



UNIVERSITY OF GEORGIA RESEARCH FOUNDATION, INC.
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MANAGEMENT’S DISCUSSION AND ANALYSIS



Report of Independent Auditor

To the Audit Committee of the Board of Directors
University of Georgia Research Foundation, Inc.
Athens, Georgia

Opinion

We have audited the accompanying financial statements of the University of Georgia Research Foundation, Inc.

UNIVERSITY OF GEORGIA RESEARCH FOUNDATION, INC. MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2022

Introduction

In compliance with reporting standards the University of Georgia Research Foundation, Inc. (the "Research Foundation") and the UGA Real Estate Foundation, Inc. (the "Real Estate Foundation") are treated as a single entity and financial information is shown using a blended presentation. The Research Foundation and the Real Estate Foundation are referred to collectively as the "Foundations".

The Research Foundation was incorporated under the laws of the state of Georgia as a nonprofit corporation on November 17, 1978. The Research Foundation qualifies as a tax-exempt corporation under Section 501(c)(3) of the Internal Revenue Code.

The Research Foundation fulfills broad scientific, literary, educational, and charitable purposes and operates to enhance the three-pronged mission of the University of Georgia (the "University") of teaching, research, and public service. The Research Foundation contributes to the research function of the University by securing research contracts, grants, and awards from individuals, institutions, private organizations, and government agencies for the performance of sponsored research in the various University colleges, schools, departments, and other units.

In the Intellectual Property Administration Agreement dated November 8, 1995, the Board of Regents of the University System of Georgia (the "Board of Regents") authorized the Research Foundation to serve as the official recipient of all research contracts, grants, and awards for the conduct of sponsored research at the University. The Intellectual Property Administration Agreement also assigned to the Research Foundation all the Board of Regents' rights, title, and interest in intellectual property developed by University personnel. In addition, the Research Foundation administers, protects, and licenses this intellectual property.

The Research Foundation is the sole member of the Real Estate Foundation which was incorporated under the laws of the state of Georgia as a nonprofit corporation in 1999 and qualifies as a tax-exempt corporation under Section 501(c)(3) of the Internal Revenue Code. The Real Estate Foundation manages and improves various real estate assets for the benefit of the University, governed by the Board of Regents. The Real Estate Foundation may also provide support to the Board of Regents and colleges and universities of the University System of Georgia. The Real Estate Foundation has created multiple limited liability companies of which it is the sole member. These entities are set up in order to construct, finance, own, and lease real estate projects.

Description of the Financial Statements

The statement of net position, statement of revenues, expenses, and changes in net position, and the statement of cash flows are designed to provide information which will assist in understanding the financial condition and performance of the Foundations. The Foundations' net position is one indicator of the Foundations' financial health. Over time, increases or decreases in net position are one indicator of the changes in financial condition when considered with other non-financial facts.

The *Statement of Net Position* presents information on the Foundations' assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position.

The *Statement of Revenues, Expenses, and Changes in Net Position* presents the revenues earned and the expenses incurred during the year. Activities are reported as either operating or non-operating. The financial reporting model classifies investment earnings and changes in the fair value of investments as non-operating revenues. As a result, the financial statements may show operating losses

UNIVERSITY OF GEORGIA RESEARCH FOUNDATION, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2022

Deferred outflows of resources include deferred loss on refundings that result from the advanced refunding of bond series. Deferred outflows of resources decreased \$856,111 from Fiscal 2021 to Fiscal 2022 due to normal deferred loss amortization.

Current liabilities decreased by \$5,576,946 due primarily to decreases in accounts payable to the University related to sponsored research and accrued construction costs offset by an increase in accounts payable for residual funds owed the University following early debt extinguishment.

Noncurrent liabilities decreased by \$20,429,369 from Fiscal 2021 to Fiscal 2022. This decrease is due to early debt extinguishment and annual payments of principal on noncurrent debt offset by an increase in the revolving credit agreement following the acquisition of land.

Deferred inflows of resources include unearned lease income following a lessor's recognition of a lease. Deferred inflows of resources decreased by \$2,858,475 from Fiscal 2021 to Fiscal 2022 due to normal unearned lease income amortization.

Net position represents the difference between the Foundations' assets, liabilities, and deferred outflows/inflows of resources. Total net position at June 30, 2022 and 2021 was \$107,648,258 and \$111,550,781 (after restatement), respectively, which represents a decrease of \$3,902,523 (3%).

