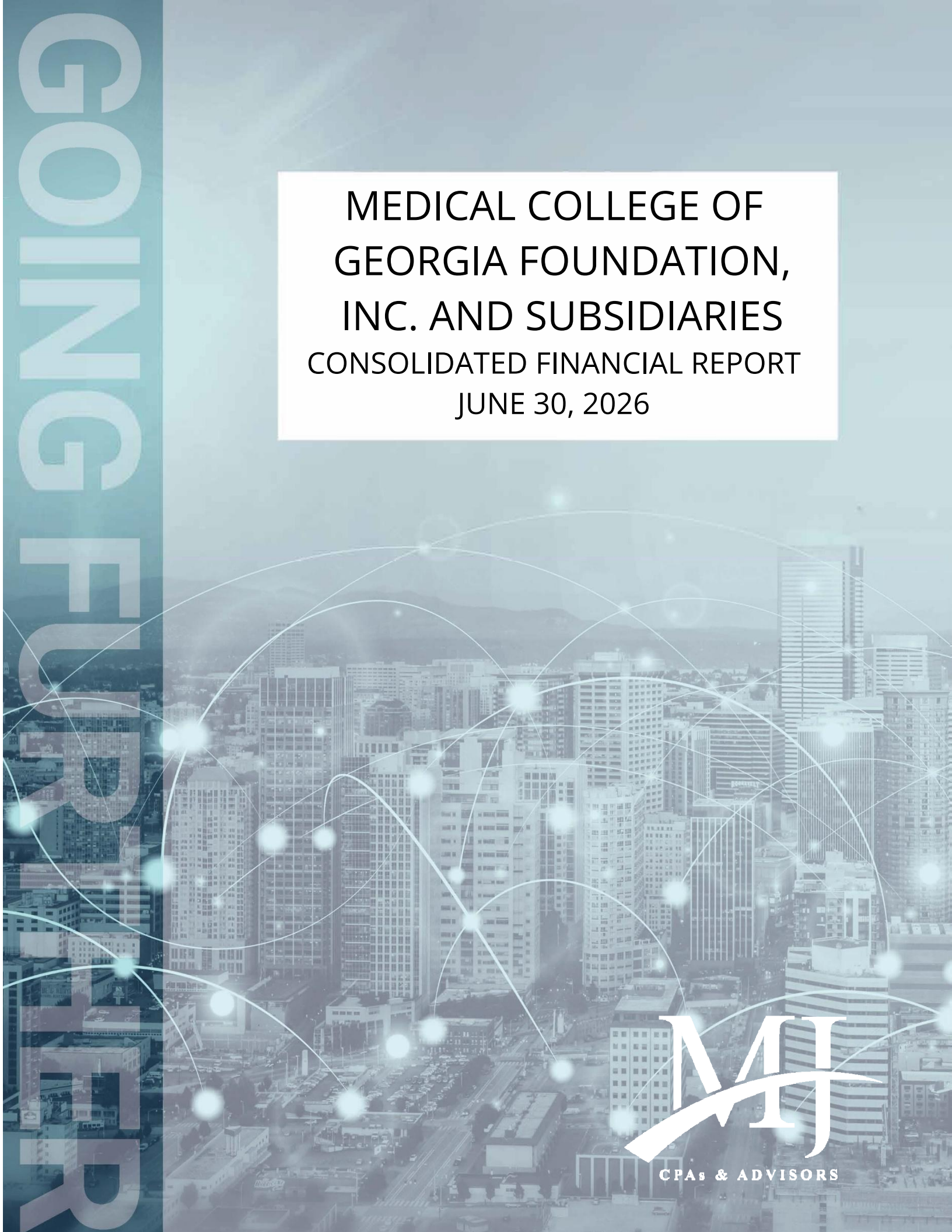
GOING FURTHER

MEDICAL COLLEGE OF GEORGIA FOUNDATION, INC. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL REPORT

JUNE 30, 2026



CPAs & ADVISORS

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MAULDIN & JENKINS
CPAs & ADVISORS

Independent Auditor's Report

To the Board of Directors of
Medical College of Georgia Foundation, Inc. and Subsidiaries
Augusta, Georgia

Opinion

We have audited the accompanying consolidated financial statements of Medical College of Georgia Foundation, Inc. and Subsidiaries (the "Foundation"), which comprise the consolidated statements of financial position as of June 30, 2026 and 2025, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Medical College of Georgia Foundation, Inc. and Subsidiaries as of June 30, 2026 and 2025, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 opinion. 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 generally accepted 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 consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 Foundation'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation'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.

Mauldin & Jenkins, LLC

Atlanta, Georgia
September 4, 2026

Medical College of Georgia Foundation, Inc. and Subsidiaries

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2026 AND 2025

	2026	2025
ASSETS		
Cash and cash equivalents	$ 6,249,423	$ 2,799,084
Unconditional promises to give, net of allowance of $1,748,756 and $553,709, respectively	11,703,210	3,705,590
Due from related party	4,168,562	4,144,345
Investments, at fair value	435,136,739	393,277,736
Investment properties, net	407,319	479,942
Property and equipment, net	15,305,552	15,368,572
Cash value of life insurance, net	13,904	14,846
Prepaid expenses	43,623	79,992
Other assets	10,000	-
Total assets	$ 473,038,332	$ 419,870,107
LIABILITIES AND NET ASSETS		
LIABILITIES		
Split-interest agreements and gift annuities payable	$ 1,110,043	$ 967,143
Notes payable	3,707,314	3,972,123
Accounts payable	992,707	826,643
Other payables	80,189	213,636
Total liabilities	5,890,253	5,979,545
NET ASSETS		
Without donor restrictions		
Undesignated	22,836,151	17,617,850
Designated by the Board for endowment	31,317,752	34,156,114
	54,153,903	51,773,964
With donor restrictions		
Time or purpose restrictions	220,323,749	175,868,536
Perpetual in nature	192,670,427	186,248,062
	412,994,176	362,116,598
Total net assets	467,148,079	413,890,562
Total liabilities and net assets	$ 473,038,332	$ 419,870,107

See Notes to Consolidated Financial Statements.

