

GEORGIA MILITARY COLLEGE MILLEDGEVILLE, GEORGIA



**INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED-UPON PROCEDURES
FOR FISCAL YEAR ENDED
JUNE 30, 2023**

Georgia Military College

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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 2023 Annual Financial Report for inclusion in the State of Georgia's *Annual Comprehensive Financial Report (ACFR)* and *Single Audit Report (SAR)* pursuant to the Single Audit Act Amendments, as of and for the year ended June 30, 2023. 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 entity has acknowledged that the procedures are appropriate to meet the intended purpose. The procedures performed may not address all of the items of interest to a user of this report and may not meet the needs of all users in this report, and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are as follows:

1. Obtain selected balance sheet items reported on the Annual Financial Report (cash, capital assets, accounts receivable, accounts payable, deferred revenues, net position). 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 GAAP basis Statement of Net Position and Statement of Revenues, Expenses and Changes in Net Position (SRECNP) submitted for inclusion in the State's ACFR and SAR. 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 ACFR and SAR. 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 ACFR and SAR. 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) Plans have been properly reported.

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

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

The College did not post two year-end GAAP basis journal entries to the proper accounts on the College's Annual Financial Report.

6. Obtain the listing of write-off requests for accounts receivable less than \$3,000.00 for fiscal year 2023 and confirm their accuracy.

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. Obtain 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. Obtain the Schedule of Expenditures of Federal Awards information submitted by the College for inclusion in the State's SAR. 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. Obtain 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. Obtain 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.

We were not engaged to and did not conduct an examination, the objective of which could have resulted in the expression of 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.

We are required to be independent of Georgia Military College and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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

February 7, 2024

EXHIBITS

GEORGIA MILITARY COLLEGE
STATEMENT OF NET POSITION - (GAAP BASIS)
JUNE 30, 2023

EXHIBIT "A"

ASSETS

Current Assets	
Cash and Cash Equivalents	\$ 17,334,478.46
Accounts Receivable, Net	
Federal Financial Assistance	199,125.90
Lease	270,404.27
Other	6,272,573.99
Inventories	1,573,469.12
Prepaid Items	111,525.06
Total Current Assets	25,761,576.80
Noncurrent Assets	
Accounts Receivable, Net	
Lease	509,844.89
Capital Assets, Net	98,354,172.92
Intangible Right-to-Use Assets, Net	31,991,492.80
Total Noncurrent Assets	130,855,510.61
Total Assets	156,617,087.41

DEFERRED OUTFLOWS OF RESOURCES

Related to Defined Benefit Pension Plans	27,262,223.70
Related to OPEB Plans	7,781,965.00
Total Deferred Outflows of Resources	35,044,188.70

LIABILITIES

Current Liabilities	
Accounts Payable	1,824,312.71
Salaries Payable	982,986.42
Unearned Revenue	4,582,791.36
Lease Obligations - External	3,057,900.80
Compensated Absences	575,429.85
Total Current Liabilities	11,023,421.14
Noncurrent Liabilities	
Lease Obligations - External	29,350,095.92
Net Pension Liability	57,731,803.00
Net OPEB Liability	21,763,927.00
Total Noncurrent Liabilities	108,845,825.92
Total Liabilities	119,869,247.06

DEFERRED INFLOWS OF RESOURCES

Related to Leases	777,352.39
Related to Defined Benefit Pension Plans	1,893,967.00
Related to OPEB Plans	15,150,253.00
Total Deferred Inflows of Resources	17,821,572.39

NET POSITION

Net Investment in Capital Assets	97,937,669.00
Unrestricted (Deficit)	(43,967,212.34)
Total Net Position	\$ 53,970,456.66

GEORGIA MILITARY COLLEGE
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - (GAAP BASIS)
YEAR ENDED JUNE 30, 2023

EXHIBIT "B"

