

AGNES SCOTT COLLEGE  
CONSOLIDATED FINANCIAL



## INDEPENDENT AUDITOR'S REPORT

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To the Board of Trustees of  
Agnes Scott College

Report on the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Agnes Scott College and subsidiaries (the "College") (a nonprofit organization), which comprise the consolidated statements of financial position as of June 30, 2022 and 2021, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Agnes Scott College and subsidiaries as of June 30, 2022 and 2021, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

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Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated

AGNES SCOTT COLLEGE

**AGNES SCOTT COLLEGE**  
**CONSOLIDATED STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	Without	With	Total
	Restrictions	Restrictions	
Operating Revenues, gains, and other support			
Tuition and fees, net of student assistance			
of \$29,413,135	\$ 16,347,043	\$ -	\$ 16,347,043
Investment income	817,064	5,542,582	6,359,646
Net realized and unrealized (losses)			
on investments	(2,637,317)	(22,555,670)	(25,192,987)
Contributions	2,488,834	9,636,200	12,125,034
Contributed nonfinancial assets	503,229	-	503,229
Other investment income	36,231	44	36,275
Auxiliary enterprises	13,286,568	-	13,286,568
Change in value of split-interest agreements and			
beneficial interest in perpetual trusts	(42,434)	(191,369)	(233,803)
Gain on sale of property	28,846,881	-	28,846,881
Other	2,494,796	3,820,537	6,315,333
Total revenues, gains, and other support	62,140,895	(3,747,676)	58,393,219
Net assets released from restrictions	23,604,932	(23,604,932)	-
Net assets released due to change of donor intent			
and to meet donor imposed restriction	(147,908)	147,908	-
Total operating revenues and other support	85,597,919	(27,204,700)	58,393,219
Education and general expenses			
Instruction	19,738,512	-	19,738,512
Academic support	8,701,135	-	8,701,135
Student services	10,219,960	-	10,219,960
Institutional support	9,573,990	-	9,573,990
Auxiliary enterprises	12,201,325	-	12,201,325
Total education and general expenses	60,434,922	-	60,434,922
Postretirement benefit related changes other			
than net periodic pension cost	4,592,159	-	4,592,159
Change in net assets	29,755,156	(27,204,700)	2,550,456
Net assets at beginning of year	70,994,751	238,590,355	309,585,106
Net assets at end of year	\$ 100,749,907	\$ 211,385,655	\$ 312,135,562

See Notes to Consolidated Financial Statements.

	Restrictions		Total
Revenues, gains, and other support			
Tuition and fees, net of student assistance of \$26,090,613	\$ 18,144,022	\$ -	\$ 18,144,022
Investment income	746,670	4,937,543	5,684,213
Net realized and unrealized (losses) on investments	5,261,768	47,070,016	52,331,784
Contributions	2,746,229	5,204,603	7,950,832
Contributed nonfinancial assets	5,273	-	5,273
Other investment income	55,482	42	55,524
Auxiliary enterprises	4,531,218	-	4,531,218
Change in value of split-interest agreements and beneficial interest in perpetual trusts	(23,861)	(111,861)	(135,722)

Salaries and wages	\$ 10,787,745	\$ 3,680,730	\$ 3,366,026	\$ 1,798,841	\$ 19,633,342	\$ 2,788,861	\$ 1,302,631	\$ 4,091,492	\$ 23,724,834
Employee benefits	1,928,051	633,939	637,638	460,980	3,660,608	570,919	235,026	805,945	4,466,553
Postretirement benefits	-	-	-	-	-	648,554	-	648,554	648,554
Total salaries and related expenses	12,715,796	4,314,669	4,003,664	2,259,821	23,293,950	4,008,334	1,537,657	5,545,991	28,839,941
Avery Glenn operating expenses	-	-	-	656,122	656,122	-	-	-	656,122
Book acquisition/subscriptions	-	319,484	500	-	319,984	33	-	33	320,017
Business insurance	-	-	809,818	-	809,818	967,378	-	967,378	1,777,196
Contractual services	1,585,436	1,404,422	1,455,032	5,498,304	9,943,194	1,464,514	153,405	1,617,919	11,561,113
Covid-19 stimulus	-	-	1,542,406	-	1,542,406	-	-	-	1,542,406
Legal and professional fees	-	19,820	-	12,306	32,126	116,214	-	116,214	148,340
Membership dues/training seminars	237,147	104,308	104,864	1,339	447,658	92,448	10,964	103,412	551,070
Student activity fee	-	-	333,960	-	333,960	-	-	-	333,960
Small equipment expense	176,648	1,164,232	90,010	443,992	1,874,882	83,761	113,386	197,147	2,072,029
Student awards	455,452	148,371	38,907	-	642,730	-	-	-	642,730
Supplies, postage, and printing	273,757	140,796	452,130	151,990	1,018,673	93,074	176,667	6 6	, 7 6 3