UNIVERSITY OF GEORGIA RESEARCH FOUNDATION, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2022

University of Georgia Research Foundation, Inc.
Condensed Statements of Cash Flows
Years Ended June 30, 2022 and 2021

	<u>2022</u>	<u>Restated 2021</u>	<u>Change</u>	<u>% Change</u>
Cash flows from operating activities	\$ 31,679,953	\$ 27,342,478	\$ 4,337,475	16%
Cash flows from investing activities	(5,444,407)	7,821,314	(13,265,721)	-170%
Cash flows from capital and related financing activities	<u>(49,558,347)</u>	<u>5,335,692</u>	<u>(54,894,039)</u>	-1029%
Net change in cash and cash equivalents	(23,322,801)	40,499,484	(63,822,285)	-158%
Cash and cash equivalents – beginning of year	<u>74,936,707</u>	<u>34,437,223</u>	<u>40,499,484</u>	118%
Cash and cash equivalents – end of year	<u>\$ 51,613,906</u>	<u>\$ 74,936,707</u>	<u>\$ (23,322,801)</u>	-31%

Cash flows from operations primarily include receipts from and cash (p)5STdd[]6.5CdU Tc -0.0031J 0 1 40

UNIVERSITY OF GEORGIA RESEARCH FOUNDATION, INC.
STATEMENT OF NET POSITION

JUNE 30, 2022

	Research Foundation	Component Unit Real Estate Foundation	Total
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 16,674,562	\$ 23,776,480	\$ 40,451,042
Sponsored Research, Licensing, and Royalties Receivable	60,775,054	-	60,775,054
Accounts Receivable from the University and Affiliates	1,846,365	316,867	2,163,232
Lease Receivable, current portion	72,725	2,797,966	2,870,691
Notes Receivable, current portion	-	7,986,325	7,986,325
Prepaid Expenses and Other Current Assets	-	263,962	263,962
Total Current Assets	79,368,706	35,141,600	114,510,306
Noncurrent Assets			
Bond Proceeds Restricted for Debt Service	-	11,162,864	11,162,864
Investments	46,354,120	-	46,354,120
Investments Held by UGAF	-	6,084,546	6,084,546
Investment in GRA Venture Fund	380,463		
Real Es ,141,600			

The accompanying notes to the financial statements are an integral part of these statements.

UNIVERSITY OF GEORGIA RESEARCH FOUNDATION, INC.
STATEMENT OF NET POSITION (CONTINUED)

JUNE 30, 2022

UNIVERSITY OF GEORGIA RESEARCH FOUNDATION, INC.
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

YEAR ENDED JUNE 30, 2022

	Research Foundation	Component Unit Real Estate Foundation	Total
Operating Revenues			
Sponsored Research	\$ 258,911,479	\$ -	\$ 258,911,479
Licensing and Royalties	11,258,343	-	11,258,343
Lease Income	72,822	3,355,402	3,428,224
Repair and Restoration Income	-	1,766,569	1,766,569
Lease Interest Income	3,564	172,472	176,036
Financing Interest Income	-	9,307,637	9,307,637
Miscellaneous Operating Income	892	-	892

The accompanying notes to the financial statements are an integral part of these statements.

UNIVERSITY OF GEORGIA RESEARCH FOUNDATION, INC.
STATEMENT OF CASH FLOWS (CONTINUED)

YEAR ENDED JUNE 30, 2022

	Research	Component Unit Real Estate
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The accompanying notes to the financial statements are an integral part of these statements.

UNIVERSITY OF GEORGIA RESEARCH FOUNDATION, INC.
STATEMENTS OF FIDUCIARY FUNDS – CUSTODIAL FUNDS

AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

	Research Foundation
ASSETS	
Cash and Cash Equivalents	\$ 31,188
Total Assets	31,188
FIDUCIARY NET POSITION	
Restricted for Other Organizations	31,188

The accompanying notes to the financial statements are an integral part of these statements.

UNIVERSITY OF GEORGIA RESEARCH FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2022

Note 1—Organization

UNIVERSITY OF GEORGIA RESEARCH FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2022

Note 2—Summary of significant accounting policies (continued)

The Real Estate Foundation qualifies as a component unit of the Research Foundation. The statement of net position, the statement of revenues, expenses, and changes in net position, and the statement of cash flows of the Real Estate Foundation are shown using a blended presentation with the Research Foundation as required by government accounting standards.

These statements are the primary financial statements of the Research Foundation. Separately issued comparative financial statements for the Real Estate Foundation may be obtained at the following address: UGA Real Estate Foundation, Inc., c/o Finance Division, 324 Business Services Building, 456 E. Broad Street, Athens, GA 30602.

Basis of Accounting – For financial reporting purposes, the Foundations are considered special-purpose government entities engaged only in business-type activities. Accordingly, the Foundations' 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.

