%, respectively was driven by two major initiatives; the President's Benchmarking initiative and targeted investments by Wellstar MCG Health, Inc. The benchmarking initiative was designed to promote sustained student growth through the strategic addition of faculty and staff positions, addressing enrollment needs and strengthening academic and student support services. Wellstar MCG Health, Inc. made a calculated investment in physician compensation and expanded both hospitalist services and its physician workforce.

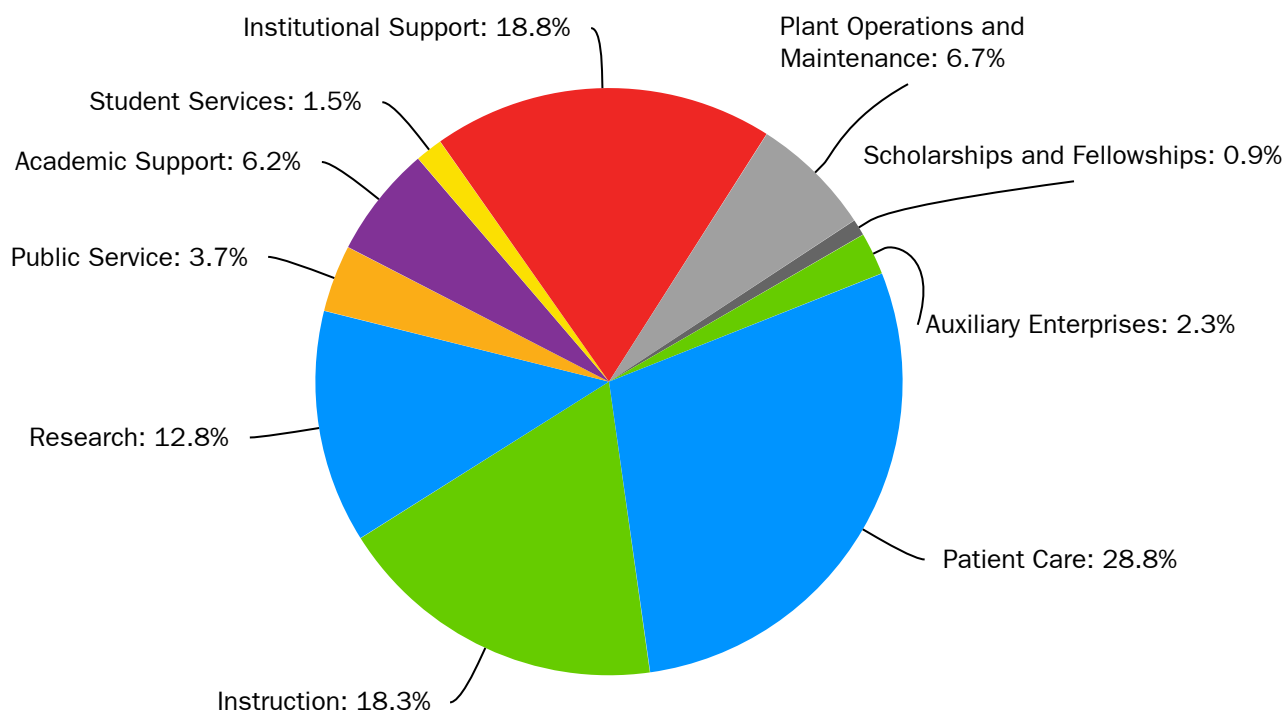
During fiscal year 2025, expenses increased partially due to damages from Hurricane Helene in September 2024. Estimated damages are between \$5 million and \$6 million, affecting various campus facilities and grounds. The University spent \$4,094,396 and encumbered \$191,330 for hurricane-related repairs and recovery efforts during the year. Additional expenditures of \$750,000 are projected for fiscal year 2026 as restoration work continues. The Institution has applied for financial assistance through the Federal Emergency Management Agency and Georgia Emergency Management Agency.

Utility expenses increased by \$2,261,801 or 16.41% in fiscal year 2025 due to higher costs for electricity, gas, water and sewer services. The rise is attributed to inflationary pressures affecting utility and natural gas sectors across all providers. Depreciation and amortization expenses also rose by \$1,176,204 or 2.70% compared to the previous year.

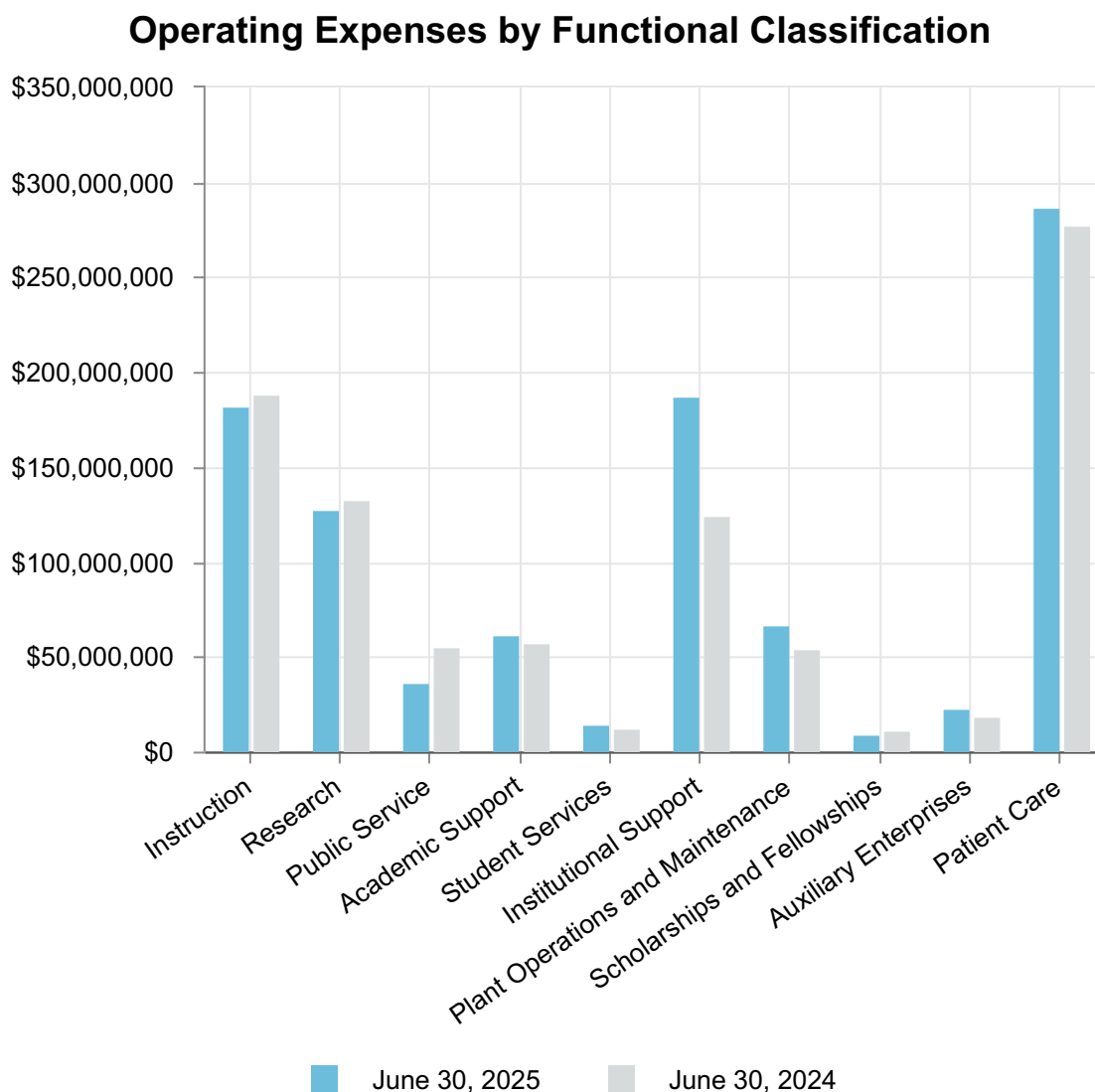
The rise in operating expenses were partially mitigated by a reduction in other employee benefits of \$27,321,852 or 19.76% primarily attributable to lower pension and OPEB expenses. Additionally, scholarships and fellowships decreased by \$1,783,899 or 12.81% as a result of adjustments to the scholarship allowance calculation.

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

### Operating Expenses by Functional Classification



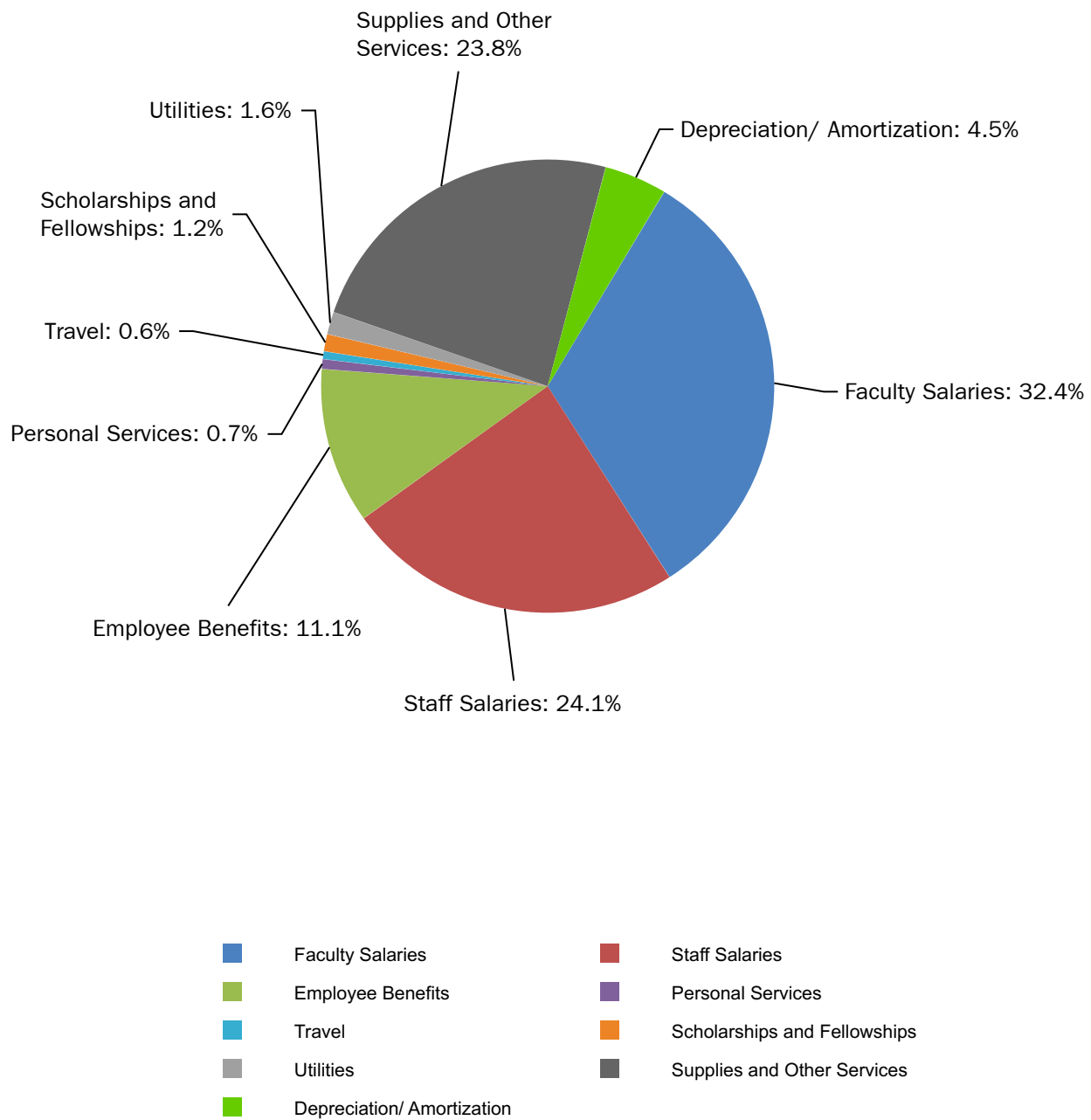
Operating expenses by functional classification for the years ended June 30, 2025 and June 30, 2024 is depicted by the following chart:



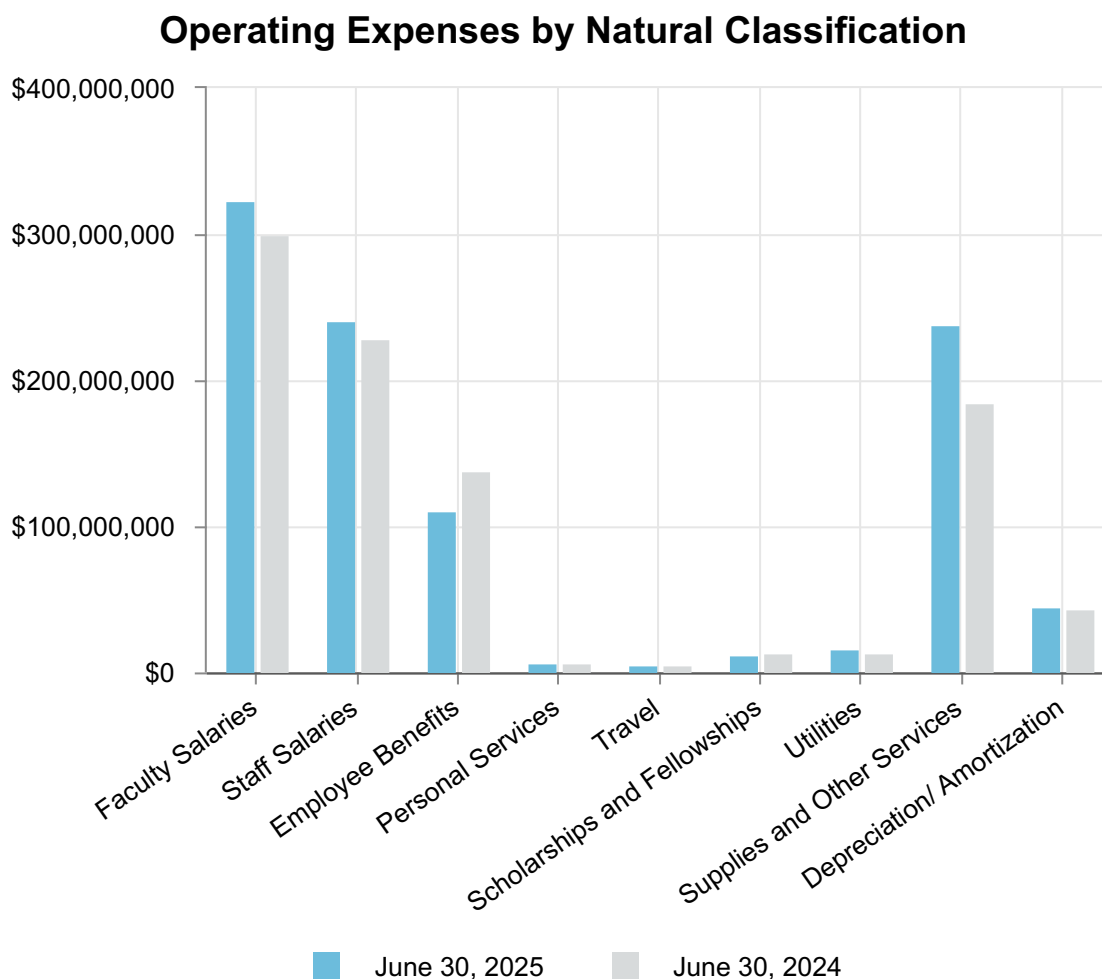


The following chart depicts the fiscal year 2025 operating expenses by natural classification.

## Operating Expenses by Natural Classification



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



### Statement of Cash Flows

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

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

CONDENSED STATEMENT OF NET CASH FLOWS	June 30, 2025	June 30, 2024
Cash Provided (Used) by:		
Operating Activities	\$ (453,099,482)	\$ (328,944,305)
Non-Capital Financing Activities	403,288,993	373,352,588
Capital and Related Financing Activities	(59,813,420)	(56,918,576)
Investing Activities	92,786,411	3,503,417
Net Change in Cash	(16,837,498)	(9,006,876)
Cash and Cash Equivalents, Beginning of Year	102,257,104	111,263,980
Cash and Cash Equivalents, End of Year	\$ 85,419,606	\$ 102,257,104

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

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

CAPITAL ASSETS, net of accumulated depreciation and amortization	June 30, 2025	June 30, 2024	Increase (Decrease)	% Change
Land	\$ 38,957,658	39,085,195	\$ (127,537)	(0.33)%
Capitalized Collections	118,758	119,507	(749)	(0.63)%
Construction Work-in-Progress	26,223,499	26,286,080	(62,581)	(0.24)%
Infrastructure	7,243,883	7,739,874	(495,991)	(6.41)%
Building and Building Improvements	621,452,330	626,154,633	(4,702,303)	(0.75)%
Facilities and Other Improvements	11,049,720	11,552,729	(503,009)	(4.35)%
Equipment	40,744,366	39,113,105	1,631,261	4.17 %
Library Collections	3,553,392	4,204,949	(651,557)	(15.50)%
Capital Assets, net of accumulated depreciation and amortization	\$ 749,343,606	\$ 754,256,072	\$(4,912,466)	(0.65)%

In fiscal year 2025, the University oversaw capital projects for buildings and building improvements totaling \$4,570,673. These included renovations to the Christenberry Fieldhouse and Science Hall, as well as roof upgrades to Washington Hall. In addition, the Georgia State Financing and Investment Commission (GSFIC) funded building improvements totaling \$13,008,473. Of this amount, \$4,346,596 was allocated to the Christenberry Fieldhouse renovations, and \$6,122,593 to Phase II of the Central Energy Plant upgrades. The Phase II Central Energy Plant project, managed by GSFIC, was substantially completed and transferred to the University in fiscal year 2025.

The Georgia Research Alliance (GRA) allocated \$250,000, which was part of the total funding provided by GSFIC, for the purchase of research equipment for the Medical College of Georgia (MCG).

Other on-going projects funded by GSFIC included capital expenditures of \$2,289,283 in fiscal year 2025. This includes the installation of underground chilled water piping near the College of Science and Math building, replacement of an air handler unit in the Murphy building and upgrades on cooling towers on the Summerville campus.

The decrease in construction work in progress primarily reflects the completion of several key projects. Notably, the completed renovations funded by GSFIC to the Christenberry Fieldhouse as well as investments made by the University for the construction of a multipurpose room and weight room within the facility. Additional completed projects include renovations to Science Hall for the School of Public Health, water filtration upgrades in the central energy and south energy plants, a manhole feeder relocation on the Health Sciences campus and a replacement of the HVAC unit in the Talmadge building.

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

<b>INTANGIBLE RIGHT-TO-USE ASSETS, net of accumulated amortization</b>	<b>June 30, 2025</b>	<b>June 30, 2024</b>	<b>Increase (Decrease)</b>	<b>% Change</b>
Building and Building Improvements	\$ 2,837,658	\$ 2,484,427	\$ 353,231	14.22 %
Equipment	448,792	542,918	(94,126)	(17.34)%
Subscription Based IT Arrangements (SBITAs)	2,011,765	2,746,310.00	(734,545)	(26.75)%
Intangible Right-to-Use Assets, net of accumulated amortization	\$ 5,298,215	\$ 5,773,655	\$ (475,440)	(8.23)%

The decrease in net Intangible Right-to-Use Assets is primarily due the expiration and non-renewal of certain Subscription-Based Information Technology Arrangements (SBITAs). The expiration of copier equipment leases also contributed to the decline. The decrease was partially offset by a new lease for building space at Georgia Southern Armstrong campus.

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 \$73,695,658 of which \$34,302,134 was reflected as current liability at June 30, 2025. 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 managed resources carefully in fiscal year 2025, prioritizing affordability and its core mission of teaching, discovery, clinical care, and service. Enrollment grew by 9.84% from Fall 2024 to Fall 2025, marking the eighth consecutive year of growth. Enrollment levels are expected to remain stable in 2026, supporting consistent tuition revenue.

Augusta University maintains a solid financial foundation through its prudent and disciplined fiscal management, enabling stable growth and flexibility within the evolving economic and academic environment. Leadership consistently monitors such challenges as changes in state funding, ensuring academic excellence while sustaining affordability, and navigating the complexities of federal Facilities and Administrative (F&A) funding recovery.

During fiscal year 2025, the University implemented strategic measures to address financial challenges and promote sustained institutional strength. A significant action included the early payoff of the Cancer Research Center Public-Private Venture (PPV) lease obligation, which resulted in decreased long-term financial liabilities. Furthermore, the University invested resources in planning for the construction of the Translational Research Building, enhancing research capabilities and positioning the institution to better secure federal research funding.

These initiatives, together with an ongoing emphasis on student recruitment and retention, are anticipated to yield beneficial outcomes by supporting enrollment expansion, advancing research productivity, and strengthening institutional competitiveness. Additionally, the University demonstrated effective stewardship of operational expenses, enabling strategic investments in faculty recruitment, student support services, deferred maintenance, technological upgrades, and the creation of new academic programs.

Augusta University's emphasis on cost-effective initiatives and prudent resource management underpins its ongoing academic, research, and financial achievements. By consistently implementing these strategies, the University is well-positioned to fulfill its institutional objectives. Management remains confident in the stability of both operating and non-operating revenues and expenditures relative to previous years and is committed to optimizing resource allocation for maximum impact. Leveraging its robust financial foundation, dedication to innovation, and disciplined fiscal oversight, Augusta University is strategically equipped to address unforeseen economic developments. This adaptability ensures continued progress across academic programs, research efforts, technological advancements, and infrastructure upgrades, thereby providing enduring value to students, sponsors, the State of Georgia, and other key stakeholders.

Russell T. Keen, EdD., President  
Augusta University

Yvonne Turner, Executive Vice President  
Augusta University





# *Financial Statements (GAAP Basis)*

**AUGUSTA UNIVERSITY**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2025**

	Augusta University	Component Units
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and Cash Equivalents	\$ 52,340,445	\$ 43,135,823
Cash and Cash Equivalents (Externally Restricted)	33,079,161	7,044,432
Short-term Investments	5,823,674	5,418,345
Accounts Receivable, net		
Federal Financial Assistance	17,409,235	8,769,329
Affiliated Organizations	725,382	—
Component Units	13,403,550	—
Primary Government	185,736	5,864
Pledges and Contributions	—	4,458,967
Other	44,009,531	8,181,486
Investment in Financing Leases - Primary Government	—	1,503,839
Inventories	236,917	81,626
Prepaid Items	16,688,616	372,606
Total Current Assets	183,902,247	78,972,317
<b>Non-Current Assets</b>		
Accounts Receivable, net		
Due From USO - Capital Liability Reserve Fund	329,640	—
Pledges and Contributions	—	3,297,242
Other	—	9,335,483
Investments	154,317,037	63,658,406
Notes Receivable, net	1,385,987	—
Due From Other Funds	—	320,054
Investment in Financing Lease Arrangements - Primary Government	—	14,554,139
Other Assets	—	170,258
Non-current Cash (Externally Restricted)	—	956,902
Short-term Investments (Externally Restricted)	—	686,700
Investments (Externally Restricted)	18,060,927	411,916,655
Capital Assets, net	749,343,606	50,011,045
Intangible Right-to-Use Assets, net	5,298,215	813,156
Total Non-Current Assets	928,735,412	555,720,040
<b>TOTAL ASSETS</b>	<b>1,112,637,659</b>	<b>634,692,357</b>
<b>DEFERRED OUTFLOWS OF RESOURCES (See Note 9)</b>		
	\$ 155,339,394	\$ —

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

**AUGUSTA UNIVERSITY**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2025**

	Augusta University	Component Units
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts Payable	\$ 24,092,693	\$ 3,854,421
Salaries Payable	1,295,158	—
Benefits Payable	235,389	—
Contracts Payable	843,128	—
Retainage Payable	644,643	—
Due to Affiliated Organizations	648,259	—
Due to Component Units	5,864	—
Due to Primary Government	—	13,403,550
Advances (Including Tuition and Fees)	35,031,929	1,603,984
Deposits	17,710	61,269
Deposits Held for Other Organizations	189,862	—
Other Liabilities	—	308,312
Subscription Obligations	1,061,966	—
Notes and Loans Payable - External	—	3,972,123
Notes and Loans Payable - Component Units	1,503,839	—
Lease Obligations - External	973,457	257,036
Revenue Bonds and Notes Payable	—	1,340,000
Liabilities Under Split Interest Agreements	—	1,625
Compensated Absences	30,762,872	—
Total Current Liabilities	97,306,769	24,802,320
<b>Non-Current Liabilities</b>		
Advances (Including Tuition and Fees)	—	16,958,990
Subscription Obligations	636,965	—
Notes and Loans Payable - Component Units	14,554,140	—
Lease Obligations - External	2,580,219	556,120
Revenue Bonds and Notes Payable	—	34,140,565
Liabilities Under Split Interest Agreements	—	973,382
Compensated Absences	21,622,200	—
Net Other Post-employment Benefits Liability	306,687,637	—
Net Pension Liability	339,537,176	—
Total Non-Current Liabilities	685,618,337	52,629,057
<b>TOTAL LIABILITIES</b>	782,925,106	77,431,377
<b>DEFERRED INFLOWS OF RESOURCES (See Note 9)</b>	263,480,591	12,290,873
<b>NET POSITION</b>		
Net Investment in Capital Assets	731,761,321	27,057,270
Restricted for:		
Nonexpendable	3,653,697	226,091,406
Expendable	57,566,910	224,465,434
Unrestricted (Deficit)	(571,410,572)	67,355,997
<b>TOTAL NET POSITION</b>	\$ 221,571,356	\$ 544,970,107

