MOBERLY AREA COMMUNITY COLLEGE
MOBERLY, MISSOURI

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

YEARS ENDED JUNE 30, 2023 AND 2022

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MOBERLY AREA COMMUNITY COLLEGE
MOBERLY, MISSOURI
TABLE OF CONTENTS
YEARS ENDED JUNE 30, 2023 AND 2022

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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Moberly Area Community College
Moberly, Missouri

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit of Moberly Area Community College (the College), as of and for the years ended June 30, 2023 and 2022, and the related notes to the financial statements, which collectively comprise Moberly Area Community College's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of Moberly Area Community College as of June 30, 2023 and 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Moberly Area Community College and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As disclosed in Note 1, the College implemented the provisions of Governmental Accounting Standards Board Statement No. 96 – *Subscription-Based Information Technology Arrangements*. The Standard establishes that a subscription-based information technology arrangement results in a right-to-use subscription asset and a corresponding subscription liability. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Moberly Area Community College's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Moberly Area Community College's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Moberly Area Community College's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Schedules of Changes in Total OPEB Liability and Related Ratios, the Schedule of Proportionate Share of the Net Pension Liability and Related Ratios – PSRS and PEERS, the Schedule of Employer Contributions – PSRS and PEERS, and the Notes to Schedules of the College's Proportionate Share of the Net Pension Liability and Employer Contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated **December 14, 2023**December 13, 2023, on our consideration of Moberly Area Community College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Moberly Area Community College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Moberly Area Community College's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

St. Louis, Missouri
December 13, 2023

Introduction

The management of Moberly Area Community College (the College) offer users and other readers of the College a narrative overview of the financial position and financial activities of the College for the fiscal years ended June 30, 2023, 2022 and 2021. This discussion and analysis should be read in conjunction with the financial statements and notes that follow.

The College prepares the financial statements in accordance with Government Accounting Standards Board (GASB) principles. The College has implemented GASB Statement No. 35, *Basic Financial Statements - and Management's Discussion and Analysis - for Public Colleges and Universities.* GASB Statement No. 35 establishes standards for external financial reporting for public colleges and universities and requires that financial statements be presented on a consolidated basis to focus on the College as a whole. Moberly Area Community College's financial reporting entity consists of the College, as well as its discretely presented component unit, the Moberly Area Community College Foundation (the Foundation).

Three basic financial statements are included with this report, along with the management's discussion and analysis, the notes to the financial statements, and required supplementary information:

1. Statement of Net Position
2. Statement of Revenues, Expenses, and Changes in Net Position
3. Statement of Cash Flows

The emphasis of the discussion about the financial statements is on the current year data.

Statement of Net Position

The Statement of Net Position presents information on all of the College's assets, deferred outflows, liabilities, and deferred inflows, with the difference being reported as net position. The purpose of the Statement of Net Position is to present a snapshot of the financial condition of the College. Over time, increases or decreases in net position is one of the indicators of whether the financial position of the College is improving or deteriorating.

The assets and liabilities are categorized between current and noncurrent. The difference is that current assets and liabilities mature or become payable within the normal 12-month accounting/operating cycle versus noncurrent which mature or become payable after 12 months. For example, the College's current assets consist primarily of cash, short-term investments, and trade receivables while noncurrent assets consist primarily of capital assets. Capital assets are the property, plant, equipment, and right-of-use assets owned by the College, net of any related accumulated depreciation, and reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. Current liabilities consist primarily of accrued employee wages and benefits payable, while non-current liabilities are primarily comprised of long-term net pension liability.

Deferred outflows related to pension are similar to a prepaid expense related to pension payments made for future periods, while deferred inflows represent unearned revenue related to earnings of the plan for future periods.

Net position is presented in three major categories. The first is net investment in capital assets, which represents the College's equity in its property, plant, equipment, and right-of-use assets. The second category is restricted, while the third is unrestricted.

Restricted net position are funds that are limited in terms of the purpose and time for which the funds can be spent. Restricted position is further categorized between expendable and nonexpendable. Restricted expendable net position is available to be spent by the College after externally imposed stipulations have been fulfilled or after the passage of time. Restricted nonexpendable net position is comprised of endowments for which only the earnings can be spent.

Unrestricted net position is available to the College for any lawful purpose.

	June 30,		
	2023	2022 *(As Restated)*	2021
Current Assets	$ 18,953,398	$ 36,608,543	$ 25,819,132
Noncurrent Assets	22,233,157	4,017,756	11,555,658
Capital Assets	34,004,985	27,966,857	25,248,803
Total Assets	75,191,540	68,593,156	62,623,593
Deferred Outflows	6,278,960	5,671,368	5,860,387
Current Liabilities	4,696,845	4,023,325	3,689,186
Noncurrent Liabilities	24,065,823	11,093,547	26,748,248
Total Liabilities	28,762,668	15,116,872	30,437,434
Deferred Inflows	1,301,063	13,728,718	1,505,869
Net Investment in Capital Assets	26,990,249	21,778,371	18,602,061
Restricted:			
Nonexpendable	423,178	423,178	423,178
Expendable	508,174	397,486	62,501
Unrestricted	23,485,168	22,819,899	17,452,937
Total Net Position	$ 51,406,769	$ 45,418,934	$ 36,540,677

Statement of Revenues, Expenses, and Changes in Net Position

The Statement of Revenues, Expenses, and Changes in Net Position presents the College's financial results for the fiscal year. The statement includes the College's revenues and expenses, both operating and nonoperating.

Operating revenues and expenses are those for which the College directly exchanges goods and services. Nonoperating revenues and expenses are those that are not specific, direct exchanges of goods and services. Local property tax revenue and state aid are two examples of nonoperating revenues where the local taxpayers and state legislature, respectively, do not directly receive goods and services for the revenue.

The following is a summarized version of the College's revenues, expenses, and changes in net position.

	June 30, 2023	June 30, 2022 *(As Restated)*	June 30, 2021
Operating Revenues	$ 12,772,795	$ 11,146,910	$ 11,631,910
Operating Expenses	34,021,107	33,621,297	33,126,199
Operating Loss	(21,248,312)	(22,474,387)	(21,494,289)
Nonoperating Revenues (Expenses)	25,926,797	30,995,444	26,660,044
Gain Before Other Revenues	4,678,485	8,521,057	5,165,755
Capital Gifts and Grants	1,309,350	357,200	-
Increase in Net Position	5,987,835	8,878,257	5,165,755
Net Position - Beginning of Year	45,418,934	36,540,677	31,374,922
Net Position - End of Year	$ 51,406,769	$ 45,418,934	$ 36,540,677

	June 30, 2023	June 30, 2022 *(As Restated)*	June 30, 2021
Operating Revenues:			
Student Tuition and Fees, Net of Scholarship Allowances	$ 9,822,204	$ 8,702,378	$ 9,296,898
Auxiliary Enterprises	2,155,255	1,793,467	1,702,980
Contracts and Grants	546,199	489,957	507,841
Other	249,137	161,108	124,191
Total Operating Revenues	$ 12,772,795	$ 11,146,910	$ 11,631,910
Nonoperating Revenues (Expenses):			
Local Property Taxes	$ 814,238	$ 728,852	$ 696,469
State Aid and Grants	9,803,444	8,086,763	11,894,820
Investment Income	488,607	(26,077)	119,998
Interest Expense	(98,787)	(57,019)	(34,904)
Gifts and Grants	14,880,253	22,262,925	14,201,792
Loss on Sale of Fixed Assets	39,042	-	(218,131)
Total Nonoperating Revenues (Expenses)	$ 25,926,797	$ 30,995,444	$ 26,660,044

The following is the College's FY 2023, 2022 and 2021 operating expenses by function:

	June 30, 2023	June 30, 2022 *(As Restated)*	June 30, 2021
Operating Expenses:			
Salaries and Benefits	$ 19,676,001	$ 16,161,554	$ 19,693,423
Supplies and Other Services	8,126,071	7,516,721	7,139,759
Depreciation and Amortization	2,889,346	2,320,014	1,510,186
Financial Aid and Scholarships	3,329,689	7,623,008	4,782,831
Total Operating Expenses	$ 34,021,107	$ 33,621,297	$ 33,126,199

In addition, the following represents the FY 2023, 2022 and 2021 operating expenses of the College by program classification:

	June 30,		
	2023	2022 *(As Restated)*	2021
Operating Expenses:			
Instruction	$ 11,918,223	$ 10,447,080	$ 12,125,328
Academic Support	2,901,814	2,537,213	3,116,782
Student Services	4,070,043	3,307,913	3,489,247
Institutional Support	3,777,648	3,112,372	3,542,623
Student Financial Aid	3,329,689	7,623,008	4,782,831
Plant and Maintenance	2,857,614	2,432,070	2,665,692
Auxiliary	2,276,730	1,841,627	1,893,510
Depreciation	2,889,346	2,320,014	1,510,186
Total Operating Expenses	$ 34,021,107	$ 33,621,297	$ 33,126,199

During the year ended June 30, 2023, the College experienced an increase in net position of $5,987,835, as compared to the prior year increase of $8,878,257. There are several factors that make up the change from prior year.

Operating Revenues were lower in the 2022 fiscal year compared to 2023 and 2021, due to a decline in enrollment associated with the economic impact of the Covid-19 pandemic.

Non-operating revenues classified as Gifts and Grants were unusually high during the year ended June 30, 2022. In that year, the College received Coronavirus Aid, Relief, and Economic Security Act (CARES) grant funds. The College used these funds for operating expenses in the form of Financial Aid and Scholarships to students, as well as relief funds to assist the College with a decrease to Operating Revenues and added Operating Expenses associated with the virus.

The College received private Capital Gifts and Grants in the years ended June 30, 2023 and 2022 to build a dorm addition to accommodate more students' needs, and renovate the Marie O'Keefe Health Sciences Center to provide state of the art instruction in this area.

Statement of Cash Flows

The Statement of Cash Flows presents information about the cash activity of the College. The statement shows the major sources and uses of cash. The following is a summary of the Statement of Cash Flows:

	June 30,		
	2023	2022 *(As Restated)*	2021
Cash Provided (Used) by:			
Operating Activities	$ (18,504,619)	$ (21,445,903)	$ (17,717,263)
Noncapital Financing Activities	25,957,232	32,002,394	26,447,078
Capital and Related Financing Activities	(6,851,619)	(5,196,142)	(2,339,660)
Investing Activities	3,468,151	(7,118,984)	(7,256,496)
Net Increase (Decrease) in Cash	4,069,145	(1,758,635)	(866,341)
Cash - Beginning of Year	1,890,572	3,649,207	4,515,548
Cash - End of Year	$ 5,959,717	$ 1,890,572	$ 3,649,207

Capital and Debt Activities

During the years ended June 30, 2023, 2022 and 2021, the College expended $13,348,151, $4,491,306, and $5,821,085 respectively, for equipment, building improvements, and leasehold improvements.

The College's investment in capital assets net of accumulated depreciation as of June 30, 2023, 2022 and 2021 amounts to $34 million, $28 million, and $25.2 million, respectively, and this investment in capital assets includes land, buildings, equipment, improvements and right-to-use assets.