Cash and Cash Equivalents – The Foundations consider all short-term investments with an original maturity of three months or less to be cash equivalents. Investments in the Board of Regents Short-term Fund are carried at fair value. Short-term investments, which consist of money markets, certificates of deposit, and non-participating repurchase agreements, are carried at cost.

Operating Funds Held by Trustee – Amounts transferred in feysh ye.6 (s)-2t Tf5.4 a– Tfair valu,-2.7 (ce)6 (s4(ag)5.5s.7 valu,-2 T

UNIVERSITY OF GEORGIA RESEARCH FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2022

Note 2—Summary of significant accounting policies (continued)

Leases Receivable – Leases are financings of the right to use an underlying leased or owned asset. The Foundations enter into lease and sublease agreements of real property with the University. The lease receivable is measured at the present value of future lease payments expected to be received during the lease term with corresponding unearned lease income. Collectability of these lease receivable payments is reasonably assured and no allowance for uncollectible amounts has been established.

Notes Receivable – The Real Estate Foundation enters into financing agreements of real property with the University. The initial recording of the note receivable is made on the day the real property is placed in service, with a corresponding entry to remove the capital asset using the lesser of the net present value of the note payments or the fair value of the purchased property. Note receivables are allocated between the principal and interest components in accordance with the payment schedule and terms included in the financing agreements. Notes receivable consist of note receivable payments due for real property owned by the University. Collectability of these note receivable payments is reasonably assured and no allowance for uncollectible amounts has been established.

Capital Assets – Expenditures for maintenance and repairs are charged to operations as incurred, while renewals and betterments are capitalized.

Furniture and equipment are stated at cost, less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets of seven years.

Real property includes buildings and improvements stated at cost, less accumulated depreciation. Depreciation is computed using the straight-line method over the lesser of the estimated useful life of the related asset of 10 to 30 years or the remaining term on the related ground or air rights leases. Land and easements are stated at cost and are not depreciated.

Construction in progress is stated at cost and includes planning, development, and construction costs. When construction is complete and the asset is placed in use, assets are transferred at cost to real property or placed under a financing agreement with the Board of Regents.

Intangible right-to-use assets recognize the right to use an underlying tangible nonfinancial asset per a lease agreement. The corresponding liability is recorded as a lease obligation. The intangible right-to-use asset and lease obligation is measured at the present value of future lease payments expected to be made during the lease term.

Deferred Outflows/Inflows of Resources – In accordance with SGAS No. 65, *Items Previously Reported as Assets and Liabilities*, the statement of net position reports a separate financial statement element, deferred outflows of resources, which represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources until that time. The Real Estate Foundation's deferred loss on refundings qualifies for reporting in this category. The deferred loss on refundings results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt using the straight-line method. In addition to liabilities, the statement of net position report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and will not be recognized as revenue until that time. The Foundations' unearned lease income qualifies for reporting in this category. Unearned lease income results from a lessor's recording of a lease.

UNIVERSITY OF GEORGIA RESEARCH FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2022

UNIVERSITY OF GEORGIA RESEARCH FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2022

Note 3—Deposits and investments

A. Deposits

At June 30, 2022, the bank and investment account values of the Foundations’ deposits, including interest bearing checking accounts, cash held in managed investment accounts, and cash equivalents held by trustees, were \$20,599,820.

Custodial Credit Risk

The custodial credit risk for deposits is the risk that, in the event of a bank failure, the Foundations’ deposits may not be recovered. The Foundations do not have a deposit policy for custodial credit risk. The Foundations place their cash and cash equivalents on deposit with financial institutions in the United States and Italy. For deposits with financial institutions in the United States, the Federal Deposit Insurance Corporation (“FDIC”) covers \$250,000 for substantially all depository accounts. The Foundations from time to time may have amounts on deposit in excess of these insured limits.

As of June 30, 2022, the bank balance of the Foundations’ deposits is presented below by category of risk.

	FDIC Insured	Collateralized by U.S. Securities	Uninsured and Uncollateralized	Total
Checking Accounts	\$ 13,082,732	\$ -	\$ 3,897	\$ 13,086,629
Cash Held in Investments	-	-	2,115,352	2,115,352
Funds Held by Trustee	-	-	5,397,839	5,397,839
Total Deposits	<u>\$ 13,082,732</u>	<u>\$ -</u>	<u>\$ 7,517,088</u>	<u>\$ 20,599,820</u>

UNIVERSITY OF GEORGIA RESEARCH FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2022

Note 3—Deposits and investments (continued)

B. Investments (continued)

The Foundations' investments at June 30, 2022, are presented below. All investments are presented by investment type and debt securities are presented by maturity.

