

GEORGIA MILITARY COLLEGE MILLEDGEVILLE, GEORGIA



**INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED-UPON PROCEDURES
FOR FISCAL YEAR ENDED
JUNE 30, 2020**

GEORGIA MILITARY COLLEGE

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DEPARTMENT OF AUDITS AND ACCOUNTS

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GREG S. GRIFFIN
STATE AUDITOR
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Independent Accountant's Report on Applying Agreed-Upon Procedures

Members of the Board of Trustees of the
Georgia Military College
and
Lieutenant General William B. Caldwell, IV, President
Georgia Military College

Ladies and Gentlemen:

We have performed the procedures enumerated below, which were agreed to by the Georgia Military College (College), solely to assist you in assessing the accuracy of the financial information reported in the College's 2020 Annual Financial Report for inclusion in the State of Georgia's Comprehensive Annual Financial Report and Single Audit Report pursuant to the Single Audit Act Amendments, as of and for the year ended June 30, 2020. Management is responsible for the financial information reported in the College's Annual Financial Report. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and the associated findings are as follows:

1. Review all balance sheet items reported on the Annual Financial Report. Confirm that these items have adequate supporting documentation and are properly reconciled to the College's general ledger.

We did not note any exceptions as a result of our procedures.

2. Obtain the College's generally accepted accounting principles (GAAP) basis Statement of Net Position and Statement of Revenues, Expenses and Changes in Net Position (SRECNP) submitted for inclusion in the State's Comprehensive Annual Financial Report and Single Audit Report. Confirm that financial information presented in these statements properly supports activity reported in the College's accounting records.

We did not note any exceptions as a result of our procedures.

3. Obtain the College's Statement of Cash Flows submitted for inclusion in the State's Comprehensive Annual Financial Report and Single Audit Report. Utilizing cash flow worksheets, confirm information reported on Statement of Cash Flows.

We did not note any exceptions as a result of our procedures.

4. Obtain the College's Notes to the Financial Statements submitted for inclusion in the State's Comprehensive Annual Financial Report and Single Audit Report. Utilizing notes worksheets and other supporting documentation confirm that note disclosures related to Cash, Investments, Accounts Receivable, Capital Assets, Long-Term Debt, Lease Obligations, Retirement Plans, and Other Postemployment Benefits (OPEB) Plan have been properly reported.

We did not note any exceptions as a result of our procedures.

5. Review the College's year end GAAP basis journal entries. Obtain documentation for GAAP journal entries and confirm that the entries were posted to the College's Annual Financial Report.

We did not note any exceptions as a result of our procedures.

6. Review the listing of write-off requests for accounts receivables less than \$3,000.00 for fiscal year 2020.

We did not note any exceptions as a result of our procedures.

7. Confirm that the listing of salaries and travel reported to the Department of Audits and Accounts is in accordance with the Official Code of Georgia Annotated (O.C.G.A.) § 50-6-27 and reconciles to amounts recorded in the College's Annual Financial Report.

We did not note any exceptions as a result of our procedures.

8. Review the Helping Outstanding Pupils Educationally (H.O.P.E.) Scholarship Program reconciliation between the College and the Georgia Student Finance Commission. Confirm that information reported to the Georgia Student Finance Commission has been reconciled with H.O.P.E. Scholarship activity reported on the College's financial records.

We did not note any exceptions as a result of our procedures.

9. Review the Schedule of Expenditures of Federal Awards information submitted by the College for inclusion in the Single Audit Report. Confirm that the information is properly presented and supported by the College's accounting records.

We did not note any exceptions as a result of our procedures.

10. Review capital asset records to ensure that (1) subsidiary ledgers are appropriately reconciled to the ledgers, (2) capitalization thresholds are being properly followed, and (3) a complete physical equipment inventory is being conducted and that issues noted during the physical inventory are being properly addressed by management.

We did not note any exceptions as a result of our procedures.

11. Review bank reconciliations during the year under review to ensure that management is preparing them timely and that reconciling items are being addressed by management timely and in an appropriate manner.

We did not note any exceptions as a result of our procedures.

These agreed-upon procedures do not constitute an audit of the financial statements or any part thereof, the objective of which is to express an opinion on the financial statements or a part thereof. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified users listed above and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully,

A handwritten signature in black ink, appearing to read "Greg S. Griffin". The signature is written in a cursive style with a horizontal line at the end.

Greg S. Griffin
State Auditor

May 11, 2021

EXHIBITS

GEORGIA MILITARY COLLEGE
STATEMENT OF NET POSITION - (GAAP BASIS)
JUNE 30, 2020

EXHIBIT "A"

ASSETS

Current Assets	
Cash and Cash Equivalents	\$ 18,167,548.45
Accounts Receivable, Net	
Federal Financial Assistance	47,127.08
Other	6,424,319.26
Prepaid Items	5,447.62
Inventories	<u>2,033,830.56</u>
Total Current Assets	26,678,272.97
Noncurrent Assets	
Capital Assets, Net	<u>90,726,024.94</u>
Total Assets	<u>117,404,297.91</u>

DEFERRED OUTFLOWS OF RESOURCES

Related to Defined Benefit Pension Plans	12,774,287.26
Related to OPEB Plan	<u>7,411,871.00</u>
Total Deferred Outflows of Resources	<u>20,186,158.26</u>