	June 30,		
	2023	2022 *(As Restated)*	2021
Property, Plant, and Equipment:			
Land	$ 528,200	$ 528,200	$ 528,200
Improvements (Other Than Buildings)	2,650,999	378,677	177,874
Buildings and Improvements	20,229,114	15,849,863	15,647,916
Construction in Progress	569,675	2,493,168	244,783
Equipment	2,500,559	2,542,027	2,088,587
Right-to-use asset	4,811,925	5,642,155	6,561,443
Subscription Asset	2,714,513	532,767	-
Net Capital Assets	$ 34,004,985	$ 27,966,857	$ 25,248,803

The College had no debt during the years ended June 30, 2023, 2022 and 2021.

Economic Outlook

The economic position of the College is closely tied to that of the State and to a lesser degree, the County. The College's state annual appropriations have increased in the years ended June 30, 2024, 2023, and 2022, by $.5 million, $1.6 million, and $1 million, respectively. With federal American Rescue Plan Act (ARPA) funds being made available to the State of Missouri associated with the ongoing Coronavirus pandemic, the College has been awarded further multi-year pass-through grant funds available for workforce development.

Regular fee and tuition rates for students increased by 3.3% and 2.5% on average, for FY2324 and FY2223, respectively.

The College has positioned itself to continue meeting the changing needs of it's students in the coming years.

Technology continues to change, and the College is taking advantage of this. A new cloud-based ERP software system was implemented in October 2022 which will allow for continued enhancements in functionality designed to keep pace with the changing landscape of higher education. Instructional technology has been utilized further to expand access to online and virtual instruction.

A number of capital improvement project investments have been made during 2023 and 2022 to better serve students, including a major renovation of a health sciences instructional center, and a dorm addition to house additional students.

Over the last several years, the College has added additional programs to reach a broader range of students, including CDL (truck driving), Veterinary Technology, and it is currently developing an Aviation Technology program. Customized training programs offered through the College have grown significantly to meet the needs of employers in the region.

The College has established new sports programs to appeal to students in the region, including baseball and softball.

Contacting the College's Financial Management

This financial report is designed to provide the College's citizens, taxpayers, customers, investors, and creditors with a general overview of the College' finances and to demonstrate the College's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Susan J. Spencer, CPA, Vice President for Finance, 101 S. College Avenue, Moberly, MO 65270.

MOBERLY AREA COMMUNITY COLLEGE
MOBERLY, MISSOURI
STATEMENTS OF NET POSITION
JUNE 30, 2023 AND 2022

	College		Component Unit	
	6/30/2023	6/30/2022 *(As Restated)*	6/30/2023	6/30/2022
ASSETS				
Current Assets:				
Cash and Cash Equivalents	$ 5,959,716	$ 1,890,571	$ 91,786	$ 156,922
Short-Term Investments	8,237,158	29,562,834	388,810	-
Accounts Receivable, Net of $2,583,372 and $2,748,001 Allowance for Doubtful Accounts, Respectively	4,145,382	4,260,357	2,408	-
Current Portion of Lease Receivable	50,296	52,877	-	-
Inventories	164,646	100,569	-	-
Prepaid Expenses	396,200	741,335	-	-
Total Current Assets	18,953,398	36,608,543	483,004	156,922
Noncurrent Assets:				
Long-Term Investments	22,023,142	3,757,445	3,488,734	4,481,064
Long-Term Lease Receivable	210,015	260,311	-	-
Capital Assets, Net	34,004,985	27,966,857	-	-
Total Noncurrent Assets	56,238,142	31,984,613	3,488,734	4,481,064
Total Assets	75,191,540	68,593,156	3,971,738	4,637,986
DEFERRED OUTFLOWS				
Deferred Outflows Related to Pension	6,124,769	5,530,745	-	-
Deferred Outflows Related to OPEB	154,191	140,623	-	-
Total Deferred Outflows	6,278,960	5,671,368	-	-
LIABILITIES				
Current Liabilities:				
Accounts Payable	734,413	1,010,834	86,855	88,634
Accrued Liabilities	946	506	-	-
Accrued Unpaid Vacation	1,524,780	931,203	-	-
Deposits Held for Others	120,937	154,480	-	-
Unearned Revenue	885,242	834,765	-	-
Current Portion of Lease Liability	882,902	859,730	-	-
Current Portion of Subscription Liability	547,625	231,807	-	
Total Current Liabilities	4,696,845	4,023,325	86,855	88,634
Noncurrent Liabilities:				
Long-Term Lease Liability	4,171,386	4,963,974	-	-
Long-Term Subscription Liability	1,412,823	132,975	-	-
Accrued Postemployment Benefits	1,683,659	1,497,279	-	-
Net Pension Liability	16,797,955	4,499,319	-	-
Total Noncurrent Liabilities	24,065,823	11,093,547	-	-
Total Liabilities	28,762,668	15,116,872	86,855	88,634
DEFERRED INFLOWS				
Deferred Inflows Related to Pension	848,939	13,193,124	-	-
Deferred Inflows Related to Leases	243,388	293,901	-	-
Deferred Inflows Related to OPEB	208,736	241,693	-	-
Total Deferred Inflows	1,301,063	13,728,718	-	-
NET POSITION				
Net Investment in Capital Assets	26,990,249	21,778,371	-	-
Restricted for:				
Nonexpendable Endowment	423,178	423,178	1,937,068	2,864,599
Expendable Endowment	508,174	397,486	768,431	601,298
Unrestricted	23,485,168	22,819,899	1,179,384	1,083,455
Total Net Position	$ 51,406,769	$ 45,418,934	$ 3,884,883	$ 4,549,352

See accompanying Notes to Financial Statements.

MOBERLY AREA COMMUNITY COLLEGE
MOBERLY, MISSOURI
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2023 AND 2022

	College		Component Unit	
	6/30/2023	6/30/2022 *(As Restated)*	6/30/2023	6/30/2022
REVENUES				
Operating Revenues:				
Student Tuition and Fees, Net of Scholarship Allowances of $8,282,646 and $9,256,834, Respectively	$ 9,822,204	$ 8,702,378	$ -	$ -
Auxiliary Enterprises:				
Bookstore, Cafeteria, Housing, Net of Scholarship Allowances of $276,515 and $244,951, Respectively	2,155,255	1,793,467	-	-
Contracts and Grants from Government Sources	520,348	463,240	-	-
Contracts and Grants from Private Sources	25,851	26,717	-	-
Other Operating Revenues	249,137	161,108	-	-
Total Operating Revenues	12,772,795	11,146,910	-	-
EXPENSES				
Operating Expenses:				
Instruction	11,918,223	10,447,080	-	-
Academic Support	2,901,814	2,537,213	-	-
Student Services	4,070,043	3,307,913	-	-
Institutional Support	3,777,648	3,112,372	279,628	425,900
Student Financial Aid	3,329,689	7,623,008	87,606	86,195
Plant Maintenance	2,857,614	2,432,070	-	-
Auxiliary	2,276,730	1,841,627	-	-
Depreciation and Amortization	2,889,346	2,320,014	-	-
Total Operating Expenses	34,021,107	33,621,297	367,234	512,095
Operating Loss	(21,248,312)	(22,474,387)	(367,234)	(512,095)
NONOPERATING REVENUES (EXPENSES)				
Local Property Tax Revenue	814,238	728,852	-	-
State Aid and Grants	9,579,089	7,811,002	-	-
Investment Income (Loss)	488,607	(26,077)	377,176	(505,851)
Interest Expense	(98,787)	(57,019)	-	-
Vocational Funding	224,355	275,761	-	-
Gifts and Grants from Government Sources	14,656,012	21,936,454	-	-
Gifts and Grants from Private Sources	224,241	326,471	253,120	206,989
Gain on Sale of Fixed Assets	39,042	-	-	-
Total Nonoperating Revenues (Expenses)	25,926,797	30,995,444	630,296	(298,862)
Gain (Loss) Before Other Revenues, Expenses, Gains, or Losses	4,678,485	8,521,057	263,062	(810,957)
CAPITAL GIFTS AND GRANTS	1,309,350	357,200	-	-
ADDITIONS (REDUCTIONS) TO PERMANENT ENDOWMENTS	-	-	(927,531)	-
INCREASE (DECREASE) IN NET POSITION	5,987,835	8,878,257	(664,469)	(810,957)
Net Position - Beginning of Year (As Restated)	45,418,934	36,540,677	4,549,352	5,360,309
NET POSITION - END OF YEAR	$ 51,406,769	$ 45,418,934	$ 3,884,883	$ 4,549,352

See accompanying Notes to Financial Statements.

MOBERLY AREA COMMUNITY COLLEGE
MOBERLY, MISSOURI
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2023 AND 2022

	College	
	6/30/2023	6/30/2022 *(As Restated)*
CASH FLOWS FROM OPERATING ACTIVITIES		
Tuition and Fees	$ 9,617,651	$ 8,723,932
Payments to Suppliers	(8,077,526)	(6,647,844)
Payments for Utilities	(608,691)	(556,495)
Payments to Employees	(15,189,779)	(14,183,620)
Payments for Benefits	(4,256,331)	(4,499,691)
Payments for Financial Aid and Scholarships	(3,329,689)	(7,623,008)
Auxiliary Enterprise Collections:		
Bookstore, Vending, Cafeteria, and Housing	2,182,845	1,804,494
Contracts and Grants from Government Sources	520,348	463,240
Contracts and Grants from Private Sources	25,851	26,717
Other Receipts	610,702	1,046,372
Net Cash Used by Operating Activities	(18,504,619)	(21,445,903)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Local Property Taxes	814,238	728,852
State Aid and Grants	9,579,089	7,811,002
Gifts and Grants Other Than Capital	15,563,905	23,462,540
Net Cash Provided by Noncapital Financing Activities	25,957,232	32,002,394
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of Capital Assets	(8,927,474)	(5,038,067)
Proceeds of Capital Debt	2,376,431	791,546
Principal Paid on Capital Debt, Leases, and Subscriptions	(1,550,181)	(1,249,802)
Interest Paid on Capital Debt, Leases, and Subscriptions	(98,787)	(57,019)
Private Gifts for Endowment Purposes	1,309,350	357,200
Proceeds from Sale	39,042	-
Net Cash Used by Capital and Related Financing Activities	(6,851,619)	(5,196,142)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from the Sale and Maturities of Investments	33,225,279	26,059,000
Investment Income	408,172	(48,705)
Purchase of Investments	(30,165,300)	(33,129,279)
Net Cash Provided (Used) by Investing Activities	3,468,151	(7,118,984)
NET INCREASE (DECREASE) IN CASH	4,069,145	(1,758,635)
Cash - Beginning of Year	1,890,572	3,649,207
CASH - END OF YEAR	$ 5,959,717	$ 1,890,572

See accompanying Notes to Financial Statements.