OPERATING REVENUES

Student Tuition and Fees	\$	51,704,940.21
Less: Scholarship Allowances		(23,690,122.09)
Grants and Contracts		
Federal		8,918,072.39
State		12,229,516.62
Nongovernmental		676,944.08
Auxiliary Enterprises		
Housing		625,450.00
Bookstore		3,806,515.75
Food Services		1,875,147.05
Athletics		159,050.11
Other		15,445.00
Other Operating Revenues		1,430,691.09
Total Operating Revenues		57,751,650.21

OPERATING EXPENSES

Salaries		
Faculty		14,317,857.99
Staff		17,402,779.68
Employee Benefits		14,910,374.51
OPEB Expense		(616,216.00)
Travel		128,860.52
Scholarships and Fellowships		5,479,303.95
Utilities		1,955,450.22
Supplies and Other Services		18,080,753.02
Depreciation and Amortization		7,964,156.80
Total Operating Expenses		79,623,320.69
Operating Loss		(21,871,670.48)

NONOPERATING REVENUES (EXPENSES)

State Appropriations		9,793,812.00
Grants and Contracts		
Federal		12,264,707.48
Gifts		209,683.65
Interest and Other Investment Income		974,828.22
Interest Expense		(296,435.81)
Other Nonoperating Revenues		1,027,569.50
Other Nonoperating Expenses		(1,077,550.00)
Net Nonoperating Revenues		22,896,615.04
Income Before Other Revenues, Expenses, Gains or Losses		1,024,944.56

CAPITAL CONTRIBUTIONS

State Capital Grants and Gifts		63,678.24
Loss on Disposal of Capital Assets		(675,233.27)
Total Capital Contributions		(611,555.03)
Increase in Net Position		413,389.53
Net Position - Beginning of Year		53,557,067.13
Net Position - End of Year	\$	53,970,456.66

GEORGIA MILITARY COLLEGE
STATEMENT OF CASH FLOWS - (GAAP BASIS)
YEAR ENDED JUNE 30, 2023

EXHIBIT "C"

CASH FLOWS FROM OPERATING ACTIVITIES	
Tuition and Fees	\$ 28,569,425.93
Grants and Contracts	21,068,208.80
Sales and Services of Educational Departments	6,481,607.91
Payments to Suppliers	(31,236,868.02)
Payments to Employees	(31,725,716.48)
Payments for Scholarships and Fellowships	(5,479,303.95)
Other Receipts	1,430,691.09
Net Cash Used by Operating Activities	<u>(10,891,954.72)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
State Appropriations	9,793,812.00
Gifts and Grants Received for Other than Capital Purposes	12,474,391.13
Other Nonoperating Expenses	(49,980.50)
Net Cash Flows Provided by Non-Capital Financing Activities	<u>22,218,222.63</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchases of Capital Assets	(7,421,857.31)
Principal Paid on Capital Debt and Leases	(3,134,800.47)
Interest Paid on Capital Debt and Leases	(296,435.81)
Net Cash Used by Capital and Related Financing Activities	<u>(10,853,093.59)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Earnings on Investments	<u>971,931.45</u>
Net Increase in Cash and Cash Equivalents	1,445,105.77
Cash and Cash Equivalents - Beginning of Year	<u>15,889,372.69</u>
Cash and Cash Equivalents - End of Year	<u>\$ 17,334,478.46</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:	
Operating Loss	\$ (21,871,670.48)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities	
Depreciation and Amortization	7,964,156.80
Change in Assets and Liabilities:	
Accounts Receivable, Net	(679,370.82)
Inventories	444,076.10
Prepaid Items	(99,360.74)
Accounts Payable	76,487.14
Salaries Payable	7,213.28
Unearned Revenue	477,654.34
Compensated Absences	(53,335.69)
Net Pension Liability	41,113,029.00
Net OPEB Liability	(3,273,044.00)
Change in Deferred Inflows/Outflows of Resources:	
Deferred Inflows of Resources	(21,979,609.00)
Deferred Outflows of Resources	<u>(13,018,180.65)</u>
Net Cash Used by Operating Activities	<u>\$ (10,891,954.72)</u>
NONCASH INVESTING, NON-CAPITAL FINANCING, AND CAPITAL AND RELATED FINANCING TRANSACTIONS	
Gift of Capital Assets	<u>\$ 63,678.24</u>