

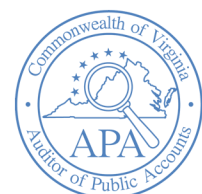


RICHARD BLAND COLLEGE

REPORT ON APPLYING  
AGREED-UPON PROCEDURES  
FOR FISCAL YEARS ENDED  
JUNE 30, 2020 AND JUNE 30, 2021

Auditor of Public Accounts  
Staci A. Henshaw, CPA

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Staci A. Henshaw, CPA  
Auditor of Public Accounts

# Commonwealth of Virginia

*Auditor of Public Accounts*

P.O. Box 1295  
Richmond, Virginia 23218

August 2, 2023

Debbie L. Sydow  
President, Richard Bland College  
11301 Johnson Rd.  
Petersburg, VA 23805

## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

We have performed the procedures enumerated below on **Richard Bland College's** (College) Statement of Net Position; Statement of Revenues, Expenses, and Changes in Net Position; and Statement of Cash Flows, as of and for the fiscal years ended June 30, 2020, and June 30, 2021 (Schedules). The College is responsible for the Schedules.

The College shares a Board of Visitors with the College of William and Mary (William & Mary) and the Virginia Institute of Marine Science. This governance structure requires the consolidation of the College's financial information with the financial information of the College of William and Mary and the Virginia Institute of Marine Science within the William & Mary Audited Consolidated Financial Reports for the fiscal years ended June 30, 2020, and June 30, 2021, and as such, the Southern Association of Colleges and Schools Commission on Colleges (SACSCOC) has requested standalone Schedules detailing the financial information of the College. We have completed audits of the William & Mary Audited Consolidated Financial Reports for the years ended June 30, 2020, and June 30, 2021, and issued our opinion on those financial statements. The College has agreed to and acknowledged that the procedures performed below are appropriate to meet the intended purpose of providing the SACSCOC with information regarding the College's standalone financial information that will allow SACSCOC to evaluate change requests submitted by the College. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

### Agreed-Upon Procedures Related to the Schedules

As agreed to by the College, reporting of exceptions to the procedures will be limited to those exceptions that exceed \$15,000. The procedures and the associated findings are as follows:

1. We agreed amounts reported in the College's Statement of Net Position and Statement of Revenues, Expenses, and Changes in Net Position, reflected in Exhibit I and Exhibit II, to the amounts included in the trial balance worksheets and other supporting documentation used to compile the William & Mary Audited Consolidated Financial Reports, which we audited for the fiscal years ended June 30, 2020, and June 30, 2021, respectively. Amounts reported in Exhibit I and Exhibit II agreed to the trial balance worksheets and other supporting documentation used to compile the William & Mary Audited Consolidated Financial Reports for those fiscal years, except:
  - a. The College understated noncurrent assets reported on the Statement of Net Position (Exhibit I) for fiscal year 2020 by \$32,796 as retainage payable was not properly recognized by the College as construction in progress (CIP). As a result of this exception, the net investment in capital assets component of net position was also understated by \$32,796. Exhibit I was properly revised to account for this amount.
  - b. The College overstated operating expenses reported on the the Statement of Revenues, Expenses, and Changes in Net Position for fiscal year 2020 by \$32,796 due to the improper recognition of retainage payable as an expense rather than a capital asset. Exhibit II was properly revised to account for this amount.
  - c. The College parenthetically disclosed fiscal year 2022 scholarship amounts related to tuition and fees and auxiliary enterprises rather than fiscal year 2021 amounts resulting in variances of \$60,680 and \$88,555, respectively. Exhibit II was properly revised to account for these amounts.
2. We agreed amounts greater than \$150,000 in the College's Statement of Cash Flows, included in Exhibit III, to the College's related Statement of Net Position and Statement of Revenues, Expenses, and Changes in Net Position line items; trial balance worksheets; general ledger; or other supporting documentation. Amounts in the Statement of Cash Flows greater than \$150,000 agreed to the related Statement of Net Position and Statement of Revenues, Expenses, and Changes in Net Position line items; trial balance worksheets; general ledger; or other supporting documentation, except:
  - a. Beginning cash and cash equivalents for fiscal year 2020 did not include the College's cash and cash equivalents of \$198,652 related to the State Non-Arbitrage Program. Exhibit III was properly revised to update this amount.
  - b. The College did not properly account for fiscal year 2020 restricted cash and cash equivalent activity resulting in a variance of \$231,448 related to the acquisition and construction of capital assets. Exhibit III was properly revised to update this amount.
  - c. The College's recognition of \$32,796 in fiscal year 2020 retainage payable as operating expenses resulted in an overstatement of net cash used by operating activities and a

corresponding variance in operating income/(loss). Exhibit III was properly revised to update these amounts.