MOBERLY AREA COMMUNITY COLLEGE
MOBERLY, MISSOURI
STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED JUNE 30, 2023 AND 2022

	College	
	6/30/2023	6/30/2022 *(As Restated)*
Operating Loss	$ (21,248,312)	$ (22,474,387)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:		
Depreciation and Amortization Expense	2,889,346	2,320,014
Changes in Assets and Liabilities:		
Receivables, Net	(71,926)	882,644
Inventories	(64,077)	13,737
Other Assets	345,135	62,475
Accounts Payable and Other Current Liabilities	284,053	292,966
Deferred Outflows Related to Pension	(594,024)	166,708
Deferred Outflows Related to OPEB	(13,568)	22,311
Deferred Inflows Related to Pension	(12,344,185)	12,073,285
Deferred Inflows Related to Leases	(50,513)	(36,310)
Deferred Inflows Related to OPEB	(32,957)	185,874
Net Pension and OPEB Liability	12,485,016	(14,927,946)
Unearned Revenue	(88,607)	(27,274)
Net Cash Used by Operating Activities	$ (18,504,619)	$ (21,445,903)
NONCASH INVESTING, NONCAPITAL FINANCING, AND CAPITAL AND RELATED FINANCING TRANSACTIONS		
Capital Assets Acquired through Leases and Subscriptions	$ 2,968,040	$ 791,546

See accompanying Notes to Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Moberly Area Community College, Moberly, Missouri (the College) is a public institution of higher education providing services to residents of the City of Moberly (the District) and the northeast 16 counties in Missouri (the Service Area). The College is a community college organized by the voters of the district and governed by a six-member board of trustees elected throughout the District. The College maintains one primary campus location and five education centers (Columbia, Hannibal, Kirksville, and Mexico). The significant accounting policies followed by the College are described below:

Reporting Entity

As required by accounting principles generally accepted in the United States, the College's financial statements present the District (the primary government), and its discretely presented component unit, The Moberly Area Community College Foundation (the Foundation). The component unit is included in the College's reporting entity because of the significance of their operations and financial relationship with the College.

Discretely Presented Component Unit

The Foundation is a nonprofit corporation and is considered to be a related organization to the College. The College board of trustees appoints one of its members to serve on the Foundation's board of directors along with 15 other independently elected directors. The College is not financially accountable for the Foundation. Although the College does not control the timing or amount of receipts from the Foundation, the majority of resources or income thereon, which the Foundation holds and invests, is restricted to the activities of the College by the donors. As these restricted resources can only be used by, or for the benefit of, the College, the Foundation is considered a component unit of the College and is discretely presented in the College's financial statements. The Foundation does not issue separate financial statements.

Basis of Accounting

For financial reporting purposes, the College is considered a special purpose government engaged only in business-type activities. Accordingly, the College's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred.

Use of Estimates in Preparing Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and deferred outflows of resources and liabilities and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses and other changes in net position during the reporting period. Actual results could differ from those estimates.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

The College considers all certificates of deposit and investments with an original maturity of 90 days or less at date of acquisition to be cash equivalents.

Investments

The College accounts for its investments at fair value in accordance with guidelines defined by GASB Statement No. 72. Fair value is determined for the College's investments based upon a framework described in Note 4. Changes in unrealized gain (loss) on the carrying value of investments are reported as a component of investment income in the statement of revenues, expenses, and changes in net position.

Accounts Receivable

Accounts receivable consist of tuition and fee charges to students. Accounts receivable also include amounts due from the federal government, state and local governments, or private sources, in connection with reimbursement of allowable expenditures made pursuant to the College's grants and contracts. Accounts receivable are recorded net of estimated uncollectible amounts. The College determines its allowance by considering a number of factors, including the length of time accounts receivable are past due and the College's previous loss history. The College writes off specific accounts receivable when they become uncollectible, and payments subsequently received on such receivables are credited to the allowance for doubtful accounts.

Allowance for Doubtful Accounts

The College uses the reserve method of recognizing bad debt losses. The allowance for doubtful accounts has been recorded by the College and offsets the balance of accounts receivable in the College's financial statements. The allowance is based upon management's best estimates of losses.

Property Tax Revenue

Local tax revenues represent payments earned during the years ended June 30, 2023 and 2022 from the Moberly taxing district on taxes levied for calendar years 2022 and prior.

Prepaid Expenses

Prepaid expenses represent current expenditures which benefit future periods.

Capital Assets

Land, buildings, building improvements, furniture, fixtures, and equipment are recorded at cost less accumulated depreciation for assets purchased and at acquisition value as of the date of donation for assets acquired by gift. The College's capitalization policy includes all equipment with a unit cost of $5,000 or more, and an estimated useful life of greater than one year. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

Right-to-use assets are initially measured as the sum of payments expected to be made during the term, payments associated with the contract made to the vendor at the commencement of the contractual term, when applicable, and capitalizable implementation costs, less any vendor incentives received at the commencement of the contractual term. The College's capitalization policy for right-to-use assets includes all contracts with a $100,000 value at time of implementation.

Property, plant, and equipment of the College are depreciated using the straight-line method over the following useful lives:

Buildings	25 to 40 Years
Building Improvement and Other Improvements	7 to 30 Years
Equipment	5 to 15 Years

Assets acquired under lease or subscription arrangements will be amortized using the straight-line method over the estimated useful life of the assets, or the lease term, whichever is shorter.

Accumulated Unpaid Vacation

College employees earn vacation during the year under various accrual rates, depending on the employee's classification and years of service. Accrued vacation is payable to employees upon termination. Accumulated unpaid vacation is accrued as earned.

Inventory

Bookstore and cafeteria inventories are recorded at the lower of cost or market.

Unearned Revenue

Unearned revenues include amounts received for tuition and fees and certain auxiliary activities prior to the end of the fiscal year but related to the subsequent accounting period. Unearned revenues also include amounts received from grant and contract sponsors that have not yet been earned. Half of the summer school tuition revenue and all tuition for school sessions starting after June 30 have been deferred to the next fiscal year.

Revenue Classifications

The College has classified revenues as either operating or nonoperating revenues according to the following criteria:

Operating revenues include activities that have the characteristics of exchange transactions, such as (1) student tuition and fees, net of scholarship discounts and allowances, (2) sales and services of auxiliary enterprises and (3) federal, state and local grants and contracts.

Nonoperating revenues include certain significant revenues relied on for fundamental operational support of the College are mandated by GASB requirements to be recorded as nonoperating revenues. Nonoperating revenues, meaning revenues received and the College provided no goods or services, include activities such as local property tax revenues, state aid and grants, investment income and nonexchange gifts and grants.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases

The College is a party as lessor and lessee for various noncancellable long-term leases. The corresponding lease receivable or lease payable, are recorded in an amount equal to the present value of the expected future minimum lease payments discounted by either an implicit or estimated interest rate.

Subscription-Based Information Technology Arrangements

The College contracts subscription-based information technology for operating activities for various terms under long-term, non-cancelable agreements. The agreements expire at various dates through 2027 and provide for annual renewal options.

Scholarship Allowances and Student Aid

Certain aid such as loans, including the Federal Direct Loan Program, and funds provided to students as awarded by third parties is accounted for as a third-party payment (credited to the student's account as if the student made the payment). All other aid is reflected in the financial statements as operating expenses or scholarship allowances, which reduce revenues. The amount reported as operating expense represents the portion of aid that was provided to the student in the form of cash. Scholarship allowances represent the portion of aid provided to the student in the form of reduced tuition.

Deferred Outflows of Resources

The College reports the consumption of net position that is applicable to a future period as deferred outflows of resources in a separate section of its statements of net position.

Deferred Inflows of Resources

The College reports an acquisition of net position that is applicable to a future period as deferred inflows of resources in a separate section of its statements of net position.

Defined Benefit Other Postemployment Benefit Plan

The College participates in a single-employer other postemployment benefit plan (the OPEB Plan) that provides life insurance, medical, vision and dental benefits. For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information has been determined on the same basis as they are reported by the OPEB Plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. The College funds benefits on a pay-as-you-go basis and there are no assets accumulated in the Plan.

Pensions

The College participates in two cost-sharing multiemployer defined benefit pension plans: The Public Education Employee Retirement System of Missouri (PEERS) and Public School Retirement System of Missouri (PSRS).

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pensions (Continued)

The fiduciary net position, as well as additions to and deductions from the fiduciary net position, of PEERS and PSRS have been determined on the same basis as they are reported by PEERS and PSRS. The financial statements were prepared using the accrual basis of accounting. Member and employer contributions are recognized when due, pursuant to formal commitments and statutory requirements. Benefits and refunds of employee contributions are recognized when due and payable in accordance with the statutes governing PSRS. Expenses are recognized when the liability is incurred, regardless of when payment is made. Investments are reported at fair value on a trade date basis. The fiduciary net position is reflected in the measurement of the College's net pension liability, deferred outflows and inflows of resources related to pensions and pension expense.

Income Tax Status

The College is exempt from federal and state income taxes as a local governmental unit. The Moberly Area Community College Foundation, Inc. has qualified for exemption from income tax under Section 501(c)(3) of the Internal Revenue Code. The Moberly Area Community College Foundation, Inc. files a Form 990, *Return of Organization Exempt from Income Tax,* each year-end. This organization's tax returns are subject to examination by the IRS. Open tax years' subject to examinations include 2018 through 2022. Any interest or penalties incurred related to income tax filings are reported within operating expenses in the statement of revenues, expenses, and changes in net position.

Change in Accounting Principle

In 2023, the College adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement establishes that a subscription-based information technology arrangement results in a right-to-use subscription asset and a corresponding subscription liability. It provides criteria for outlays other than subscription payments, including implementation costs of subscription-based information technology arrangements and requires note disclosures.

As a result of the implementation, the following financial statements line items for fiscal year 2022 were restated:

	As Restated	As Previously Reported	Effect of Change
Statement of Net Position			
Current Assets:			
Prepaid Expenses	$ 741,335	$ 877,662	(136,327)
Capital Assets, Net	27,966,857	27,434,090	532,767
Current Liabilities:			
Current Portion of Subscription Liability	231,807	-	231,807
Noncurrent Liabilities:			
Long-Term Subscription Liability	132,975	-	132,975
NET POSITION:			
Net Investment in Capital Assets	21,778,371	21,610,386	167,985
Unrestricted	22,819,899	22,956,226	(136,327)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Change in Accounting Principle (Continued)

	As Restated	As Previously Reported	Effect of Change
Statement of Revenues, Expenses, and Changes in Net Position			
Operating Expenses:			
Instruction	$ 10,447,080	$ 10,742,480	$ (295,400)
Depreciation and Amortization	2,320,014	2,061,235	258,779
Nonoperating Revenues (Expenses):			
Interest Expense	(57,019)	(52,056)	(4,963)
Statement of Cash Flows			
Operating Activities	$ (21,445,903)	$ (21,877,631)	$ 431,728
Capital and Related Financing Activities	(5,196,142)	(4,764,415)	(431,727)
Reconciliation of Operating Loss to Net Cash Used by Operating Activities:			
Operating Loss	$ (22,474,387)	$ (22,511,008)	$ 36,621
Depreciation and Amortization Expense	2,320,014	2,061,235	258,779
Other Assets	62,475	(73,852)	136,327

NOTE 2 CASH, CASH EQUIVALENTS, AND INVESTMENTS

As of June 30, 2023 and 2022, the carrying amounts of cash and cash equivalents on the statements of net position total $5,959,716 and $1,890,571, and consist of cash deposits, cash on hand, short-term CDs and money market accounts. The bank balances of the College's cash deposits totaled $7,027,108 and $2,485,781 for the years ending June 30, 2023 and 2022, respectively. The College's bank balances as of June 30, 2023 and 2022, were fully insured by the Federal Depository Insurance Corporation (FDIC) or collateralized by securities held by the cognizant Federal Reserve Bank. Of the bank balances of the Foundation's cash deposits as of June 30, 2023, $91,786 was insured by the FDIC. Of the bank balances of the Foundation's cash deposits as of June 30, 2022, $156,922 was insured by the FDIC.

The College's investment policies conform to the Missouri Revised Statue 30.950 which authorizes the College to invest in secured time deposits or secured certificates of deposit, bonds of the state of Missouri, bonds of the United States or any other wholly owned corporation of the United States, other short-term obligations of the United States, commercial paper and banker's acceptances. The College is also authorized to enter into government repurchase agreements.