Medical College of Georgia Foundation, Inc. and Subsidiaries

CONSOLIDATED STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2026

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues:			
Private gifts and contributions	$ 73,139	$ 19,189,010	$ 19,262,149
In-kind contributions	-	97,700	97,700
Investment income	94,469	847,786	942,255
Net realized/unrealized gain on investments	1,407,613	47,287,053	48,694,666
Rental income	217,577	-	217,577
Other income	81,530	1,647,645	1,729,175
Change in value of trusts and annuities	-	(142,900)	(142,900)
Net assets released from restrictions	13,284,717	(13,284,717)	-
Total revenues	15,159,045	55,641,577	70,800,622
Expenses:			
Program services	13,000,624	-	13,000,624
Supporting services			
General and administrative	3,352,243	-	3,352,243
Fundraising	1,190,238	-	1,190,238
Total expenses	17,543,105	-	17,543,105
Change in donor intent	4,763,999	(4,763,999)	-
Change in net assets	2,379,939	50,877,578	53,257,517
Net assets, beginning of year	51,773,964	362,116,598	413,890,562
Net assets, end of year	$ 54,153,903	$ 412,994,176	$ 467,148,079

See Notes to Consolidated Financial Statements.

Medical College of Georgia Foundation, Inc. and Subsidiaries

CONSOLIDATED STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues:			
Private gifts and contributions	$ 40,025	$ 19,459,763	$ 19,499,788
In-kind contributions	-	61,700	61,700
Investment income	143,478	2,122,359	2,265,837
Net realized/unrealized gain on investments	441,265	38,977,324	39,418,589
Rental income	132,184	-	132,184
Other income	74,990	1,512,489	1,587,479
Change in value of trusts and annuities	-	(90,232)	(90,232)
Net assets released from restrictions	10,995,813	(10,995,813)	-
Total revenues	11,827,755	51,047,590	62,875,345
Expenses:			
Program services	10,396,514	-	10,396,514
Supporting services			
General and administrative	3,964,767	-	3,964,767
Fundraising	929,735	-	929,735
Total expenses	15,291,016	-	15,291,016
Change in donor intent	3,468,867	(3,468,867)	-
Change in net assets	5,606	47,578,723	47,584,329
Net assets, beginning of year	51,768,358	314,537,875	366,306,233
Net assets, end of year	$ 51,773,964	$ 362,116,598	$ 413,890,562

See Notes to Consolidated Financial Statements.

Medical College of Georgia Foundation, Inc. and Subsidiaries

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2026

		Supporting Services		
	Program Services	General and Administrative	Fundraising	Total	2026 Total
Salaries	$ 4,049,149	$ 1,913,083	$ 596,160	$ 2,509,243	$ 6,558,392
Meals and entertainment	425,780	8,761	44,675	53,436	479,216
Travel	454,872	32,391	7,765	40,156	495,028
Scholarships	4,356,264	313,000	-	313,000	4,669,264
Facilities	-	98,525	-	98,525	98,525
Supplies and equipment	1,046,328	60,845	36,146	96,991	1,143,319
Other	2,668,231	925,638	505,492	1,431,130	4,099,361
	$ 13,000,624	$ 3,352,243	$ 1,190,238	$ 4,542,481	$ 17,543,105

See Notes to Consolidated Financial Statements.

Medical College of Georgia Foundation, Inc. and Subsidiaries

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2025

	Program Services	Supporting Services: General and Administrative	Supporting Services: Fundraising	Supporting Services: Total	2025 Total
Salaries	$ 4,036,806	$ 1,820,423	$ 575,299	$ 2,395,722	$ 6,432,528
Meals and entertainment	340,749	10,370	15,829	26,199	366,948
Travel	345,510	34,588	5,766	40,354	385,864
Scholarships	3,856,853	140,000	-	140,000	3,996,853
Research	563	-	-	-	563
Facilities	-	350,445	-	350,445	350,445
Supplies and equipment	684,884	24,437	16,683	41,120	726,004
Other	1,131,149	1,584,504	316,158	1,900,662	3,031,811
	$ 10,396,514	$ 3,964,767	$ 929,735	$ 4,894,502	$ 15,291,016

See Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2026 AND 2025

	2026	2025
OPERATING ACTIVITIES		
Change in net assets	$ 53,257,517	$ 47,584,329
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation - property and equipment	63,020	82,358
Depreciation - investment properties	72,623	85,022
Net unrealized and realized (gains) on investments	(48,694,666)	(39,418,589)
(Increase) in allowance for credit losses	(1,195,047)	(420,827)
(Increase) decrease in:		
Due from related party	(24,217)	66,638
Promises to give	(6,802,573)	(2,395,472)
Other receivables	-	10,000
Cash value of life insurance	942	27,020
Prepaid expenses	36,369	(79,992)
Other assets	(10,000)	-
Increase (decrease) in:		
Accounts payable	166,064	68,279
Other payables	(133,447)	78,234
Split-interest and gift annuities payable	142,900	90,232
Net cash (used in) provided by operating activities	(3,120,515)	5,777,232
INVESTING ACTIVITIES		
Proceeds from sale of investments	6,835,663	60,721
Net cash provided by investing activities	6,835,663	60,721
FINANCING ACTIVITIES		
Payments on notes payable	(264,809)	(10,000,000)
Net cash (used in) financing activities	(264,809)	(10,000,000)
NET INCREASE (DECREASE) IN CASH	3,450,339	(4,162,047)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	2,799,084	6,961,131
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 6,249,423	$ 2,799,084
SUPPLEMENTAL DISCLOSURE OF NONCASH FINANCING ACTIVITIES		
Interest paid	$ 287,184	$ 684,687

See Notes to Consolidated Financial Statements.

Notes To Consolidated Financial Statements

NOTE 1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Organization

Medical College of Georgia Foundation, Inc. (the "Foundation") and Subsidiaries 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 receives and administers funds for the support and enhancement of the Medical College of Georgia, the Augusta University Health Sciences campus and WellStar, and manages investments and distributes funds in accordance with donor instructions and the Board of Directors' intentions for gifts. The Foundation provides support for faculty chairs, research in the health sciences fields, scholarships to qualified students and other institutional programs. The Foundation is a 501(c)(3) and 509(a)(1) public charity and functions as an independent corporation governed by its articles of incorporation, by-laws and its Board of Directors.

Wholly-Owned Subsidiaries

The following organizations are all wholly-owned subsidiaries of the Foundation and are included in the consolidated financial statements of the Foundation with all material intercompany accounts and transactions eliminated in consolidation:

Central Square, LLC was formed as a single member limited liability corporation in 1997 to serve as the holder of the land and building for the Central Square Shopping Center.

