

**AUGUSTA UNIVERSITY
RESEARCH INSTITUTE, INC.**

FINANCIAL STATEMENTS AND COMPLIANCE

***As of and for the Years Ended June 30, 2020 and 2019
EIN #1-58-1418202A1***

And Report of Independent Auditor

AUGUSTA UNIVERSITY RESEARCH INSTITUTE, INC.

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Report of Independent Auditor

To the Board of Directors
Augusta University Research Institute, Inc.
Augusta, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of Augusta University Research Institute, Inc. (the "Institute"), which comprise the statements of net position as of and for the years ended June 30, 2020 and 2019, and the related statements of revenues, expenses, and changes in net position and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Institute's preparation and fair presentation of the financial statements 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 Institute's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Institute as of June 30, 2020 and 2019, and its changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 3 through 7 be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audits were conducted for the purpose of forming an opinion on the Institute's financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the financial statements. The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 22, 2020, on our consideration of the Institute's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. The report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Institute's internal control over financial reporting and compliance.



Augusta, Georgia
September 22, 2020

AUGUSTA UNIVERSITY RESEARCH INSTITUTE, INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2020 AND 2019

Introduction

The Augusta University Research Institute, Inc. (the "Institute") was incorporated under the laws of the state of Georgia as a non-profit corporation on July 31, 1980, under the name The Medical College of Georgia Research Institute, Inc. The Institute qualifies as a tax-exempt corporation under Section 501(c)(3) of the Internal Revenue Service Code. The purpose of the Institute is to serve Augusta University (the "University") and enhance its excellence as a research institution. The Institute contributes to the research function of the University by securing gifts, contributions, and grants from individuals, industries, private organizations, and government agencies and by obtaining contracts with such individuals or entities for the performance of sponsored research, development, or other programs in the various University schools, departments, and other units.

In a Memorandum of Understanding ("MOU") dated April 1, 1981, the Board of Regents of the University System of Georgia authorized the Institute to serve as the official grantee for all contracts, grants, and gifts for the conduct of sponsored research at the University. The Board of Regents of the University System of Georgia has constitutional authority to govern, control, and manage the University System of Georgia. The MOU also assigned all intellectual property developed through the research programs or by the University personnel to the Institute. In addition, the Institute is the administrative organization for employee-related discoveries, innovations, inventions, patents, and copyrights. The ongoing objective of the Institute is to provide services to the University and, through those services, to enhance the University's programs and goals as a research institution.

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 that will assist in understanding the financial condition and performance of the Institute. The Institute's net position is one indicator of the Institute's financial health. Over time, increases or decreases in net position are one indicator of the changes in the Institute's financial condition when considered with other non-financial facts.

The *Statement of Net Position* presents the assets, liabilities, and net position of the Institute.

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 nonoperating. The financial reporting model classifies investment earnings and changes in the fair value of investments as nonoperating revenues. As a result, the financial statements may show operating losses that are then offset by nonoperating revenues from a total financial perspective.

The *Statement of Cash Flows* presents information in the form of cash inflows and outflows summarized by operating, capital and noncapital financing, and investing activities.

In the following discussion, Fiscal 2020 and Fiscal 2019 refer to the years ended June 30, 2020 and June 30, 2019, respectively.

AUGUSTA UNIVERSITY RESEARCH INSTITUTE, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2020 AND 2019

Financial Highlights

The condensed statements of net position are shown below:

Augusta University Research Institute, Inc.
Condensed Statements of Net Position
June 30, 2020, 2019, and 2018

	2020	2019	2018	2020 - 2019		2019 - 2018	
				Dollars	%	Dollars	%
ASSETS							
Current assets	\$ 12,969,149	\$ 9,747,923	\$ 8,466,958	\$ 3,221,226	33%	\$ 1,280,965	15%
Noncurrent assets	5,063,700	4,544,323	4,268,724	519,377	11%	275,599	6%
Total Assets	18,032,849	14,292,246	12,735,682				
LIABILITIES							
Current liabilities	6,682,780	4,424,156	4,209,761	2,258,624	51%	214,395	5%
Total Liabilities	6,682,780	4,424,156	4,209,761				
NET POSITION							
Restricted for program services	69,973	69,973	69,973				
Unrestricted	11,280,096	9,798,117	8,455,948				
Total Net Position	\$ 11,350,069	\$ 9,868,090	\$ 8,525,921	1,481,979	15%	1,342,169	16%

Fiscal 2020

Current assets increased by \$3,221,226 or 33% from Fiscal 2019 to Fiscal 2020, primarily due to increases in cash and cash equivalents and grants and contracts receivable.

Noncurrent assets include restricted cash, investment in the Board of Regents Balanced Income Fund, and investments in a corporation and a limited liability company which are accounted for using the cost method. The balance at June 30, 2020, includes restricted cash of \$69,973, investments in the Board of Regents Balanced Income Fund and a Money Market Account of \$4,758,918, and cost method investments of \$234,809.

Total net position at June 30, 2020 and 2019, was \$11,350,069 and \$9,868,090, respectively, which represents an increase of \$1,481,979. The increase in net position is attributable primarily to an increase in operating revenues.

AUGUSTA UNIVERSITY RESEARCH INSTITUTE, INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2020 AND 2019

Fiscal 2019

Current assets increased by \$1,280,965 or 15% from Fiscal 2018 to Fiscal 2019, primarily due to an increase in cash and cash equivalents.

Noncurrent assets include restricted cash, investment in the Board of Regents Balanced Income Fund, and investments in a corporation and a limited liability company which are accounted for using the cost method. The balance at June 30, 2019, includes restricted cash of \$69,973, investment in the Board of Regents Balanced Income Fund of \$4,174,064, and cost method investments of \$300,286.

Total net position at June 30, 2019 and 2018, was \$9,868,090 and \$8,525,921, respectively, which represents an increase of \$1,342,169. The increase in net position is attributable primarily to a decrease in operating expenses and an increase in certain non-operating revenues.

The condensed statements of revenues, expenses, and changes in net position are shown below:

Augusta University Research Institute, Inc.
Condensed Statements of Revenues, Expenses, and Changes in Net Position
Years Ended June 30, 2020, 2019, and 2018

	2020	2019	2018	2020 - 2019		2019 - 2018	
				Dollars	%	Dollars	%
Operating Revenues:							
Research programs	\$ 66,455,865	\$ 60,236,160	\$ 60,657,292	\$ 6,219,705	10%	\$ (421,132)	-1%
Licensing and royalties	178,566	819,375	269,258	(640,809)	-78%	550,117	204%
Other operating revenue	537,123	184,107	173,692	353,016	192%	10,415	6%
Total Operating Revenues	<u>67,171,554</u>	<u>61,239,642</u>	<u>61,100,242</u>	5,931,912	10%	139,400	0%
Operating Expenses:							
Grants and contracts	62,595,203	56,760,271	57,289,500	5,834,932	10%	(529,229)	-1%
Programs to support the University	2,784,940	2,523,209	2,973,037	261,731	10%	(449,828)	-15%
Licensing and royalty distributions	144,375	659,532	216,594	(515,157)	-78%	442,938	205%
Technology transfer operations	154,698	79,699	430,912	74,999	94%	(351,213)	-82%
Management and general	258,352	181,707	178,313	76,645	42%	3,394	2%
Total Operating Expenses	<u>65,937,568</u>	<u>60,204,418</u>	<u>61,088,356</u>	5,733,150	10%	(883,938)	-1%
Operating income	1,233,986	1,035,224	11,886	198,762	19%	1,023,338	8610%
Nonoperating revenues	247,993	306,945	50,422	(58,952)	-19%	256,523	509%
Increase in net position	1,481,979	1,342,169	62,308	139,810	10%	1,279,861	2054%
Net position, beginning of year	<u>9,868,090</u>	<u>8,525,921</u>	<u>8,463,613</u>				
Net position, end of year	<u>\$ 11,350,069</u>	<u>\$ 9,868,090</u>	<u>\$ 8,525,921</u>				

AUGUSTA UNIVERSITY RESEARCH INSTITUTE, INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2020 AND 2019

Fiscal 2020

Operating revenues consist primarily of research grant and licensing fees and royalty revenues. Operating revenues increased \$6,219,705 or 10% primarily due to an increase in research programs revenue.