NOTE 2 CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

The Foundation has adopted investment and spending policies for its endowment fund. The objective of these policies is to provide the Foundation a stable source of perpetual financial support for endowments while striving to maintain the real purchasing power of endowment fund principal with principal protection and protection of purchasing power having equal importance. Under the Foundation's policies, the endowment fund shall be invested in a diversified portfolio consisting of equity, fixed income, cash equivalents and other investments, which may reflect varying rates of returns.

Deposits

Custodial credit risk is the risk that, in the event of bank failure, the College's deposits may not be returned to it. The College's deposit policy requires that amounts in excess of any insurance limit be collateralized by the financial institution with appropriate pledged securities to protect funds which are held at the institution above the federal insurable level.

To provide an indication of the level of risk assumed by the College as of June 30, 2023 and 2022, the College's deposits are categorized below. Differences between the carrying amount and deposit amount are due to timing of transactions.

As of June 30, deposits were categorized as follows:

	2023		2022	
	Carrying Amount	Deposit Amount	Carrying Amount	Deposit Amount
College:				
Insured (FDIC)	$ 268,893	$ 264,682	$ 261,004	$ 257,293
Insured or Registered for Which Securities Held by the College or its Agent in the College's Name	5,690,823	6,762,426	1,629,567	2,228,488
Unsecured	-	-	-	-
	5,959,716	7,027,108	1,890,571	2,485,781
Foundation:				
Insured (FDIC)	91,786	91,786	156,922	156,922
Total Deposits	$ 6,051,502	$ 7,118,894	$ 2,047,493	$ 2,642,703

Investments

Interest Rate Risk. The College structures its investments to mature according to anticipated cash flow needs, avoiding the need to retire investments prior to maturity. The College primarily invests in short-term certificates of deposit, marketable treasury securities, and mortgage-backed securities.

NOTE 2 CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

Investments (Continued)

Credit Risk. The College funds are invested in instruments authorized by statute and are restricted to the following:

- Marketable Treasury securities (Treasury Bills)
- Mortgage-Backed Securities:
  Debt securities of the Federal Farm Credit System
  Debt securities of the Federal Home Loan Banks (FHLB) excluding zeros
  Debt securities of the Government National Mortgage Association (GNMA)
  Debt securities of the Federal National Mortgage Association (FNMA)
  Debt securities of the Federal Home Loan Mortgage Corporation (FHLMC) (excluding FHLMC Mortgage Cash Flow Obligations)
- Certificates of Deposit backed by acceptable collateral according to Missouri state statute

Concentration of Credit Risk. The College's investments are diversified by maturity date and several financial institutions are utilized as depositories of College funds.

Foreign Currency Risk. Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. The College does not have any investments with foreign currency risk exposure.

As of June 30, the College and Foundation had the following investments:

	2023			
Type	Fair Value	Book Value	Book Value Less Than One Year	Book Value Greater Than One Year (or Stocks)
College:				
Certificates of Deposit	$ 418,000	$ 418,000	$ 213,000	$ 205,000
U.S. Treasury Notes	29,842,300	29,842,300	8,024,158	21,818,142
Total	$ 30,260,300	$ 30,260,300	$ 8,237,158	$ 22,023,142
Foundation:				
Certificates of Deposit	$ 1,174,792	$ 1,174,792	$ 254,992	$ 919,800
Equities	572,023	572,023	-	572,023
Corporate Bonds	126,082	126,082	-	126,082
Mutual Funds	1,660,020	1,660,020	-	1,660,020
U.S. Treasury Notes	344,627	344,627	133,818	210,809
Total	$ 3,877,544	$ 3,877,544	$ 388,810	$ 3,488,734

NOTE 2 CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

Investments (Continued)

Type	2022 Fair Value	Book Value	Book Value Less Than One Year	Book Value Greater Than One Year (or Stocks)
College:				
Certificates of Deposit	$ 23,418,000	$ 23,418,000	$ 23,110,000	$ 308,000
U.S. Treasury Notes	9,902,279	9,902,279	6,452,834	3,449,445
Total	$ 33,320,279	$ 33,320,279	$ 29,562,834	$ 3,757,445
Foundation:				
Certificates of Deposit				
Equities	$ 282,665	$ 282,665	$ -	$ 282,665
Corporate Bonds	696,412	696,412	-	696,412
Mutual Funds	232,820	232,820	-	232,820
Total	3,269,167	3,269,167	-	3,269,167
	$ 4,481,064	$ 4,481,064	$ -	$ 4,481,064

Endowment Funds

The College invests endowment funds in the same manner as prescribed by their investment policy. The board has adopted an investment policy that is slightly more conservative than the restrictions established by the treasurer of the state of Missouri. The College may invest in FDIC insured or fully collateralized Certificates of Deposit as well as obligations of the U.S. Treasury and U.S. Government agencies. The Foundation additionally invests in marketable securities with readily determinable fair values and are stated at fair market value.

Unless otherwise restricted by the donors, the College expends realized net investment revenue for the purposes for which the various endowments were established. The Foundation expends funds from net realized and unrealized gains and losses as the Foundation Board deems prudent. The College, inclusive of Foundation investments, experienced net appreciation (depreciation) of approximately $365,096 and ($482,670) in fiscal years ending June 30, 2023 and 2022, respectively.

The total endowment accumulated net income and appreciation to the College for spending is as follows at June 30:

	College		Component Unit	
	2023	2022	2023	2022
Expendable Endowment	$ 508,174	$ 397,486	$ 768,431	$ 601,298
Unrestricted	-	-	942,690	876,281
Total	$ 508,174	$ 397,486	$ 1,711,121	$ 1,477,579

NOTE 3 ACCOUNTS RECEIVABLE

Accounts receivable as June 30 were composed of the following:

	2023 College
Student Charges (Net of Allowances)	$ 2,040,784
Federal Grants/Contracts	1,824,317
State Grants/Contracts	486
Interest Receivable	111,110
Other	168,685
Total	$ 4,145,382

	2022 College
Student Charges (Net of Allowances)	$ 1,924,839
Federal Grants/Contracts	2,218,631
State Grants/Contracts	2,944
Interest Receivable	30,675
Other	83,268
Total	$ 4,260,357

NOTE 4 LEASES RECEIVABLE

The College, acting as lessor, leases various real estate properties under long-term, noncancelable lease agreements. The leases expire at various dates through 2037 and provide for renewal options ranging from one to five years, and interest rates ranging from 0.33% and 1.17%. During the years ended June 30, 2023 and 2022, the College recognized lease revenue of $52,877 and $48,145, respectively. During the years ended June 30, 2023 and 2022, the College recognized lease interest revenue of $1,938 and $2,166, respectively. Future minimum lease payments receivables as of June 30, 2023, are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	$ 50,296	$ 1,669	$ 51,965
2025	47,703	1,412	49,115
2026	47,959	1,156	49,115
2027	48,272	898	49,170
2028	6,206	740	6,946
2028-2033	32,549	2,585	35,134
2033-2038	27,326	631	27,957
	$ 260,311	$ 9,091	$ 269,402

NOTE 5 FAIR VALUE OF FINANCIAL INSTRUMENTS

GASB standards established a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The fair value hierarchy is as follows:

Level 1 – Quoted prices (unadjusted) for identical assets or liabilities in active markets that the College has the ability to access as of the measurement date. Level 1 inputs would also include investments valued at prices in active markets that the College has access to where transactions occur with sufficient frequency and volume to provide reliable pricing information.

Level 2 – Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data.

Level 3 – Significant unobservable inputs that reflect a reporting entity's own assumptions about what participants would use in pricing an asset or liability.

A description of the valuation methodologies used for assets and liabilities measured at fair value, as well as the general classification of such instruments pursuant to the valuation hierarchy, is set forth below.

The following is a description of valuation methodologies used for assets recorded at fair value:

Cash Equivalents: Valued at cost, which approximates fair value.

Certificates of Deposit: Carried at cost, which approximates fair value.

Registered Investment Companies (Mutual Funds): Valued at quoted market process available on an active market which is based on the underlying net asset value (NAV) of shares held by the College at year-end.

U.S. Treasury: Valued using market approach to measuring fair value prices that considers relevant information generated by market transactions involving identical or similar assets or groups of assets and are classified within Level 2 of the fair value hierarchy.

Equities: Valued at quoted market process available on an active market which is based on the underlying net asset value (NAV) of shares held by the College at year-end.

NOTE 5 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

The preceding method described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future values. Furthermore, although the College believes its valuation methods are appropriate and consistent with the other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The table below presents the College's assets measured at fair value on a recurring basis as of the years ending June 30, aggregated by the level in the fair value hierarchy within which those measurements fall:

	2023			
	Level 1	Level 2	Level 3	Total
U.S. Treasury Notes	$ -	$ 29,842,300	$ -	$ 29,842,300
Total	$ -	$ 29,842,300	$ -	$ 29,842,300

	2022			
	Level 1	Level 2	Level 3	Total
U.S. Treasury Notes	$ -	$ 9,902,279	$ -	$ 9,902,279
Total	$ -	$ 9,902,279	$ -	$ 9,902,279

As of June 30, 2023 and 2022, the Foundation's corporate bonds are invested in government agencies that are rated Aaa, A3, and BAA2 by Moody's Investors Services ratings and AA+, BBB+ and BBB by *Standards & Poor's* ratings. The tables below present the Foundation's assets measured at fair value on a recurring basis as of the years ending June 30, aggregated by the level in the fair value hierarchy within which those measurements fall:

	2023			
	Level 1	Level 2	Level 3	Total
Mutual Funds	$ 1,660,020	$ -	$ -	$ 1,660,020
Corporate Bonds	126,082	-	-	126,082
Equities	572,023	-	-	572,023
U.S. Treasury Notes	-	344,627	-	344,627
Total	$ 2,358,125	$ 344,627	$ -	$ 2,702,752

	2022			
	Level 1	Level 2	Level 3	Total
Mutual Funds	$ 3,269,167	$ -	$ -	$ 3,269,167
Corporate Bonds	232,820	-	-	232,820
Equities	696,412	-	-	696,412
Total	$ 4,198,399	$ -	$ -	$ 4,198,399

NOTE 6 CHANGES IN CAPITAL ASSETS

Changes in capital assets for the year ended June 30, 2023 are summarized below:

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023
Capital Assets Not Being Depreciated or Amortized:				
Land	$ 528,200	$ -	$ -	$ 528,200
Capital Assets Being Depreciated or Amortized:				
Improvements (Other Than Buildings)	520,064	2,302,552	-	2,822,616
Buildings and Building Improvements	29,442,851	5,292,209	-	34,735,060
Construction in Progress	2,493,168	5,457,885	7,381,378	569,675
Equipment	4,420,757	295,503	53,958	4,662,302
Right-to-Use Asset	7,258,349	105,117	-	7,363,466
Subscription Asset	791,546	2,862,923	-	3,654,469
Subtotal	44,926,735	16,316,189	7,435,336	53,807,588
Total	45,454,935	16,316,189	7,435,336	54,335,788
Less: Accumulated Depreciation and Amortization:				
Improvements (Other than Buildings)	141,387	30,230	-	171,617
Buildings and Building Improvements	13,592,988	912,958	-	14,505,946
Equipment	1,878,730	329,634	46,621	2,161,743
Right-to-use asset	1,616,194	935,347	-	2,551,541
Subscription Asset	258,779	681,177	-	939,956
Total	17,488,078	2,889,346	46,621	20,330,803
Capital Assets, Net	$ 27,966,857	$ 13,426,843	$ 7,388,715	$ 34,004,985