Investment Type	Total	Less Than 1 Year	1 5 Years	6 10 Years	More Than 10 Years
Debt Securities					
U.S. Treasuries	\$ 3,975,981	\$ 1,958,485	\$ 732,365	\$ 797,680	\$ 487,451
Corporate Debt	11,773,283	1,066,833	2,215,563	7,954,623	536,264
Municipal Debt	79,829	-	9,850	36,826	33,153
Repurchase Agreements	14,710,000	14,710,000	-	-	-
Repurchase Agreements Held by Trustee	-	-	-	-	-
	5,765,025	-	-	5,765,025	-
	36,304,118	\$ 17,735,318	\$ 2,957,778	\$ 14,554,154	\$ 1,056,868
Other Investments					
Equity Mutual Funds - Domestic	20,653,939				
Equity Mutual Funds - International	6,094,529				
Commodity Futures ETF	3,386,093				
Equity Securities - Domestic	44,100				

UNIVERSITY OF GEORGIA RESEARCH FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2022

UNIVERSITY OF GEORGIA RESEARCH FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2022

Note 4—Other investments – cost method (continued)

A fair value is not estimated for the investment. The Research Foundation recognizes its share of losses realized by the GRA Fund; no losses were reported as of June 30, 2022. The total investment by the Research Foundation is shown at cost less distributions of return of initial investment and other than temporary losses.

GRA Venture Fund (T. E.), LLC – capital contribution, at cost, net of distributions and losses

2009 commitment	\$ 15,712
2015 commitment	<u>364,751</u>
	<u>\$ 380,463</u>

Note 5—Fair value measurements of assets and liabilities

The Foundations have adopted SGAS 72, *Fair Value Measurements and Application*, which requires fair value measurement be classified and disclosed in one of the following three Fair Value Hierarchy categories.

Level 1 – Quoted prices are available in active markets for identical investments as of the reporting date. The types of investments which would generally be included in Level 1 include listed equity securities, mutual funds, and money market funds. As required by accounting principles generally accepted in the United States of America, the Foundations, to the extent that they hold such investments, do not adjust the quoted price for these investments, even in situations where the Foundations hold a large position and a sale could reasonably impact the quoted price.

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. The types of investments which would generally be included in this category include publicly-traded securities with restrictions on disposition, corporate obligations, and U.S. Government and Agency Treasury Inflation Indices.

Level 3 – Pricing inputs are unobservable for the investments and include situations where there is little, if any, market activity for the investments. The types of investments which would generally be included in this category include debt and equity securities issued by private entities and partnerships. The inputs into the determination of fair value require significant judgment or estimation. Inputs include recent transactions, earnings forecasts, market multiples, and future cash flows.

UNIVERSITY OF GEORGIA RESEARCH FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS

UNIVERSITY OF GEORGIA RESEARCH FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2022

Note 5—Fair value measurements of assets and liabilities (continued)

The Foundations' assets where fair value is measured by net asset value of the entity are as follows:

Category	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
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UNIVERSITY OF GEORGIA RESEARCH FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2022

Note 7—Leases receivable

The Foundations have entered into multiple lease and sublease agreements with the Board of Regents to occupy the Foundation's facilities.

As of June 30, 2022, leases receivable was \$11,348,229. These amounts include future minimum lease payments to be received of \$11,688,909 as of June 30, 2022 of which \$340,680 is unearned interest.

As of June 30, 2022, lease payments are receivable as follows:

2023	\$ 3,008,293
2024	3,092,223
2025	2,140,811
2026	1,914,982
2027	<u>1,532,600</u>
Total Payments to be Received	11,688,909
Less Amounts Representing Interest	<u>(340,680)</u>
Total Leases Receivable	11,348,229
Less Current Portion	<u>(2,870,691)</u>
Noncurrent Leases Receivable	<u>\$ 8,477,538</u>

Note 8—Notes receivable

The Real Estate Foundation has entered into multiple 20 to 30-year financing agreements with the Board of Regents. On June 26, 2020, the Real Estate Foundation and the Board of Regents amended certain financing agreements to defer note receivable payments from March 2020 through June 2020 (see Note 12). Interest income accrued on the notes receivable during the deferral was received during Fiscal 2021. The deferred

UNIVERSITY OF GEORGIA RESEARCH FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2022

Note 9—Capital and intangible right-to-use assets

Capital assets consisted of the following:

	Restated Balance at June 30, 2021	Additions	Disposals and Reclasses	Balance at June 30, 2022
Capital assets not being depreciated				
Land	\$ 26,856,022	\$ 2,970,711	\$ -	\$ 29,826,733
Construction-in-progress	14,987,621	26,720,082	-	41,707,703
Easement	1,835,296	-	-	1,835,296
Total capital assets not being depreciated	43,678,939	29,690,793	-	73,369,732
Capital assets being depreciated				
Furniture and equipment	197,392	-	-	197,392
Less accumulated depreciation	(197,392)	-	-	(197,392)
Library repository building	1,142,307	-	-	1,142,307
Less accumulated depreciation	(1,142,307)	-	-	(1,142,307)
Other buildings and improvements	3,179,498	1,960,613	(1,960,613)	3,179,498
Less accumulated depreciation	(1,805,074)	(114,323)	-	(1,919,397)
Intangible Right-to-Use Assets	18,083,766	-	-	18,083,766
Less accumulated amortization	(5,361,577)	(2,680,789)	-	(8,042,366)
Total capital assets being depreciated, net	14,096,613	(834,499)	(1,960,613)	11,301,501
Capital assets, net	\$ 57,775,552	\$ 28,856,294	\$ (1,960,613)	\$ 84,671,233

UNIVERSITY OF GEORGIA RESEARCH FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2022

Note 10—Long-term liabilities (continued)

A. Bonds payable (continued)

Following is a summary as of June 30, 2022, of principal and interest payments for the face value of the bonds payable during each of the next five years ending June 30 and every five years thereafter:

	<u>Principal</u>	<u>Interest</u>
2023	\$ 9,625,000	\$ 7,829,065
2024	9,935,000	7,493,016
2025	10,240,000	7,136,373
2026	10,565,000	6,783,518
2027	10,925,000	6,398,310
2028 - 2032	61,060,000	25,209,701
2033 - 2037	55,365,000	13,698,747
2038 - 2042	26,410,000	5,536,449
2043 - 2047	10,520,000	2,332,050
2048 - 2052	9,380,000	980,400
	<u>\$ 214,025,000</u>	<u>\$ 83,397,629</u>

Changes in long-term debt for the fiscal year ended June 30, 2022 are shown below:

	<u>Restated Balance at June 30, 2021</u>	<u>Additions</u>	<u>Disposals and Reductions</u>	<u>Balance at June 30, 2022</u>	<u>Current Portion</u>
Bonds Payable	\$ 233,240,000	\$ -	\$ (19,215,000)	\$ 214,025,000	\$ 9,625,000
Net Premium (Discount)	12,906,078	-	(1,259,080)	11,646,998	-
Total Long-term Debt	<u>\$ 246,146,078</u>	<u>\$ -</u>	<u>\$ (20,474,080)</u>	<u>\$ 225,671,998</u>	<u>\$ 9,625,000</u>

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UNIVERSITY OF GEORGIA RESEARCH FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2022

Note 10—Long-term liabilities (continued)

B. Lease obligations (continued)

UNIVERSITY OF GEORGIA RESEARCH FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2022

Note 12—Related party transactions (continued)

In response to the significant financial impact of the coronavirus disease 2019 (COVID-19) to the University's campus operations, the Real Estate Foundation agreed to use unrestricted cash to partially mitigate debt service payments and operating expenses. The Real Estate Foundation and Board of Regents amended certain financing agreements on June 26, 2020, to defer note receivable payments from March 2020 through June 2020. The deferred payments were received during Fiscal 2022.

On June 15, 2022, the Rutherford Entity terminated the financing agreement with the Board of Regents following early receipt of the related note receivable from the University. In connection with the termination, the Housing Authority entered into an agreement with the Rutherford Entity to early extinguish \$9,825,000 of outstanding 2012 Rutherford Entity Bonds. The gain on extinguishment of the bonds is \$149,094. The loss on early termination of the financing agreement is \$381,889. The loss is shown in the Gain (Loss) on Disposal of Assets for the year ended June 30, 2022, in the statement of revenues, expenses, and changes in net position, and consisted of the following components:

Proceeds Received from University	\$ 9,843,200
Capital Lease Receivable at Time of Sale	<u>(10,225,089)</u>
Total Loss	<u>\$ (381,889)</u>

On March 31, 2022, the Spring Entity sold a building and land acquired on July 23, 2021, as approved by the Board, to the Board of Regents. The loss on the sale is \$13,013 and is shown in the Gain (Loss) on Disposal of Assets for the year ended June 30, 2022 in the statement of revenues, expenses, and changes in net position, and consisted of the following components:

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Research Foundation’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Research Foundation’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Augusta, Georgia
September 19, 2022