Operating expenses increased \$5,733,150 or 10% primarily due to an increase in grants and contracts expenses of approximately \$5,835,000 offset by a decrease in licensing and royalty distribution expenses of approximately \$515,000.

Operating income decreased due to an increase in grant program expenses in 2020.

Fiscal 2019

Operating revenues consist primarily of research grant and licensing fees and royalty revenues. Operating revenues increased \$139,400 primarily due to an increase in licensing and royalties revenue.

Operating expenses decreased \$883,938 or 1% primarily due to a decrease in research incentive program expenses of approximately \$170,000, a decrease in Jinfiniti expenses of approximately \$370,000, and a decrease of technology transfer operations expenses of approximately \$350,000.

Operating income increased due to research and operating expenses being covered by the University in 2019.

The condensed statements of cash flows are shown below:

Augusta University Research Institute, Inc.
Condensed Statements of Cash Flows
Years Ended June 30, 2020, 2019, and 2018

	2020	2019	2018	2020 - 2019		2019 - 2018	
				Dollars	%	Dollars	%
Net cash flows from operating activities	\$ 1,752,554	\$ 1,100,458	\$ (226,516)	\$ 652,096	59%	\$ 1,326,974	-586%
Net cash flows from investing activities	(271,384)	31,346	(3,857,227)	(302,730)	-966%	3,888,573	-101%
Net change in cash and cash equivalents	1,481,170	1,131,804	(4,083,743)	349,366	31%	5,215,547	-128%
Cash and cash equivalents, beginning of year	5,513,741	4,381,937	8,465,680				
Cash and cash equivalents, end of year	\$ 6,994,911	\$ 5,513,741	\$ 4,381,937				

Fiscal 2020

Cash flows from operations primarily include receipts from grantors and licenses. The increase in cash flow from operating activities in 2020 is attributable to decreased net grant payments to the University and payments for the University programs.

The decrease in cash flow from investing activities is attributable to the purchase of money market funds during Fiscal 2020.

Fiscal 2019

Cash flows from operations primarily include receipts from grantors and licenses. The increase in cash flow from operating activities in 2019 is attributable to increased payments for licensing and royalties, decreased research grant payments to the University, and decreased payments University programs.

The increase in cash flow from investing activities is attributable to the purchase of the investment in the Board of Regents Balanced Income Fund during Fiscal 2018.

AUGUSTA UNIVERSITY RESEARCH INSTITUTE, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2020 AND 2019

Economic Outlook

The Institute is entering Fiscal 2021 projecting that grant and contract expenditures will slightly increase due to the increase in awards received during Fiscal Year 2020.

Questions concerning this report or requests for additional information should be directed to Diego Vazquez, Associate Vice President for Sponsored Programs Administration and Executive Director, at (706) 721-3087 or at 1120 15th Street, CJ 3301, Augusta, Georgia 30912.

AUGUSTA UNIVERSITY RESEARCH INSTITUTE, INC.
STATEMENTS OF NET POSITION

JUNE 30, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 6,924,938	\$ 5,443,768
Grants and contracts receivable	6,044,211	4,304,155
Total Current Assets	<u>12,969,149</u>	<u>9,747,923</u>
Noncurrent Assets:		
Restricted assets - cash and cash equivalents	69,973	69,973
Investments	4,758,918	4,174,064
Other investments	234,809	300,286
Total Noncurrent Assets	<u>5,063,700</u>	<u>4,544,323</u>
Total Assets	<u>18,032,849</u>	<u>14,292,246</u>
LIABILITIES		
Current Liabilities:		
Accounts payable	118,646	82,001
Grants and contracts payable to the University	6,292,139	4,130,749
Other liabilities payable to the University	250,865	192,427
Other liabilities	21,130	18,979
Total Current Liabilities	<u>6,682,780</u>	<u>4,424,156</u>
NET POSITION		
Restricted for program services	69,973	69,973
Unrestricted	11,280,096	9,798,117
Total Net Position	<u>\$ 11,350,069</u>	<u>\$ 9,868,090</u>

AUGUSTA UNIVERSITY RESEARCH INSTITUTE, INC.
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

YEARS ENDED JUNE 30, 2020 AND 2019

	2020	2019
Operating Revenues:		
Research programs:		
Federal	\$ 57,664,591	\$ 49,041,572
Business	4,305,966	7,434,697
Foundations	3,190,842	2,978,140
Other research grants	1,294,466	781,751
Total Research Revenue	66,455,865	60,236,160
Licensing and royalties	178,566	819,375
Rent	84,317	85,200
TEDDY income	51,196	66,409
Jinfiniti income	-	31,854
Support from the University	396,506	-
Other operating revenue	5,104	644
Total Operating Revenues	67,171,554	61,239,642
Operating Expenses:		
Research subcontracted to the University (including indirect cost reimbursements):		
Federal	54,056,649	45,956,110
Business	4,133,227	7,105,509
Foundations	3,152,947	2,945,297
Other research grants	1,252,380	753,355
Total Research Subcontracted to the University	62,595,203	56,760,271
Licensing and royalty distributions	144,375	659,532
AURI grants programs (IGP and RSCA)	852,816	380,969
Grant writing consultant	-	500
Research incentive program	1,154,388	1,092,753
Bridge funding program	20,295	217,508
Health Research Associates	75,000	75,822
Early retirement annuity	6,505	7,418
Council on government relations	10,500	10,500
Federal affairs consultant (Cornerstone)	-	22,507
School of Graduate Studies	119,883	131,917
TEDDY project	55,774	66,608
Research awards banquet	14,988	14,936
Jinfiniti expenses	-	31,854
Cathaid expenses	-	30,000
Georgia BIO expense	25,000	25,000
Federal demonstration partnership	1,000	1,000
Technology transfer operations	154,698	79,699
Technology transfer legal	361,404	333,282
Life Science Business Development Center	22,061	22,886
University support	65,326	57,749
Management and general	258,352	181,707
Total Operating Expenses	65,937,568	60,204,418
Total Operating Income	1,233,986	1,035,224

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

AUGUSTA UNIVERSITY RESEARCH INSTITUTE, INC.**STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (CONTINUED)***YEARS ENDED JUNE 30, 2020 AND 2019*

	<u>2020</u>	<u>2019</u>
Nonoperating Revenues (Expenses):		
Investment income	\$ 278,537	\$ 308,973
Loss on cost method investments	(30,544)	(2,028)
Total Nonoperating Revenues	<u>247,993</u>	<u>306,945</u>
Increase in net position	1,481,979	1,342,169
Net position, beginning of year	<u>9,868,090</u>	<u>8,525,921</u>
Net position, end of year	<u>\$ 11,350,069</u>	<u>\$ 9,868,090</u>