Changes in capital assets for the year ended June 30, 2022 (as restated) are summarized below:

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022
Capital Assets Not Being Depreciated or Amortized:				
Land	$ 528,200	$ -	$ -	$ 528,200
Capital Assets Being Depreciated or Amortized:				
Improvements (Other than Buildings)	1,495,064	221,743	1,196,743	520,064
Buildings and Building Improvements	28,386,063	1,056,788	-	29,442,851
Construction in Progress	244,783	2,493,168	244,783	2,493,168
Equipment	4,140,325	719,607	439,175	4,420,757
Right-to-Use Asset	7,258,349	-	-	7,258,349
Subscription Asset	-	791,546	-	791,546
Subtotal	41,524,584	5,282,852	1,880,701	44,926,735
Total	42,052,784	5,282,852	1,880,701	45,454,935
Less: Accumulated Depreciation and Amortization:				
Improvements (Other Than Buildings)	1,317,190	20,940	1,196,743	141,387
Buildings and Building Improvements	12,738,147	854,841	-	13,592,988
Equipment	2,051,738	266,166	439,174	1,878,730
Right-to-Use Asset	696,906	919,288	-	1,616,194
Subscription Asset	-	258,779	-	258,779
Total	16,803,981	2,320,014	1,635,917	17,488,078
Capital Assets, Net	$ 25,248,803	$ 2,962,838	$ 244,784	$ 27,966,857

NOTE 7 LONG-TERM LIABILITIES

Long-term liability activity was as follows for the years ended June 30:

	2023				
	Balance July 1, 2022	Additions	Reductions	Balance June 30, 2023	Amounts Due Within One Year
Long-Term Liabilities					
Lease Liability	$ 5,823,704	$ 105,118	$ (874,534)	$ 5,054,288	$ 882,902
Subscription Liability	364,782	2,271,313	(675,647)	1,960,448	547,625
Accrued Postemployment Benefits	1,497,279	186,380	-	1,683,659	-
Net Pension Liability	4,499,319	12,298,636	-	16,797,955	-
Total	$ 12,185,084	$ 14,861,447	$ (1,550,181)	$ 25,496,350	$ 1,430,527

	2022 (As Restated)				
	Balance July 1, 2021	Additions	Reductions	Balance June 30, 2022	
Long-Term Liabilities					
Lease Liability	$ 6,646,742	$ -	$ (823,038)	$ 5,823,704	$ 859,730
Subscription Liability	-	791,546	(426,764)	364,782	231,807
Accrued Postemployment Benefits	1,549,177	-	(51,898)	1,497,279	-
Net Pension Liability	19,375,367	-	(14,876,048)	4,499,319	-
Total	$ 27,571,286	$ 791,546	$ (16,177,748)	$ 12,185,084	$ 1,091,537

NOTE 8 PENSION PLANS

The College participates in two retirement plans covering substantially all full-time employees and eligible part-time employees.

<u>Summary of Significant Accounting Policies</u>

Financial reporting information pertaining to the district's participation in the Public School Retirement System of Missouri and the Public Education Employee Retirement System of Missouri (PSRS and PEERS, also referred to as the Systems) is prepared in accordance with Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended.

NOTE 8 PENSION PLANS (CONTINUED)

Summary of Significant Accounting Policies (Continued)

The fiduciary net position, as well as additions to and deductions from the fiduciary net position, of PSRS and PEERS have been determined on the same basis as they are reported by the Systems. The financial statements were prepared using the accrual basis of accounting. Member and employer contributions are recognized when due, pursuant to formal commitments and statutory requirements. Benefits and refunds of employee contributions are recognized when due and payable in accordance with the statutes governing the Systems. Expenses are recognized when the liability is incurred, regardless of when payment is made. Investments are reported at fair value. The fiduciary net position is reflected in the measurement of the district's net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense. A Comprehensive Annual Financial Report (CAFR) can be obtained at www.psrs-peers.org.

Public School Retirement System of Missouri (PSRS)

General Information about the Pension Plan

Plan Description. PSRS is a mandatory cost-sharing multiple employer retirement system for all full-time certificated employees and certain part-time certificated employees of all public school districts in Missouri (except the school districts of St. Louis and Kansas City) and all public community colleges. PSRS also includes certificated employees of the Systems, Missouri State Teachers' Association, Missouri State High School Activities Association, and certain employees of the state of Missouri who elected to remain covered by PSRS under legislation enacted in 1986, 1987 and 1989. The majority of PSRS members are exempt from Social Security contributions. In some instances, positions may be determined not to be exempt from Social Security contributions. Any PSRS member who is required to contribute to Social Security comes under the requirements of Section 169.070 (9) RSMo, known as the “two-thirds statute.” PSRS members required to contribute to Social Security are required to contribute two-thirds of the approved PSRS contribution rate and their employer is required to match the contribution. The members’ benefits are further calculated at two-thirds the normal benefit amount.

PEERS is a mandatory cost-sharing multiple employer retirement system for all noncertificated public-school district employees (except the school districts of St. Louis and Kansas City), employees of the Missouri Association of School Administrators, and community college employees (except the Community College of St. Louis). Employees of covered districts who work 20 or more hours per week on a regular basis and who are not contributing members of PSRS must contribute to PEERS. Employees of the Systems who do not hold Missouri educator certificates also contribute to PEERS. PEERS was established as a trust fund by an Act of the Missouri General Assembly effective October 13, 1965. Statutes governing the System are found in Sections 169.600 - 169.715 and Sections 169.560-169.595 RSMo. The statutes place responsibility for the operation of PEERS on the Board of Trustees of PSRS.

NOTE 8 PENSION PLANS (CONTINUED)

Public School Retirement System of Missouri (PSRS) (Continued)

General Information about the Pension Plan (Continued)

Benefits Provided. PSRS is a defined benefit plan providing retirement, disability, and death/survivor benefits. Members are vested for service retirement benefits after accruing five years of service. Individuals who (a) are at least age 60 and have a minimum of 5 years of service, (b) have 30 years of service, or (c) qualify for benefits under the “Rule of 80” (service and age total at least 80) are entitled to a monthly benefit for life, which is calculated using a 2.5% benefit factor. Actuarially age-reduced benefits are available for members with five to 24.9 years of service at age 55. Members who are younger than age 55 and who do not qualify under the “Rule of 80” but have between 25 and 29.9 years of service may retire with a lesser benefit factor. Members that are three years beyond normal retirement can elect to have their lifetime monthly benefits actuarially reduced in exchange for the right to also receive a one-time partial lump sum (PLSO) payment at retirement equal to 12, 24, or 36 times the Single Life benefit amount.

PEERS is a defined benefit plan providing retirement, disability, and death benefits to its members. Members are vested for service retirement benefits after accruing five years of service. Individuals who (a) are at least age 60 and have a minimum of five years of service, (b) have 30 years of service, or (c) qualify for benefits under the “Rule of 80” (service and age total at least 80) are entitled to a monthly benefit for life, which is calculated using a 1.61% benefit factor. Members qualifying for "Rule of 80" or "30-and-out" are entitled to an additional temporary benefit until reaching minimum Social Security age (currently age 62), which is calculated using a 0.8% benefit factor. Actuarially age-reduced retirement benefits are available with five to 24.9 years of service at age 55. Members who are younger than age 55 and who do not qualify under the “Rule of 80” but have between 25 and 29.9 years of service may retire with a lesser benefit factor. Members that are three years beyond normal retirement can elect to have their lifetime monthly benefits actuarially reduced in exchange for the right to also receive a one-time partial lump sum (PLSO) payment at retirement equal to 12, 24, or 36 times the Single Life benefit amount.

NOTE 8 PENSION PLANS (CONTINUED)

Public School Retirement System of Missouri (PSRS) (Continued)

General Information about the Pension Plan (Continued)

Summary Plan Descriptions detailing the provisions of the plans can be found on the Systems' website at www.psrs-peers.org.

Cost-of-Living Adjustments (COLA). The board of trustees has established a policy of providing COLAs to both PSRS and PEERS members as follows:

- If the June to June change in the Consumer Price Index for All Urban Consumers (CPI-U) is less than 2% for consecutive one-year periods, a cost-of-living increase of 2% will be granted when the cumulative increase is equal to or greater than 2%, at which point the cumulative increase in the CPI-U will be reset to zero. For the following year, the starting CPI-U will be based on the June value immediately preceding the January 1 at which the 2% cost-of-living increase is granted.
- If the June to June change in the CPI-U is greater than or equal to 2%, but less than 5%, a cost-of-living increase of 2% will be granted.
- If the June to June change in the CPI-U is greater than or equal to 5%, a cost-of-living increase of 5% will be granted.
- If the CPI decreases, no COLA is provided.

For any PSRS member retiring on or after July 1, 2001, such adjustments commence on the second January after commencement of benefits and occur annually thereafter. For PEERS members, such adjustments commence on the fourth January after commencement of benefits and occur annually thereafter. The total of such increases may not exceed 80% of the original benefit for any member.

Contributions. PSRS members were required to contribute 14.5% of their annual covered salary during fiscal years 2021, 2022, and 2023. Employers were required to match the contributions made by employees. The contribution rate is set each year by the PSRS Board of Trustees upon the recommendation of the independent actuary within the contribution restrictions set in Section 169.030 RSMo. The annual statutory increase in the total contribution rate may not exceed 1% of pay.

PEERS members were required to contribute 6.86% of their annual covered salary during fiscal years 2021, 2022, and 2023. Employers were required to match the contributions made by employees. The contribution rate is set each year by the PSRS Board of Trustees upon the recommendation of the independent actuary within the contribution restrictions set in Section 169.030 RSMo. The annual statutory increase in the total contribution rate may not exceed 0.5% of pay.

The College's contributions to PSRS and PEERS were $1,602,792 and $309,257, respectively, for the year ended June 30, 2023. The College's contributions to PSRS and PEERS were $1,483,009 and $281,821, respectively, for the year ended June 30, 2022.

NOTE 8 PENSION PLANS (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2023, the College recorded a liability of $15,019,827 for its proportionate share of the PSRS net pension liability and $1,778,128 for its proportionate share of the PEERS net pension liability. In total the College recorded net pension liabilities of $16,797,955. The net pension liability for the plans in total was measured as of June 30, 2022, and determined by an actuarial valuation as of that date. The College's proportionate share of the total net pension liability was based on the ratio of its actual contributions paid to PSRS and PEERS of $1,483,009 and $281,741, respectively, for the year ended June 30, 2022, relative to the total contributions of $763,765,597 for PSRS and $133,912,935 for PEERS from all participating employers. At June 30, 2022, the College's proportionate share was 0.1942% for PSRS and 0.2104% for PEERS, and increase of 0.0015% and decrease of 0.0063% from the prior year, respectively.

For the year ended June 30, 2023, the College recognized pension expense of $1,109,918 for PSRS and $162,477 for PEERS, its proportionate share of the total pension expense. Pension expense is the change in the net pension liability from the previous reporting period to the current reporting period, less adjustments. This may be a negative expense (pension income).