Resurgens Properties, LLC was formed as a single member limited liability corporation in 2007 to hold title to real estate and similar property purchased by the Foundation.

Paceline Ride, LLC was formed as a single member limited liability corporation in 2018 to organize and fundraise an annual bike ride to fund critical research and survivorship at the Georgia Cancer Center.

Significant Accounting Policies

Basis of Presentation

The Foundation's consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP). The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Significant Accounting Policies (Continued)

Contributions

Contribution revenue is recognized when earned. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met. Contributions restricted by donors are recorded as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Contributions of property, plant and equipment without donor-imposed stipulations restricting the use of such long-lived assets are reported as support without donor restriction. Contributions of cash or other assets to be used to acquire land, buildings and equipment are reported as increases of net assets with donor restriction. Restrictions are considered to be satisfied at the time of acquisition of such long-lived assets.

Donated services are recorded by the Foundation when these services create or enhance financial assets or require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

Promises to Give

Promises to give due in the next year are recorded at their net realizable value. Promises to give due in subsequent years are recorded at the present value of their net realizable value, using risk-free interest rates applicable to the years in which the contributions are to be received.

An allowance for uncollectible promises to give is provided based on management's evaluation of potential uncollectible promises to give at year end.

Cash and Cash Equivalents

Cash and cash equivalents are comprised of highly liquid financial instruments with original maturities of three months or less, including short-term financial instruments included in the Foundation's investment accounts.

NOTE 1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Significant Accounting Policies (Continued)

Concentrations of Credit Risk

Cash, cash equivalents, and investments are exposed to interest rate, market, and credit risks. The Foundation maintains its cash and cash equivalents in various bank deposit accounts that, at times, may exceed federally insured limits. To minimize risk, the Foundation's cash accounts are placed with high credit quality financial institutions and the Foundation's investment portfolio is diversified among a variety of asset categories, which are held by several investment managers. The Foundation has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash. The Foundation regularly evaluates its depository arrangements and investment strategies.

Investments

Investments consist primarily of cash and cash equivalents, marketable securities, privately held limited partnerships, hedge funds, real assets, and real estate. Investments in equity securities with readily determinable fair values are reported at fair value.

Investments in traditional equity securities and fixed-income funds, and marketable real assets with readily determinable fair values and all investments in debt securities are reported at fair value with the realized and unrealized gains and losses, net of investment fees, included in the consolidated statement of activities. Publicly traded equity securities, fixed income funds, and marketable real assets are valued using quoted market prices (Level 1) and exchange rates, if applicable.

Investments in marketable or nonmarketable alternative securities (“alternative investments”) consisting of private equity funds and hedge funds are reported at estimated fair value. The Foundation uses the net asset value (NAV) per share or its equivalent reported by the investment managers as a practical expedient to estimate fair value for certain investments, although NAV in many instances may not equal realizable value. The NAV per share or its equivalent was applied to certain investments that do not have readily determinable fair values, including private equities, private limited partnership interest, real assets, and natural resources, unless it is probable that all or a portion of the investment will be sold for an amount different from NAV. As of June 30, 2026 and 2025, the Foundation has no plans or intentions to sell investments at amounts different from NAV.

NOTE 1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Significant Accounting Policies (Continued)

Investments (Continued)

Nonmarketable alternatives consist of private real estate and real assets, and private equity funds. Real estate and real assets are valued based on appraisals of properties and assets held and are conducted by third-party appraisers retained by the funds' managers. Fund managers typically value privately held companies at cost as adjusted based on recent arm's length transactions. Real assets are physical or identifiable assets such as commodities (oil, precious metals, agriculture, etc.) and real estate. Also, the equity of corporations in the energy or natural resources sectors are included in this category since they are closely tied to the underlying real asset markets. For hedge fund-of-funds, valuations provided by the underlying fund managers are evaluated by the fund-of-funds investment managers who believe such values are reasonable at June 30, 2026 and 2025. The values assigned to alternative investments are based on current information and do not represent amounts which might ultimately be realized (Level 3). Because of the inherent uncertainty of valuation, those estimated fair values may differ significantly from the values that would have been realized had a ready market for the investments existed and those differences could be material. The change in net assets related to marketable alternative strategies is presented as realized and unrealized gain and loss based on the estimated fair value of each fund manager.

Investments are recorded at fair value. Donated investments are recorded at fair value on the date received. Realized and unrealized gains and losses on the portfolio are recognized as income or loss.

The NAV practical expedient includes commingled funds since the Foundation has the ability to redeem the commingled funds with the investee at net asset value (NAV) per share at measurement date. These investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or nontransferability, which are generally based on available market information.

Investment income, including interest and dividends and realized and unrealized gains and losses are presented in the consolidated statement of activities, net of investment fees. Pooled investment earnings and related expenses are allocated on a quarterly basis based on the percentage of ownership interest of each fund in the investment pool.

Investment securities are exposed to various risks, such as interest rate risk, market risk, and credit risk. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risks in the near term would materially affect the amounts reported in the accompanying consolidated financial statements.

NOTE 1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Significant Accounting Policies (Continued)

Split-Interest Agreements

The Foundation is the beneficiary of several split-interest agreements that are charitable remainder annuity trusts and charitable remainder unitrusts. Under certain agreements, the Foundation has been named trustee for the trusts. For trusts where the Foundation is the trustee, a liability has been recorded at the estimated present value of the life interest amount payable to the beneficiary. The estimated present value of amounts due to beneficiaries is determined by the Foundation using certain actuarial assumptions and the Internal Revenue Service discount rate in place at the date of the donation. Changes in the recorded assets due to changes in life expectancy, present value actuarial assumptions, or the market value are reflected as changes in the split-interest agreements in the accompanying consolidated statement of activities.

Life Insurance Contracts

Life insurance contracts owned by the Foundation are recorded at their cash surrender values as the Foundation has the full rights to the cash value of the policies. Some policies are funded with contributions from donors and others are funded by the existing cash value in the policy. The Foundation will collect on the face values of the policies when the insured deceases and will apply the proceeds to the purposes intended by the donor, whether that be with or without donor intent. The Foundation netted the cash values of life insurance with related policy loans as the loans are to be liquidated by deduction of the proceeds of the policy upon maturity or cancellation.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor- or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets without Donor Restrictions

Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The board has designated, from net assets without donor restrictions, net assets for a board-designated endowment.