AUGUSTA UNIVERSITY RESEARCH INSTITUTE, INC.
STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities:		
Receipts from grantors	\$ 64,715,809	\$ 60,086,999
Receipts of licensing and royalties	178,566	819,375
Other receipts	537,123	184,107
Research grant payments disbursed to the University	(60,433,813)	(56,630,010)
Payments of royalties, licenses, patents, and copyright costs	(658,776)	(1,042,676)
Payments for the University programs	(2,368,037)	(2,103,096)
Payments to suppliers and others	(218,318)	(214,241)
Net cash from operating activities	<u>1,752,554</u>	<u>1,100,458</u>
Cash flows from investing activities:		
Investment income	50,078	46,261
Contributions to investments accounted for using the cost method	(4,020)	(16,177)
Distributions from GRA Venture Fund	38,953	-
Distributions from InTouch Technologies, Inc.	-	1,262
Net purchases of investments	(356,395)	-
Net cash from investing activities	<u>(271,384)</u>	<u>31,346</u>
Net change in cash and cash equivalents	1,481,170	1,131,804
Cash and cash equivalents, beginning of year	5,513,741	4,381,937
Cash and cash equivalents, end of year	<u>\$ 6,994,911</u>	<u>\$ 5,513,741</u>
Reconciliation of operating income to net cash from operating activities:		
Operating income	\$ 1,233,986	\$ 1,035,224
Adjustments to reconcile operating income to net cash from operating activities:		
Changes in:		
Grants and contracts receivable	(1,740,056)	(149,161)
Accounts payable and grants and contracts payable	2,198,035	175,007
Other liabilities payable to the University	58,438	38,945
Other liabilities	2,151	443
Net cash from operating activities	<u>\$ 1,752,554</u>	<u>\$ 1,100,458</u>
Schedule of noncash activity:		
Loss on cost method investments	\$ (30,544)	\$ (2,028)
Investment income (reinvested)	228,459	262,712
Reconciliation of cash and cash equivalents to statements of net position:		
Cash and cash equivalents	\$ 6,924,938	\$ 5,443,768
Restricted assets - cash and cash equivalents	69,973	69,973
Cash and cash equivalents	<u>\$ 6,994,911</u>	<u>\$ 5,513,741</u>

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

AUGUSTA UNIVERSITY RESEARCH INSTITUTE, INC.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020 AND 2019

Note 1—Organization

Augusta University Research Institute, Inc. (the “Institute”) was established to contribute to the educational, research and service functions of Augusta University (the “University”) in obtaining grants and contracts from individuals, industrial, or other private organizations, government, or other public agencies for the performance of sponsored research, development, or other programs by the various units of the University. The Institute was incorporated under the laws of the state of Georgia as a non-profit corporation on July 31, 1980. All projects awarded to the Institute are sub-contracted to the University, which is responsible for the fiscal administration of the research projects.

Note 2—Summary of significant accounting policies

Basis of Presentation – The Institute’s financial statements have been prepared in accordance with the accounting principles generally accepted in the United States of America (“U.S. GAAP”) as prescribed by the Governmental Accounting Standards Board (“GASB”).

The GASB has issued Statement of Governmental Accounting Standards (“SGAS”) No. 35, *Basic Financial Statements – and Management’s Discussion and Analysis – for Public Colleges and Universities* and SGAS No. 38, *Certain Financial Statement Note Disclosures*. The financial statement presentation required by these statements provides a comprehensive, entity-wide perspective of the Institute’s assets, liabilities, net position, revenues, expenses, changes in net position, and cash flows. These standards provide for the inclusion of Management’s Discussion and Analysis as required supplementary information.

Reporting Entity – In accordance with the criteria in SGAS No. 61, *The Financial Reporting Entity*, the Institute is a legally separate, tax exempt component unit of the state of Georgia (the “State”). Although the University is not fiscally accountable for the Institute, it has been determine that the nature and significance of the relationship between the University and the Institute is such that exclusion of the Institute from the University’s departmental financial statements would render those statements misleading.

Basis of Accounting – For financial reporting purposes, the Institute is considered a special-purpose government entity engaged only in business-type activities. Accordingly, the Institute’s 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 and Investments – The Institute considers all short-term investments with an original maturity of three months or less to be cash equivalents. Short-term investments, which consist of marketable securities that are bought and held principally for the purpose of selling them in the near future, are reported at fair value with unrealized gains and losses recognized in nonoperating revenues.

Investments – In accordance with SGAS No. 72, *Fair Value Measurement and Application*, the Institute is required to present certain investments at their fair value if the investment has a readily determined market value. The Board of Regents Balanced Income Fund and a Money Market Fund are included in investments.

Other investments, consisting of interests in a corporation and a limited liability company, for which the Institute does not have significant ownership or control, are carried at cost and the Institute recognizes dividends received that are distributed from net accumulated earnings of the company since the date of acquisition by the Institute. In the period losses of an investment are determined to be other than a temporary decrease in value of the investment, the loss is recognized. Investments in startup companies are deemed to have a readily determinable fair market value when the stock becomes publicly traded.

AUGUSTA UNIVERSITY RESEARCH INSTITUTE, INC.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020 AND 2019

Note 2—Summary of significant accounting policies (continued)

Net Position – Net position of the Institute is classified in two components. Unrestricted net position includes amounts not subject to donor or other stipulations imposed by outside sources. Restricted net position represents revenues that are subject to donor or other stipulations imposed by outside sources.

Revenue Recognition – Revenue from research grants is recognized as expenditures are made for approved research activities. Grants receivable are recorded for amounts expended for purposes authorized in the grant agreements but not yet reimbursed.

Royalty revenues are derived principally from licensure of rights to certain discoveries made by University personnel, and are generally based on sales of products made by third parties using the rights licensed from the Institute. Such royalty revenues are recognized when received. Generally, the Institute has arrangements with the University and others to share a portion of the royalties received. Such royalty sharing payments are recorded as expense when the related revenues are recognized.

Operating revenues and expenses are those that result from grant and related activities. Nonoperating revenues and expenses include capital, financing, investing, and other activities not related to grant and program activities.

Income Tax Status – The Institute is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the “Code”), whereby only unrelated business income, as defined by Section 512(a)(1) of the Code, is subject to federal income tax. In addition, the Institute is not classified as a private foundation based on a determination received from the Internal Revenue Service.

Use of Estimates – The preparation of financial statements in conformity with U.S. GAAP requires the Institute’s management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

Future Pronouncements – In June 2017, GASB issued SGAS No. 87, *Leases*. This statement increases the usefulness of governments’ financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments’ leasing activities. This standard will be effective for the fiscal year ending June 30, 2022. The Institute is currently in the process of evaluating the impact of adoption of this SGAS on the financial statements.

AUGUSTA UNIVERSITY RESEARCH INSTITUTE, INC.
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020 AND 2019

Note 3—Cash and investments

SGAS No. 40, *Deposits and Investment Risk Disclosures*, requires certain disclosures regarding policies and practices with respect to deposits and the custodial risk, credit risk, interest rate sensitivity, and foreign investments associated with them.

Custodial Credit Risk - Deposits – Custodial credit risk is the risk that, in the event of a bank failure, the Institute’s deposits may not be returned to it. The Institute does not have a deposit policy for custodial credit risk. The Institute places its cash and cash equivalents on deposit with financial institutions in the United States. The Federal Deposit Insurance Corporation covers \$250,000 for substantially all depository accounts. The Institute from time to time may have amounts on deposit in excess of these insured limits. As of June 30, 2020 and 2019, \$5,222,690 and \$3,509,832, respectively, of the Institute’s bank balance exceeded these insured amounts and was uncollateralized.