- d. The College's original Statement of Cash Flows did not include a section reconciling operating income/(loss) to net cash used by operating activities. Exhibit III was properly revised to reflect amounts from the College's cash flow worksheets.
- e. The College did not include \$92,242 in unrealized gain on investments in the 2021 column of the noncash investing, capital, and financing activities section of the College's Statement of Cash Flows. Exhibit III was properly revised to update this amount.

We were engaged by the College to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in Government Auditing Standards issued by the Comptroller General of the United States. We were not engaged to and did not conduct an audit, examination, or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the Schedules. Accordingly, we do not express such an opinion or conclusion. 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 the 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 College and SACSCOC and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record, and its distribution is not limited.

Staci A. Henshaw  
AUDITOR OF PUBLIC ACCOUNTS

EMS/clj

Richard Bland College of William & Mary  
Statement of Net Position  
As of June 30

2021 2020

**ASSETS & DEFERRED OUTFLOWS OF RESOURCES**

**Current assets:**

Cash and cash equivalents	\$2,742,185	\$ 1,991,095
Cash and cash equivalents - securities lending	211,101	137,182
Accounts and loans receivable, net of allowance	646,392	361,477
Due from federal government	1,918,521	-
Due from the Commonwealth	8,850	166,929
State appropriation available	34,983	166,654
Due from affiliates	6,667	-
Prepaid expenses	<u>326,609</u>	<u>338,397</u>
<b>Total current assets</b>	<u>5,895,308</u>	<u>3,161,734</u>

**Noncurrent assets:**

Restricted cash and cash equivalents - other	-	35,304
Restricted cash and cash equivalents - SNAP	176,802	176,476
Restricted investments	473,108	380,866
Other restricted assets- OPEB	138,062	107,162
Non-depreciable capital assets-land	548,469	548,469
Non-depreciable capital assets-CIP	983,408	949,937
Non-depreciable capital assets-art	57,600	57,600
Depreciable capital assets-buildings, net	41,550,614	43,647,482
Depreciable capital assets-leasehold improvements, net	369,525	385,592
Depreciable capital assets-equipment, net	758,089	793,258
Depreciable capital assets-infrastructure, net	2,485,889	2,782,945
Depreciable capital assets-library books, net	<u>42,670</u>	<u>51,123</u>
<b>Total noncurrent assets</b>	<u>7,584,236</u>	<u>49,916,214</u>
<b>Total assets</b>	<u>53,479,544</u>	<u>53,077,948</u>

**Deferred outflows of resources:**

Pension related	2,015,047	1,723,298
OPEB related	<u>1,043,048</u>	<u>709,995</u>
<b>Total deferred outflows of resources</b>	<u>3,058,095</u>	<u>2,433,293</u>
<b>Total assets and deferred outflows of resources</b>	<u>56,537,639</u>	<u>55,511,241</u>

Richard Bland College of William & Mary  
Statement of Net Position (continued)  
As of June 30

2021 2020

**LIABILITIES & DEFERRED INFLOWS OF RESOURCES**

**Current liabilities:**

Accounts payable and accrued liabilities	1,494,358	1,079,300
Interest payable	104,564	110,012
Due to affiliates	200,000	200,000
Unearned revenue	77,392	91,977
Retainage payable	15,799	32,796
Obligations under securities lending	211,101	137,182
Deposits held in custody for others	103,977	80,127
Long-term liabilities – current - bonds payable	100,000	95,000
Long-term liabilities – current - notes payable	60,000	55,000
Long-term liabilities – current - capital lease payable	784,766	752,537
Long-term liabilities – current - other liabilities	35,786	23,275
Long-term liabilities – current - installment purchase obligations	140,794	139,023
Long-term liabilities – current - leave liability	425,832	467,386
Long-term liabilities – current - OPEB liability	<u>54,283</u>	<u>36,929</u>
<b>Total current liabilities</b>	<u><b>3,808,652</b></u>	<u><b>3,300,544</b></u>