NOTE 1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Significant Accounting Policies (Continued)

Net Assets (Continued)

Net Assets with Donor Restriction

Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Donor-Restricted – Time or Purpose Accounting

Endowment and other income along with private gifts which have donor stipulations that limit their use are recorded as revenue under net assets with donor restriction and released from restrictions when a stipulated time restriction ends or purpose restriction expires. The related expenses are presented as changes in net assets without donor restriction.

Endowment Accounting

Donor-restricted – perpetual in nature endowment funds are subject to the restrictions of the gift instruments which require that the principal be invested in perpetuity. The accumulated realized and unrealized gains of the perpetual endowment funds have been classified as net assets with donor restriction if the income distributed from these funds is restricted. Realized and unrealized gains are classified as without donor restriction if the income distributed from these funds is not restricted by a donor. See Note 11 for discussion on endowment accounting.

Property and Equipment

Property and equipment are stated at historical cost, or if donated, at fair value at the date of donation. Depreciation is computed on the straight-line method over the estimated useful lives ranging from 5 to 40 years.

Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as support without donor restriction unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support.

NOTE 1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Significant Accounting Policies (Continued)

Property and Equipment (Continued)

Absent donor stipulations regarding how long those donated assets must be maintained, the Foundation reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor.

The Foundation capitalizes the acquisition of property and equipment assets in excess of $1,000 having an estimated useful life which extends substantially beyond the year of acquisition. Property and equipment assets that are not capitalized are expensed when acquired. Maintenance and repair items are charged to operations and major improvements are capitalized.

Fair Value of Financial Instruments

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value:

Cash and cash equivalents - The carrying amount approximates fair value because of the short-term maturity of these instruments.

Investments - Investments are carried at fair value based on quoted market prices for those or similar investments.

Other receivables and payables - The carrying amount approximates fair value because of the short-term maturity of these instruments. The derivative financial instruments are valued at the net present value of future cash flows attributable to the difference between the contractual variable and fixed rates in the agreements.

The Foundation follows FASB's fair value measurements and disclosure guidance, which provides a framework for measuring fair value. This guidance applies to all financial instruments that are being measured and reported on a fair value basis.

As defined in the FASB-issued guidance, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Foundation uses various methods including market, income and cost approaches. Based on these approaches, the Foundation often utilizes certain assumptions that market participants would use in pricing the assets or liability, including assumptions about risk and or the risks inherent in the inputs to the valuation technique.

NOTE 1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Significant Accounting Policies (Continued)

Fair Value of Financial Instruments (Continued)

These inputs can be readily observable, market corroborated, or generally unobservable inputs. The Foundation utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques the Foundation is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

Level 1 – Valuations for assets and liabilities traded in active markets, such as the New York Stock Exchange. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.

Level 2 – Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third-party pricing services identical or similar assets or liabilities.

Level 3 – Valuations for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer, or broker-traded transactions.

NAV – Valuations for assets and liabilities that are valued using the net asset value ("NAV") of shares on the last trading day of the fiscal year, which is the basis for transactions at that date.

Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets and liabilities.

If listed prices or quotes are not available, fair value is based upon externally developed models that use unobservable inputs due to the limited market activity of these instruments.

Although a secondary market exists for these investments, it is not active and individual transactions are typically not observable. When transactions do occur in this limited secondary market, they may occur at discounts to the reported NAV. The types of investments that would generally be included in this category include debt and equity securities issued by private entities and partnerships.

NOTE 1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Significant Accounting Policies (Continued)

Fair Value of Financial Instruments (Continued)

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

For the years ended June 30, 2026 and 2025, the application of valuation techniques applied to similar assets and liabilities has been consistent. The fair value of investment securities is the market value based on quoted market prices, when available, or market prices provided by recognized broker-dealers.

Functional Allocation of Expenses

Directly identifiable expenses are charged to programs and supporting services. General and administrative expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Foundation. The expenses that are allocated on the basis of time and effort include salaries, travel, supplies and equipment, and other expenses.

Income Taxes

The Foundation qualifies as a tax-exempt organization as described in Internal Revenue Code Section 501(c)(3) and has been classified by the Internal Revenue Service as other than a private foundation. However, income from certain activities not directly related to the Foundation's tax-exempt purpose is subject to taxation as unrelated business income. In the opinion of management, the Foundation had no significant unrelated business taxable income during 2026 and 2025. Accordingly, no provision or benefit for federal and state income taxes has been recorded in the accompanying consolidated financial statements. The Foundation believes that it has appropriate support for any tax positions taken, and as such does not have any uncertain tax positions that are material to the consolidated financial statements.

NOTE 2. LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

	2026	2025
Cash and cash equivalents	$ 742,780	$ -
Receivables, gross	5,966,170	73,708
Endowment spending rate distributions and appropriations	1,694,703	-
	$ 8,403,653	$ 73,708

Endowment funds consist of donor-restricted endowments and funds designated by the Board as endowments. Income from donor-restricted endowments is restricted for specific purposes, with the exception of the amounts available for general use. Donor-restricted endowment funds are not available for general expenditure.

Board-designated endowment of $33,238,705 and $34,156,114 as of June 30, 2026 and 2025, respectively, is subject to an annual spending rate generally not to exceed 3.5% to 4.0% of a rolling average using the three prior calendar years ended December 31, 2025, 2024, and 2023 based upon the purpose of the design. Although the Foundation does not intend to spend from this board-designated endowment (other than amounts appropriated for general expenditure as part of the Board's annual budget approval and appropriation), those amounts could be made available if necessary.

NOTE 3. FAIR VALUE OF FINANCIAL INSTRUMENTS

In certain cases, the inputs used to measure fair value may fall into multiple levels of the fair value hierarchy. In such cases, the determination of which category within the fair value hierarchy is appropriate for any given investment is based on the lowest level of input that is significant to the fair value measurement. The Foundation's assessment of the significance of the particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the investment.

The Foundation adopted the provisions of *Disclosures for Investments in Certain Entities that Calculate Net Asset Value per Share (or its Equivalent)* (Topic 820) to certain investments in funds that do not have readily determinable fair values. The guidance allows for the estimation of the fair value of investments in investment companies for which the investment does not have a readily determinable fair value, using net asset value per share or its equivalent. Net asset value, in many instances, may not equal fair value that would be calculated under the standards.