At June 30, 2022, the College recorded a liability of $4,265,950 for its proportionate share of the PSRS net pension liability and $233,369 for its proportionate share of the PEERS net pension liability. In total the College recorded net pension liabilities of $4,499,319. The net pension liability for the plans in total was measured as of June 30, 2021, and determined by an actuarial valuation as of that date. The College's proportionate share of the total net pension liability was based on the ratio of its actual contributions paid to PSRS and PEERS of $1,435,326 and $272,459, respectively, for the year ended June 30, 2021, relative to the total contributions of $744,694,744 for PSRS and $125,712,392 for PEERS from all participating employers. At June 30, 2021, the College's proportionate share was 0.1927% for PSRS, an increase of 0.0012% from the previous year of 0.1915%. At June 30, 2021, the College's proportionate share was 0.2167% for PEERS, a decrease of 0.0175% from the previous year of 0.2342%.

For the year ended June 30, 2022, the College recognized pension expense (income) of ($759,626) for PSRS and ($111,599) for PEERS, its proportionate share of the total pension expense (income).

NOTE 8 PENSION PLANS (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

At June 30, 2023, the College reported deferred outflows of resources and deferred inflows of resources from the following sources related to PSRS and PEERS pension benefits:

	PSRS		PEERS		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Balance of Deferred Outflows and Inflows due to:						
Difference Between Expected and Actual Experience	$ 2,690,713	$ 221,092	$ 283,694	$ 1,886	$ 2,974,407	$ 222,978
Changes in Assumptions	980,180	-	66,469	-	1,046,649	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	433,106	-	44,252	-	477,358
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	191,665	49,608	-	98,995	191,665	148,603
Employer Contributions Subsequent to the Measurement Date	1,602,792	-	309,256	-	1,912,048	-
Total	$ 5,465,350	$ 703,806	$ 659,419	$ 145,133	$ 6,124,769	$ 848,939

At June 30, 2022, the College reported deferred outflows of resources and deferred inflows of resources from the following sources related to PSRS and PEERS pension benefits:

	PSRS		PEERS		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Balance of Deferred Outflows and Inflows due to:						
Difference Between Expected and Actual Experience	$ 1,593,579	$ 381,825	$ 135,010	$ 12,113	$ 1,728,589	$ 393,938
Changes in Assumptions	1,750,249	-	125,509	-	1,875,758	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	10,914,929	-	1,560,439	-	12,475,368
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	158,886	174,177	2,681	149,641	161,567	323,818
Employer Contributions Subsequent to the Measurement Date	1,483,009	-	281,821	-	1,764,830	-
Total	$ 4,985,723	$ 11,470,931	$ 545,021	$ 1,722,193	$ 5,530,744	$ 13,193,124

NOTE 8 PENSION PLANS (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Amounts reported as deferred outflows of resources resulting from contribution subsequent to the measurement date of June 30, 2023, will be recognized as a reduction to the net pension liability in the year ended June 30, 2024. Other amounts reported as collective deferred (inflows) /outflows of resources are to be recognized in pension expense as follows:

Year Ending June 30,	PSRS	PEERS	Total
2024	$ 493,578	$ 71,631	$ 565,209
2025	158,895	16,572	175,467
2026	(369,828)	(159,514)	(529,342)
2027	2,685,012	276,341	2,961,353
2028	191,095	-	191,095
Total	$ 3,158,752	$ 205,030	$ 3,363,782

Actuarial Assumptions

Actuarial valuations of the Systems involve assumptions about the probability of occurrence of events far into the future in order to estimate the reported amounts. Examples include assumptions about future employment, salary increases, and mortality. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Board of Trustees adopts actuarial assumptions, each of which individually represents a reasonable long-term estimate of anticipated experience for the Systems, derived from experience studies conducted every fifth year and from Board policies concerning investments and COLAs. The most recent comprehensive experience studies were completed in May 2021. All economic and demographic assumptions were reviewed and certain assumptions were updated, where appropriate, based on the results of the studies and effective with the June 30, 2021 valuation. Significant actuarial assumption and methods are detailed below. For additional information please refer to the Systems' Annual Comprehensive Financial Report (ACFR). The next experience studies are scheduled for 2026.

NOTE 8 PENSION PLANS (CONTINUED)

Actuarial Assumptions (Continued)

Significant actuarial assumptions and other inputs used to measure the total pension liability:

Measurement Date	June 30, 2022
Valuation Date	June 30, 2022
Expected Return on Investments	7.30%, net of investment expenses and including 2.00% inflation.
Inflation	2.00% per annum
Total Payroll Growth - PSRS	2.25% per annum, consisting of 2.00% inflation, 0.125% real wage growth due to the inclusion of active health care costs in pensionable earnings, and 0.125% of real wage growth due to productivity.
Total Payroll Growth - PEERS	2.50% per annum, consisting of 2.00% inflation, 0.25% real wage growth due to the inclusion of active health care costs in pensionable earnings, and 0.25% of real wage growth due to productivity.
Future Salary Increases - PSRS	2.625%-8.875%, depending on service and including 2.00% inflation, 0.125% real wage growth due to the inclusion of active health care costs in pensionable earnings, and 0.125% of real wage growth due to productivity, and real wage growth for merit.
Future Salary Increases - PEERS	3.25% - 9.75%, depending on service and including 2.00% inflation, 0.25% real wage growth due to the inclusion of active health care costs in pensionable earnings, 0.25% of real wage growth due to productivity, and real wage growth for merit.

NOTE 8 PENSION PLANS (CONTINUED)

Actuarial Assumptions (Continued)

Cost-of-Living Increases - PSRS and PEERS	Given that the actual increase in the CPI-U index from June 2021 to June 2022 was 9.06%, the Board approved an actual cost-of-living adjustment (COLA) as of January 1, 2023 of 5.00%, in accordance with the Board's funding policy and Missouri statutes, compared to an assumed COLA of 2.00%. Future COLAs assumed in the valuation are 2.00% as of January 1, 2024 and January 1, 2024, and 1.35% each January 1, thereafter. This COLA assumption is based on the 20-year stochastic analysis of inflation performed in the 2021 experience study, the application of the Board's COLA policy, and the short-term expectations of COLA due to recent CPI activity. It is also based on the current policy of the Board to grant a COLA on each January 1 as follows: - If the June to June change in the CPI-U is less than 2% for one or more consecutive one year periods, a cost-of-living increase of 2% will be granted when the cumulative increase is equal to or greater than 2%, at which point the cumulative increase in the CPI-U will be reset to zero. For the following year, the starting CPI-U will be based on the June value immediately preceding the January 1 at which the 2% cost-of-living increase is granted. - If the June to June change in the CPI-U is greater than or equal to 2%, but less than 5%, a cost-of-living increase of 2% will be granted. - If the June to June change in the CPI-U is greater than or equal to 5%, a cost-of-living increase of 5% will be granted. - If the CPI decreases, no COLA is provided.

NOTE 8 PENSION PLANS (CONTINUED)

Actuarial Assumptions (Continued)

Cost-of-Living Increases - PSRS and PEERS (Continued)	The COLA applies to service retirements and beneficiary annuities. The COLA does not apply to the benefits for in-service death payable to spouses (where the spouse is over age 60) and does not apply to the spouse with children pre- retirement death benefit, the dependent children pre-retirement death benefit, or the dependent parent death benefit. The total lifetime COLA cannot exceed 80% of the original benefit. PSRS member receive a COLA on the second January after retirement, while PEERS members receive a COLA on the fourth January after retirement.
Mortality Assumption Actives:	
PSRS	Experience-adjusted Pub-2010 Teachers Mortality Table for Employees with generational projection using the MP-2020 improvement scale. Experience adjustments are equal to the healthy retiree experience-based adjustment factors at all ages for both males and females.
PEERS	Experience-adjusted Pub-2010 General (Below-Median Income) Mortality Table for Employees with generational projection using the MP-2020 improvement scale. Experience adjustments are equal to the healthy retiree experience-based adjustment factors at all ages for both males and females.

NOTE 8 PENSION PLANS (CONTINUED)

Actuarial Assumptions (Continued)

Nondisabled Retirees, Beneficiaries, and Survivors

PSRS

Mortality rates for nondisabled retirees and beneficiaries are based on the Pub-2010 Teachers Mortality Table for Healthy Retirees and the Pub-2010 Teachers Mortality Table for Contingent Survivors, respectively. The tables are projected generationally using the MP-2020 improvement scale and multiplied by the experience-based adjustment factors shown in the tables below at all ages for both males and females.

	Males	Females
Non-Disabled	1.10	1.04
Contingent Survivor	1.18	1.07

PEERS Mortality rates for nondisabled retirees and beneficiaries are based on the Pub-2010 General (Below-Median Income) Mortality Table for Healthy Retirees and the Pub-2010 General (Below-Median Income) Mortality Table for Contingent Survivors, respectively. The tables are projected generationally using the MP-2020 improvement scale and multiplied by the experience-based adjustment factors shown in the tables below at all ages for both males and females.

	Males	Females
Non-Disabled	1.13	0.94
Contingent Survivor	1.01	1.07

Disabled Retirees:

PSRS and PEERS

Experience-adjusted Pub-2010 Teacher Disability Mortality Table, projected generationally using the MP-2020 improvement scale. Experience adjustments are equal to the healthy retiree experience-based adjustment factors at all ages for both males and females.

NOTE 8 PENSION PLANS (CONTINUED)

Actuarial Assumptions (Continued)

Changes in Actuarial Assumptions or Methods PSRS and PEERS	An experience study was completed in May 2021 resulting in updates to the actuarial assumptions for the June 30, 2021 valuation. There were no further updates to the actuarial assumptions and methods for the June 30, 2022 valuation.
Fiduciary Net Position	The Systems issue a publicly available financial report (ACFR) that can be obtained at www.psrs-peers.org.
Expected Rate of Return	The long-term expected rate of return on investments was determined in accordance with Actuarial Standard of Practice (ASOP) No. 27, *Selection of Economic Assumptions for Measuring Pension Obligations.* ASOP No. 27 provides guidance on the selection of an appropriate assumed rate of return. The long-term expected rate of return on the Systems' investments was determined using a building-block method in which best-estimate ranges of expected future real rates of returns (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long- term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Systems' target allocation as of June 30, 2022 are summarized below along with the long-term geometric return.

NOTE 8 PENSION PLANS (CONTINUED)

Actuarial Assumptions (Continued)

Asset Class	Target Asset Allocation	Long-Term Expected Real Return Arithmetic Basis
U.S. Public Equity	23.0%	4.81%
Public Credit	-	0.80%
Hedged Assets	6.0	2.39%
Non-U.S. Public Equity	16.0	6.88%
U.S. Treasuries	15.0	-0.02%
U.S. TIPS	-	0.29%
Private Credit	8.0	5.61%
Private Equity	21.0	10.90%
Private Real Estate	11.0	7.47%
Total	100.0%	

Discount Rate

The long-term expected rate of return used to measure the total pension liability was 7.3% as of June 30, 2022, and is consistent with the long-term expected geometric return on plan investments. The Board of Trustees adopted a new actuarial assumed rate of return of 7.3% effective with the June 30, 2021 valuations based on the actuarial experience studies conducted during the current fiscal year. The projection of cash flows used to determine the discount rate assumed that employer contributions would be made at the actuarially calculated rate computed in accordance with assumptions and methods stated in the funding policy adopted by the Board of Trustees, which requires payment of the normal cost and amortization of the unfunded actuarially accrued liability in level percent of employee payroll installments over 30 years utilizing a closed period, layered approach. Based on this assumption, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

NOTE 8 PENSION PLANS (CONTINUED)

Actuarial Assumptions (Continued)

Discount Rate Sensitivity

The sensitivity of the district's net pension liabilities to changes in the discount rate is presented below. The district's net pension liabilities calculated using the discount rate of 7.30% is presented as well as the net pension liabilities using a discount rate that is 1.0% lower (6.30%) or 1.0% higher (8.30%) than the current rate.