Interest Rate Risk and Credit Risk - Investments – The Institute has an investment policy that authorizes management to invest in the following types of investments:

1. Certificates of deposit and money market accounts with investment grade banks
2. United States Treasury securities
3. Commercial Paper rated at least A-1, P-1

The Institute’s investments were comprised of funds invested in the Board of Regents Investment Pool and a Money Market account as follows:

	<u>2020</u>	<u>2019</u>
Board of Regents Investment Pool :		
Short-Term Fund - cash equivalents	\$ 1,607,597	\$ 1,560,463
Balanced Income Fund - investments	4,402,523	4,174,064
Money Market Fund - investments	<u>356,395</u>	<u>-</u>
Total investments	<u>\$ 6,366,515</u>	<u>\$ 5,734,527</u>

Short-Term Fund – The Short-Term Fund provides a current return and stability of principal while affording a means of overnight liquidity for projected cash needs and accordingly, is classified as a cash equivalent. The average maturities of investments in this fund will typically range between daily and three years, and the fund will typically have an overall average duration of three fourths to one year. The overall character of the portfolio is of agency quality, possessing a minimal degree of financial risk.

Balanced Income Fund – The Balanced Income is designed to be a vehicle to invest funds that are not subject to the state regulations concerning investing in equities. This pool is appropriate for investing longer term funds that require a more conservative investment strategy. Permitted investments in the fund are domestic U.S. equities, domestic investment grade fixed income, and cash equivalents.

AUGUSTA UNIVERSITY RESEARCH INSTITUTE, INC.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020 AND 2019

Note 3—Cash and investments (continued)

The Short-Term Fund is classified as cash and cash equivalents in the accompanying statements of net position. The Balanced Income Fund is classified as investments in the accompanying statements of net position. The Board of Regents Investment Pool is not registered with the Securities and Exchange Commission as an investment company. The fair value of investments is determined daily. The Board of Regents Investment Pool does not issue shares. Each participant is allocated a pro rata share of each investment at fair value along with a pro rata share of the interest that it earns. Participation in the Board of Regents Investment Pool is voluntary. The Board of Regents Investment Pool is not rated. Additional information on the Board of Regents Investment Pool is disclosed in the audited Financial Statements of the Board of Regents of the University System of Georgia - System Office (oversight unit). This audit can be obtained from the Georgia Department of Audits - Education Audit Division or on their web site at <http://www.audits.ga.gov>.

The effective duration of the Short-Term Fund at June 30, 2020 and 2019, is 0.98 years and 0.63 years, respectively. As June 30, 2020 and 2019, the Short-Term Fund consists of 100% debt securities. The effective duration of the Balanced Income Fund at June 30, 2020 and 2019, is 5.78 years and 5.22 years, respectively. At June 30, 2020, the Balanced Income Fund consists of 29% equity securities, 65% debt securities, and 6% cash and cash equivalents. At June 30, 2019, the Balanced Income Fund consists of 32% equity securities, 67% debt securities, and 1% cash and cash equivalents.

Money Market Fund – The Money Market Fund is classified as an investment in the accompanying statements of net position. The Money Market Fund is a public investment vehicle primarily invested in U.S. Treasury debt instruments and is valued at amortized cost. The Money Market Fund has a credit rating of AAAm and an effective duration of 0.29 years at June 30, 2020.

Note 4—Other investments

During the year ended June 30, 2009, the Institute made a commitment to invest \$500,000 in the Georgia Research Alliance Capital Venture Fund (the “Fund”), a pool of private and public dollars that will provide early-stage financing to start-up organizations that commercialize university research. The Institute’s ownership interest in this Fund is accounted for using the cost method. At June 30, 2020 and 2019, the total contributions of capital have been \$453,014 and \$448,994, respectively. At June 30, 2020 and 2019, the total cost of the Institute’s investment, net of distributions of return of initial investment was \$334,739 and \$373,692. During the years ended June 30, 2020 and 2019, the Institute recorded losses related to realized losses from investments which were determined to be other than temporary losses of \$30,544 and \$2,028, respectively due to liquidations in the Fund. At June 30, 2020 and 2019, the net carrying amount for this Fund was \$188,532 and \$254,009, respectively. As of June 30, 2020, the Institute has a remaining commitment of approximately \$47,000 for future investment in the Fund.

During the years ended June 30, 2011 and 2012, in connection with a licensing agreement, the Institute received shares of Series A and B stock of Reach Health, Inc., a company founded by and owned and governed, in part, by a doctor employed by the University who also serves on the Board of Directors of the Institute. Reach Health, Inc. is a start-up technology company specialized in developing and providing interactive physician-to-patient access. During the year ended June 30, 2013, the Institute purchased 89,837 shares of Series C Preferred Stock of Reach Health, Inc. The Institute’s ownership interest in Reach Health, Inc. has been accounted for using the cost method.

AUGUSTA UNIVERSITY RESEARCH INSTITUTE, INC.
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020 AND 2019

Note 4—Other investments (continued)

The Institute had a license agreement with Reach Health, Inc. for the use of certain health care information technology developed at the Institute. The license agreement was terminated during the year ended June 30, 2017. In connection with the termination of the licensing agreement, the Institute received \$40,000 from Reach Health, Inc. and received a warrant to purchase 300,000 shares of common stock at a cost of \$0.01 per share. The Institute exercised the warrant in September 2016.

During the year ended June 30, 2018, Reach Health, Inc. was acquired by InTouch Technologies, Inc. In connection with this acquisition, the Institute was required to surrender all shares of the Reach Health, Inc. stock in exchange for 6,011 shares of InTouch Technologies, Inc. common stock.

During the year ended June 30, 2019, the Institute received \$1,262 of dispersed funds and an additional 3,379 of InTouch Technologies, Inc. common stock. At June 30, 2020 and 2019, the InTouch Technologies, Inc. investment balance was \$46,270, which was the carrying amount of the previously held Reach Health, Inc. investment less the dispersed funds.

	<u>2020</u>	<u>2019</u>
Balance, July 1	\$ 300,286	\$ 287,399
Contributions of capital	4,020	16,177
Distributions	(38,953)	(1,262)
Loss on cost method investments	(30,544)	(2,028)
Balance, June 30	<u>\$ 234,809</u>	<u>\$ 300,286</u>

Note 5—Fair value measurements of assets and liabilities

The Institute has adopted SGAS No. 72, *Fair Value Measurements and Application*, which requires fair value measurement be classified and disclosed in one of the following three categories (“Fair Value Hierarchy”):

Level 1 – Quoted prices are available in active markets for identical investments as of the reporting date. 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 U.S. GAAP, the Institute, to the extent that it holds such investments, does not adjust the quoted price for these investments, even in situations where the Institute holds 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 investment 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.

AUGUSTA UNIVERSITY RESEARCH INSTITUTE, INC.
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020 AND 2019

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

The tables below summarize the valuation of the Institute’s financial assets and liabilities measured at fair value on a recurring basis as of June 30, 2020 and 2019, based on the level of input utilized to measure fair value.

Measurement at fair value on a recurring basis:

	Fair Value Measurement at June 30, 2020			
	Level 1	Level 2	Level 3	Total
Investments:				
Fixed Income:				
Board of Regents Investment Pool				
Short-Term Fund	\$ -	\$ 1,607,597	\$ -	\$ 1,607,597
Balanced Income Fund	4,402,523	-	-	4,402,523
Total fixed income	4,402,523	1,607,597	-	6,010,120
Total investments, recurring basis	\$ 4,402,523	\$ 1,607,597	\$ -	\$ 6,010,120

	Fair Value Measurement at June 30, 2019			
	Level 1	Level 2	Level 3	Total
Investments:				
Fixed Income:				
Board of Regents Investment Pool				
Short-Term Fund	\$ -	\$ 1,560,463	\$ -	\$ 1,560,463
Balanced Income Fund	4,174,064	-	-	4,174,064
Total fixed income	4,174,064	1,560,463	-	5,734,527
Total investments, recurring basis	\$ 4,174,064	\$ 1,560,463	\$ -	\$ 5,734,527

All assets have been valued using a market approach. There have been no changes in valuation techniques and related inputs.

