

GEORGIA MILITARY COLLEGE MILLEDGEVILLE, GEORGIA



INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES FOR FISCAL YEAR ENDED JUNE 30, 2024

Georgia Military College

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DOAA

Georgia Department
of Audits & Accounts

Greg S. Griffin
State Auditor

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Members of the State 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 2024 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, 2024. 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 procedure 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.

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

6. Obtain the listing of write-off requests for accounts receivable less than \$3,000.00 for fiscal year 2024 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.

A bank reconciliation was not completed timely for the quarter ended June 30, 2024 for one change fund.

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 fluid and cursive, with a horizontal line extending from the end.

Greg S. Griffin
State Auditor

December 4, 2024

EXHIBITS

GEORGIA MILITARY COLLEGE
STATEMENT OF NET POSITION - (GAAP BASIS)
JUNE 30, 2024

EXHIBIT "A"

ASSETS

Current Assets

Cash and Cash Equivalents	\$ 19,645,553.58
Accounts Receivable, Net	
Federal Financial Assistance	26,112.53
Other	6,918,937.15
Inventories	1,393,194.22
Prepaid Items	(305.70)
Total Current Assets	<u>27,983,491.78</u>

Noncurrent Assets

Capital Assets, Net	100,326,112.07
Intangible Right-to-Use Assets, Net	29,118,316.57
Subscription Right-to-Use Assets, Net	536,045.95
Total Noncurrent Assets	<u>129,980,474.59</u>
Total Assets	<u>157,963,966.37</u>

DEFERRED OUTFLOWS OF RESOURCES

Related to Defined Benefit Pension Plans	15,370,533.70
Related to OPEB Plans	6,135,948.00
Total Deferred Outflows of Resources	<u>21,506,481.70</u>

LIABILITIES

Current Liabilities

Accounts Payable	1,896,728.62
Salaries Payable	1,020,136.03
Unearned Revenue	5,050,190.85
Lease Obligations - External	3,036,808.11
Subscription Liability	230,968.25
Compensated Absences	580,248.03
Total Current Liabilities	<u>11,815,079.89</u>

Noncurrent Liabilities

Lease Obligations - External	26,767,098.53
Subscription Liability	30,022.82
Net Pension Liability	47,484,566.00
Net OPEB Liability	19,312,620.00
Total Noncurrent Liabilities	<u>93,594,307.35</u>
Total Liabilities	<u>105,409,387.24</u>

DEFERRED INFLOWS OF RESOURCES

Related to Defined Benefit Pension Plans	3,960,917.00
Related to OPEB Plans	14,724,452.00
Total Deferred Inflows of Resources	<u>18,685,369.00</u>

NET POSITION

Net Investment in Capital Assets	99,915,576.88
Unrestricted (Deficit)	(44,539,885.05)
Total Net Position	<u>\$ 55,375,691.83</u>

GEORGIA MILITARY COLLEGE
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - (GAAP BASIS)
YEAR ENDED JUNE 30, 2024

EXHIBIT "B"

OPERATING REVENUES

Student Tuition and Fees	\$ 53,991,590.29
Less: Scholarship Allowances	(26,668,046.07)
Grants and Contracts	
Federal	4,555,167.77
State	12,995,474.10
Nongovernmental	1,239,659.84
Auxiliary Enterprises	
Housing	824,640.00
Bookstore	3,723,952.24
Food Services	2,562,508.82
Athletics	313,628.11
Other	12,600.00
Other Operating Revenues	1,096,004.95
Total Operating Revenues	<u>54,647,180.05</u>

OPERATING EXPENSES

Salaries	
Faculty	14,152,584.65
Staff	17,754,888.36
Employee Benefits	15,885,050.69
OPEB Expense	(1,231,091.00)
Travel	107,404.41
Scholarships and Fellowships	5,592,652.01
Utilities	1,898,204.10
Supplies and Other Services	18,646,931.67
Depreciation and Amortization	7,907,877.11
Total Operating Expenses	<u>80,714,502.00</u>
Operating Loss	<u>(26,067,321.95)</u>

NONOPERATING REVENUES (EXPENSES)

State Appropriations	9,481,126.00
Grants and Contracts	
Federal	12,829,203.78
Gifts	381,305.77
Interest and Other Investment Income	1,394,789.70
Interest Expense	(346,151.36)
Other Nonoperating Revenues	1,173,832.97
Net Nonoperating Revenues	<u>24,914,106.86</u>
Income (Loss) Before Other Revenues, Expenses, Gains or Losses	<u>(1,153,215.09)</u>

CAPITAL CONTRIBUTIONS

State Capital Grants and Gifts	<u>2,558,450.26</u>
Total Capital Contributions	<u>2,558,450.26</u>
Increase in Net Position	1,405,235.17

Net Position - Beginning of Year	<u>53,970,456.66</u>
Net Position - End of Year	<u>\$ 55,375,691.83</u>

GEORGIA MILITARY COLLEGE
STATEMENT OF CASH FLOWS - (GAAP BASIS)
YEAR ENDED JUNE 30, 2024

EXHIBIT "C"

CASH FLOWS FROM OPERATING ACTIVITIES

Tuition and Fees	\$ 27,243,629.54
Grants and Contracts	18,864,266.09
Sales and Services of Educational Departments	7,437,329.17
Payments to Suppliers	(32,516,401.81)
Payments to Employees	(31,810,769.71)
Payments for Scholarships and Fellowships	(5,592,652.01)
Other Receipts	<u>1,096,004.95</u>
Net Cash Used by Operating Activities	<u>(15,278,593.78)</u>

CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES

State Appropriations	9,481,126.00
Gifts and Grants Received for Other than Capital Purposes	13,210,509.55
Other Nonoperating Receipts	<u>1,173,832.97</u>
Net Cash Flows Provided by Non-Capital Financing Activities	<u>23,865,468.52</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Proceeds from Sale of Capital Assets	37,709.64
Purchases of Capital Assets	(3,983,121.09)
Principal Paid on Capital Debt and Leases	(3,379,026.51)
Interest Paid on Capital Debt and Leases	<u>(346,151.36)</u>
Net Cash Used by Capital and Related Financing Activities	<u>(7,670,589.32)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Earnings on Investments	<u>1,394,789.70</u>
Net Increase in Cash and Cash Equivalents	2,311,075.12

Cash and Cash Equivalents - Beginning of Year

17,334,478.46

Cash and Cash Equivalents - End of Year

\$ 19,645,553.58

RECONCILIATION OF OPERATING LOSS TO NET CASH

PROVIDED (USED) BY OPERATING ACTIVITIES:

Operating Loss	\$ (26,067,321.95)
Adjustments to Reconcile Operating Loss to Net Cash	
Used by Operating Activities	
Depreciation and Amortization	7,907,877.11
Change in Assets and Liabilities:	
Accounts Receivable, Net	(473,349.79)
Inventories	180,274.90
Prepaid Items	111,830.76
Accounts Payable	72,415.91
Salaries Payable	37,149.61
Unearned Revenue	467,399.49
Compensated Absences	4,818.18
Net Pension Liability	(12,698,544.00)
Change in Deferred Inflows/Outflows of Resources:	
Deferred Inflows of Resources	1,641,149.00
Deferred Outflows of Resources	<u>13,537,707.00</u>
Net Cash Used by Operating Activities	<u>\$ (15,278,593.78)</u>

NONCASH INVESTING, NON-CAPITAL FINANCING, AND CAPITAL AND
RELATED FINANCING TRANSACTIONS

Gift of Capital Assets	<u>\$ 2,558,450.26</u>
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