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, 2025**

	Augusta University	Component Units
<b>OPERATING REVENUES</b>		
Student Tuition and Fees (net)	\$ 107,233,632	\$ —
Grants and Contracts		
Federal	105,560,905	90,759,471
State	71,264,557	—
Other	272,306,978	15,310,441
Sales and Services	9,093,733	2,094,268
Rents and Royalties	111,621	4,704,330
Auxiliary Enterprises		
Residence Halls	5,577,325	—
Bookstore	2,294,448	—
Food Services	4,447,454	—
Parking/Transportation	2,634,684	—
Health Services	3,353,792	—
Intercollegiate Athletics	3,925,681	—
Other Organizations	5,731,244	—
Gifts and Contributions	—	14,774,493
Endowment Income	—	16,837,973
Other Operating Revenues	5,545,677	2,124,064
Total Operating Revenues	599,081,731	146,605,040
<b>OPERATING EXPENSES</b>		
Faculty Salaries	323,050,640	4,036,806
Staff Salaries	240,900,252	7,119,342
Employee Benefits	110,947,231	1,229,220
Other Personal Services	7,065,386	3,005,939
Travel	5,635,186	938,524
Scholarships and Fellowships	12,137,460	6,570,168
Utilities	16,044,654	350,445
Supplies and Other Services	237,915,652	115,934,779
Depreciation and Amortization	44,707,118	516,705
Total Operating Expenses	998,403,579	139,701,928
Operating Income (Loss)	\$ (399,321,848)	\$ 6,903,112

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, 2025**

	Augusta University	Component Units
<b>NONOPERATING REVENUES (EXPENSES)</b>		
State Appropriations	\$ 380,755,580	\$ —
Grants and Contracts		
Federal	17,924,534	—
Other	2,774,375	—
Gifts	10,711,732	—
Investment Income	16,534,291	35,262,154
Interest Expense	(2,740,932)	(1,371,161)
Other Nonoperating Revenues (Expenses)	(8,772,619)	844,419
Net Nonoperating Revenues	417,186,961	34,735,412
Income (Loss) Before Other Revenues, Expenses, Gains, or Losses	17,865,113	41,638,524
Capital Grants and Gifts		
State	13,008,473	—
Other	347,893	—
Additions to Permanent and Term Endowments	—	15,579,147
Special Item	2,360,542	—
Total Other Revenues, Expenses, Gains, Losses, and Special Item	15,716,908	15,579,147
Change in Net Position	33,582,021	57,217,671
Net Position, Beginning of Year	187,989,335	487,752,436
Net Position, End of Year	<u>\$ 221,571,356</u>	<u>\$ 544,970,107</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, 2025

	Augusta University
CASH FLOWS FROM OPERATING ACTIVITIES	
Payments from Customers	\$ 134,075,728
Grants and Contracts (Exchange)	449,505,141
Payments to Suppliers	(458,967,455)
Payments to Employees	(565,760,382)
Payments for Scholarships and Fellowships	(12,137,460)
Loans Issued to Students	(70,625)
Collection of Loans from Students	143,067
Other Receipts	112,504
Net Cash Used by Operating Activities	(453,099,482)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
State Appropriations	380,755,580
Gifts and Grants Received for Other Than Capital Purposes	31,410,597
Other Non-Capital Financing Receipts	(24,583)
Other Non-Capital Financing Payments	(8,852,601)
Net Cash Flows Provided by Non-Capital Financing Activities	403,288,993
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Capital Gifts and Grants Received	6,148,130
Purchases of Capital and Intangible Right-to-Use Assets	(47,166,091)
Principal Paid on Capital Debt and Leases	(17,496,453)
Interest Paid on Capital Debt and Leases	(1,299,006)
Net Cash Used by Capital and Related Financing Activities	(59,813,420)
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from Sales and Maturities of Investments	90,000,000
Investment Income	13,247,090
Purchase of Investments	(10,460,679)
Net Cash Provided by Investing Activities	92,786,411
Net Decrease in Cash and Cash Equivalents	(16,837,498)
Cash and Cash Equivalents, Beginning of Year	102,257,104
Cash and Cash Equivalents, End of Year	\$ 85,419,606

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, 2025

	<u>Augusta University</u>
RECONCILIATION OF OPERATING LOSS TO	
NET CASH USED BY OPERATING ACTIVITIES:	
Operating Loss	\$ (399,321,848)
Adjustments to Reconcile Net Operating Loss to	
Net Cash Used by Operating Activities	
Depreciation and Amortization	44,707,118
Operating Expenses Related to Noncash Gifts	43
Change in Assets and Liabilities:	
Receivables, net	(15,632,799)
Inventories	35,292
Prepaid Items	(136,729)
Notes Receivable, Net	72,442
Accounts Payable	(18,399,791)
Salaries Payable	240,960
Benefits Payable	47,272
Contracts Payable	34,336
Retainage Payable	12,318
Deposits	8,508
Advances (Including Tuition and Fees)	(1,451,340)
Funds Held for Others	38,805
Compensated Absences	3,584,736
Due to Affiliated Organizations	654,123
Net Pension Liability	(78,538,048)
Other Post-Employment Benefit Liability	(31,767,707)
Change in Deferred Inflows/Outflows of Resources:	
Deferred Inflows of Resources	2,163,963
Deferred Outflows of Resources	40,548,864
Net Cash Used by Operating Activities	<u>\$ (453,099,482)</u>

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

Noncapital Gifts	<u>\$ 43</u>
Capital Financing Activities Noncash Items:	
Current Year Accruals Related to Capital Financing Activities	<u>\$ 5,578,372</u>
Gift of Capital Assets	<u>\$ 6,122,593</u>
Gain (Loss) on Disposal of Capital Assets	<u>\$ (1,644,334)</u>
Accrual of Capital Asset Related Payables	<u>\$ 1,262,001</u>
Intangible Right-to-Use Assets Acquired by Incurring Lease Obligations	<u>\$ 1,222,953</u>
Intangible Right-to-Use Assets Acquired by Incurring SBITAs	<u>\$ 206,558</u>
Early Extinguishment of Capital Debt	<u>\$ 2,360,542</u>
Amortization of Deferred Gain (Loss) of Capital Debt Refunded	<u>\$ (1,441,923)</u>
Other Capital Financing Activities Noncash Items	<u>\$ 1,748,899</u>
Unrealized Gain (Loss) on Investments	<u>\$ (3,287,201)</u>

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

**AUGUSTA UNIVERSITY**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**JUNE 30, 2025**

	Early Retirement		
	Plan - Augusta	Custodial	
	University	Funds	Total
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 4,927,842	\$ —	\$ 4,927,842
Investments			
Mutual Bond Funds	39,250,581	—	39,250,581
Equity Mutual Funds - Domestic	97,515,041	—	97,515,041
Receivables			
Other	—	2,263,641	2,263,641
Total Assets	141,693,464	2,263,641	143,957,105
<b>LIABILITIES</b>			
Cash Overdraft	—	1,051,912	1,051,912
Deposits Held for Organization	—	52,623	52,623
Total Liabilities	—	1,104,535	1,104,535
<b>NET POSITION</b>			
Held in Trust for:			
Pension Benefits	141,693,464	—	141,693,464
Individuals, Organizations, and Other Governments	—	1,159,106	1,159,106
Total Net Position	\$ 141,693,464	\$ 1,159,106	\$ 142,852,570

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, 2025**

	Early Retirement Plan - Augusta University	Custodial Funds	Total
ADDITIONS			
Contributions			
Employer	\$ 5,358,277	\$ —	\$ 5,358,277
Investment Income			
Dividends and Interest	3,155,974	—	3,155,974
Net Appreciation in Investments Reported at Fair Value	12,183,567	—	12,183,567
Less: Investment Expense	(145,372)	—	(145,372)
Net Investment Income	15,194,169	—	15,194,169
Federal Financial Aid	—	110,156,991	110,156,991
State Financial Aid	—	21,747,055	21,747,055
Other Financial Aid	—	4,076,877	4,076,877
Clubs and Other Organizations Fund Raising	—	3,235,655	3,235,655
Public-Private Partnership Passthrough	—	7,001,840	7,001,840
Total Additions	20,552,446	146,218,418	166,770,864
DEDUCTIONS			
Benefits	14,369,047		14,369,047
Scholarships and Other Student Support	—	135,970,167	135,970,167
Student Organizations Support	—	3,240,291	3,240,291
Public-Private Partnership Passthrough	—	6,985,921	6,985,921
Total Deductions	14,369,047	146,196,379	160,565,426
Change in Fiduciary Net Position	6,183,399	22,039	6,205,438
Fiduciary Net Position, Beginning of Year, As Originally Reported	135,510,065	1,137,067	136,647,132
Fiduciary Net Position, End of Year	\$ 141,693,464	\$ 1,159,106	\$ 142,852,570

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

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

	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/ Consolidatio n Entries	Total
<b>ASSETS</b>							
<b>Current Assets</b>							
Cash and Cash Equivalents	\$ 14,335,467	\$ 7,261,470	\$ 15,273,917	\$ 6,264,969	\$ —	\$ —	\$ 43,135,823
Cash and Cash Equivalents (Externally Restricted)	4,245,348	—	—	—	2,799,084	—	7,044,432
Short-term Investments	—	—	5,418,345	—	—	—	5,418,345
Accounts Receivable, net							
Federal Financial Assistance	—	—	8,769,329	—	—	—	8,769,329
Primary Government	—	—	—	4,100	—	1,764	5,864
Pledges and Contributions	3,006,423	—	—	—	1,452,544	—	4,458,967
Other	14,306	3,978,079	—	44,756	4,144,345	—	8,181,486
Investment in Financing Lease Arrangements - Primary Government	1,503,839	—	—	—	—	—	1,503,839
Inventories	—	—	—	81,626	—	—	81,626
Prepaid Items	164,815	55,680	—	72,119	79,992	—	372,606
Total Current Assets	23,270,198	11,295,229	29,461,591	6,467,570	8,475,965	1,764	78,972,317
<b>Non-Current Assets</b>							
Accounts Receivable, net							
Pledges and Contributions	1,044,196	—	—	—	2,253,046	—	3,297,242
Other	—	9,335,483	—	—	—	—	9,335,483
Investments	24,996,618	—	16,453	19,580	38,625,755	—	63,658,406
Due From Other Funds	320,054	—	—	—	—	—	320,054
Investment in Financing Lease Arrangements - Primary Government	14,554,139	—	—	—	—	—	14,554,139
Other Assets	155,412	—	—	—	14,846	—	170,258
Non-current Cash (Externally Restricted)	—	—	69,973	886,929	—	—	956,902
Short-term Investments (Externally Restricted)	686,700	—	—	—	—	—	686,700
Investments (Externally Restricted)	56,784,732	—	—	—	355,131,923	—	411,916,655
Capital Assets, net	—	—	—	34,642,473	15,368,572	—	50,011,045
Intangible Right-to-Use Assets, net	—	—	—	813,156	—	—	813,156
Total Non-Current Assets	98,541,851	9,335,483	86,426	36,362,138	411,394,142	—	555,720,040
<b>TOTAL ASSETS</b>	<b>121,812,049</b>	<b>20,630,712</b>	<b>29,548,017</b>	<b>42,829,708</b>	<b>419,870,107</b>	<b>1,764</b>	<b>634,692,357</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>							
	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —

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

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

	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
<b>LIABILITIES</b>							
<b>Current Liabilities</b>							
Accounts Payable	\$ 2,402,653	\$ 5,990	\$ 106,004	\$ 1,192,057	\$ 147,717	\$ —	\$ 3,854,421
Due to Primary Government	554,166	355,903	11,714,880	97,911	678,926	1,764	13,403,550
Advances (Including Tuition and Fees)	1,537,640	—	—	66,344	—	—	1,603,984
Deposits	—	61,269	—	—	—	—	61,269
Other Liabilities	—	94,676	—	—	213,636	—	308,312
Notes and Loans Payable - External	—	—	—	—	3,972,123	—	3,972,123
Lease Obligations - External	—	—	—	257,036	—	—	257,036
Revenue Bonds and Notes Payable	1,340,000	—	—	—	—	—	1,340,000
Liabilities Under Split Interest Agreements	—	—	—	1,625	—	—	1,625
Total Current Liabilities	5,834,459	517,838	11,820,884	1,614,973	5,012,402	1,764	24,802,320
<b>Non-Current Liabilities</b>							
Advances (Including Tuition and Fees)	—	—	—	16,958,990	—	—	16,958,990
Lease Obligations - External	—	—	—	556,120	—	—	556,120
Revenue Bonds and Notes Payable	14,379,190	—	—	19,761,375	—	—	34,140,565
Liabilities Under Split Interest Agreements	—	—	—	6,239	967,143	—	973,382
Total Non-Current Liabilities	14,379,190	—	—	37,282,724	967,143	—	52,629,057
<b>TOTAL LIABILITIES</b>	<b>20,213,649</b>	<b>517,838</b>	<b>11,820,884</b>	<b>38,897,697</b>	<b>5,979,545</b>	<b>1,764</b>	<b>77,431,377</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
	—	12,290,873	—	—	—	—	12,290,873
<b>NET POSITION</b>							
Net Investment in Capital Assets	—	—	—	15,669,100	11,388,170	—	27,057,270
Restricted for:							
Nonexpendable	39,843,344	—	—	—	186,248,062	—	226,091,406
Expendable	48,515,210	—	69,973	11,715	175,868,536	—	224,465,434
Unrestricted	13,239,846	7,822,001	17,657,160	(11,748,804)	40,385,794	—	67,355,997
<b>TOTAL NET POSITION</b>	<b>\$101,598,400</b>	<b>\$ 7,822,001</b>	<b>\$ 17,727,133</b>	<b>\$ 3,932,011</b>	<b>\$413,890,562</b>	<b>\$ —</b>	<b>\$ 544,970,107</b>

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, 2025**

	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
<b>OPERATING REVENUES</b>							
Grants and Contracts							
Federal	\$ —	\$ —	\$ 90,139,471	\$ —	\$ 620,000	\$ —	\$ 90,759,471
Other	478,220	—	14,832,221	—	—	—	15,310,441
Sales and Services	674,957	—	—	1,419,311	—	—	2,094,268
Rents and Royalties	261,191	3,889,135	409,520	12,300	132,184	—	4,704,330
Gifts and Contributions	7,116,850	—	—	452,018	7,205,625	—	14,774,493
Endowment Income	2,362,682	—	—	—	14,475,291	—	16,837,973
Other Operating Revenues	7,231	—	1,800	527,554	1,587,479	—	2,124,064
Total Operating Revenues	10,901,131	3,889,135	105,383,012	2,411,183	24,020,579	—	146,605,040
<b>OPERATING EXPENSES</b>							
Faculty Salaries	—	—	—	—	4,036,806	—	4,036,806
Staff Salaries	3,999,063	—	—	724,557	2,395,722	—	7,119,342
Employee Benefits	1,161,913	—	—	67,307	—	—	1,229,220
Other Personal Services	283,179	—	—	2,500	2,720,260	—	3,005,939
Travel	191,574	—	—	9,967	736,983	—	938,524
Scholarships and Fellowships	2,413,315	—	—	—	4,156,853	—	6,570,168
Utilities	—	—	—	—	350,445	—	350,445
Supplies and Other Services	8,005,506	2,858,668	103,138,870	1,889,855	41,880	—	115,934,779
Depreciation and Amortization	—	—	—	349,325	167,380	—	516,705
Total Operating Expenses	16,054,550	2,858,668	103,138,870	3,043,511	14,606,329	—	139,701,928
Operating Income (Loss)	\$ (5,153,419)	\$ 1,030,467	\$ 2,244,142	\$ (632,328)	\$ 9,414,250	\$ —	\$ 6,903,112

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, 2025**

	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
<b>NONOPERATING REVENUES (EXPENSES)</b>							
Grants and Contracts							
Investment Income	\$ 6,851,754	\$ —	\$ 739,299	\$ 461,966	\$ 27,209,135	\$ —	\$ 35,262,154
Interest Expense	(596,242)	—	—	—	(774,919)	—	(1,371,161)
Other Nonoperating Revenues (Expenses)	522,030	477,385	—	(154,996)	—	—	844,419
Net Nonoperating Revenues	6,777,542	477,385	739,299	306,970	26,434,216	—	34,735,412
Income (Loss) Before Other Revenues, Expenses, Gains, or Losses	1,624,123	1,507,852	2,983,441	(325,358)	35,848,466	—	41,638,524
Additions to Permanent and Term Endowments	3,843,284	—	—	—	11,735,863	—	15,579,147
Total Other Revenues, Expenses, Gains or Losses	3,843,284	—	—	—	11,735,863	—	15,579,147
Change in Net Position	5,467,407	1,507,852	2,983,441	(325,358)	47,584,329		57,217,671
Net Position, Beginning of Year	96,130,993	6,314,149	14,743,692	4,257,369	366,306,233		487,752,436
Net Position, End of Year	<u>\$101,598,400</u>	<u>\$ 7,822,001</u>	<u>\$ 17,727,133</u>	<u>\$ 3,932,011</u>	<u>\$413,890,562</u>	<u>\$ —</u>	<u>\$ 544,970,107</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, 2025

#### 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, 2025, the changes in its financial position or its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The accompanying basic financial statements should be read in conjunction with the State's ACFR. The most recent State of Georgia ACFR can be obtained through the State Accounting Office, 200 Piedmont Avenue SE, Suite 1604 (West Tower), Atlanta, Georgia 30334-9010 or online at <https://sao.georgia.gov/swar/acfr>.

##### Discretely Presented Component Units

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

- Augusta University Foundation, Inc. 1120 15th Street, HS-3102A, Augusta, GA, 30912
- Augusta University Research Institute, Inc. 1120 15th Street, CA-2125, Augusta, GA, 30912
- Georgia Regents Real Estate Corporation d/b/a Augusta University Real Estate Corporation, 1120 15th Street, HS-3102A, Augusta, GA 30912
- Augusta University Real Estate Foundation, Inc., (formerly known as Georgia Health Sciences Foundation, Inc.) 1120 15th Street, HS-3102A, 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.

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

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

#### **Cash and Cash Equivalents**

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



**Short-Term Investments**

Short-Term Investments consist of investments of 90 days - 13 months. These include certificates of deposits or other time-restricted investments with original maturities of six months or more when purchased. Funds are not readily available 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, 2025 are recorded as prepaid items.

**Capital Assets**

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

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

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

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

**Intangible Right-To-Use Assets**

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

Financed leases, which transfer ownership, are included in capital assets and notes payable on the Statement of Net Position.

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

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

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

### **Capital Liability Reserve Fund**

The Capital Liability Reserve Fund (Fund) was established by the Board of Regents to protect the fiscal integrity of the USG to maintain the strongest possible credit ratings associated with Public Private Venture (PPV) projects and to ensure that the Board of Regents can effectively support its long-term 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 \$329,640 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 leave with pay is accrued at the end of the fiscal year for financial statement purposes for any unused or unsettled balances. The liability and expense incurred are recorded at the end of the fiscal year as compensated absences in the Statement of Net Position, and as a component of compensation and benefit expense in the Statements of Revenues, Expenses, and Changes in Net Position.

**Non-current Liabilities**

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

**Deferred Inflows of Resources**

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

**Other Post-Employment Benefit (OPEB) 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.

**Public-Private and Public-Public Partnerships**

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

**Net Position**

The University's net position is classified as follows:

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

Restricted - nonexpendable net position includes endowments and similar type funds in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income, which may either be expended or added to principal. For institution-controlled, donor-restricted endowments, the by-laws of the Board of Regents of the University System of Georgia permits each individual institution to use prudent judgment in the spending of current realized and unrealized endowment appreciation. Donor-restricted endowment appreciation is periodically transferred to restricted - expendable accounts for expenditure as specified by the purpose of the endowment. 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 \$14,999,239 and waivers in the amount of \$15,560,201.

**Changes in Accounting Estimates**

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

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

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

**Special Items**

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

In June 2025, the University paid off its 30 year financing agreement to purchase the Cancer Research Center. This early extinguishment of debt generated a special item gain of \$2,360,542.

## Note 2 Deposits and Investments

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

### Statement of Net Position

#### Current

Cash and Cash Equivalents	\$	52,340,445
Cash and Cash Equivalents (Externally Restricted)		33,079,161
Short-Term Investments		5,823,674

#### Noncurrent

Investments		154,317,037
Investments (Externally Restricted)		18,060,927

### Statement of Fiduciary Net Position

Cash and Cash Equivalents		3,875,930
Investments		136,765,622
	\$	<u>404,262,796</u>

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

Cash on Hand	\$	99,623
Deposits with Financial Institutions		84,984,889
Investments		319,178,284
	\$	<u>404,262,796</u>

### A. Deposits with Financial Institutions

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

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

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

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

At June 30, 2025, the bank balances of the University's deposits totaled \$91,176,187. 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, 2025.

	Fair Value	Fair Value Hierarchy	
		Level 1	Level 2
Investment type:			
Debt Securities			
U.S. Treasuries	\$ 26,978	\$ 26,978	\$ —
U.S. Agencies			
Explicitly Guaranteed	44,915,282	—	44,915,282
Implicitly Guaranteed	73,401,877	—	73,401,877
Corporate Debt	43,458,595	—	43,458,595
Money Market Mutual Funds	4,211,025	4,211,025	—
Mutual Bond Funds	39,250,580	39,250,580	—
Other Investments			
Equity Mutual Funds - Domestic	97,515,041	97,515,041	—
	302,779,378	<u>\$ 141,003,624</u>	<u>\$ 161,775,754</u>
Investment Pools			
Board of Regents			
Diversified Fund	16,398,906		
Total Investments	<u>\$ 319,178,284</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, 2025 was \$16,398,906, of which 29% is invested in debt securities. The Effective Duration of the Fund is 5.03 years.



### Interest Rate Risk

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

The University's investments as of June 30, 2025 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
Investment type:					
Debt Securities					
U.S. Treasuries	\$ 26,978	\$ 26,978	\$ —	\$ —	\$ —
U.S. Agencies					
Explicitly Guaranteed	44,915,282	41,837,695	863,131	2,148,952	65,504
Implicitly Guaranteed	73,401,877	13,851,150	15,400,117	44,150,610	—
Corporate Debt	43,458,595	3,575,416	9,386,377	30,496,802	—
Money Market Mutual Funds	4,211,025	4,211,025	—	—	—
Mutual Bond Funds	39,250,580	—	—	19,729,668	19,520,912
	<u>\$ 205,264,337</u>	<u>\$ 63,502,264</u>	<u>\$ 25,649,625</u>	<u>\$ 96,526,032</u>	<u>\$ 19,586,416</u>
Other Investments					
Equity Mutual Funds - Domestic	97,515,041				
Investment Pools					
Board of Regents					
Diversified Fund	<u>16,398,906</u>				
Total Investments	<u>\$ 319,178,284</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, 2025, \$0 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:

	Fair Value	AA	A	Unrated
Related Debt Investments				
U. S. Agency Securities	\$ 73,401,877	\$ 73,401,877	\$ —	\$ —
Corporate Debt	43,458,595	4,052,298	39,406,297	—
Money Market Mutual Funds	4,211,025	4,211,025	—	—
Mutual Bond Funds	39,250,580	—	—	39,250,580
	<u>\$ 160,322,077</u>	<u>\$ 81,665,200</u>	<u>\$ 39,406,297</u>	<u>\$ 39,250,580</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, 2025, approximately 16.66% of the University's investments were investments in Vanguard Institutional Index FD.

### Note 3 Accounts Receivable

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

	Business Type Activities	Fiduciary Fund
Student Tuition and Fees	\$ 1,309,515	\$ 90,562
Auxiliary Enterprises and Other Operating Activities	996,014	—
Federal Financial Assistance	17,409,235	602,258
Georgia Student Finance Commission	—	1,570,821
Georgia State Financing and Investment Commission	7,073,299	—
Due from Affiliated Organizations	725,382	—
Due from Component Units	13,403,550	—
Due From Other USG Institutions	520,976	—
Other	35,603,144	—
	<u>77,041,115</u>	<u>2,263,641</u>
Less: Allowance for Doubtful Accounts	<u>978,041</u>	<u>—</u>
Net Accounts Receivable	<u>\$ 76,063,074</u>	<u>\$ 2,263,641</u>

Other includes approximately \$21.5 million in private funds and \$10.9 million state grants receivables.

## Note 4 Inventories

Inventories consisted of the following at June 30, 2025:

Merchandise for Resale	\$ <u>236,917</u>
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## Note 5 Notes and Loans Receivable

Notes receivable consists of resources made available for financial loans to students of the institution. Allowances for uncollectible loans are reported based on management's best estimate considering type, age, collection history, and other factors considered appropriate. At June 30, 2025, the allowance for uncollectible loans was \$412,709.