Note 6—Net position restrictions and designations

Restricted net position represents amounts which are restricted in accordance with legal or contractual requirements, or donor stipulations that must be used for the specific purpose as indicated by the donor. From time to time, the Institute receives contributions to be used for specific research projects. The restricted net position at both June 30, 2020 and 2019, consist of the unspent proceeds of \$69,973.

Annually, amounts included in net position are designated for specific purposes by action of the governing board of the Institute. The Board of Directors of the Institute has designated the use of certain funds for Incentive Awards, the AURI Grants Programs (IGP and RSCA), and the School of Graduate Studies. The purpose of Incentive Awards is to reward faculty for productivity and provide discretionary funds to promote individual research programs. The AURI Grants Programs (IGP and RSCA) are used to support research projects that have a high likelihood of subsequently generating external funding. The purpose of the Intramural Grants Program is to assist faculty members in competing for major research funding from external sources. At June 30, 2020 and 2019, the Institute had \$4,297,686 and \$4,236,761, respectively, in unrestricted, designated net position.

AUGUSTA UNIVERSITY RESEARCH INSTITUTE, INC.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020 AND 2019

Note 7—Grants and contracts receivable

Receivables consist of amounts due from foundations, businesses, universities, and the federal government for expenditures of federal and non-federal awards which have not yet been reimbursed. Management believes, based on past history, that any amounts which are not fully collectible would be immaterial to the financial statements.

Note 8—Facilities and administrative costs recovery

The Institute receives reimbursement from sponsors for facilities and administrative costs incurred. In accordance with the Memorandum of Understanding between the Institute and the University, the Institute retains approximately 10/46th of funds received for facilities and administrative costs which are considered to be unrestricted funds. The remaining approximately 78% is disbursed to the University. Under this agreement the Institute received approximately \$3,800,000 and \$3,500,000 for each of the years ended June 30, 2020 and 2019, respectively.

Note 9—Significant funding sources

Approximately 83% and 76% of the Institute's total operating revenue for the fiscal years ended June 30, 2020 and 2019, respectively, were awarded by the United States Department of Health and Human Services. Changes in governmental spending could have a significant impact on the operations of the Institute.

Note 10—Operating leases

The Institute is a lessee under a multiyear operating lease for an office building used by a principal investigator. The lease commenced on May 1, 2017, and expires on August 1, 2023. For the years ended June 30, 2020 and 2019, lease expense related to this lease was \$55,774 and \$66,608, respectively, and is included in the TEDDY project expense on the statement of revenues, expenses, and changes in net position. The Institute also receives reimbursement related to this expense from the Medical College of Georgia School of Medicine. For the years ended June 30, 2020 and 2019, reimbursement related to this lease was \$51,196 and \$66,409, respectively, and is included in TEDDY income on the statements of revenues, expenses, and changes in net position.

Future minimum lease payments are:

Years Ending June 30,

2021	\$ 79,746
2022	91,027
2023	92,865
2024	7,869
	<u>\$ 271,507</u>

AUGUSTA UNIVERSITY RESEARCH INSTITUTE, INC.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020 AND 2019

Note 11—Related party transactions

The Institute reimburses the University for a portion of services rendered by employees of the University. The Institute reimbursed the University for personnel and other expenses in the amount of \$238,963 and \$73,511 for the years ended June 30, 2020 and 2019, respectively. During the years ended June 30, 2020 and 2019, the cost of the unreimbursed portion of the services was approximately \$887,000 and \$591,000, respectively.

During the year ended June 30, 2017, the Institute entered into an agreement with a company, Jinfinity Diagnostics Inc., owned by a faculty member employed by the University to provide support for operations. The agreement provides for the availability of payments of \$100,000 during the year ended June 30, 2017; \$400,000 during the year ended June 30, 2018; and \$500,000 during the year ended June 30, 2019, to the company by the Institute. Under this agreement, payments of \$-0-, \$400,000, and \$100,000 were made to the company during the years ended June 30, 2019, 2018, and 2017, respectively. The remaining commitment under this agreement is \$500,000 as of June 30, 2020. In addition, the Institute has entered into an agreement with the company which provides for rental of space by the company in the Life Sciences Business Development Center for the purpose of life sciences research and product development. During the years ended June 30, 2020 and 2019, no amounts were received related to this agreement.

During the year ended June 30, 2019, the Institute entered into an agreement with a company, Cathaid Inc., owned by a faculty member employed by the University to provide support for operations. Under this agreement, \$30,000 was paid out to Cathaid Inc. during the year ended June 30, 2019. No payments were made during the year ended June 30, 2020.

Note 12—Significant commitments and contingencies

The Institute receives proceeds from federal and state grants. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds will be immaterial to the financial statements. No provision has been made in the accompanying financial statements for the refund of grant monies due to periodic audits by granting agencies.

Note 13—Subsequent events

On July 1, 2020 InTouch Technologies, Inc., included in the Institute's Other Investments (see Note 4), was acquired by with Teladoc Health, Inc., which is a publically traded company. The Institute's shares of InTouch will be converted to Teladoc shares at an exchange ratio of 0.092814.

The Institute has evaluated subsequent events through September 22, 2020, which was the date the financial statements were available to be issued. As of this date, other than the above mentioned, there were no material subsequent events requiring adjustment or disclosure in the financial statements for the year ended June 30, 2020.

**Report of Independent Auditor on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

To the Board of Directors
Augusta University Research Institute, Inc.
Augusta, Georgia

We have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Augusta University Research Institute, Inc., (the "Institute") as of and for the years ended June 30, 2020 and 2019, and the related notes to the financial statements, and have issued our report thereon dated September 22, 2020.

Internal Control over Financial Reporting

In planning and performing our audits of the financial statements, we considered the Institute's internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Institute's internal control. Accordingly, we do not express an opinion on the effectiveness of the Institute's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Institute's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Institute's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 Institute'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 Institute's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Cherry Rekart LLP". The signature is written in a cursive, flowing style.

Augusta, Georgia
September 22, 2020

Report of Independent Auditor on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance

To the Board of Directors
Augusta University Research Institute, Inc.
Augusta, Georgia

Report on Compliance for Each Major Federal Program

We have audited Augusta University Research Institute, Inc.'s (the "Institute") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Institute's major federal programs for the year ended June 30, 2020. The Institute's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Institute's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Institute's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Institute's compliance.

Opinion on Each Major Federal Program

In our opinion, the Institute complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2020.

Report on Internal Control over Compliance

Management of the Institute is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Institute's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Institute's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Handwritten signature of Cheryl Bekant LLP in cursive script.