For the year ended June 30, 2023:

	Discount Rate	1% Decrease (6.30%)	Current Rate (7.30%)	1% Increase (8.30%)
PSRS	Proportionate Share of the Net Pension Liability/ (Asset)	$ 28,538,539	$ 15,019,827	$ 3,821,842
PEERS	Proportionate Share of the Net Pension Liability/ (Asset)	$ 3,565,996	$ 1,778,128	$ 285,887

For the year ended June 30, 2022:

	Discount Rate	1% Decrease (6.30%)	Current Rate (7.30%)	1% Increase (8.30%)
PSRS	Proportionate Share of the Net Pension Liability/ (Asset)	$ 17,174,394	$ 4,265,950	$ (6,421,585)
PEERS	Proportionate Share of the Net Pension Liability/ (Asset)	$ 1,976,172	$ 233,369	$ (1,221,038)

For the year ended June 30, 2023, the College recorded a payable to PSRS of $78,742, and had no payable to PEERS. For the year ended June 30, 2022, the College recorded a payable to PSRS of $58,841, and had no payable to PEERS.

NOTE 9 POSTRETIREMENT BENEFITS OTHER THAN PENSIONS

Effective July 1, 2017, Moberly Area Community College adopted Governmental Accounting Standards Board Statement No. 75 (GASB 75), *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pension (OPEB).* This statement requires the accounting for annual cost of other postemployment benefits and the related outstanding liability using an actuarial approach similar to pensions.

Plan Description

The College provides healthcare benefits to retirees and their dependents, including medical, life, dental and vision coverage and receives premium payments from the retirees for that coverage. The rates paid by retirees for benefits were lower than the costs of providing coverage. The difference between these amounts is the implicit rate subsidy, which is considered OPEB under GASB Statement No. 75.

NOTE 9 POSTRETIREMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Plan Description (Continued)

This plan does not issue stand-alone financial statements.

The following are the plan provisions:

Eligibility	Employees who are eligible for Normal or Early retirement under PSRS or PEERS. Normal retirement age is the earlier of age 60 with 5 years of service, age plus service equal to 80 points (Rule of 80), or any age with 30 years of service. Early retirement is age 55 with five years of service.
Dependents	Retirees may cover spouses and eligible dependent children. Surviving spouses can continue coverage after retiree's death.
OPEB Benefits	Medical including prescription drugs, dental and vision for retirees and their dependents. Retirees can continue coverage past Medicare eligibility age (age 65).
Cost Sharing	Medical contributions effective for July 1, 2022 are as follows:

	Active Rates		
	PPO	Flexpoint	HSA
Employee	850.00	743.00	613.00
Employee/Spouse	1,715.00	1,485.00	1,238.00
Employee/Children	1,503.00	1,300.00	1,085.00
Family	2,249.00	2,041.00	1,623.00

	Retiree Rates*		
	PPO	Flexpoint	HSA
Retiree	850.00	743.00	613.00
Retiree/Spouse	1,715.00	1,485.00	1,238.00

* Rates are the same for both Medicare eligible and Medicare ineligible retirees.

Dental contributions effective for July 1, 2022 are as follows:

	Active and Retiree Rates	
	Base Plan	Buy Up Plan
Employee	14.61	51.22
Employee/Spouse	29.22	102.41
Employee/Children	33.44	110.87
Family	50.54	170.03

NOTE 9 POSTRETIREMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Funding Policy

GASB Statement No. 75 does not require funding of the OPEB liability, and at this time, the liability for the College is unfunded. Contributions are made to this plan on a pay-as-you-go basis.

OPEB Liability, OPEB Expenses, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB

As of June 30, 2023 and 2022, the College recorded a liability of $1,683,659 and $1,497,279, respectively, related to OPEB. The measurement date to determine the actuarial valuation was performed as of June 30, 2023.

For the years ended June 30, 2023 and 2022, the College recognized OPEB expense of $139,855 and $156,287, respectively.

As of June 30, 2023, the College reported deferred outflows of resources and deferred inflows of resources from the following sources related to OPEB:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Balance of Deferred Outflows and Inflows Due to:		
Differences Between Expected and Actual Expenses	$ -	$ (56,720)
Changes of Assumptions	154,191	(152,016)
Total	$ 154,191	$ (208,736)

As of June 30, 2022, the College reported deferred outflows of resources and deferred inflows of resources from the following sources related to OPEB:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Balance of Deferred Outflows and Inflows Due to:		
Differences Between Expected and Actual Expenses	$ -	$ (65,929)
Changes of Assumptions	140,623	(175,764)
Total	$ 140,623	$ (241,693)

NOTE 9 POSTRETIREMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

OPEB Liability, OPEB Expenses, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB (Continued)

Amounts currently reported as deferred outflows of resources and deferred inflows of resources related to other postemployment benefits will be recognized in OPEB expense as follows:

Year Ending June 30,	Amount
2024	$ (6,116)
2025	(6,116)
2026	(6,116)
2027	(3,572)
2028	(6,310)
Thereafter	(26,315)
Total	$ (54,545)

The following were included in the analysis of OPEB as of June 30, 2023 and 2022:

Number of Members	
Active	236
Retired	19
Spouses of Retirees	8
Total	263

Average Age	
Active	46.3
Retired	68.9

NOTE 9 POSTRETIREMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Actuarial Assumptions

Discount Rate (Adopted 6/30/2023) The interest rate for discounting liabilities is 3.65% per annum based on the 20 year bond GO index at the fiscal year-end. The rate for the prior fiscal year was 3.54%.

Medical/Retiree Premium Inflation Rate

Year	Medical	Year	Medical
2022	5.80%	2035	4.50%
2023	6.10%	2040	4.30%
2024	6.40%	2045	4.30%
2025	5.80%	2050	4.30%
2026	5.20%	2055	4.30%
2027	4.60%	2060	4.30%
2028	4.50%	2065	4.20%
2029	4.50%	2070	4.00%
2030	4.40%	2073+	3.80%

The healthcare trends used in this valuation are based on long-term healthcare trends generated by the Getzen Model. The Getzen Model is the result of research sponsored by the Society of Actuaries and completed by a committee of economists and actuaries. This model is the current industry standard for projecting long-term medical trends. Inputs to the model are consistent with the assumptions used in deriving the discount rate used in the valuation.

Dental Premium Inflation Rate Inflation rate 4.00%

Salary Increase (Adopted 6/30/2014) Salary is assumed to increase at a rate of 3.00% per annum.

NOTE 9 POSTRETIREMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Actuarial Assumptions (Continued)

Healthy Mortality (Adopted 6/30/2022) Pub-2010 Teacher Mortality for Employees and Healthy Annuitants, with generational projection per Scale MP-2021.

Turnover Rates based on length of service:

Service	Rate
0	28.4%
1	16.1%
2	13.2%
3	10.8%
4	9.2%
5	7.6%
10	3.9%
15	2.2%
20	1.3%

Retirement (Adopted 6/30/2022)

	Rate	
Age	Eligible for Early Retirement	Eligible for Normal/ Unreduced
50-54	0.0%	20.0%
55-59	5.0%	20.0%
60-64	N/A	25.0%
65-69	N/A	35.0%
70 & Up	N/A	100.0%

Future Retiree Coverage 40% of employees who retire prior to age 65 are assumed to elect medical coverage under the plan.

Medicare eligible retirees:
Medicare eligible retirees and dependents are assumed to discontinue coverage under the plan when they reach age 65.

Non-Medicare eligible retirees:
20% of teachers hired prior to 1986 are assumed to never be eligible for Medicare. These employees are assumed to continue coverage under the plan after age 65. 20% of retired teachers, hired prior to 1986 and currently under age 65 are assumed to not be eligible for Medicare. These retirees are assumed to continue coverage under the plan after age 65.

NOTE 9 POSTRETIREMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Actuarial Assumptions (Continued)

Future Retiree Coverage (Continued)	**Dental Coverage**: Dental coverage is assumed to be elected at the rate of 40%. **Vision Coverage**: Vision coverage is not assumed to include a material subsidy for retirees.
Future Dependent Coverage	Current active members are assumed to elect spouse coverage at retirement as follows. All female spouses are assumed to be 3 years younger than males. Male-30% Female-30% No dependent children are assumed to be covered in retirement. These assumptions are based on statistics provided by the College.

Certain actuarial demographic assumptions are based on the assumptions used in the valuation of the Public School and Public Educational Employees Retirement Systems of Missouri.

Changes in the Other Postemployment Liability

	2023	2022
Balances as of Beginning of Year :	$ 1,497,279	$ 1,549,177
Changes for the Year:		
Service Cost	132,261	163,249
Interest on Total OPEB Liability	56,928	36,634
Effect of Plan Changes	-	-
Effect of Economic/Demographic Gains or Losses	-	(36,869)
Effect of Assumptions Changes or Inputs	40,408	(181,962)
Benefit Payments	(43,217)	(32,950)
Net Change in Total OPEB Liability	186,380	(51,898)
Total OPEB Liability, End of Year	$ 1,683,659	$ 1,497,279

NOTE 9 POSTRETIREMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Sensitivity Analysis

The following presents the total OPEB liability of the College for the year ended June 30, 2023, calculated using the discount rate of 3.65%, as well as what the College's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.65%) or 1 percentage point higher (4.65%) than the current rate.

	1% Decrease (2.65%)	Discount Rate (3.65%)	1% Increase (4.65%)
Total OPEB Liability	$ 1,849,380	$ 1,683,659	$ 1,537,591

The following presents the total OPEB liability of the College for the year ended June 30, 2022, calculated using the discount rate of 3.54%, as well as what the College's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.54%) or 1 percentage point higher (4.54%) than the current rate.

	1% Decrease (2.54%)	Discount Rate (3.54%)	1% Increase (4.54%)
Total OPEB Liability	$ 1,647,804	$ 1,497,279	$ 1,364,691

The following presents the total OPEB liability of the College for the year ended June 30, 2023, calculated using the current healthcare cost trend rates as well as what the College's total OPEB liability would be if it were calculated using trend rates that are 1 percentage point lower or 1 percentage point higher than the current trend rates.

	1% Decrease	Current Trend Rate	1% Increase
Total OPEB Liability	$ 1,477,216	$ 1,683,659	$ 1,933,523

The following presents the total OPEB liability of the College for the year ended June 30, 2022, calculated using the current healthcare cost trend rates as well as what the College's total OPEB liability would be if it were calculated using trend rates that are 1 percentage point lower or 1 percentage point higher than the current trend rates.

	1% Decrease	Current Trend Rate	1% Increase
Total OPEB Liability	$ 1,321,308	$ 1,497,279	$ 1,709,457

As of June 30, 2023 and 2022, the College had no payable for OPEB.

NOTE 10 NATURAL CLASSIFICATION

The College's and Foundation's operating expenses by natural classification were as follows for the year ended June 30, 2023:

	College	Foundation
Salaries	$ 15,398,956	$ -
Benefits	4,277,045	-
Supplies and Other Services	6,259,684	279,628
Utilities	606,204	-
Travel	590,263	-
Repairs and Maintenance	669,920	-
Financial aid Scholarships	3,329,689	87,606
Depreciation and Amortization	2,889,346	-
Total	$ 34,021,107	$ 367,234

The College's and Foundation's operating expenses by natural classification were as follows for the year ended June 30, 2022 (as restated):

	College	Foundation
Salaries	$ 14,200,263	$ -
Benefits	1,961,291	-
Supplies and Other Services	5,332,955	425,900
Utilities	560,578	-
Travel	368,902	-
Repairs and Maintenance	1,254,286	-
Financial aid Scholarships	7,623,008	86,195
Depreciation and Amortization	2,320,014	-
Total	$ 33,621,297	$ 512,095

NOTE 11 PROPERTY TAXES

Property taxes are billed in the fall of the year and are due and payable by December 31 of the same year. Property taxes are collected by the Randolph County collector who remits them to the College.