Salaries and wages	\$ 10,514,186	\$ 3,948,072	\$ 3,447,770	\$ 1,471,830	\$ 19,381,858	\$ 3,099,577	\$ 1,594,368	\$ 4,693,945	\$ 24,075,803
Employee benefits	2,023,597	625,589	604,980	350,722	3,604,888	513,386	323,189	836,575	4,441,463
Postretirement benefits	-	-	-	-	-	806,650	-	806,650	806,650
Total salaries and related expenses	12,537,783	4,573,661	4,052,750	1,822,552	22,986,746	4,419,613	1,917,557	6,337,170	29,323,916
Avery Glenn operating expenses	-	-	-	1,013,506	1,013,506	-	-	-	1,013,506
Book acquisition/subscriptions	4,719	363,193	-	-	367,912	-	-	-	367,912
Business insurance	-	-	397,291	-	397,291	1,043,726	-	1,043,726	1,441,017
Contractual services	1,080,150	1,245,360	1,317,763	3,114,422	6,757,695	1,194,617	75,966	1,270,583	8,028,278
Covid-19 stimulus	-	175,669	650,067	-	825,736	-	-	-	825,736
Legal and professional fees	-	-	-	-	-	132,894	-	132,894	132,894
Membership dues/training seminars	161,164	72,917	92,063	2,622	328,766	78,015	8,361	86,376	415,142
Operations	44,590	9,637	406,959	45,280	506,466	323,892	3,958	327,850	834,316
Small equipment expense	82,293	951,151	82,070	22,599	1,138,113	106,885	100,588	207,473	1,345,586
Student awards	301,555	134,287	11,937	113	447,892	-	-	-	447,892
Supplies, postage, and printing	283,169	62,762	427,296	145,394	918,621	60,525	47,265	107,790	1,026,411
Utilities	347,386	125,676	109,419	383,181	965,662	91,412	-	91,412	1,057,074
Travel, food, and lodging	71,380	14,878	111,467	75,920	273,645	16,079	9,516	25,595	299,240
Total expenses before depreciation and interest	14,914,189	7,729,191	7,659,082	6,625,589	36,928,051	7,467,658	2,163,211	9,630,869	46,558,920
Interest	583,778	211,197	183,877	643,930	1,622,782	153,616	-	153,616	1,776,398
Depreciation	1,784,106	645,448	561,953	1,967,939	4,959,446	469,473	-	469,473	5,428,919

**AGNES SCOTT COLLEGE**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

	2022		2021
OPERATING ACTIVITIES			
Change in net assets	\$ 2,550,456	\$	41,704,734
Adjustments to reconcile change in net assets to net cash (used in) operating activities:			
Net realized and unrealized losses (gains) on long-term investments	25,192,987		(52,331,784)
Depreciation expense	5,577,353		5,428,919
Accretion of bond premium	(667,931)		(439,998)
Accretion of asset retirement obligation	39,617		39,617
Receipt of agency funds	2,459,162		2,384,954
Disbursement of agency funds	(2,459,162)		(2,384,954)
Contributions restricted for long-term investment	(5,522,575)		(1,708,313)
Income restricted for long-term investment	(95,417)		(92,612)
Bad debt expense	320,959		417,494
Gain on sale of property	(28,846,881)		(1,106,538)
Loss on early bond retirement	-		499,110
Changes in asse9617			

AGNES SCOTT COLLEGE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTI

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Basis of Presentation (Continued)

Contributions of securities are recorded at their estimated fair value at the date of the donation. All other contributions of assets other than cash, including contributions of art, historical treasures, and similar assets held as part of a collection, are not recognized as revenue or capitalized.

The College's collection consists of art objects that cover a broad range of history, media, and attitudes. It is held for public exhibition, preservation for future generations, scholarly research, and educational purposes. Contributed collection items are not reflected on the consolidated financial statements. Proceeds from deaccessions or insurance recoveries are reflected as increases in the appropriate net asset classes. Donations of artwork are accepted with consideration to how they will benefit the campus learning environment. The collection items are subject to a policy that requires proceeds from their sales to be used for the acquisition of new collection item(s). During the fiscal years ending June 30, 2022 and 2021, no sales of collection items occurred and no collection items were given away, damaged, destroyed, lost, or otherwise deaccessed.