Augusta, Georgia
September 22, 2020

AUGUSTA UNIVERSITY RESEARCH INSTITUTE, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2020

Agency Name / Program	Identifying Number	CFDA	Total	Passed Through to Subrecipient	Indirect Costs to the Research Institute
U.S. Department of Agriculture					
Rural Utilities Service					
Distance Learning and Telemedicine Loans and Grants		10.855	\$ 298,888	\$ 298,888	\$ -
Direct Federal Awards					
		CFDA #10.855 Total	298,888	298,888	-
U.S. Department of Defense					
National Security Agency					
Information Security Grants		12.902	208,369	206,162	2,207
Direct Federal Awards					
		CFDA #12.902 Total	208,369	206,162	2,207
GenCyber Grants Program		12.903	78,242	72,726	5,516
Direct Federal Awards					
		CFDA #12.903 Total	78,242	72,726	5,516
CyberSecurity Core Curriculum		12.905	12,784	11,885	899
Direct Federal Awards					
		CFDA #12.905 Total	12,784	11,885	899
Department of Defense Other Financial Assistance					
Direct Federal Awards					
Department of Defense	H98230-19-P-0820	12.OFA	24,189	23,584	605
Department of Defense	H98230-19-P-0823	12.OFA	24,189	23,584	605
		CFDA #12.OFA Total	48,378	47,168	1,210
U.S. Department of Justice					
Office of Justice Programs					
STOP School Violence					
Federal Pass Through from:					
Richmond County Board of Education	Subaward No. 34100-1	16.839	1,549	1,480	69
		CFDA #16.839 Total	1,549	1,480	69
Department of Veterans Affairs					
Department of Veterans Affairs Other Financial Assistance					
Direct Federal Awards					
Department of Veterans Affairs	36C24E19D0005	64.OFA	74,515	74,043	472
Department of Veterans Affairs	ORDER NO 36C24E20N0026	64.OFA	37,769	37,530	239
Department of Veterans Affairs	ORDER NO. 36C24E20N0025	64.OFA	9,849	9,787	62
		CFDA #64.OFA Total	122,133	121,360	773
U.S. Department of Energy					
Environmental Remediation and Waste Processing and Disposal					
Federal Pass Through from:					
Savannah River Site Community Reuse Organization	Workforce Opportunities in Regional Careers	81.104	141,859	141,859	-
		CFDA #81.104 Total	141,859	141,859	-

See accompanying notes to the schedule of expenditures of federal awards.

AUGUSTA UNIVERSITY RESEARCH INSTITUTE, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2020

Agency Name / Program	Identifying Number	CFDA #	Total	Passed Through to Subrecipients	Indirect Costs to the Research Institute
U.S. Department of Health and Human Services					
Centers for Disease Control and Prevention					
Disabilities Prevention					
Federal Pass Through from:					
Georgia State University	Subaward SP00011716-02	93.184	\$ 15,436	\$ 14,743	\$ 693
		CFDA #93.184 Total	15,436	14,743	693
Health Resources and Services Administration					
Telehealth Programs					
Direct Federal Awards					
		93.211	82,056	78,375	3,681
		CFDA #93.211 Total	82,056	78,375	3,681
Sickle Cell Treatment Demonstration Program					
Federal Pass Through from:					
Carolinas Healthcare System/Atrium Health	SUBAWARD NO. 3000301054(A17-0142-S009)	93.365	74,938	73,457	1,481
		CFDA #93.365 Total	74,938	73,457	1,481
Ryan White HIV/AIDS Dental Reimbursement and Community Based Dental Partnership Grants					
Direct Federal Awards					
		93.924	65,844	65,844	-
		CFDA #93.924 Total	65,844	65,844	-
Substance Abuse and Mental Health Services Administration					
Substance Abuse and Mental Health Services Projects of Regional and National Significance					
Direct Federal Awards					
Federal Pass Through from:					
Ga. Dept. of Behavioral Health & Developmental Disabilities	CONTRACT # 44100-906-0000114840	93.243	1,362,342	1,338,967	23,375
Ga. Dept. of Behavioral Health & Developmental Disabilities	44100-906-0000138788	93.243	2,110	1,988	122
Ga. Dept. of Behavioral Health & Developmental Disabilities	44100-906-0000139551	93.243	33,542	32,879	663
Johns Hopkins University	Subaward No. 2004173466	93.243	11,719	11,487	232
University of Georgia	AWARD# RR274-470/S001267	93.243	12,132	11,937	195
		93.243	13,966	13,741	225
		CFDA #93.243 Total	1,435,811	1,410,999	24,812
Opioid STR					
Federal Pass Through from:					
Ga. Dept. of Behavioral Health & Developmental Disabilities	CONTRACT#:44100-906-0000111589	93.788	144,671	141,811	2,860
Ga. Dept. of Behavioral Health & Developmental Disabilities	College Adopt a School	93.788	34,561	33,774	787
		CFDA #93.788 Total	179,232	175,585	3,647
Block Grants for Prevention and Treatment of Substance Abuse					
Federal Pass Through from:					
Ga. Dept. of Behavioral Health & Developmental Disabilities	CONTRACT #: 44100-DBH0000503	93.959	238,280	233,571	4,709
		CFDA #93.959 Total	238,280	233,571	4,709
Administration for Children and Families					
Foster Care Title IV-E					
Federal Pass Through from:					
Georgia State University	Subaward SP00013909-05	93.658	31,724	31,709	15
		CFDA #93.658 Total	31,724	31,709	15

See accompanying notes to the schedule of expenditures of federal awards.

AUGUSTA UNIVERSITY RESEARCH INSTITUTE, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2020

Agency Name / Program	Identifying Number	CFDA #	Total	Passed Through to Subrecipients	Indirect Costs to the Research Institute
Research and Development Cluster					
U.S. Department of Commerce					
National Oceanic and Atmospheric Administration					
Coastal Zone Management Administration Awards					
Federal Pass Through from:					
Georgia Department of Natural Resources	Coastal Incentive Cycle 21	11.419	\$ 39,804	\$ 39,336	\$ 468
		CFDA #11.419 Total	39,804	39,336	468
U.S. Department Of Defense					
Dept of the Army					
Military Medical Research and Development					
Direct Federal Awards					
		12.420	1,068,154	989,690	78,464
Federal Pass Through from:					
Augusta Biomedical Research Corporation	SUB 32372	12.420	19,975	18,489	1,486
Drexel University	W81XWH1810750	12.420	48,607	44,992	3,615
Emory University	W81XWH1810526	12.420	2,174	2,013	161
University of Arizona	W81XWH-17-1-0443	12.420	8,691	8,040	651
		CFDA #12.420 Total	1,147,601	1,063,224	84,377
Basic Scientific Research					
Direct Federal Awards					
		12.431	122,543	113,869	8,674
		CFDA #12.431 Total	122,543	113,869	8,674
Department of Defense Other Financial Assistance					
Federal Pass Through from:					
Philips Research	DTRA Con HQ0034209PT04	12.RD	52,122	48,221	3,901
Geneva Foundation	SUBCONTRACT#: S-40037-0017-01	12.RD	12,145	10,088	2,057
		CFDA #12.RD Total	64,267	58,309	5,958
National Science Foundation					
Engineering					
Direct Federal Awards					
		47.041	149,285	138,183	11,102
		CFDA #47.041 Total	149,285	138,183	11,102
Mathematical and Physical Sciences					
Direct Federal Awards					
		47.049	13,131	12,205	926
		CFDA #47.049 Total	13,131	12,205	926
Computer and Information Science and Engineering					
Federal Pass Through from:					
Ohio State University	Subaward 60076057	47.070	27,331	26,105	1,226
		CFDA #47.070 Total	27,331	26,105	1,226
Biological Sciences					
Direct Federal Awards					
		47.074	15,118	14,023	1,095
		CFDA #47.074 Total	15,118	14,023	1,095
Social, Behavioral, and Economic Sciences					
Direct Federal Awards					
		47.075	3,250	3,250	-
		CFDA #47.075 Total	3,250	3,250	-

See accompanying notes to the schedule of expenditures of federal awards.