NOTE 3. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

The following table sets forth by level, within the fair value hierarchy, the Foundation's investments at fair value as of June 30, 2026:

	Level 1	Level 2	Level 3	NAV Practical Expedient	Total
Investments:					
Money market funds	$ 3,561,579	$ -	$ -	$ -	$ 3,561,579
Mutual funds					
Domestic equities	1,374,711	-	-	-	1,374,711
Domestic fixed	617,422	-	-	-	617,422
Exchange traded funds	301,304	-	-	-	301,304
Bonds	17,607	-	-	-	17,607
Private equity	-	-	-	416,425,453	416,425,453
Real asset limited partnerships	-	-	-	11,045,543	11,045,543
Split-interest investments					
Cash and cash equivalents	-	110,432	-	-	110,432
Mutual funds – equity	-	689,615	-	-	689,615
Mutual funds – fixed income	-	993,073	-	-	993,073
Total assets at fair value	$ 5,872,623	$ 1,793,120	$ -	$ 427,470,996	$ 435,136,739

The Foundation has investments, as a limited partner, in 26 partnerships at June 30, 2026. These partnerships invest in a wide variety of assets including domestic and international equities, real estate, fixed income, and diversifying strategies. The Foundation's ownership interest in any individual partnership does not exceed 6.4% of that partnership's assets.

The Foundation owns one investment that makes up 93.7% of its total investments at fair value. All other investments are individually less than 6.3% of the Foundation's total assets and total investments at fair value.

The values of the Foundation's partnership investments as furnished by the general partners are reviewed by Foundation management, and management believes the values shown at June 30, 2026 are reasonable.

As of June 30, 2026, the Foundation's direct investment in real estate consists of ownership of properties with a total net book value of $407,319. Depreciation expense totaling $72,623, related to investments in real estate, was recognized during the year ended June 30, 2026.

The following table presents additional information about Level 3 assets measured at fair value. Both observable and unobservable inputs may be used to determine the fair value of positions that were classified within the Level 3 category. As a result, the unrealized gains and losses for assets within the Level 3 category in the table below may include changes in fair value that were attributable to both observable and unobservable inputs.

NOTE 3. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

Additional information about Level 3 and NAV practical expedient investments is as follows:

Quantitative Information about Level 3 & NAV Practical Expedient Fair Value Measurements

	Fair Value at 06/30/2026	Valuation Technique(s)	Unobservable Input	Range (Weighted-Average)
Private equities	$416,425,453	Discounted cash flow/market comparable companies	Constant prepayment rate EBITDA	3.5% - 5.5% 6% - 15%
Real assets	$ 11,045,543	Discounted cash flow/market comparable companies	Constant prepayment rate EBITDA	3.5% - 5.5% 6% - 15%

As of June 30, 2026, the Foundation's remaining outstanding commitments to private investments, which are projected to be paid over the succeeding 15 years, totaled $4,410,993, in the following investment strategies:

Investment strategies are comprised of the following at June 30, 2026:

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Private equities				
Global equities	$ 191,609,313	$ -	Quarterly	One Quarter
Absolute return	68,614,264	-	Quarterly to 25%	One Quarter
Private capital	103,269,747	3,265,888	Illiquid	Various
Global fixed income	37,037,097	-	Quarterly	One Quarter
	400,530,421	3,265,888		
Real assets				
Real assets	26,940,575	1,145,105	Quarterly	One Quarter
	26,940,575	1,145,105		
Total	$ 427,470,996	$ 4,410,993		

Investments in private equity and real estate funds are generally made through limited partnerships. Under the terms of these partnership agreements, the Foundation is obligated to remit additional funding periodically as capital or liquidity calls are exercised by the general partner. However, depending on market conditions, the inability to execute the fund's strategy, or other factors, the general partner may extend the terms or request an extension of terms of a fund beyond its originally anticipated existence or may wind the fund down prematurely. The Foundation cannot anticipate such changes because they are based on unforeseen events. As a result, the timing of future capital calls or distributions in any particular year are not certain.

NOTE 3. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

Investments held under split-interest agreements in which the Foundation is the trustee were $1,793,120 at June 30, 2026.

The Foundation's cost of investments at June 30, 2026 was $225,575,378.

The following table sets forth by level, within the fair value hierarchy, the Foundation's investments at fair value as of June 30, 2025:

	Level 1	Level 2	Level 3	NAV Practical Expedient	Total
Investments:					
Money market funds	$ 3,053,787	$ -	$ -	$ -	$ 3,053,787
Mutual funds					
Domestic equities	1,026,898	-	-	-	1,026,898
Domestic fixed	344,088	-	-	-	344,088
International equities	194,873	-	-	-	194,873
International fixed	101,123	-	-	-	101,123
Real assets	31,550	-	-	-	31,550
Bonds	13,159	-		-	13,159
Private equity	-	-	-	375,440,670	375,440,670
Real asset limited partnerships	-	-	-	11,408,388	11,408,388
Split-interest investments					
Cash and cash equivalents	-	134,932	-	-	134,932
Mutual funds – equity	-	664,064	-	-	664,064
Mutual funds – fixed income	-	864,204	-	-	864,204
Total assets at fair value	$ 4,765,478	$ 1,663,200	$ -	$ 386,849,058	$ 393,277,736

The Foundation has investments, as a limited partner, in 24 partnerships at June 30, 2025. These partnerships invest in a wide variety of assets including domestic and international equities, real estate, fixed income, and diversifying strategies. The Foundation's ownership interest in any individual partnership does not exceed 6.4% of that partnership's assets.

The Foundation owns one investment that makes up 91.1% of its total investments at fair value. All other investments are individually less than 8.9% of the Foundation's total assets and total investments at fair value.

The values of the Foundation's partnership investments as furnished by the general partners are reviewed by Foundation management, and management believes the values shown at June 30, 2025 are reasonable.

As of June 30, 2025, the Foundation's direct investment in real estate consists of ownership of properties with a total net book value of $479,942. Depreciation expense totaling $85,022, related to investments in real estate, was recognized during the year ended June 30, 2025.

NOTE 3. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

The following table presents additional information about Level 3 assets measured at fair value. Both observable and unobservable inputs may be used to determine the fair value of positions that were classified within the Level 3 category. As a result, the unrealized gains and losses for assets within the Level 3 category in the table below may include changes in fair value that were attributable to both observable and unobservable inputs.