Contributions to be received after one year are discounted and recorded at their estimated fair value at the date they are pledged. The College has elected the traditional or discount rate adjustment (DRA) technique in which the single set of cash flows are conditional cash flows. The College uses an appropriate discount rate commensurate with the risks involved and the expected period of payment. The discount on those amounts is computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of discounts (if any) is included in contributions in the accompanying consolidated statements of activities. An allowance for uncollectible contributions receivable is provided based upon management's judgment, including such factors as the age of the receivable, creditworthiness of parties, historical collection experience, type of contribution, and nature of fundraising activity.

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Fair Value Measurements (Continued)

While the College recognizes the fair value of each of its assets, the College uses the net asset value (NAV) practical expedient as applicable for reporting purposes in the investment footnotes. (See Note 6)

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. Inputs may include price information, volatility statistics, specific and broad credit data, liquidity statistics, and other factors. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. However, the

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Split -Interest Agreements

The College's split-interest agreements with donors consist of charitable gift annuities, charitable remainder trusts, and beneficial interest in perpetual trusts.

Assets related to charitable gift annuities are recorded at their fair values when received and an annuity payment liability is recognized at the present value of future cash flows expected to be paid to the donor or other designee. At the time of the gift, the College recognizes contribution revenue in an amount equal to the difference between these two amounts. The gross fair value of the related assets is included in investments in the consolidated statements of financial

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Conditional Asset Retirement Obligations

The College accrues for costs related to legal obligations to perform certain activities in connection with the retirement, disposal, or abandonment of assets. The obligation to perform the asset retirement activity is not conditional, even though the timing or method may be conditional.

The College has identified asbestos abatement as a conditional asset retirement obligation.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 4. PROPERTY AND EQUIPMENT, NET

Property and equipment, net, is comprised of the following:

	June 30,	
	2022	2021
Land	\$ 1,511,889	\$ 1,511,889
Land improvements	9,926,848	9,926,848
Buildings and improvements	188,879,511	185,713,524
Furniture and equipment	16,976,106	17,520,381
Construction in progress	-	10,089,905
	217,294,354	224,762,547
Accumulated depreciation	(110,329,980)	(112,783,855)
Property and equipment, net	\$ 106,964,374	\$ 111,978,692

Depreciation expense for the years ended June 30, 2022 and 2021 was \$5,577,353 and \$5,428,919, respectively.

The College has identified conditional asset retirement obligations primarily for the cost of asbestos removal and disposal that will result from the renovation or demolition of certain buildings. This obligation is recorded at f01 0 Td ( )-1.1 (i)-8.9 (o T8r)-6ertal-12.3 (u )-11.8 ( w-12.2 (lht)-1.1 ( ))3.2 (s)-8 J

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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### NOTE 5. INVESTMENTS

Investments at carrying value are composed of the following:

	June 30,	
	2022	2021
Cash in endowment accounts	\$ 7,536,503	\$ 12,086,698
Equities - domestic	12,583,936	10,823,672
U.S. Government securities	-	1,029,610
Mutual funds	122,558,498	154,037,521
Emerging market funds	-	5,202,496
Commingled funds	35,757,869	41,485,863
Real estate partnerships	6,391,763	3,743,052
Hedge funds	190,660	151,587
Real asset funds	8,346,169	6,834,510
Private equity	23,410,844	15,789,907
	\$ 216,776,242	\$ 251,184,916

Net realized and unrealized (losses) gains and changes in value of beneficial interest in perpetual trust consist of the following:

	June 30,	
	2022	2021

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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### NOTE 6. FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

Investments classified within Level 3 have significant u

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 6. FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

The following table summarizes assets measured at fair value on a recurring basis:

<u>June 30, 2022</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>NAV Practical Expedient</u>	<u>Total</u>
Investments:					
Equities - domestic	\$ 12,583,936	\$ -	\$ -	\$ -	\$ 12,583,936
Mutual funds	122,558,498	-	-	-	122,558,498
Alternative investments					
Commingled funds	-	-	-	35,757,869	35,757,869
Real estate partnerships	-	-	-	6,391,763	6,391,763
Hedge funds	-	-	-	190,660	190,660
Real asset funds	-	-	-	8,346,169	8,346,169
Private equity	-	-	-	23,410,844	23,410,844
Total investments	<u>135,142,434</u>	<u>-</u>	<u>-</u>	<u>74,097,305</u>	<u>209,239,739</u>
Split interest agreements:					
Charitable remainder trusts	-	-	3,056,121	-	3,056,121
Beneficial interest in perpetual trusts	-	-	2,530,822	-	2,530,822
Total split interest agreements	<u>-</u>	<u>-</u>	<u>5,586,943</u>	<u>-</u>	<u>5,586,943</u>
Total assets at fair value	<u>\$ 135,142,434</u>	<u>\$ -</u>	<u>\$ 5,586,943</u>	<u>\$ 74,097,305</u>	<u>\$ 214,826,682</u>