**Noncurrent liabilities:**

Long-term liabilities – noncurrent - bonds payable	2,234,375	2,349,752
Long-term liabilities – noncurrent - notes payable	1,486,097	1,552,969
Long-term liabilities – noncurrent - capital lease payable	18,182,637	18,595,079
Long-term liabilities – noncurrent - other liabilities	550,834	575,105
Long-term liabilities – noncurrent - installment purchase obligations	286,991	427,785
Long-term liabilities – noncurrent - pension liability	8,936,618	7,681,767
Long-term liabilities – noncurrent - leave liability	139,041	152,578
Long-term liabilities – noncurrent - OPEB liability	<u>2,539,276</u>	<u>2,293,093</u>
<b>Total noncurrent liabilities</b>	<u><b>34,355,869</b></u>	<u><b>33,628,128</b></u>
<b>Total liabilities</b>	<u><b>38,164,521</b></u>	<u><b>36,928,672</b></u>

**Deferred inflows of resources:**

Pension related	307,467	778,447
OPEB related	<u>1,463,985</u>	<u>1,505,146</u>
<b>Total deferred inflows of resources</b>	<u><b>1,771,452</b></u>	<u><b>2,283,593</b></u>
<b>Total liabilities &amp; deferred inflows of resources</b>	<u><b>39,935,973</b></u>	<u><b>39,212,265</b></u>

Richard Bland College of William & Mary  
Statement of Net Position (continued)  
*As of June 30*

	2021	2020
<b>NET POSITION</b>		
Net investment in capital assets	23,025,406	24,794,561
Restricted for:		
Nonexpendable:		
Scholarships and fellowships	236,118	236,118
Expendable:		
Scholarships and fellowships	252,582	144,748
Other	2,045,554	142,466
Unrestricted	<u>(8,957,994)</u>	<u>(9,018,917)</u>
<b>Total net position</b>	<u><b>\$16,601,666</b></u>	<u><b>\$16,298,976</b></u>

Richard Bland College of William & Mary  
Statement of Revenues, Expenses, and Changes in Net Position  
For the year ended June 30

	2021	2020
<b>Operating revenues:</b>		
Student tuition and fees (net of scholarship allowances of \$1,451,393 & \$2,045,733)	\$ 4,881,639	\$ 4,227,477
Federal grants and contracts	42,049	43,863
State and local grants and contracts	205,893	19,200
Auxiliary enterprises (net of scholarship allowance of \$625,897 & \$1,746,969)	1,734,776	3,609,830
Other operating revenues	<u>55,214</u>	<u>152,440</u>
<b>Total operating revenues</b>	<u>6,919,571</u>	<u>8,052,810</u>
<b>Operating expenses:</b>		
Instruction	7,488,952	6,505,761
Academic support	479,897	403,114
Student services	1,680,847	1,930,465
Institutional support	3,815,782	3,244,244
Operation and maintenance of plant	1,745,875	1,977,363
Scholarships and fellowships	2,112,773	1,722,901
Depreciation	2,575,984	2,578,659
Auxiliary enterprises	<u>1,812,207</u>	<u>2,344,670</u>
<b>Total operating expenses</b>	<u>21,712,317</u>	<u>20,707,177</u>
<b>Operating income/(loss)</b>	<u>(14,792,746)</u>	<u>(12,654,367)</u>
<b>Nonoperating revenues/(expenses):</b>		
State appropriations	9,621,014	9,788,767
Gifts	173,324	300,024
Investment income (loss)	97,920	(21,637)
Interest on indebtedness	(497,425)	(634,617)
Gain (loss) on disposal of assets	-	(13,099)
Pell grants	2,081,258	2,399,863
CARES Act and coronavirus relief funds	3,526,449	844,134
Other nonoperating revenues	76,360	121,923
Other nonoperating expenses	<u>(132,088)</u>	<u>(137,476)</u>
<b>Total nonoperating revenues/(expenses)</b>	<u>14,946,812</u>	<u>12,647,882</u>
<b>Income/(Loss) before other revenues</b>	<u>154,066</u>	<u>(6,485)</u>

## Richard Bland College of William &amp; Mary

## Statement of Revenues, Expenses, and Changes in Net Position (continued)

*For the year ended June 30*

	2021	2020
Capital grants and gifts	-	160,149
State appropriations capital projects	-	969,795
VCBA 21st Century bond reimbursement program	<u>148,624</u>	<u>582,462</u>
<b>Total other revenues</b>	<u>148,624</u>	<u>1,712,406</u>
 <b>Increase/(Decrease) in net position</b>	 302,690	 1,705,921
 <b>Net position, beginning of year</b>	 <u>16,298,976</u>	 <u>14,593,055</u>
<b>Net position, end of year</b>	<u>\$16,601,666</u>	<u>\$16,298,976</u>

Richard Bland College of William & Mary  
Statement of Cash Flows  
For the year ended June 30