## Note 6 Capital and Intangible Right-to-Use Assets

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

	Balance July 1, 2024	Additions	Reductions	Balance June 30, 2025
Capital Assets, Not Being Depreciated:				
Land	\$ 39,085,195	\$ —	\$ 127,537	\$ 38,957,658
Capitalized Collections	119,507	—	749	118,758
Construction Work-in-Progress	26,286,080	6,096,177	6,158,758	26,223,499
Total Capital Assets Not Being Depreciated	65,490,782	6,096,177	6,287,044	65,299,915
Capital Assets, Being Depreciated				
Infrastructure	13,649,269	—	—	13,649,269
Building and Building Improvements	1,063,630,190	20,368,245	114,993	1,083,883,442
Facilities and Other Improvements	29,141,673	1,398,451	—	30,540,124
Equipment	156,442,169	17,806,543	9,595,630	164,653,082
Library Collections	33,161,888	—	964	33,160,924
Total Capital Assets Being Depreciated	1,296,025,189	39,573,239	9,711,587	1,325,886,841
Less: Accumulated Depreciation/				
Infrastructure	5,909,395	495,991	—	6,405,386
Building and Building Improvements	437,475,557	24,955,555	—	462,431,112
Facilities and Other Improvements	17,588,944	1,901,460	—	19,490,404
Equipment	117,329,064	14,646,247	8,066,595	123,908,716
Library Collections	28,956,939	651,557	964	29,607,532
Total Accumulated Depreciation	607,259,899	42,650,810	8,067,559	641,843,150
Total Capital Assets, Being Depreciated, Net	688,765,290	(3,077,571)	1,644,028	684,043,691
Capital Assets, net	<u>\$ 754,256,072</u>	<u>\$ 3,018,606</u>	<u>\$ 7,931,072</u>	<u>\$ 749,343,606</u>

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 2025, phase two of the Central Energy Plant upgrades project, managed by GSFIC, reached substantial completion, resulting in the transfer of \$6,122,593 in infrastructure assets to the University. Projects funded by GSFIC that were managed by the University include building and building improvements, equipment and research and development infrastructure total \$13,008,473 which includes \$4,346,596 capital costs for renovating the Christenberry Fieldhouse.

## Intangible Right-to-Use Assets

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

	Beginning Balances July 1, 2024	Additions	Reductions	Ending Balance June 30, 2025
Intangible Right-to-use Assets, Being Amortized:				
Building and Building Improvements	\$ 3,601,653	\$ 1,108,259	\$ —	\$ 4,709,912
Equipment	1,394,435	156,290	610,358	940,367
Subscription Based IT Arrangements (SBITAs)	5,129,269	316,625	201,290	5,244,604
Total Leased Assets Being Amortized	10,125,357	1,581,174	811,648	10,894,883
Less: Accumulated amortization				
Building and Building Improvements	1,117,226	755,028	—	1,872,254
Equipment	851,517	250,108	610,050	491,575
Subscription Based IT Arrangements (SBITAs)	2,382,959	1,051,172	201,292	3,232,839
Total Accumulated Amortization	4,351,702	2,056,308	811,342	5,596,668
Intangible Right-to-use Assets, net	<u>\$ 5,773,655</u>	<u>\$ (475,134)</u>	<u>\$ 306</u>	<u>\$ 5,298,215</u>

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

Fiscal Year	Depreciation & Amortization Expense
2025	44,707,118
2024	43,530,914
2023	40,121,914

## Note 7 Advances (Including Tuition and Fees)

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

	Current Liabilities
Prepaid Tuition and Fees	\$ 5,233,262
Research	29,497,734
Other - Advances	300,933
Totals	<u>\$ 35,031,929</u>

The amount in Other - Advances above includes \$195,451 from related parties.

## Note 8 Long-Term Liabilities

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

	Balance July 1, 2024	Additions	Reductions	Balance June 30, 2025	Current Portion
Lease & Subscription Obligations					
Lease Obligations	\$ 3,311,081	\$ 1,222,953	\$ 980,358	\$ 3,553,676	\$ 973,457
Subscription Obligations	2,866,808	206,558	1,374,435	1,698,931	1,061,966
Total	6,177,889	1,429,511	2,354,793	5,252,607	2,035,423
Other Liabilities					
Compensated Absences	48,800,337	35,857,518	32,272,783	52,385,072	30,762,872
Notes and Loans Payable	33,560,181	—	17,502,202	16,057,979	1,503,839
Total	82,360,518	35,857,518	49,774,985	68,443,051	32,266,711
Total Long-Term Obligations	<u>\$ 88,538,407</u>	<u>\$ 37,287,029</u>	<u>\$ 52,129,778</u>	<u>\$ 73,695,658</u>	<u>\$ 34,302,134</u>

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

### Notes and Loans Payable

#### Financing Lease Agreements

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

In accordance with O.C.G.A. § 50-5-64, these agreements shall terminate absolutely and without further obligation at the close of the fiscal year in which it was executed and at the close of each succeeding fiscal year for which it may be renewed. These agreements may be renewed only by a positive action taken by the University. In addition, these agreements shall terminate if the State does not provide adequate funding, but that is considered a remote possibility. The University's principal and interest payments related to financing lease agreements for fiscal year 2025 were \$15,141,660 and \$1,098,856, respectively. Interest rates range from 2.93%-4.088%.

The University has \$16,057,979 in outstanding notes payable due to component units for financing lease agreements.

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

Description	Gross Amount	Less: Accumulated Amortization	Net Assets Held Under Financing Arrangements at June 30, 2025	Outstanding Balances per Lease Schedules at June 30, 2025
	( + )	( - )	( = )	
Finance Buildings and Building Improvements	\$ 32,029,050	\$ 18,326,622	\$ 13,702,428	\$ 16,057,979

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	Related Party	Interest Rate
University Housing	AU Foundation	20,246,137	30 years	09/2005	01/2035	10,772,902	(1)	4.09 %
Student Center	AU Foundation	11,782,962	29 years	03/2006	12/2033	5,285,077	(1)	3.13 %
Total Leases		<u>\$ 32,029,099</u>				<u>\$16,057,979</u>		

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

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

Year Ending June 30:	Principal	Interest
2026	\$ 1,503,839	\$ 583,914
2027	1,554,455	527,047
2028	1,622,232	468,070
2029	1,681,282	406,633
2030	1,742,132	342,908
2031 through 2035	<u>7,954,039</u>	<u>697,203</u>
Total Notes and Loans Payable	<u>\$ 16,057,979</u>	<u>\$ 3,025,775</u>

## Note 9 Deferred Outflows and Inflows of Resources

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

### Deferred Outflows of Resources

Deferred Outflows on Debt Refunding	\$ 162,901
Deferred Outflows on Defined Benefit Pension Plans (See Note 14)	115,378,138
Deferred Outflows on OPEB Plan (See Note 17)	39,798,355
<b>Total Deferred Outflows of Resources</b>	<u><u>\$ 155,339,394</u></u>

### Deferred Inflows of Resources

Deferred Inflows on Debt Refunding	\$ 470,812
Deferred Inflows on Defined Benefit Pension Plans (See Note 14)	76,823,644
Deferred Inflows on OPEB Plan (See Note 17)	186,186,135
<b>Total Deferred Inflows of Resources</b>	<u><u>\$ 263,480,591</u></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. In June 2025, the University executed the early payoff of the 30 year financing agreement. As a result, the related unamortized Deferred Outflows on Debt Refunding were fully amortized, leaving a balance of \$0 as of fiscal year end.

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 \$162,901.

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 \$470,812.

### **Public-Private or Public-Public Partnerships (PPP)**

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

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

Per the Second Amended and Restated Master Lease Agreement between the Board of Regents/Augusta University (Lessor) and AU Medical Center, Inc. (Lessee) the University will lease approximately 51.37 acres in Augusta, Richmond County, Georgia on or near the health science's campus. The lease spans 40 years beginning in August 2023 and concluding in August 2063, with an optional renewal for another 40-year term. The lease will end if the Master Affiliation Agreement is terminated, and renewed automatically alongside the Master Affiliation Agreement. The Lessee shall \$10 per year, due within 10 days after the close of each fiscal year for the duration of the lease.

According to the Amended and Restated Lease Agreement between Board of Regents/Augusta University (Lessor) and Wellstar MCG Health, Inc., (Lessee) the University agrees to lease approximately 22.334 acres in Meriwether County, Georgia near the Warm Springs Roosevelt Rehabilitation and Specialties Hospital. This lease also covers a 40-year period from August 2023 to August 2063, with an option for an additional 40 years. The terms regarding termination and automatic renewal mirror those of the Master Affiliation Agreement. The Lessee is required to pay the University \$10 annually as rent, due within 10 days following the end of the fiscal year.

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

Beginning September 2024, Wellstar will initiate annual Variable Mission Support Payments, with oversight by an Escrow Agent. These payments are determined by Wellstar's operating margin and will be held in escrow for six years, with no disbursements to the University until that period concludes. Both Augusta University and Wellstar, must jointly instruct the Escrow Agent should early release of the funds be required prior to the sixth anniversary. For the fiscal year 2025, no variable payments or other forms of compensation, such as residual value guarantees or termination penalties, were received.



## Note 10 Net Position

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

Net Investment in Capital Assets	\$ 731,761,321
Restricted for	
Nonexpendable	
Permanent Endowment	3,653,697
Expendable	
Sponsored and Other Organized Activities	39,711,352
Federal Loans	3,986,510
Institutional Loans	1,183,036
Quasi-Endowments	12,686,012
Sub-Total	57,566,910
Unrestricted	
Auxiliary Enterprises Operations	27,460,111
Reserve for Encumbrances	54,812,510
Capital Liability Reserve Fund	329,640
Other Unrestricted	(654,012,833)
Sub-Total	(571,410,572)
Total Net Position	\$ 221,571,356

Other unrestricted net position is reduced by \$453,075,417 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 \$300,982,682 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, 2025 are as follows:

	Balance July 1, 2024	Additions	Reductions	Balance June 30, 2025
Net Investments in Capital Assets	\$ 721,195,153	\$ 60,820,541	\$ 50,254,373	\$ 731,761,321
Restricted Net Position	51,922,067	483,187,715	473,889,175	61,220,607
Unrestricted Net Position	(585,127,885)	560,311,436	546,594,123	(571,410,572)
Total Net Position	\$ 187,989,335	\$ 1,104,319,692	\$ 1,070,737,671	\$ 221,571,356

## 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. Current year net appreciation on endowment investments available for authorization for expenditure was \$487,377 and is reflected as expendable restricted net position.

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

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

## Note 12 Significant Commitments

See the Net Position note for amounts reserved for outstanding encumbrances at June 30, 2025. In addition to these encumbrances, the University had other significant unearned outstanding construction or renovation contracts executed as of June 30, 2025, and a lease agreement that is not effective until July 1, 2025. These total \$21,629,724. 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 2025 were \$980,358 and \$126,101 respectively. Interest rates range from 2.74%-9.54%.

The University's principal and interest payments related to SBITAs for fiscal year 2025 were \$1,374,435 and \$74,049, respectively. Interest rates are 2.26%-2.744%.

### Lease Obligations

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

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

Description	Gross Amount	Less: Accumulated Amortization	Net Assets Held Under Lease Obligations at June 30, 2025	Outstanding Balance per Lease Schedules at June 30, 2025
	( + )	( - )	( = )	
Leased Equipment	\$ 940,367	\$ 491,575	\$ 448,792	\$ 973,457
Leased Buildings and Building Improvements	4,709,912	1,872,254	2,837,658	2,580,219
Total Assets Held Under Lease	<u>\$ 5,650,279</u>	<u>\$ 2,363,829</u>	<u>\$ 3,286,450</u>	<u>\$ 3,553,676</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)	\$ 918,077	5 years	July 2021	June 2029	\$ 119,448
M489004-62315	Phoebe Putney Memorial Hospital (Building)	163,113	9 years	July 2021	June 2030	464,959
L499833-63908	Ballard Enterprises (Building)	258,089	6 years	October 2023	June 2029	185,917
C467361-62314	Green Acres (Building)	2,651,573	9 years	July 2021	June 2030	1,652,034
New copier leases FY2024	Various Vendors (Equipment)	454,952	5 years	July 2023	July 2029	307,685
Georgia Southern -65486	Georgia Southern (Building)	1,108,359	3 years	July 2024	June 2027	728,795
New Copier leases FY2025	Various vendors (Equipment)	107,414	5 years	July 2024	June 2029	94,838
Total Leases		<u>\$ 5,661,577</u>				<u>\$ 3,553,676</u>

Certain leases provide for renewal options.