AUGUSTA UNIVERSITY RESEARCH INSTITUTE, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2020

Agency Name / Program	Identifying Number	CFDA #	Total	Passed Through to Subrecipients	Indirect Costs to the Research Institute
Education and Human Resources Direct Federal Awards		47.076	\$ 6,827	\$ 6,345	\$ 482
		CFDA #47.076 Total	6,827	6,345	482
Environmental Protection Agency Environmental Protection Agency Other Financial Assistance Federal Pass Through from:					
Augusta, Georgia	Biota Improvement in an Urban Stream Through Aquatic Habitat Restoration	66.RD	5,070	5,070	-
		CFDA #66.RD Total	5,070	5,070	-
U.S. Department of Health and Human Services Health Resources and Services Administration Maternal and Child Health Federal Consolidated Programs Direct Federal Awards		93.110	82,327	76,165	6,162
		CFDA #93.110 Total	82,327	76,165	6,162
Agency for Healthcare Research and Quality Research on Healthcare Costs, Quality and Outcomes Federal Pass Through from:					
Duke University	PO 4550280744 (Meeting Fee)	93.226	260	203	57
William Beaumont Hospital Research Institute	SUB NO WBH17001_AUGUSTA	93.226	12,012	11,394	618
		CFDA #93.226 Total	12,272	11,597	675
National Institutes of Health Oral Diseases and Disorders Research Direct Federal Awards		93.121	800,810	740,989	59,821
		CFDA #93.121 Total	800,810	740,989	59,821
Research Related to Deafness and Communication Disorders Direct Federal Awards		93.173	314,484	290,948	23,536
		CFDA #93.173 Total	314,484	290,948	23,536
Mental Health Research Grants Direct Federal Awards Federal Pass Through from:		93.242	860,947	797,848	63,099
Icahn School of Medicine at Mount Sinai	SUBAWARD # 0255-3351-4609	93.242	34,966	32,365	2,601
University of Georgia	SUB AWD RR274-437/S000795	93.242	(1,284)	(1,188)	(96)
University of Washington	SUB AWARD # UWSC8592	93.242	7,191	6,657	534
		CFDA #93.242 Total	901,820	835,682	66,138
Discovery and Applied Research for Technological Innovations to Improve Human Health Direct Federal Awards		93.286	457,312	427,749	29,563
		CFDA #93.286 Total	457,312	427,749	29,563
Minority Health and Health Disparities Research Direct Federal Awards		93.307	196,956	185,300	11,656
		CFDA #93.307 Total	196,956	185,300	11,656

See accompanying notes to the schedule of expenditures of federal awards.

AUGUSTA UNIVERSITY RESEARCH INSTITUTE, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2020

Agency Name / Program	Identifying Number	CFDA #	Total	Passed Through to Subrecipients	Indirect Costs to the Research Institute
Trans-NIH Research Support Direct Federal Awards Federal Pass Through from: New York University Langone Medical Center	Sub 15-A1-00-002912-01	93.310	\$ 368,996	\$ 341,179	\$ 27,817
		93.310	6,402	6,299	103
		CFDA #93.310 Total	375,398	347,478	27,920
NIH Office of Research on Women's Health Direct Federal Awards		93.313	40,552	37,517	3,035
		CFDA #93.313 Total	40,552	37,517	3,035
Cancer Cause and Prevention Research Direct Federal Awards Federal Pass Through from: Ionic Pharmaceuticals Texas Tech University Health Sciences Center	Subaward No. 34686-1 15LMF0178NLS/RCA190710	93.393	315,231	291,784	23,447
		93.393	20,752	19,463	1,289
		93.393	16,972	15,709	1,263
		CFDA #93.393 Total	352,955	326,956	25,999
Cancer Detection and Diagnosis Research Direct Federal Awards		93.394	421,580	390,123	31,457
		CFDA #93.394 Total	421,580	390,123	31,457
Cancer Treatment Research Direct Federal Awards Federal Pass Through from: Boston University	Subaward#: 4500002673	93.395	1,156,645	1,083,271	73,374
		93.395	87,865	81,289	6,576
		CFDA #93.395 Total	1,244,510	1,164,560	79,950
Cancer Biology Research Direct Federal Awards Federal Pass Through from: University of Florida	SUBAWARD #: UFDSP00011398	93.396	1,892,008	1,751,698	140,310
		93.396	56,520	52,317	4,203
		CFDA #93.396 Total	1,948,528	1,804,015	144,513
Cancer Research Manpower Direct Federal Awards		93.398	142,510	141,231	1,279
		CFDA #93.398 Total	142,510	141,231	1,279
Cancer Control Direct Federal Awards		93.399	789,071	730,737	58,334
		CFDA #93.399 Total	789,071	730,737	58,334

See accompanying notes to the schedule of expenditures of federal awards.

AUGUSTA UNIVERSITY RESEARCH INSTITUTE, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2020

Agency Name / Program	Identifying Number	CFDA #	Total	Passed Through to Subrecipients	Indirect Costs to the Research Institute
Cardiovascular Diseases Research					
Direct Federal Awards		93.837	\$ 13,527,902	\$ 12,591,818	\$ 936,084
Federal Pass Through from:					
Emory University	Sub Award #: T657728	93.837	3,297	3,052	245
Indiana University	Subaward 8078	93.837	1,267	1,172	95
Indiana University	Subaward No. 8089	93.837	4,474	4,140	334
Johns Hopkins University	Subaward No. 2004437443	93.837	280,434	259,447	20,987
Massachusetts General Hospital	Protocol #: A5332	93.837	1,665	1,541	124
Medical College of Wisconsin	5P01HL116264-07	93.837	138,117	128,278	9,839
Medical College of Wisconsin	5R01HL137748-02	93.837	187,753	174,199	13,554
Medical College of Wisconsin	5P01HL116264-08	93.837	156,067	144,387	11,680
Medical College of Wisconsin	MCW 5R01HL137748-03	93.837	98,600	91,221	7,379
New York Medical College	Subaward No 123102	93.837	55,617	51,455	4,162
Temple University	Subaward No. 260382-AURI	93.837	16,010	14,820	1,190
Thomas Jefferson University	Subaward No 080-18007-S02203	93.837	109,688	101,479	8,209
Yale University	SUB AWARD#: GR106003 (CON-80001748)	93.837	2,417	2,236	181
		CFDA #93.837 Total	14,583,308	13,569,245	1,014,063
Lung Diseases Research					
Direct Federal Awards		93.838	1,187,924	1,113,370	74,554
Federal Pass Through from:					
AUGdimer, LLC	Subaward 33486-1	93.838	47,448	43,905	3,543
University of Pittsburgh	CNVA00046691 (131692-42)	93.838	4,834	4,472	362
		CFDA #93.838 Total	1,240,206	1,161,747	78,459
Blood Diseases and Resources Research					
Direct Federal Awards		93.839	1,108,457	1,048,612	59,845
Federal Pass Through from:					
Cetya Therapeutics	Subaward No. 00034144	93.839	164,181	151,894	12,287
Cetya Therapeutics	Subaward No 35490	93.839	10,900	10,084	816
The National Marrow Donor Program	Protocol BMT CTN1506-2215-0304	93.839	763	706	57
		CFDA #93.839 Total	1,284,301	1,211,296	73,005
Arthritis, Musculoskeletal and Skin Diseases Research					
Direct Federal Awards		93.846	309,879	286,833	23,046
Federal Pass Through from:					
Princeton University	SUB0000252	93.846	83,607	77,350	6,257
		CFDA #93.846 Total	393,486	364,183	29,303

See accompanying notes to the schedule of expenditures of federal awards.