Quantitative Information about Level 3 NAV Practical Expedient Fair Value Measurements

	Fair Value at 06/30/2025	Valuation Technique(s)	Unobservable Input	Range (Weighted-Average)
Private equities	$375,440,670	Discounted cash flow/market comparable companies	Constant prepayment rate EBITDA	3.5% - 5.5% 6% - 15%
Real assets	$ 11,408,388	Discounted cash flow/market comparable companies	Constant prepayment rate EBITDA	3.5% - 5.5% 6% - 15%

As of June 30, 2025, the Foundation's remaining outstanding commitments to private investments, which are projected to be paid over the succeeding 15 years, totaled $3,070,096, in the following investment strategies:

Investment strategies are comprised of the following at June 30, 2025:

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Private equities				
Global equities	$ 167,603,935	$ -	Quarterly	One Quarter
Absolute return	64,436,611	-	Quarterly to 25%	One Quarter
Private capital	103,895,848	3,070,096	Illiquid	Various
Global fixed income	39,504,276	-	Quarterly	One Quarter
	375,440,670	3,070,096		
Real assets				
Real assets	11,408,388	-	Quarterly	One Quarter
	11,408,388	-		
Total	$ 386,849,058	$ 3,070,096		

NOTE 3. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

Investments in private equity and real estate funds are generally made through limited partnerships. Under the terms of these partnership agreements, the Foundation is obligated to remit additional funding periodically as capital or liquidity calls are exercised by the general partner. However, depending on market conditions, the inability to execute the fund's strategy, or other factors, the general partner may extend the terms or request an extension of terms of a fund beyond its originally anticipated existence or may wind the fund down prematurely. The Foundation cannot anticipate such changes because they are based on unforeseen events. As a result, the timing of future capital calls or distributions in any particular year are not certain.

Investments held under split-interest agreements in which the Foundation is the trustee were $1,663,200 at June 30, 2025.

The Foundation's cost of investments at June 30, 2025 was $228,416,909.

NOTE 4. INVESTMENT PROPERTIES

Investment properties leased under operating leases or land held for investment consist of the following:

	2026	2025
Central Square Shopping Center	$ 1,598,431	$ 1,598,431
Less accumulated depreciation	(1,191,112)	(1,118,489)
Total property and equipment, net	$ 407,319	$ 479,942

Depreciation expense for investment properties totaled $72,623 and $85,022 for the years ended June 30, 2026 and 2025, respectively.

The Foundation also holds for investment or future development land in Richmond County in Georgia.

NOTE 5. SPLIT-INTEREST AGREEMENTS

The Foundation is the beneficiary under several split-interest agreements, primarily charitable remainder annuity trusts and charitable remainder unitrusts. Under these agreements, the Foundation will receive the assets of the trusts upon their expirations, normally the death of a life income beneficiary. Until that time, the life income beneficiary receives the income from the trust. Assets in the charitable remainder trusts are recorded at their fair values upon the establishment of the trusts. The Foundation recognizes contribution revenue in an amount equal to the present value of the remainder interest at that time.

Due to the indirect nature of these investments, and based on the underlying assets, the Foundation classifies all such investment assets as Level 2.

Split-interest gifts are recorded at fair market value and the gifts are discounted to net present value based on the life expectancy of the donor.

NOTE 6. FUTURE MINIMUM RENTS

In 2018, the Foundation entered into a lease agreement with a local foundation for an area of their building. The lease was for $3,098 a month and ended on July 31, 2023. In January 2023, the local foundation notified the Foundation they wanted to exercise their option to extend the lease an additional five years. The extension calls for a 5% escalation in rent starting January 2024 and a new expiration date of July 31, 2028. The lease was evaluated for ASC 842 application and was determined to be an operating lease.

On March 16, 2026, the Foundation entered into a lease agreement with Augusta University for an area of their building. The lease was for $9,974 a month and ended on June 30, 2026. Subsequent to year-end, Augusta University notified the Foundation they wanted to exercise their four renewal options until January 31, 2030. The monthly rent increases with each annual renewal. The lease was evaluated for ASC 842 application and was determined to be an operating lease.

At June 30, 2026, future minimum rents receivable under the operating lease agreements for noninvestment properties are due as follows for the years ending:

2027	$ 160,211
2028	163,846
2029	131,814
2030	76,291
	$ 532,162

NOTE 7. PROPERTY AND EQUIPMENT

Property and equipment consists of the following as of June 30:

	2026	2025
Resurgens land	$ 13,537,736	$ 13,537,736
Paceline property and equipment	14,704	14,704
Furniture, fixtures, and equipment	261,753	261,753
Building improvements	2,475,421	2,475,421
	16,289,614	16,289,614
Less accumulated depreciation	(984,062)	(921,042)
Total property and equipment, net	$ 15,305,552	$ 15,368,572

Depreciation expense for property and equipment for the years ended June 30, 2026 and 2025 was $63,020 and $82,358, respectively.

NOTE 8. NET ASSETS WITH DONOR RESTRICTIONS – TIME OR PURPOSE

Net assets with donor restrictions due to time or purpose are available for aid to specific Augusta University and Foundation departments and programs.

Net assets with donor restrictions due to time or purpose are available for the following purposes:

	2026	2025
Unappropriated appreciation on donor-restricted endowment	$ 179,834,148	$ 149,924,869
Academic support	29,456,303	16,900,477
Scholarships and fellowships	6,797,286	3,009,305
Research	3,099,488	3,222,900
Facilities	1,136,524	291,845
	$ 220,323,749	$ 175,868,536

Net assets with donor restrictions due to time or purpose consist of the following:

	2026	2025
Cash and cash equivalents	$ 5,504,908	$ 2,799,084
Promises to give, net	11,417,619	3,639,000
Investments, at fair value	203,401,222	169,430,452
	$ 220,323,749	$ 175,868,536

Gifts and accumulated earnings on donor-restricted endowment funds, which are restricted for certain purposes as specified by the donor, include restrictions for support of scholarship programs, academic support, and facilities.

NOTE 9. NET ASSETS WITH DONOR RESTRICTIONS – PERPETUAL IN NATURE

Net assets with donor restrictions that are perpetual in nature consist of endowment funds, the income from which is available to fund scholarships and for aid to specific departments and programs.