LIABILITIES

Current Liabilities	
Accounts Payable	2,185,133.68
Salaries Payable	996,196.83
Unearned Revenue	3,884,775.55
Compensated Absences	702,580.34
Notes Payable	<u>217,895.64</u>
Total Current Liabilities	<u>7,986,582.04</u>
Noncurrent Liabilities	
Net Pension Liability	39,961,136.00
Net OPEB Liability	27,609,149.00
Notes Payable	<u>1,924,745.37</u>
Total Noncurrent Liabilities	<u>69,495,030.37</u>
Total Liabilities	<u>77,481,612.41</u>

DEFERRED INFLOWS OF RESOURCES

Related to Defined Benefit Pension Plans	1,410,917.00
Related to OPEB Plan	<u>6,913,462.00</u>
Total Deferred Inflows of Resources	<u>8,324,379.00</u>

NET POSITION

Net Investment in Capital Assets	88,583,383.93
Unrestricted (Deficit)	<u>(36,798,919.17)</u>
Total Net Position	<u>\$ 51,784,464.76</u>

GEORGIA MILITARY COLLEGE
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - (GAAP BASIS)
YEAR ENDED JUNE 30, 2020

EXHIBIT "B"

OPERATING REVENUES

Student Tuition and Fees	\$ 60,081,978.47
Less: Scholarship Allowances	(31,136,981.36)
Grants and Contracts	
Federal	11,354,046.92
State	25,171,290.87
Nongovernmental	396,593.08
Auxiliary Enterprises	
Housing	596,341.84
Bookstore	4,728,016.74
Food Services	1,523,338.71
Athletics	70,460.74
Other	7,805.25
Other Operating Revenues	<u>900,954.83</u>
Total Operating Revenues	<u>73,693,846.09</u>

OPERATING EXPENSES

Salaries	
Faculty	16,697,655.33
Staff	18,182,856.11
Employee Benefits	14,617,180.74
OPEB Expense	1,127,396.00
Travel	201,954.48
Scholarships and Fellowships	7,365,983.05
Utilities	2,126,242.25
Supplies and Other Services	22,278,937.26
Depreciation	<u>4,216,537.47</u>
Total Operating Expenses	<u>86,814,742.69</u>
Operating Loss	<u>(13,120,896.60)</u>

NONOPERATING REVENUES (EXPENSES)

Grants and Contracts	
Federal	15,003,460.35
Gifts	310,333.09
Interest and Other Investment Income	613,632.65
Interest Expense (Capital Assets)	(103,867.81)
Other Nonoperating Revenues	710,800.26
Other Nonoperating Expenses	(3,198,232.53)
Net Nonoperating Revenues	<u>13,336,126.01</u>
Increase in Net Position	215,229.41

CAPITAL CONTRIBUTIONS

State Capital Grants and Gifts	14,811,818.92
Net Position - Beginning of Year	<u>36,757,416.43</u>
Net Position - End of Year	<u>\$ 51,784,464.76</u>

GEORGIA MILITARY COLLEGE
STATEMENT OF CASH FLOWS - (GAAP BASIS)
YEAR ENDED JUNE 30, 2020

EXHIBIT "C"

CASH FLOWS FROM OPERATING ACTIVITIES	
Tuition and Fees	\$ 28,771,285.35
Grants and Contracts	37,108,099.21
Sales and Services of Educational Departments	6,925,963.28
Payments to Suppliers	(37,753,391.49)
Payments to Employees	(34,654,198.88)
Payments for Scholarships and Fellowships	(7,365,983.05)
Other Receipts (Payments)	<u>900,954.83</u>
Net Cash Used by Operating Activities	<u>(6,067,270.75)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Gifts and Grants Received for Other than Capital Purposes	15,313,793.44
Other Nonoperating Receipts	<u>(2,487,432.27)</u>
Net Cash Flows Provided by Noncapital Financing Activities	<u>12,826,361.17</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds from Sale of Capital Assets	2,484,616.79
Purchases of Capital Assets	(5,573,368.24)
Principal Paid on Capital Debt and Leases	(236,053.61)
Interest Paid on Capital Debt and Leases	<u>(103,867.81)</u>
Net Cash Used by Capital and Related Financing Activities	<u>(3,428,672.87)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Earnings on Investments	<u>613,632.65</u>
Net decrease in Cash and Cash Equivalents	3,944,050.20
Cash and Cash Equivalents - Beginning of Year	<u>14,223,498.25</u>
Cash and Cash Equivalents - End of Year	<u>\$ 18,167,548.45</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:	
Operating Loss	\$ (13,120,896.60)
Adjustments to Reconcile Operating Income to Net Cash Used by Operating Activities	
Depreciation Expense	4,216,537.47
Change in Assets and Liabilities:	
Accounts Receivable, Net	(156,834.58)
Inventories	220,649.65
Prepaid Items	(1,071.33)
Salaries Payable	81,067.51
Accounts Payable	(736,747.67)
Unearned Revenue	169,291.16
Compensated Absences	124,770.34
Net Pension Liability	5,513,958.00
Change in Deferred Inflows/Outflows of Resources:	
Deferred Inflows of Resources	939,190.00
Deferred Outflows of Resources	<u>(3,317,184.70)</u>
Net Cash Used by Operating Activities	<u>\$ (6,067,270.75)</u>