<u>June 30, 2021</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>NAV Practical Expedient</u>	<u>Total</u>
Inves					

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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### NOTE 6. FAIR VALUE OF FINANCIAL INSTRUMENTS (Cont inued)

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. The College evaluates the significance of transfers between levels based upon the nature of the financial instrument and size of the transfer relative to total endowments available for investments. In such instances, the transfer is reported at the beginning of t(l)3.2 (u)-1Td [(la)0.6 (e.25W74





## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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### NOTE 7. POSTRETIREMENT BENEFITS (Continued)

The following is a summary of changes to the accrued postretirement benefits:

	June 30,	
	2022	2021
Beginning postretirement liability	\$ 15,670,245	\$ 16,503,168
Service cost	780,668	877,563
Interest cost	409,188	405,108
Participant contributions	41,862	40,092
Less: Benefits paid (net of subsidy)	(353,383)	(353,271)
Actuarial (gain)	(4,821,940)	(1,802,415)
	\$ 11,726,640	\$

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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### NOTE 7. POSTRETIREMENT BENEFITS (Continued)

The expected benefits are based on the same assumptions used to measure the College's benefit obligation at June 30 and include estimated future employee service. The College expects to contribute an amount equal to the benefits to be paid in 2022.

Accrued postretirement benefits recognized in the consolidated statements of financial position consist of:

	June 30,	
	2022	2021
Current liabilities	\$ 380,756	\$ 377,609
Noncurrent liabilities	11,345,884	15,292,636
	\$ 11,726,640	\$ 15,670,245

Components of the accumulated postretirement benefit obligation that have not been recognized as periodic benefit cost at June 30, 2022 and 2021, include the following:

	June 30,	
	2022	2021
Net actuarial (gain) loss	\$ (2,911,685)	\$ 1,910,255
Prior service cost	(604,351)	(834,132)
	\$ (3,516,036)	\$ 1,076,123

Net periodic benefit cos

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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### NOTE 8. ENDOWMENT

Endowment net asset composition by type of fund and changes in endowment net assets are summarized as follows:

Endowment Net Asset Composition by Type of Fund as of June 30, 2022	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	\$ -	\$ 95,892,106	\$ 95,892,106
Accumulated investment gains	-	100,541,981	100,541,981
Donor-restricted endowment funds	-	196,434,087	196,434,087
Board-designated endowment funds	22,114,867	-	22,114,867
Total funds	\$ 22,114,867	\$ 196,434,087	

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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### NOTE 8. ENDOWMENT (Continued)

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or UPMIFA requires the College to retain as a fund of perpetual duration. In accordance with U.S. GAAP, deficiencies of this nature are reported in net assets with donor restrictions. At June 30, 2022, funds with original gift values of \$675,246f511.4 (i)3.h

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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### NOTE 11. PRESENTATION OF EXPENSES

Expenses are reported in the consolidated statements of activities in categories recommended by the National Association of College and University Business Officers. The College's primary program service is instruction. Expenses reported as academic support, student services, institutional support, and auxiliary enterprises are incurred in support of this primary program service. Expenses that support more than one function, interest on indebtedness, utilities at (ut)Tj -0.005

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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NOTE 13. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes or periods:

	June 30,	
	2022	2021
Subject to expenditure for specified purpose:		
Instruction	\$ 43,340,479	\$ 51,595,185
Academic support	8,189,206	9,285,905
Student services	4,578,794	5,249,625
Institutional support	1,355,624	1,982,474
Operation and maintenance of plant	2,488,768	

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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### NOTE 14. NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from donor-imposed restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors are as follows:

	June 30,	
	2022	2021
Instruction	\$ 3,063,412	\$ 2,782,954
Financial aid	3,254,524	3,487,749
Academic support	1,512,711	1,606,525
Student services	1,816,097	938,115
Institutional support	2,910,804	255,976
Capital additions	1,301,435	8,486,366
Appropriated expenditures for general purpose	9,745,949	10,798,184
	<u>\$ 23,604,932</u>	<u>\$ 28,355,869</u>