Net assets with donor restrictions that are perpetual in nature are available for the following purposes:

	2026	2025
Academic support	$ 85,363,568	$ 80,767,258
Scholarships and fellowship	104,066,243	102,315,538
Facilities	122,450	116,750
Research	3,118,166	3,048,516
	192,670,427	186,248,062
Underwater endowment	-	-
	$ 192,670,427	$ 186,248,062

NOTE 9. NET ASSETS WITH DONOR RESTRICTIONS – PERPETUAL IN NATURE (CONTINUED)

Net assets with donor restrictions that are perpetual in nature consist of the following:

	2026	2025
Promises to give, net	$ 285,591	$ 546,591
Investments, at fair value	192,384,836	185,701,471
	$ 192,670,427	$ 186,248,062

NOTE 10. NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes specified by donors as follows:

	2026	2025
Academic support	$ 8,047,573	$ 6,321,094
Scholarships	4,264,689	3,750,555
Research	703,937	645,046
Other	268,518	279,118
	$ 13,284,717	$ 10,995,813

NOTE 11. ENDOWMENT

Interpretation of Relevant Law

In approving endowment, spending and related policies, as part of the prudent and diligent discharge of its duties, the Board of Directors of the Foundation, as authorized by the UPMIFA (the "Act"), has relied upon the actions, reports, information, advice and counsel taken or provided by its duly constituted committees and the duly appointed officers of the Foundation and in doing so has interpreted the law to require the preservation of the historic dollar value of donor-restricted endowment funds, absent explicit donor directions to the contrary.

As a result of this interpretation, for accounting and financial statement purposes, the Foundation classifies as net assets with donor restrictions that are perpetual in nature the historic dollar value of assets held as donor-restricted endowment, including any subsequent gifts and any accumulations to the perpetual endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

NOTE 11. ENDOWMENT (CONTINUED)

Interpretation of Relevant Law (Continued)

The portion of the donor-restricted endowment fund that is not classified as donor-restricted in perpetuity is classified as donor-restricted by time or purpose until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by the Act. In accordance with the Act, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: the duration and preservation of the fund, the purposes of the Foundation and the donor-restricted endowment fund, general economic conditions, the possible effect of inflation and deflation, the expected total return from income and appreciation of investments, other resources of the Foundation, and the investment policies of the Foundation.

Funds with Deficiencies

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). We have interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. There were no underwater endowments at June 30, 2026 or 2025.

Return Objectives and Risk Parameters

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the historic dollar value of the endowment assets. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity.

Under this policy, as approved by the Investment Committee of the Board of Directors, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of benchmark indexes of similar asset classes while assuming a moderate level of investment risk.

NOTE 11. ENDOWMENT (CONTINUED)

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation to achieve its long-term return objectives within prudent risk constraints. The Foundation uses a broadly diversified portfolio established by its investment committee, in consultation with a professional advisory firm. The Foundation portfolio is designed to achieve a total net return on investments which exceed the rate of inflation (Consumer Price Index) plus 5% over the long-term, net of expenses, that is equal to or exceed selected appropriate investment benchmarks for each class of investments, maintenance of sufficient liquidity to fund current programs and preservation of principal of the assets over the long-term with minimal risk appropriate for this objective. The expected return is sufficient to support the Foundation's spending policy below.

Spending Policy and How the Investment Objectives Related to Spending Policy

The Foundation's Investment Committee of the Board of Directors (the "Committee") determines the method to be used to appropriate endowment funds for expenditure. The Foundation has a spending policy whereby a certain percentage (generally not to exceed 4.0% of a rolling average of endowment net assets for scholarships and generally not to exceed 3.5% of a rolling average for all other funds using the prior three calendar years ended December 31, 2025, 2024, and 2023) may be distributed for purposes of supporting activities with and without donor restriction. In addition, the Foundation charges a 1.5% administration fee based on the prior year endowment pool balance. The Foundation's Investment Committee of the Board of Directors reviews spending policies annually and approved distributions they deem to be prudent.

NOTE 11. ENDOWMENT (CONTINUED)

Spending Policy and How the Investment Objectives Related to Spending Policy (Continued)

The endowment net asset composition by type of fund as of June 30, 2026 are as follows:

	Endowment Net Asset Composition by Type of Fund as of June 30, 2026			
	Without Donor Restriction Board Designated	Donor-Restricted by Time or Purpose	Donor-Restricted in Perpetuity	Total
Donor-restricted endowment funds	$ -	$ 169,594,937	$ 192,670,427	$ 362,265,364
Board-designated endowment funds	31,317,752	-	-	31,317,752
Total funds	$ 31,317,752	$ 169,594,937	$ 192,670,427	$ 393,583,116

The changes in endowment net assets for the year ended June 30, 2026 are as follows:

	Changes in Endowment Net Assets for the Fiscal Year Ended June 30, 2026			
	Without Donor Restriction Board Designated	Donor-Restricted by Time or Purpose	Donor-Restricted in Perpetuity	Total
Endowment net assets, beginning of year	$ 34,156,114	$ 139,659,801	$ 186,248,062	$ 360,063,977
Investment return:				
Net appreciation (realized and unrealized)	45,289	43,375,594	-	43,420,883
Investment income	700	1,407,404	-	1,408,104
Total investment return	45,989	44,782,998	-	44,828,987
Contributions	-	-	6,386,264	6,386,264
Change in donor intent	(2,884,075)	-	36,101	(2,847,974)
Appropriation of endowment assets for expenditure	(276)	(14,847,862)	-	(14,848,138)
Endowment net assets, end of year	$ 31,317,752	$ 169,594,937	$ 192,670,427	$ 393,583,116

NOTE 11. ENDOWMENT (CONTINUED)

Spending Policy and How the Investment Objectives Related to Spending Policy (Continued)

Description of Amounts Classified as Donor-Restricted in Perpetuity Net Assets and Donor-Restricted by Time or Purpose Net Assets (Endowment Only) as of June 30, 2026

Donor-Restricted in Perpetuity Net Assets	
The portion of perpetual endowment funds that is required to be retained permanently either by explicit donor stipulations or by UPMIFA	$ 192,670,427
Total endowment funds classified as donor-restricted in perpetuity net assets	$ 192,670,427
Donor-Restricted by Time or Purpose Net Assets	
The portion of perpetual endowment funds subject to a time or purpose restriction under UPMIFA:	
With purpose restrictions	$ 169,594,937
Total endowment funds classified as donor-restricted by time or purpose net assets	$ 169,594,937