AUGUSTA UNIVERSITY RESEARCH INSTITUTE, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2020

Agency Name / Program	Identifying Number	CFDA #	Total	Passed Through to Subrecipients	Indirect Costs to the Research Institute
Diabetes, Digestive, and Kidney Diseases Extramural Research					
Direct Federal Awards		93.847	\$ 8,822,579	\$ 8,411,944	\$ 410,635
Federal Pass Through from:					
Georgia State University	SUB AWARD #: SP00012336-02	93.847	8,196	7,586	610
Georgia State University	SP00013424-01	93.847	18,059	16,707	1,352
Texas A&M Agrilife Research	Subaward #M2001963	93.847	2,376	2,198	178
	dkNET Coordinating Unit: An Information Network for FAIR				
University of California, San Diego	Resources and Data	93.847	242,409	224,267	18,142
University of Georgia	AWARD# RR376-432/S001506	93.847	175,149	162,123	13,026
University of North Carolina at Chapel Hill	Sub Award # 5111860	93.847	210,055	194,252	15,803
University of North Carolina at Chapel Hill	Subaward No. 5112092	93.847	26,383	24,408	1,975
University of North Carolina at Chapel Hill	Subaward 5113996	93.847	11,954	11,059	895
University of South Florida	SUBAWARD NO: 6163-1042 TEDDY UC4-4	93.847	(7,301)	(6,754)	(547)
University of South Florida	SUBAWARD 6163-1050-00-E	93.847	472,935	464,168	8,767
	CFDA #93.847 Total		9,982,794	9,511,958	470,836
Extramural Research Programs in the Neurosciences and Neurological Disorders					
Direct Federal Awards		93.853	3,530,309	3,275,943	254,366
Federal Pass Through from:					
Case Western Reserve University	Subaward no RES513170	93.853	134,549	125,528	9,021
Emmes Corporation	POINT STUDY	93.853	3,129	2,527	602
Medical University of South Carolina	SUB AWARD #: A00-4016-S001 PO#:363594	93.853	25,718	23,793	1,925
Medical University of South Carolina	SUB AWARD #: MUSC18-107-8D574	93.853	9,015	8,344	671
Oregon Health and Sciences University	Subaward 1013756_Augusta	93.853	98,513	91,141	7,372
Stanford University	Sub #61854954-125439	93.853	10,145	9,390	755
University of California, San Francisco	SUB 8445 (U54 NS065705)	93.853	14,493	13,443	1,050
University of Virginia	SUB: 10253-155959	93.853	35,729	33,053	2,676
	CFDA #93.853 Total		3,861,600	3,583,162	278,438
Allergy and Infectious Diseases Research					
Direct Federal Awards		93.855	113,657	105,485	8,172
Federal Pass Through from:					
Brigham & Women's Hospital	REPRIEVE Trial (A5332)	93.855	(1,957)	(1,811)	(146)
Camellix	Subaward # 33371-1	93.855	203,804	188,552	15,252
Duke Clinical Research Institute	7136 (SATELLITE)	93.855	(2,608)	(2,413)	(195)
Duke Clinical Research Institute	7136 (EVADE)	93.855	(1,695)	(1,569)	(126)
Henry Ford Health System	Subaward B23829AURI	93.855	44,317	41,002	3,315
University of Minnesota	FLU 006 IVIG/GENOMICS 004	93.855	(5,205)	(4,818)	(387)
	CFDA #93.855 Total		350,313	324,428	25,885
Biomedical Research and Research Training					
Direct Federal Awards		93.859	1,454,515	1,355,831	98,684
Federal Pass Through from:					
Johns Hopkins University	SUBAWARD 2004422271	93.859	125,081	115,720	9,361
University of Georgia	SUBAWARD # SUB00002158	93.859	31,876	29,490	2,386
	CFDA #93.859 Total		1,611,472	1,501,041	110,431

See accompanying notes to the schedule of expenditures of federal awards.

AUGUSTA UNIVERSITY RESEARCH INSTITUTE, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2020

Agency Name / Program	Identifying Number	CFDA #	Total	Passed Through to Subrecipients	Indirect Costs to the Research Institute
Child Health and Human Development Extramural Research					
Direct Federal Awards		93.865	\$ 1,246,557	\$ 1,173,803	\$ 72,754
Federal Pass Through from:					
Pennington Biomedical Research Center	Subaward No. 2018098AU-01	93.865	13,454	12,447	1,007
Yale University	Sub Award #: M14A12034 A09569	93.865	2,280	2,280	-
Yale University	SUB AWARD #: M14A12034 A10541	93.865	25,134	24,586	548
		CFDA #93.865 Total	1,287,425	1,213,116	74,309
Aging Research					
Direct Federal Awards		93.866	4,317,513	4,017,555	299,958
Federal Pass Through from:					
Bowman Gray School of Medicine	SUBAWARD NO. WFUHS 115238		182	143	39
University of Southern California	Subaward 117946135	93.866	2,089	1,933	156
Wake Forest Health Sciences	SUBAWARD #: WFUHS 553283	93.866	342,957	317,290	25,667
		CFDA #93.866 Total	4,662,741	4,336,921	325,820
Vision Research					
Direct Federal Awards		93.867	5,177,416	4,797,771	379,645
Federal Pass Through from:					
Signablok, Inc.	Sub Award No. 33962-1	93.867	41,179	38,097	3,082
University of Georgia	SUB00002050	93.867	12,473	11,539	934
Wake Forest Health Sciences	Subaward No. 100000-550102	93.867	38,141	35,287	2,854
		CFDA #93.867 Total	5,269,209	4,882,694	386,515
Medical Library Assistance					
Direct Federal Awards		93.879	85,759	85,759	-
		CFDA #93.879 Total	85,759	85,759	-
Department of Health & Human Services Other Financial Assistance					
Federal Pass Through from:					
University of South Florida	Natural History Study of the Development of Type 1 Diabetes (TrialNet)	93.RD	43,818	34,758	9,060
		CFDA #93.RD Total	43,818	34,758	9,060
		Total R&D Cluster	54,331,744	50,771,274	3,560,470
		Total SEFA	\$ 57,367,267	\$ 53,757,085	\$ 3,610,182

See accompanying notes to the schedule of expenditures of federal awards.

AUGUSTA UNIVERSITY RESEARCH INSTITUTE, INC.
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

JUNE 30, 2020

Note 1—Basis of presentation

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal award activity of the Augusta University Research Institute, Inc. (the “Institute”) under programs of the federal government for the year ended June 30, 2020. The information in this Schedule is presented in accordance with the requirements Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”). Because the Schedule presents only a selected portion of the operations of the Institute, it is not intended to and does not present the financial position, changes in nets assets, or cash flows of the Institute.

Note 2—Summary of significant accounting policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-21, *Cost Principles for Educational Institutions*, or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts, if any, shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

The Institute uses an approved negotiated indirect cost rate and, therefore, does not use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 3—Subrecipient

The Institute provided federal awards to the Augusta University as a subrecipient.

Note 4—Noncash awards

The Institute did not receive any noncash federal awards during the year ended June 30, 2020.

Note 5—Contingencies

These award programs are subject to financial and compliance audits by grantor agencies. The amount, if any, of expenditures that may be disallowed by the grantor agencies cannot be determined at this time, although the Institute expects such amounts, if any, to be immaterial.

AUGUSTA UNIVERSITY RESEARCH INSTITUTE, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

JUNE 30, 2020

Section I. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(ies) identified? _____ yes X none reported

Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(ies) identified? _____ yes X none reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a) _____ yes X no

Identification of Major Programs

The programs tested as major programs of the Augusta University Research Institute, Inc. included:

<u>CFDA #</u>	<u>Name of Federal Program</u>
Listed by CFDA number in Schedule of Expenditures of Federal Awards	Research and Development Cluster

The dollar threshold for Type A programs was \$1,470,663.

The Augusta University Research Institute, Inc. qualified as a low-risk auditee.

AUGUSTA UNIVERSITY RESEARCH INSTITUTE, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

JUNE 30, 2020

Section II. Findings in Relation to the Audit of the Financial Statements

None reported.

Section III. Federal Awards Findings and Questioned Costs

None reported.

Section IV. Schedule of Prior Year Findings

There were no prior year findings reported.