### NOTE 15. EMPLOYEE PENSION PLANS

The College sponsors a defined contribution plan for faculty, salaried staff, and hourly staff. Employees are eligible after one year of service and e(f)-13.1 (n.-43.6 re)-6.3 (i)3.2-12ng( (ndc 0.037 Tw0. (5



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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### NOTE 17. COMMITMENTS AND CONTINGENCIES (Continued)

The College is subject to legal proceedings and claims arising in the ordinary conduct of its affairs. No provision has been made for any liabilities which may arise from such claims since the amounts,

Location in financial statements of related notes

Financial element

as ratio input

Primary Reserve Ratio: Expendable Net Assets:  
Consolidated statement of financial position

Federal Grantor/Pass-Through Grantor/Program Title	Number	Expenditures
Department of Education		
<u>Student Financial Assistance Cluster</u>		
Federal Pell grant program	84.063	\$ 2,173,138
Federal Work-Study program	84.033	108,930
Federal Supplemental Educational Opportunity grant program	84.007	177,094
Federal Direct Student Loan program	84.268	5,848,636
Total Student Financial Assistance Cluster		8,307,798
COVID-19 - Education Stabilization Fund - Governor's Emergency Education Relief Fund	84.425C	197,979
COVID-19 - Education Stabilization Fund - Higher Education Emergency Relief Fund - Student Aid Portion	84.425E	1,542,406
COVID-19 - Education Stabilization Fund - Higher Education Emergency Relief Fund - Institution Portion	84.425F	1,542,405
Total COVID-19 - Education Stabilization Fund		3,282,790
Enhancing Global-Mindedness at Agnes Scott College in Middle East Studies	84.016A	80,771
Total - Department of Education		11,671,359
<u>Research and Development Cluster</u>		
National Security Agency		
Georgia STARTALK Program: Chinese and Turkish	12.900	69,103
Georgia STARTALK Program: Chinese and Turkish	12.900	121,395
Georgia STARTALK Teacher Program: Arabic, Chinese, Korean & Russian	12.900	6,162

**AGNES SCOTT COLLEGE**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

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**A. BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes all federal grant activity of Agnes Scott College (the "College") under programs of the federal government for the year ended June 30, 2022. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Cost Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Agnes Scott College, it is not intended to and does not present the financial position, changes in net assets or cash flows of the College.

**B. INDIRECT COST RATE**

The College elected not to use the option of the 10% de minimis indirect cost rate. The College uses a rate of 40.00% of modified total direct costs (MTDC), which is negotiated with the Department of Health and Human Services (HHS) on behalf of the Centers for Disease Control and Prevention (CDC) under the terms of the contract between the Department of Health and Human Services and the Centers for Disease Control and Prevention.



## INDEPENDENT AUDITOR'S REPORT 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

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To the Board of Trustees of  
Agnes Scott College  
Decatur, 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 consolidated financial statements of Agnes Scott College and subsidiaries (the "College") (a nonprofit organization), which comprise the consolidated statement of financial position as of June 30, 2022, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated November 7, 2022.

### Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the College'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 opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, we do not express an opinion on the effectiveness of the College'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

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the

# INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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To the Board of Trustees of  
Agnes Scott College  
Decatur, Georgia

Report on Compliance for the Major Federal Program

We have audited the compliance of Agnes Scott College (the "College") with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of the College's major federal programs for the year ended June 30, 2022. The College's major federal programs are 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 the federal statutes, regulations, and the terms and conditions of its federal awards applicable to the College's federal programs.

## Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the College'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 of America.





AGNES SCOTT COLLEGE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2022

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SUMMARY OF INDEPENDENT AUDITOR'S RESULTS:  
Financial Statement:

Type of auditors' report issued	<u>Unmodified</u>	
	<u>Yes</u>	<u>No</u>
Internal control over financial reporting:		
Material weaknesses identified?	<u>                    </u>	<u>          X          </u>
Significant deficiencies identified not		

AGNES SCOTT COLLEGE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2022

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Section II - Financial Statement Findings

None reported.

Section III - Federal Award Findings and Questioned Costs

None reported.

AGNES SCOTT COLLEGE  
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

FOR THE YEAR ENDED JUNE 30, 2021

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Section II - Financial Statement Findings

None reported.

Section II I - Federal Award Findings and Questioned Costs

None reported