	2021	2020
<b>Cash flows from operating activities</b>		
Student Tuition and Fees	\$ 4,753,401	\$ 4,218,188
Grants and Contracts	225,585	63,063
Auxiliary enterprise charges	1,677,693	3,649,418
Payments to employees	(10,820,529)	(11,828,653)
Payments to suppliers and utilities	(4,937,622)	(3,937,840)
Payments for operation and maintenance of facilities	(543,110)	(581,313)
Payments for scholarships and fellowships	(2,112,773)	(1,722,901)
Other operating receipts/(disbursements)	<u>(43,276)</u>	<u>152,150</u>
<b>Net cash provided (used) by operating activities</b>	<b><u>(11,800,631)</u></b>	<b><u>(9,987,888)</u></b>
<b>Cash flows from noncapital financing activities</b>		
State appropriations	9,621,014	9,788,767
Gifts	173,324	300,024
Custodial receipts	103,977	-
Custodial disbursements	(80,127)	-
PLUS/Direct loan receipts	2,202,484	3,485,614
PLUS/Direct loan disbursements	(2,202,484)	(3,485,614)
Other nonoperating revenues	3,765,547	3,365,920
Other nonoperating expenses	<u>(132,087)</u>	<u>(144,257)</u>
<b>Net cash provided (used) by noncapital financing activities</b>	<b><u>13,451,648</u></b>	<b><u>13,310,454</u></b>
<b>Cash flows from capital &amp; related financing activities</b>		
Capital appropriations	438,374	1,236,535
Capital grants and contributions	-	160,149
Principal paid on capital-related debt, leases, & installments	(703,245)	(1,057,953)
Interest paid on capital-related debt, leases, & installments	(502,873)	(640,379)
Acquisition and construction of capital assets	<u>(172,839)</u>	<u>(1,389,172)</u>
<b>Net cash provided (used) by capital &amp; related financing activities</b>	<b><u>(940,583)</u></b>	<b><u>(1,690,820)</u></b>
<b>Cash flows from investing activities</b>		
Investment/Interest Revenue	<u>5,678</u>	<u>6,075</u>
<b>Net cash provided (used) by investing activities</b>	<b><u>5,678</u></b>	<b><u>6,075</u></b>
<b>Total net change in cash and cash equivalents</b>	<b>716,112</b>	<b>1,637,821</b>
<b>Cash and cash equivalents at end of prior year</b>	<b><u>2,202,875</u></b>	<b><u>565,054</u></b>
<b>Cash and cash equivalents at end of current year</b>	<b><u>\$ 2,918,987</u></b>	<b><u>\$ 2,202,875</u></b>

Richard Bland College of William & Mary  
Statement of Cash Flows (continued)  
For the year ended June 30

	2021	2020
<b>Reconciliation of cash and cash equivalents</b>		
Cash and cash equivalents	\$ 2,953,286	\$ 2,128,277
Restricted cash and cash equivalents	176,802	211,780
Less: securities lending	<u>(211,101)</u>	<u>(137,182)</u>
<b>Net Cash and Cash Equivalents</b>	<u>\$ 2,918,987</u>	<u>\$ 2,202,875</u>
<b>Reconciliation of net operating expenses to net cash used by operating activities</b>		
Operating income/(loss)	<u>\$(14,792,747)</u>	<u>\$(12,654,367)</u>
<b>Adjustments to reconcile operating income/(loss) to net cash provided/(used) by operating activities:</b>		
Depreciation expense	2,575,984	2,578,659
<b>Changes in assets, deferred outflows, liabilities, and deferred inflows:</b>		
Receivables, net	(291,583)	(18,898)
Prepaid items	11,788	(173,762)
Accounts payable	415,058	87,245
Unearned revenue	(14,585)	(1,817)
Deposits held for others	-	50,724
Compensated absences	(55,091)	53,024
Pension liability	1,254,851	733,767
Deferred outflows of resources (pension related)	(291,748)	(488,238)
Deferred inflows of resources (pension related)	(470,980)	(19,553)
OPEB liability	263,537	(741,197)
OPEB asset	-	8,838
Deferred outflows of resources (OPEB related)	(333,054)	46,525
Deferred inflows of resources (OPEB related)	(41,161)	551,162
Other assets	<u>(30,900)</u>	<u>-</u>
<b>Net cash provided/(used) by operating activities</b>	<u>\$(11,800,631)</u>	<u>\$ (9,987,888)</u>
<b>Noncash investing, capital, and financing activities</b>		
Gain (loss) on disposal of assets	\$ -	\$ (13,099)
Reduction/Amortization of bond premium	\$ -	\$ 22,249
Net change in value of investments	\$ 92,242	\$ 27,712