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

	Principal	Interest
Year Ending June 30:		
2026	\$ 973,457	\$ 119,730
2027	968,991	81,166
2028	606,567	44,603
2029	530,593	22,480
2030	474,068	7,135
Total Minimum Lease Payments	<u>\$ 3,553,676</u>	<u>\$ 275,114</u>

### Subscription Obligations

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

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

Description	Gross Amount	Less: Accumulated Amortization	Net Assets Held Under Subscription Obligations at June 30, 2025	Outstanding Balance per Subscription Schedules at June 30, 2025
Subscription Based IT Arrangements (SBITAs)	<u>\$ 5,244,604</u>	<u>\$ 3,232,839</u>	<u>\$ 2,011,765</u>	<u>\$ 1,698,931</u>

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

	Principal	Interest
Year Ending June 30:		
2026	\$ 1,061,966	\$ 40,968
2027	487,413	15,595
2028	101,005	4,104
2029	48,547	1,332
Total Minimum Subscription Payments	<u>\$ 1,698,931</u>	<u>\$ 61,999</u>

## Note 14. Retirement Plans

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

The University also provides 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](https://trsga.com/publications).

##### Benefits Provided

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

##### Contributions

Per Title 47 of the O.C.G.A., contribution requirements of active employees and participating employers, as actuarially determined, are established and may be amended by the TRS Board. Contributions are expected to

finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employees were required to contribute 6% of their annual pay during fiscal year 2025. The University's contractually required contribution rate for the year ended June 30, 2025 was 20.78% of the annual University payroll. The University's contributions to TRS totaled \$49,151,472 for the year ended June 30, 2025.

## **General Information about the Employees' Retirement System**

### Plan description

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

### Benefits provided

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

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

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

### Contributions

Member contributions under the old plan are 4% of annual compensation, up to \$4,200, plus 6% of annual compensation in excess of \$4,200. Under the old plan, the State pays member contributions in excess of 1.25% of annual compensation. Under the old plan, these State contributions are included in the members' accounts for refund purposes and are used in the computation of the members' earnable compensation for the purpose of computing retirement benefits. Member contributions under the new plan and GSEPS are 1.25% of annual compensation. The required contribution rate for the year ended June 30, 2025 was 29.20% of annual covered payroll for old and new plan members and 25.51% for GSEPS members. The University's contributions to ERS totaled \$689,240 for the year ended June 30, 2025. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

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

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

At June 30, 2024, the University's TRS proportion was 1.387229% which was a decrease of (0.011502)% from its proportion measured as of June 30, 2023. At June 30, 2024, the University's ERS proportion was 0.094152%, which was a decrease of (0.004237)% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the University recognized pension expense of \$45,415,283 for TRS and \$(304,606) for ERS. At June 30, 2025, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	TRS		ERS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 39,454,957	\$ 1,042,114	\$ 227,191	\$ —
Changes of assumptions	24,255,602	—	—	—
Net difference between projected and actual earnings on pension plan investments		48,612,763	—	477,392
Changes in proportion and differences between contributions and proportionate share of contributions	1,599,676	20,688,125	—	179,472
Contributions subsequent to the measurement date	49,151,472	—	689,240	—
Total	<u>\$ 114,461,707</u>	<u>\$ 70,343,002</u>	<u>\$ 916,431</u>	<u>\$ 656,864</u>

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

Year Ending June 30:	TRS	ERS
2026	\$ (6,104,282)	\$ (239,221)
2027	\$ 38,716,948	\$ 285,966
2028	\$ (21,403,195)	\$ (290,523)
2029	\$ (16,242,238)	\$ (185,895)

### Actuarial assumptions

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

#### Teachers Retirement System

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

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

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

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

#### Employees' Retirement System

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

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

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

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

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

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

\* Rates shown are net of inflation

#### **Discount rate**

The discount rate used to measure the total TRS and ERS pension liability was 6.90% and 7.00%, respectively. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and State of Georgia contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the TRS and ERS pension 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	\$ 600,138,779	\$ 348,674,599	\$ 143,402,856

Employees' Retirement System:

	1% Decrease 6.00%	Current discount rate 7.00%	1% Increase 8.00%
Proportionate share of the net pension liability	\$ 6,385,951	\$ 4,238,592	\$ 2,432,668

**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](https://trsga.com/publications) and [ers.ga.gov/financials](https://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, 2025, plan participants consisted of the following:

Inactive Plan Participants:

Retirees and Beneficiaries Currently Receiving Benefits	492
Terminated Employees Entitled to Deferred Benefits	0
Disabled Employees Entitled to Deferred Benefits	0
Total	<u>492</u>



### 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 2025, affiliated organizations contributed \$3,988,701 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. For the fiscal year ended June 30, 2025, the ERP Pension Plan did not have any investments in any single issuer that represented 5% or more of the total plan investments, excluding investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments.

For the fiscal year ended June 30, 2025, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 11.64%.

### Net Pension Liability (NPL)

The components of the net pension liability at June 30, 2025 were as follows:

Total Pension Liability	\$ 128,317,449
Plan Fiduciary Net Position	<u>(141,693,464)</u>
Net Pension Liability	<u>\$ (13,376,015)</u>

Plan Fiduciary Net Position as a percentage of total pension liability is 110.42%.

### Actuarial Assumptions

The total pension liability was determined by the actuarial valuation as of January 1, 2024 with the results rolled forward to the June 30, 2025 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.

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	\$ (4,699,930)	\$ (13,376,015)	\$ (21,094,698)

*Schedule of Changes in Net Pension Liability*

For the year ended June 30, 2025, the University recognized net pension liability of \$(13,376,015) calculated as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance, June 30, 2024	\$ 134,750,338	\$ 135,510,065	\$ (759,727)
Interest	8,929,607	—	8,929,607
Experience losses (gains)	(993,449)	—	(993,449)
Contributions - Employer	—	5,358,277	(5,358,277)
Net investment income	—	15,194,169	(15,194,169)
Benefit payments	(14,369,047)	(14,369,047)	—
Net Change	(6,432,889)	6,183,399	(12,616,288)
Balance, June 30, 2025	<u>\$ 128,317,449</u>	<u>\$ 141,693,464</u>	<u>\$ (13,376,015)</u>

Affiliated organizations contributed \$3,988,701 to the plan on behalf of the University.

*Schedule of Changes in Pension Expense*

For the year ended June 30, 2025, the University recognized pension expense of \$(4,186,200) from the following sources:

	Pension Expense
Interest	\$ 8,929,607
Projected investment income	(9,170,328)
Recognition of experience (gain)/loss	(993,449)
Investment losses (gains)	(2,952,030)
Pension Expense June 30, 2025	<u>\$ (4,186,200)</u>

### Deferred Outflows/Inflows of Resources

At June 30, 2025, 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	\$ —	\$ 5,823,778

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:

2026	\$ 1,529,414
2027	\$ (3,326,764)
2028	\$ (2,821,659)
2029	\$ (1,204,769)

## **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 2025, the employer contribution was 9.24% for the participating employee's earnable compensation. Employees contribute 6.00% of their earnable compensation. Amounts attributable to all plan contributions are fully vested and non-forfeitable at all times.

The University and the covered employees made the required contributions of \$19,275,120 (9.24%) and \$12,516,458 (6.00%), respectively.

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

## **Note 15 Risk Management**

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

The University's participating employees and eligible retirees pay premiums into the plan fund to access benefits coverage. All units of the USG share the risk of loss for claims associated with these plans. The plan fund is considered to be a self-sustaining risk fund. The USG has contracted with Blue Cross and Blue Shield of Georgia, a

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

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

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

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

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

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

## **Note 16 Contingencies**

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

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

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

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

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

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

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

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

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

Active Employees	4,688
Retirees or Beneficiaries Receiving Benefits	2,180
Retirees Receiving Life Insurance Only	<u>738</u>
Total	<u><u>7,606</u></u>

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

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

For fiscal year 2025, the University contributed \$9,905,239 to the plan for current premiums or claims.

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

At June 30, 2025, the University reported a liability for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2024. The total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation as of May 1, 2024. An expected total OPEB liability as of June 30, 2024 was determined using standard roll-forward techniques. The University's proportion of the net OPEB liability was actuarially determined based on employer contributions during the fiscal year ended June 30, 2024. At June 30, 2024, the University's proportion was 10.562065%, which was a decrease of (0.090071)% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the University recognized OPEB expense of \$(43,413,178). At June 30, 2025, the University reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 7,751,737	\$ 1,623,421
Changes of assumptions	20,230,380	155,879,071
Net difference between projected and actual earnings on OPEB plan investments	723,197	—
Changes in proportion and differences between contributions and proportionate share of contributions	1,187,802	28,683,643
Contributions subsequent to the measurement date	9,905,239	—
Total	<u>\$ 39,798,355</u>	<u>\$ 186,186,135</u>

The University's contributions subsequent to the measurement date of \$9,905,239 are reported as deferred outflows of resources and will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2026.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30:		
2026	\$	(62,585,868)
2027	\$	(51,959,793)
2028	\$	(29,490,280)
2029	\$	(11,097,901)
2030	\$	(1,159,177)
Thereafter	\$	—

### Actuarial assumptions

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

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

### Changes in Assumptions Since Prior Valuation

The financial accounting valuation reflects the following assumption changes:

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

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected



rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of geometric real rates of return for each major asset class included in the target asset allocation as of June 30, 2024 are summarized in the following table:

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

#### Discount rate

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

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

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

	1% Decrease 2.96%	Current Rate 3.96%	1% Increase 4.96%
Proportionate Share of the Net OPEB Liability	\$ 354,869,471	\$ 306,687,637	\$ 267,253,798

#### 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	\$ 269,735,723	\$ 306,687,637	\$ 352,475,592
Pre-Medicare Eligible	7.7% decreasing to 3.5%	8.7% decreasing to 4.5%	9.7% decreasing to 5.5%
Medicare Eligible	1.0%	2.0%	3.0%

#### OPEB plan fiduciary net position:

Detailed information about the Plan's fiduciary net position is available in the USG Annual Consolidated Financial

## Note 18 Operating Expenses with Functional Classifications

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

Functional Classification	Natural Classification				
	Faculty Salaries	Staff Salaries	Employee Benefits	Personal Services	Travel
Instruction	\$ 108,648,140	\$ 30,647,268	\$ 15,205,751	\$ 642,278	\$ 1,767,621
Research	41,561,891	35,097,061	11,973,345	155,293	1,381,843
Public Service	6,662,695	13,870,735	2,496,815	16,126	541,233
Academic Support	16,962,736	21,175,371	8,282,956	47,611	365,131
Student Services	1,098,152	5,673,917	2,360,134	58,505	165,580
Institutional Support	5,141,792	30,384,066	29,764,857	426,772	331,614
Plant Operations and Maintenance	380,396	14,237,366	3,110,688	2,022	35,613
Scholarships and Fellowships	—	—	—	—	—
Auxiliary Enterprises	80,619	5,498,358	2,100,354	15,830	82,538
Patient Care	142,514,219	84,316,110	35,652,331	5,700,949	964,013
Total Operating Expenses	<u>\$ 323,050,640</u>	<u>\$ 240,900,252</u>	<u>\$ 110,947,231</u>	<u>\$ 7,065,386</u>	<u>\$ 5,635,186</u>

Functional Classification	Natural Classification				
	Scholarships and Fellowships	Utilities	Supplies and Other Services	Depreciation/ Amortization	Total Operating Expenses
Instruction	\$ 1,740,339	\$ 4,500	\$ 3,138,670	\$ 20,766,452	\$ 182,561,019
Research	95,085	117,401	32,409,126	5,279,521	128,070,566
Public Service	276,805	130,926	12,414,774	515,286	36,925,395
Academic Support	21,450	130,062	11,347,556	3,122,944	61,455,817
Student Services	5,850	56,293	5,606,408	102,057	15,126,896
Institutional Support	—	—	113,476,718	7,851,592	187,377,411
Plant Operations and Maintenance	—	14,890,860	28,866,697	5,538,102	67,061,744
Scholarships and Fellowships	9,077,972	—	—	—	9,077,972
Auxiliary Enterprises	919,959	646,737	12,525,968	1,477,724	23,348,087
Patient Care	—	67,875	18,129,735	53,440	287,398,672
Total Operating Expenses	<u>\$ 12,137,460</u>	<u>\$ 16,044,654</u>	<u>\$ 237,915,652</u>	<u>\$ 44,707,118</u>	<u>\$ 998,403,579</u>

## Note 19 Subsequent Events

## **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, 2025, the AUF distributed approximately \$5,803,484 to Augusta University in support of capital outlay projects, scholarships, and other supporting activities.

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

### **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, 2025, the AURI distributed approximately \$98,471,492 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, 2025, the AUREF distributed approximately \$0 to Augusta University in support of capital outlay projects, scholarships, and other supporting activities.

The Augusta University Real Estate Foundation outstanding bonds payable and/or notes and loans payable are secured with collateral related to real property.