The endowment net asset composition by type of fund as of June 30, 2025 is as follows:

Endowment Net Asset Composition by Type of Fund as of June 30, 2025

	Without Donor Restriction Board Designated	Donor-Restricted by Time or Purpose	Donor-Restricted in Perpetuity	Total
Donor-restricted endowment funds	$ -	$ 139,659,801	$ 186,248,062	$ 325,907,863
Board-designated endowment funds	34,156,114	-	-	34,156,114
Total funds	$ 34,156,114	$ 139,659,801	$ 186,248,062	$ 360,063,977

NOTE 11. ENDOWMENT (CONTINUED)

Spending Policy and How the Investment Objectives Related to Spending Policy (Continued)

The changes in endowment net assets for the year ended June 30, 2025 are as follows:

	Changes in Endowment Net Assets for the Fiscal Year Ended June 30, 2025			
	Without Donor Restriction Board Designated	Donor-Restricted by Time or Purpose	Donor-Restricted in Perpetuity	Total
Endowment net assets, beginning of year	$ 40,931,388	$ 115,200,027	$ 174,448,449	$ 330,579,864
Investment return:				
Net appreciation (realized and unrealized)	453,778	35,459,648	-	35,913,426
Investment income	90,424	2,515,340	-	2,605,764
Total investment return	544,202	37,974,988	-	38,519,190
Contributions	-	-	11,735,863	11,735,863
Change in donor intent	(6,197,964)	-	63,750	(6,134,214)
Appropriation of endowment assets for expenditure	(1,121,512)	(13,515,214)	-	(14,636,726)
Endowment net assets, end of year	$ 34,156,114	$ 139,659,801	$ 186,248,062	$ 360,063,977

Description of Amounts Classified as Donor-Restricted in Perpetuity Net Assets and Donor-Restricted by Time or Purpose Net Assets (Endowment Only) as of June 30, 2025

Donor-Restricted in Perpetuity Net Assets	
The portion of perpetual endowment funds that is required to be retained permanently either by explicit donor stipulations or by UPMIFA	$ 186,248,062
Total endowment funds classified as donor-restricted in perpetuity net assets	$ 186,248,062
Donor-Restricted by Time or Purpose Net Assets	
The portion of perpetual endowment funds subject to a time or purpose restriction under UPMIFA:	
With purpose restrictions	$ 139,659,801
Total endowment funds classified as donor-restricted by time or purpose net assets	$ 139,659,801

NOTE 12. PUBLIC MATCHING FUNDS

Since 1989, the Foundation has received approximately $7,160,000 from the University of Georgia Board of Regents of the University System of Georgia.

NOTE 13. NOTES PAYABLE

During the year ended June 30, 2013, the Foundation entered into a nonrevolving secured draw loan not to exceed $3,000,000 with a financial institution to provide financing to obtain land located around Augusta University. The note was modified on May 27, 2020 to lower the interest rate to 3.50% and raise the maximum draw amount to $12,000,000. The note is collateralized by various real property owned by Resurgens Properties, LLC funded by the draw note. In December 2021, the Foundation modified the aforementioned note which extended the maturity date to December 28, 2023 and lowered the interest rate to 3.25%. In May 2024, the Foundation modified the aforementioned note which extended the maturity date to May 20, 2026. Interest expense for the years ended June 30, 2026 and 2025 was $287,184 and $684,687, respectively. The interest rate for the year ended June 30, 2026 was 6.5%.

The note balance was $3,707,314 and $3,972,123 at June 30, 2026 and 2025, respectively.

In October 2021, the Foundation entered into a commercial note agreement for $5,000,000 (the "Bridge Loan") with a financial institution to provide financing for the HUB project. The Bridge Loan is collateralized by a $5,000,000 deposit account and bears an interest rate equal to the index plus 0.60% per annum. The Bridge Loan calls for a variable payment schedule consisting of thirty-six consecutive monthly payments of accrued interest payable on the first day of each month beginning November 1, 2021. The Bridge Loan matured on October 12, 2024. The interest and note were paid off during the year ended June 30, 2025. In accordance with the member agreement, the Foundation is to be reimbursed for all principal and interest paid which is reflected in the due from related-party balance on the Consolidated Statements of Financial Position.

NOTE 14. IN-KIND CONTRIBUTIONS

For the years ended June 30, 2026 and 2025, contributed nonfinancial assets recognized within contribution revenue on the statements of activities included are as follows:

Type	2026	2025	Usage
Marketing	$ 31,700	$ 31,700	Billboard advertising
Rent	66,000	30,000	Office space
	$ 97,700	$ 61,700	

Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions. Nonfinancial assets were valued using estimated average prices of identical or similar products or services using pricing data of similar products or services under a "like-kind" methodology, considering the utility of the services and goods at the time of the contribution.

NOTE 15. EMPLOYEE BENEFIT PLANS

The Foundation has a 401(a) defined contribution plan covering Foundation employees in which the Foundation contributes 10% of an employee's compensation to the plan. Employees are immediately vested. Total contributions for the years ended June 30, 2026 and 2025 were $159,873 and $137,284, respectively.

The Foundation also provides a tax-deferred annuity plan under Section 403(b) of the Internal Revenue Code and Foundation employees may make contributions to the 403(b) plan up to the maximum amount allowed by the Internal Revenue Code.

During 2023, the Foundation began providing a 457(f) deferred compensation plan for specific management positions. The Foundation contributes on a quarterly basis. Total contributions for the years ended June 30, 2026 and 2025 were $- and $59,375, respectively.

NOTE 16. RELATED PARTIES

In October 2021, the Foundation entered into a member agreement with two parties, one of which is the HUB Augusta Collaborative, Inc. (the "Collaborative"). The Foundation is a one-third member of the Collaborative. The member agreement stipulates the Foundation will be reimbursed by the Collaborative for all payments of principal, interest, and other charges paid by the Foundation related to the Bridge Loan discussed in Note 13. For both years ended June 30, 2026 and 2025, the Collaborative owes the Foundation $4,144,345, which is included as a due from related party on the Consolidated Statements of Financial Position. The Foundation expects repayment by October 31, 2028.

NOTE 17. SUBSEQUENT EVENTS

The Foundation has evaluated subsequent events occurring through September 4, 2026, the date on which the consolidated financial statements were available to be issued.