### **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, 2025, the GRREC distributed approximately \$1,949,203 to Augusta University in support of capital outlay projects and other supporting activities.

### **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, 2025, the Foundation paid approximately \$9,328,028 to Augusta University and its affiliates in support of students and University programs. The Foundation paid approximately \$897,871 to non-affiliated organizations on behalf of Augusta University.

The Medical College of Georgia Foundation, Inc. has an unused line of credit in the amount of \$8,027,877.

### Elimination and Consolidation Adjustments

An elimination entry was necessary for Augusta University Foundation, Inc. to increase Current Assets Accounts Receivable, net - Primary Government in the amount of \$1,764 and to increase Current Liabilities Due To Primary Government in the amount of \$1,764. 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, 2025:

	Fair Value
Investment type	
Debt Securities	
U.S. Agencies	
Bond Securities	\$ 16,392,148
Money Market Mutual Funds	4,420,216
Mutual Bond Funds	1,309,415
Repurchase Agreements	686,700
Other Investments	
Equity Mutual Funds - Domestic	52,124,163
Equity Mutual Funds - International	12,046,701
Equity Securities - Domestic	1,744,591
Equity Securities - International	194,873
Private Equities	375,440,670
Real Estate Held for Investment Purposes	479,942
Real Asset Limited Partnerships	11,408,388
Other	16,453
	476,264,260
Investment Pools	
Board of Regents	
Short-Term Fund	13,650,696
Balanced Income Fund	5,403,307
Total Return Fund	12,539
Total Investments	<u>\$ 495,330,802</u>

Of the investments disclosed above, \$13,650,696 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, 2025:

	Without Donor Restrictions	With Donor Restrictions	Total
Beginning	\$ 44,435,629	\$ 338,960,850	\$ 383,396,479
Contributions	—	15,579,147	15,579,147
Net realized and unrealized gains	814,047	43,592,755	44,406,802
Appropriation of endowment assets for expenditure	(1,790,094)	(15,047,878)	(16,837,972)
Transfers to comply with donor intent	(525,499)	63,750	(461,749)
Other	456,029	(456,029)	—
Ending	<u>\$ 43,390,112</u>	<u>\$ 382,692,595</u>	<u>\$ 426,082,707</u>

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

Year Ending June 30:	Year:	Principal	Interest	Total
2026	1	\$ 1,503,839	\$ 583,914	\$ 2,087,753
2027	2	1,554,456	527,047	2,081,503
2028	3	1,622,233	468,070	2,090,303
2029	4	1,681,282	406,633	2,087,915
2030	5	1,742,132	342,908	2,085,040
2031 through 2035	6-10	7,954,036	697,256	8,651,292
Total Minimum Lease Payments to be Received		<u>\$ 16,057,978</u>	<u>\$ 3,025,828</u>	<u>\$ 19,083,806</u>

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

Capital Assets not being Depreciated:	
Land and Land Improvements	<u>\$ 15,832,736</u>
Total Capital Assets not being Depreciated	<u>15,832,736</u>
Capital Assets, Being Depreciated/Amortized:	
Buildings and Building Improvements	35,172,219
Equipment	<u>276,457</u>
Total Capital Assets being Depreciated/Amortized	35,448,676
Less Total Accumulated Depreciation/Amortization	<u>1,270,367</u>
Total Capital Assets being Depreciated/Amortized, Net	<u>34,178,309</u>
Capital Assets, Net	<u>\$ 50,011,045</u>

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

Intangible Right-to-use Assets, Being Amortized	
Equipment	\$ 868,458
Total Intangible Assets, Being Amortized	868,458
Less: Accumulated Amortization	
Equipment	55,302
Total Accumulated Amortization	55,302
Total Intangible Right-to-use Assets, Being Amortized, Net	813,156
Intangible Right-to-use Assets, net	<u>\$ 813,156</u>

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

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts due within One Year
Lease Obligations	\$ —	\$ 813,156	\$ —	\$ 813,156	\$ 257,036
Liabilities under Split Interest Agreement	885,117	90,232	342	975,007	1,625
Notes and Loans Payable	13,972,123	—	10,000,000	3,972,123	3,972,123
Revenue/Mortgage Bonds Payable	37,425,000	—	1,275,000	36,150,000	1,340,000
Bond - Premium	843,148	—	105,755	737,393	—
Unamortized Issuance and Other Bond Related Costs	(1,492,751)	36,745	(49,178)	(1,406,828)	—
Total Long Term Liabilities	<u>\$ 51,632,637</u>	<u>\$ 940,133</u>	<u>\$ 11,331,919</u>	<u>\$ 41,240,851</u>	<u>\$ 5,570,784</u>

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

	Principal	Interest	Total
Year ending June 30:			
2026	\$ 257,036	\$ 26,368	\$ 283,404
2027	264,130	16,616	280,746
2028	257,550	6,722	264,272
2029	34,440	381	34,821
Total minimum lease payments	<u>\$ 813,156</u>	<u>\$ 50,087</u>	<u>\$ 863,243</u>

:

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

	Principal	Interest	Total
Year ending June 30:			
2026	\$ 3,972,123	\$ —	\$ 3,972,123

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

	Principal	Interest	Total
Year ending June 30:			
2026	\$ 1,340,000	\$ 1,640,712	\$ 2,980,712
2027	1,705,000	1,587,200	3,292,200
2028	1,775,000	1,510,981	3,285,981
2029	1,850,000	1,449,790	3,299,790
2030	1,910,000	1,386,012	3,296,012
2031 through 2035	10,420,000	5,630,431	16,050,431
2036 through 2040	2,680,000	3,963,334	6,643,334
2041 through 2045	3,365,000	3,259,919	6,624,919
2046 through 2050	4,305,000	2,277,563	6,582,563
2051 through 2055	5,525,000	1,036,125	6,561,125
2056 through 2060	1,275,000	31,875	1,306,875
	<u>36,150,000</u>	<u>23,773,942</u>	<u>59,923,942</u>
Bond Premium	737,393	—	737,393
Bond (Discount and Other Issuance Cost)	<u>(1,406,828)</u>	<u>—</u>	<u>(1,406,828)</u>
Total	<u>\$ 35,480,565</u>	<u>\$ 23,773,942</u>	<u>\$ 59,254,507</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, 2025	\$ 5,358,277	\$ 5,358,277	\$ —	N/A	N/A
	June 30, 2024	\$ 5,824,318	\$ 5,824,318	\$ —	N/A	N/A
	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
Employees' Retirement System	June 30, 2025	\$ 689,240	\$ 689,240	\$ —	\$ 2,360,412	29.20%
	June 30, 2024	\$ 726,152	\$ 726,152	\$ —	\$ 2,474,113	29.35%
	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	\$ 781,593	\$ 781,593	\$ —	\$ 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%
Teachers Retirement System	June 30, 2025	\$ 49,151,472	\$ 49,151,472	\$ —	\$ 236,487,791	20.78%
	June 30, 2024	\$ 43,381,674	\$ 43,381,674	\$ —	\$ 216,938,235	20.00%
	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%

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

	Year Ended	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Covered Payroll	Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
Employees' Retirement System	June 30, 2025	0.094152%	\$ 4,238,592	\$ 2,474,113	171.32%	78.75%
	June 30, 2024	0.098389%	\$ 5,869,484	\$ 2,464,985	238.11%	71.20%
	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%	76.2%
Teachers Retirement System	June 30, 2025	1.387229%	\$ 348,674,599	\$ 216,938,235	160.73%	80.86%
	June 30, 2024	1.398731%	\$ 412,965,467	\$ 204,119,469	202.32%	76.29%
	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%

**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, 2025	\$ 128,317,449	\$ (141,693,464)	\$ (13,376,015)	110.42 %	— %	N/A
June 30, 2024	\$ 134,750,338	\$ (135,510,065)	\$ (759,727)	100.56 %	— %	N/A
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

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

	2025	2024	2023	2022	2021
Total Pension Liability					
Interest	\$ 8,929,607	\$ 9,231,959	\$ 9,550,729	\$ 10,039,980	\$ 9,993,093
Differences Between Expected and Actual Experience	(993,449)	889,612	329,586	(2,387,778)	336,562
Changes of Assumptions	—	—	—	(305,931)	9,559,171
Benefit Payments/Refunds	(14,369,047)	(14,512,712)	(14,355,643)	(14,315,488)	(14,277,125)
Net Change in Total Pension Liability	(6,432,889)	(4,391,141)	(4,475,328)	(6,969,217)	5,611,701
Total Pension Liability - Beginning	134,750,338	139,141,479	143,616,807	150,586,024	144,974,323
Total Pension Liability - Ending (a)	<u>\$ 128,317,449</u>	<u>\$ 134,750,338</u>	<u>\$ 139,141,479</u>	<u>\$ 143,616,807</u>	<u>\$ 150,586,024</u>
Plan Fiduciary Net Position					
Contributions - Employer	\$ 5,358,277	\$ 5,824,318	\$ 8,088,502	\$ 20,416,356	\$ 10,838,070
Net Investment Income	15,194,169	16,704,910	10,906,003	(14,854,752)	29,905,355
Benefit Payments/Refunds	(14,369,047)	(14,512,712)	(14,355,643)	(14,315,488)	(14,277,125)
Net Change in Plan Fiduciary Net Position	6,183,399	8,016,516	4,638,862	(8,753,884)	26,466,300
Plan Fiduciary Net Position - Beginning	135,510,065	127,493,549	122,854,687	131,608,571	105,142,271
Plan Fiduciary Net Position - Ending (b)	<u>\$ 141,693,464</u>	<u>\$ 135,510,065</u>	<u>\$ 127,493,549</u>	<u>\$ 122,854,687</u>	<u>\$ 131,608,571</u>
Net Pension Liability Ending (a - b)	<u>\$ (13,376,015)</u>	<u>\$ (759,727)</u>	<u>\$ 11,647,930</u>	<u>\$ 20,762,120</u>	<u>\$ 18,977,453</u>

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

	2020	2019	2018	2017	2016
Total Pension Liability					
Interest	\$ 10,461,152	\$ 10,636,036	\$ 10,669,543	\$ 10,875,630	\$ 10,278,138
Differences Between Expected and Actual Experience	393,469	1,581,985	664,493	77,619	1,349,554
Changes of Assumptions	1,761,370	(376,246)	2,161,493	—	9,885,919
Benefit Payments/Refunds	(14,247,377)	(14,099,754)	(13,784,836)	(13,617,313)	(13,476,778)
Net Change in Total Pension Liability	(1,631,386)	(2,257,979)	(289,307)	(2,664,064)	8,036,833
Total Pension Liability - Beginning	146,605,709	148,863,688	149,152,995	151,817,059	143,780,226
Total Pension Liability - Ending (a)	<u>\$ 144,974,323</u>	<u>\$ 146,605,709</u>	<u>\$ 148,863,688</u>	<u>\$ 149,152,995</u>	<u>\$ 151,817,059</u>
Plan Fiduciary Net Position					
Contributions - Employer	\$ 11,474,114	\$ 13,084,672	\$ 13,084,672	\$ 13,084,672	\$ 13,084,672
Net Investment Income	2,539,667	7,368,830	9,314,218	10,618,358	1,588,717
Benefit Payments/Refunds	(14,247,377)	(14,099,754)	(13,784,836)	(13,617,313)	(13,476,778)
Net Change in Plan Fiduciary Net Position	(233,596)	6,353,748	8,614,054	10,085,717	1,196,611
Plan Fiduciary Net Position - Beginning	105,375,867	99,022,119	90,408,065	80,322,348	79,125,737
Plan Fiduciary Net Position - Ending (b)	<u>\$ 105,142,271</u>	<u>\$ 105,375,867</u>	<u>\$ 99,022,119</u>	<u>\$ 90,408,065</u>	<u>\$ 80,322,348</u>
Net Pension Liability Ending (a - b)	<u>\$ 39,832,052</u>	<u>\$ 41,229,842</u>	<u>\$ 49,841,569</u>	<u>\$ 58,744,930</u>	<u>\$ 71,494,711</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**

	Annual Money-Weighted Rate of Return, Net Investment Expense
June 30, 2025	11.64 %
June 30, 2024	13.57 %
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 %

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

**Early Retirement Plan:**

There were no changes in actuarial methods or assumptions from the prior year report. There were no changes in plan provisions 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%. These assumption changes were first reflected in the calculation of the June 30, 2021 Total Pension Liability.

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

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

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

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

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

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

Year Ended	Contractually Required Contribution (a)	Contributions in Relation to the Contractually Required Contribution (b)	Contribution Deficiency (Excess) (b-a)	Covered Employee Payroll (c)	Contributions as a Percentage of Covered Employee Payroll (b/c)
June 30, 2025	\$ 9,905,239	\$ 9,905,239	\$ —	\$ 534,057,848	1.85%
June 30, 2024	\$ 9,875,615	\$ 9,875,615	\$ —	\$ 514,593,456	1.92%
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 EIGHT FISCAL YEARS\***

Year Ended	Proportion of the Net OPEB Liability	Proportionate Share of the Net OPEB Liability	Covered Employee Payroll	Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
June 30, 2025	10.562065%	\$ 306,687,637	\$ 514,593,456	59.60%	7.19%
June 30, 2024	10.652135%	\$ 338,455,344	\$ 469,742,401	72.05%	6.44%
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, 2025**

*Changes in Assumptions Since Prior Valuation*

The financial accounting valuation reflects the following assumption changes:

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



# *Supplementary Information*

**AUGUSTA UNIVERSITY**  
**BALANCE SHEET (NON-GAAP BASIS)**  
**BUDGET FUNDS**  
**JUNE 30, 2025**

ASSETS

Cash and Cash Equivalents	\$ 43,231,485.84
Investments	155,398,443.24
Accounts Receivable	
State Appropriation	185,736.00
Federal Financial Assistance	13,298,117.76
Other	51,665,389.01
Prepaid Expenditures	530,441.78
Other Assets	6,310.95
	<hr/>
<b>Total Assets</b>	<b>264,315,924.58</b>
	<hr/>

LIABILITIES AND FUND EQUITY

Liabilities	
Accrued Payroll	1,267,822.87
Encumbrance Payable	52,403,286.33
Accounts Payable	6,967,775.91
Deferred Revenue	30,757,508.59
Funds Held for Others	143,424.53
Other Liabilities	683.41
	<hr/>
<b>Total Liabilities</b>	<b>91,540,501.64</b>
	<hr/>
Fund Balances	
Reserved	
Department Sales and Services	13,736,004.11
Indirect Cost Recoveries	69,047,666.30
Technology Fees	685,741.39
Restricted/Sponsored Funds	85,397,627.73
Uncollectible Accounts Receivable	694,147.63
Tuition Carry - Forward	3,112,069.94
Unreserved	
Surplus	102,165.84
	<hr/>
<b>Total Fund Balances</b>	<b>172,775,422.94</b>
	<hr/>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 264,315,924.58</b>
	<hr/>

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

**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, 2025**

	Original Appropriation	Final Budget	Funds Available Compared to Budget	
			Current Year Revenues	Prior Year Reserve Carry-Over
<b>Georgia Cyber Innovation and Training Center</b>				
State Appropriation				
State General Funds	\$ 2,431,513.00	\$ 2,432,429.00	\$ 2,432,429.00	\$ —
Federal Funds				
Federal Funds Not Specifically Identified	—	2,919,050.00	462,507.66	—
Other Funds	2,223,468.00	4,617,399.00	2,970,550.89	2,766,544.75
<b>Total Georgia Cyber Innovation and Training Center</b>	<b>4,654,981.00</b>	<b>9,968,878.00</b>	<b>5,865,487.55</b>	<b>2,766,544.75</b>
<b>Medical College of Georgia Hospital and Clinics</b>				
State Appropriation				
State General Funds	46,036,856.00	42,837,406.00	42,837,406.00	—
<b>Total Medical College of Georgia Hospital and Clinics</b>	<b>46,036,856.00</b>	<b>42,837,406.00</b>	<b>42,837,406.00</b>	<b>—</b>
<b>Public Service/Special Funding Initiatives</b>				
State Appropriation				
State General Funds	15,950,855.00	16,150,855.00	16,150,855.00	—
<b>Total Public Service/Special Funding Initiatives</b>	<b>15,950,855.00</b>	<b>16,150,855.00</b>	<b>16,150,855.00</b>	<b>—</b>
<b>Teaching</b>				
State Appropriation				
State General Funds	326,007,030.00	322,739,352.00	322,739,352.00	—
Federal Funds	—	—	—	—
Federal Funds Not Specifically Identified	76,226,048.00	208,820,811.00	104,832,202.25	513,231.76
Other Funds	555,557,453.00	659,501,670.00	526,307,286.90	151,337,381.68
<b>Total Teaching</b>	<b>957,790,531.00</b>	<b>1,191,061,833.00</b>	<b>953,878,841.15</b>	<b>151,850,613.44</b>
<b>Total Operating Activity</b>	<b>\$ 1,024,433,223.00</b>	<b>\$ 1,260,018,972.00</b>	<b>\$ 1,018,732,589.70</b>	<b>\$ 154,617,158.19</b>

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

**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, 2025**

	Funds Available Compared to Budget			Expenditures Compared to Budget		Excess of
	Program Transfers or Adjustments	Total Funds Available	Variance Positive (Negative)	Current Year Actual	Variance Positive (Negative)	Available over (under) Expenditures
<b>Georgia Cyber Innovation and Training Center</b>						
State Appropriation						
State General Funds	\$ —	\$ 2,432,429.00	\$ —	\$ 2,432,429.00	\$ —	\$ —
Federal Funds						
Federal Funds Not Specifically Identified	—	462,507.66	(2,456,542.34)	462,507.66	2,456,542.34	—
Other Funds	31,525.80	5,768,621.44	1,151,222.44	3,462,737.00	1,154,662.00	2,305,884.44
<b>Total Georgia Cyber Innovation and Training Center</b>	<b>31,525.80</b>	<b>8,663,558.10</b>	<b>(1,305,319.90)</b>	<b>6,357,673.66</b>	<b>3,611,204.34</b>	<b>2,305,884.44</b>
<b>Medical College of Georgia Hospital and Clinics</b>						
State Appropriation						
State General Funds	—	42,837,406.00	—	42,837,406.00	—	—
<b>Total Medical College of Georgia Hospital and Clinics</b>	<b>—</b>	<b>42,837,406.00</b>	<b>—</b>	<b>42,837,406.00</b>	<b>—</b>	<b>—</b>
<b>Public Service/Special Funding Initiatives</b>						
State Appropriation						
State General Funds	—	16,150,855.00	—	16,150,746.54	108.46	108.46
<b>Total Public Service/Special Funding Initiatives</b>	<b>—</b>	<b>16,150,855.00</b>	<b>—</b>	<b>16,150,746.54</b>	<b>108.46</b>	<b>108.46</b>
<b>Teaching</b>						
State Appropriation						
State General Funds	\$ —	322,739,352.00	—	322,739,225.74	126.26	126.26
Federal Funds						
Federal Funds Not Specifically Identified	—	105,345,434.01	(103,475,376.99)	97,860,354.96	110,960,456.04	7,485,079.05
Other Funds	(31,525.80)	677,613,142.78	18,111,472.78	515,384,729.94	144,116,940.06	162,228,412.84
<b>Total Teaching</b>	<b>(31,525.80)</b>	<b>1,105,697,928.79</b>	<b>(85,363,904.21)</b>	<b>935,984,310.64</b>	<b>255,077,522.36</b>	<b>169,713,618.15</b>
<b>Total Operating Activity</b>	<b>\$ —</b>	<b>\$1,173,349,747.89</b>	<b>\$ (86,669,224.11)</b>	<b>\$1,001,330,136.84</b>	<b>\$ 258,688,835.16</b>	<b>\$ 172,019,611.05</b>

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

**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, 2025**

	Beginning Fund Balance/(Deficit)	Fund Balance Carried Over from Prior Year as Funds Available	Return of June 30, 2024 Surplus	Prior Year Adjustments	Other Adjustments
	July 1				
<b>Georgia Cyber Innovation and Training Center</b>					
State Appropriation					
State General Funds	\$ 0.52	\$ —	\$ (0.52)	\$ —	\$ —
Other Funds	2,766,544.75	(2,766,544.75)	—	—	—
<b>Total Georgia Cyber Innovation and Training Center</b>	<b>2,766,545.27</b>	<b>(2,766,544.75)</b>	<b>(0.52)</b>	<b>—</b>	<b>—</b>
<b>Medical College of Georgia Hospital and Clinics</b>					
State Appropriation					
State General Funds	16.58	—	(16.58)	683.41	—
<b>Total Medical College of Georgia Hospital and Clinics</b>	<b>16.58</b>	<b>—</b>	<b>(16.58)</b>	<b>683.41</b>	<b>—</b>
<b>Public Service/Special Funding Initiatives</b>					
State Appropriation					
State General Funds	10,516.03	—	(10,516.03)	30,596.75	—
<b>Total Public Service/Special Funding Initiatives</b>	<b>10,516.03</b>	<b>—</b>	<b>(10,516.03)</b>	<b>30,596.75</b>	<b>—</b>
<b>Teaching</b>					
State Appropriation					
State General Funds	288,119.50	—	(288,119.50)	60,203.64	—
Federal Funds	—	—	—	—	—
Federal Funds Not Specifically Identified	513,231.76	(513,231.76)	—	—	—
Other Funds	154,443,190.67	(151,337,381.68)	(3,105,808.99)	10,447.32	(40,266.86)
<b>Total Teaching</b>	<b>155,244,541.93</b>	<b>(151,850,613.44)</b>	<b>(3,393,928.49)</b>	<b>70,650.96</b>	<b>(40,266.86)</b>
<b>Total Operating Activity</b>	<b>158,021,619.81</b>	<b>(154,617,158.19)</b>	<b>(3,404,461.62)</b>	<b>101,931.12</b>	<b>(40,266.86)</b>
<b>Prior Year Reserve</b>					
<b>Not Available for Expenditure</b>					
Uncollectible Accounts Receivable	653,880.77	—	—	—	40,266.86
<b>Budget Unit Totals</b>	<b>\$ 158,675,500.58</b>	<b>\$ (154,617,158.19)</b>	<b>\$ (3,404,461.62)</b>	<b>\$ 101,931.12</b>	<b>\$ —</b>

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

**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, 2025**

	Excess (Deficiency)					
	Early Return of June 30, 2025	of Funds Available Over/(Under) Expenditures	Ending Fund Balance/(Deficit) June 30	Analysis of Ending Fund Balance		
				Reserved	Surplus/(Deficit)	Total
<b>Georgia Cyber Innovation and Training Center</b>						
State Appropriation						
State General Funds	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Other Funds	—	2,305,884.44	2,305,884.44	2,305,884.44	—	2,305,884.44
<b>Total Georgia Cyber Innovation and Training Center</b>	—	2,305,884.44	2,305,884.44	2,305,884.44	—	2,305,884.44
<b>Medical College of Georgia Hospital and Clinics</b>						
State Appropriation						
State General Funds	—	—	683.41	—	683.41	683.41
<b>Total Medical College of Georgia Hospital and Clinics</b>	—	—	683.41	—	683.41	683.41
<b>Public Service/Special Funding Initiatives</b>						
State Appropriation						
State General Funds	—	108.46	30,705.21	—	30,705.21	30,705.21
<b>Total Public Service/Special Funding Initiatives</b>	—	108.46	30,705.21	—	30,705.21	30,705.21
<b>Teaching</b>						
State Appropriation						
State General Funds	—	126.26	60,329.90	—	60,329.90	60,329.90
Federal Funds	—					
Federal Funds Not Specifically Identified	—	7,485,079.05	7,485,079.05	7,485,079.05	—	7,485,079.05
Other Funds	—	162,228,412.84	162,198,593.30	162,188,145.98	10,447.32	162,198,593.30
<b>Total Teaching</b>	—	169,713,618.15	169,744,002.25	169,673,225.03	70,777.22	169,744,002.25
<b>Total Operating Activity</b>	—	172,019,611.05	172,081,275.31	171,979,109.47	102,165.84	172,081,275.31
<b>Prior Year Reserve</b>						
<b>Not Available for Expenditure</b>						
Uncollectible Accounts Receivable	—	—	694,147.63	694,147.63	—	694,147.63
<b>Budget Unit Totals</b>	<b>\$ —</b>	<b>\$ 172,019,611.05</b>	<b>\$ 172,775,422.94</b>	<b>\$ 172,673,257.10</b>	<b>\$ 102,165.84</b>	<b>\$ 172,775,422.94</b>

Summary of Ending Fund Balance			
Reserved			
Department Sales and Services	\$ 13,736,004.11		\$ 13,736,004.11
Indirect Cost Recoveries	69,047,666.30		69,047,666.30
Technology Fees	685,741.39		685,741.39
Restricted/Sponsored Funds	85,397,627.73		85,397,627.73
Uncollectible Accounts Receivable	694,147.63		694,147.63
Tuition Carry - Forward	3,112,069.94		3,112,069.94
Unreserved, Undesignated			—
Surplus	—	102,165.84	102,165.84
<b>Total Ending Fund Balance - June 30</b>	<b>\$ 172,673,257.10</b>	<b>\$ 102,165.84</b>	<b>\$ 172,775,422.94</b>

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# AUGUSTA UNIVERSITY

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