The total assessed valuation of the tangible taxable property located in the junior college district as of January 1, 2022 and 2021, upon which 2022 and 2021 tax rates of $.3328 and $.3328, respectively, per $100 of the assessed valuation was levied for purposes of local taxation, was $234,534,885 and $214,077,023, respectively.

The receipt of current and delinquent property taxes during the fiscal year ended June 30, 2023 and 2022, aggregated approximately 104.0% and 98.0%, respectively, of the current assessment computed on the basis of the levy as shown above.

NOTE 12 NET POSITION

Net position is presented in three categories, net investment in capital assets, restricted and unrestricted. The restricted category of the fund balance is created to either (a) satisfy legal covenants which require a portion of the fund balance to be segregated or (b) identify the portion of the fund balance that is not available for future appropriation. Specific classifications of net position are summarized below:

- Net Investment in Capital Assets - This classification accounts for the value of the College's capital assets net of accumulated depreciation and net of the related debt.
- Restricted for Nonexpendable Endowment - This classification accounts for funds received by the College with restricted purposes, with the principal amounts to be held in perpetuity.
- Restricted for Expendable Endowment - This classification accounts for funds received by the College but expendable for restricted purposes.
- Unrestricted - This classification accounts for the unreserved category after the designated accounts have been taken into consideration.

NOTE 13 LEASE AND SUBSCRIPTION OBLIGATIONS

The College leases building and office facilities for various terms under long-term, noncancelable lease agreements. The leases expire at various dates through 2036 and provide for renewal options ranging from one to five years, and interest rates ranging from 0.45% and 3.15%.

Future minimum annual payments leases are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	$ 882,902	$ 43,373	$ 926,275
2025	898,360	37,034	935,394
2026	828,748	30,422	859,170
2027	373,268	25,359	398,627
2028	384,681	20,947	405,628
2028-2033	1,055,025	60,489	1,115,514
2033-2036	631,304	11,372	642,676
Total	$ 5,054,288	$ 228,996	$ 5,283,284

The College contracts subscription-based information technology for operating activities for various terms under long-term, non-cancelable agreements. The agreements expire at various dates through 2027 and provide for annual renewal options, and interest rates ranging from 1.00% and 3.28%.

NOTE 13 LEASE AND SUBSCRIPTION OBLIGATIONS (CONTINUED)

Future minimum annual payments are as follows:

Year Ending June 30	Principal	Interest	Total
2024	$ 547,625	52,964	$ 600,589
2025	441,906	37,790	479,696
2026	470,508	22,813	493,321
2027	500,409	6,876	507,285
Total	$ 1,960,448	$ 120,443	$ 2,080,891

NOTE 14 COMMITMENTS AND CONTINGENCIES

The College is party to litigation and claims arising in the normal course of business. Management is not aware of any litigation or claims that would be material to the College.

The College conducts certain programs pursuant to various grants and contracts, which are subject to audit by various federal and state agencies. Costs questioned as a result of audits, if any, may result in refunds to these governmental agencies from various sources of the College.

NOTE 15 RISK MANAGEMENT

The College is exposed to various risks of loss related to torts: theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the College carries commercial insurance. During the last three years, the College has not reduced its coverage or had losses in excess of coverage.

NOTE 16 TAX ABATEMENTS

The College has adopted GASB 77, *Tax Abatement Disclosures.* This statement requires disclosures of tax abatement information including a description of agreements, gross dollars abated, and commitments made. The City of Moberly, Missouri has entered into agreements with various organizations under Section 135.200-135.260 (Enterprise Zones) and Section 353.1 IO (Urban Redevelopment) of state statutory authority. The tax abatement agreements provide for the abatement of real estate and personal property taxes. The assessed value of the property included in the Enterprise Zone and Urban Redevelopment for fiscal years 2023 and 2022 was $6,267,953 and $6,267,953, respectively. The total property taxes relating to the College abated in fiscal years 2023 and 2022 was $20,860, and $20,860, respectively.

MOBERLY AREA COMMUNITY COLLEGE
MOBERLY, MISSOURI
PUBLIC SCHOOL AND EDUCATION RETIREMENT SYSTEMS OF MISSOURI
YEAR ENDED JUNE 30, 2023

Schedule of Changes in Total OPEB Liability and Related Ratios

Total OPEB Liability	Fiscal Year Ending June 30, 2023	Fiscal Year Ending June 30, 2022	Fiscal Year Ending June 30, 2021	Fiscal Year Ending June 30, 2020	Fiscal Year Ending June 30, 2019	Fiscal Year Ending June 30, 2018
Service Cost	$ 132,261	$ 163,249	$ 143,376	$ 109,031	$ 91,390	$ 89,941
Interest on Total OPEB Liability	56,928	36,634	33,801	44,361	43,009	37,725
Effect of Economic/Demographic Gains or (Losses)	-	(36,869)	-	(48,421)	-	-
Effect of Assumption Changes or Inputs	40,408	(181,962)	7,353	161,026	43,067	(30,946)
Benefit Payments	(43,217)	(32,950)	(42,655)	(33,993)	(43,816)	(37,447)
Net Change in Total OPEB Liability	186,380	(51,898)	141,875	232,004	133,650	59,273
Total OPEB Liability - Beginning	1,497,279	1,549,177	1,407,302	1,175,298	1,041,648	982,375
Total OPEB Liability - Ending	$ 1,683,659	$ 1,497,279	$ 1,549,177	$ 1,407,302	$ 1,175,298	$ 1,041,648
Covered Payroll	$ 15,329,401	$ 13,900,000	$ 13,912,775	$ 14,293,412	$ 11,729,481	$ 11,729,481
Total OPEB Liability as a % of Covered Payroll	10.98%	10.77%	11.13%	9.85%	10.02%	8.88%

* These schedules are intended to show information for 10 years. Additional years will be displayed as they become available.

Notes to Schedule

1. Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

2023	3.65%
2022	3.54%
2021	2.16%
2020	2.21%
2019	3.50%
2018	3.87%
2017	3.58%

2. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.
3. There are no changes to benefit terms for the year ended June 30, 2023.

MOBERLY AREA COMMUNITY COLLEGE
MOBERLY, MISSOURI
PUBLIC SCHOOL AND EDUCATION RETIREMENT SYSTEMS OF MISSOURI
YEAR ENDED JUNE 30, 2023

Schedule of Proportionate Share of the Net Pension Liability and Related Ratios

Public School Retirement System of Missouri

Year Ended*	Proportion Share of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Actual Covered Member Payroll	Net Pension Liability (Asset) as a Percentage of Covered Payroll	Fiduciary Net Position as a Percentage Total Pension Liability
June 30, 2014	0.1943%	$ 7,971,304	$ 8,735,579	91.25%	89.34%
June 30, 2015	0.2014%	11,626,540	9,237,470	125.86%	85.78%
June 30, 2016	0.2016%	15,000,348	9,426,609	159.13%	82.18%
June 30, 2017	0.1908%	13,778,670	9,120,652	151.07%	83.77%
June 30, 2018	0.1893%	14,088,570	9,261,898	152.11%	84.06%
June 30, 2019	0.1921%	14,177,115	9,595,109	147.75%	84.62%
June 30, 2020	0.1915%	17,102,322	9,717,041	176.00%	82.01%
June 30, 2021	0.1927%	4,265,950	10,100,105	42.24%	95.81%
June 30, 2022	0.1942%	15,019,827	10,400,711	144.41%	86.04%

Public Education Employee Retirement System of Missouri

Year Ended*	Proportion Share of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Actual Covered Member Payroll	Net Pension Liability (Asset) as a Percentage of Covered Payroll	Fiduciary Net Position as a Percentage Total Pension Liability
June 30, 2014	0.2563%	$ 935,920	$ 3,737,079	25.04%	91.33%
June 30, 2015	0.2638%	1,395,254	3,955,390	35.27%	88.28%
June 30, 2016	0.2563%	2,056,385	3,958,246	51.95%	83.32%
June 30, 2017	0.2506%	1,911,955	4,026,744	47.48%	85.35%
June 30, 2018	0.2459%	1,900,100	4,090,709	46.45%	86.06%
June 30, 2019	0.2491%	1,970,284	4,192,211	47.00%	86.38%
June 30, 2020	0.2342%	2,273,045	4,215,068	53.93%	84.06%
June 30, 2021	0.2167%	233,369	3,971,720	5.88%	98.36%
June 30, 2022	0.2104%	1,778,128	4,107,022	43.29%	87.92%

Note: These schedules are intended to show information for 10 years. Additional years will be displayed as they become available.

* The data provided in the schedules is based as of the measurement date of Systems' net pension liability, which is as of the beginning of the College's fiscal year.

MOBERLY AREA COMMUNITY COLLEGE
MOBERLY, MISSOURI
PUBLIC SCHOOL AND EDUCATION RETIREMENT SYSTEMS OF MISSOURI
YEAR ENDED JUNE 30, 2023

Schedule of Employer Contributions

Public School Retirement System of Missouri

Year Ended	Statutorily Required Contribution	Actual Employer Contributions	Contributions Excess/ (Deficiency)	Covered Member Payroll	Contributions as a Percentage of Covered Payroll
June 30, 2010	$ 929,859	$ 929,859	$ -	$ 6,887,844	13.50%
June 30, 2011	1,020,676	1,020,676	-	7,280,543	14.00%
June 30, 2012	1,115,646	1,115,646	-	7,790,824	14.32%
June 30, 2013	1,193,415	1,193,415	-	8,331,334	14.32%
June 30, 2014	1,251,056	1,251,056	-	8,735,579	14.32%
June 30, 2015	1,322,280	1,322,280	-	9,237,470	14.31%
June 30, 2016	1,350,140	1,350,140	-	9,426,609	14.32%
June 30, 2017	1,305,485	1,305,485	-	9,120,652	14.31%
June 30, 2018	1,319,994	1,319,994	-	9,261,898	14.25%
June 30, 2019	1,367,421	1,367,421	-	9,594,209	14.25%
June 30, 2020	1,386,334	1,386,334	-	9,717,041	14.27%
June 30, 2021	1,435,326	1,435,326	-	10,100,105	14.21%
June 30, 2022	1,483,009	1,483,009	-	10,400,711	14.26%

Public Education Employee Retirement System of Missouri

Year Ended	Statutorily Required Contribution	Actual Employer Contributions	Contributions Excess/ (Deficiency)	Covered Member Payroll	Contributions as a Percentage of Covered Payroll
June 30, 2010	$ 168,123	$ 168,123	$ -	$ 2,586,508	6.50%
June 30, 2011	195,027	195,027	-	2,941,584	6.63%
June 30, 2012	225,204	225,204	-	3,282,857	6.86%
June 30, 2013	238,447	238,447	-	3,475,903	6.86%
June 30, 2014	256,363	256,363	-	3,737,079	6.86%
June 30, 2015	271,340	271,340	-	3,955,390	6.86%
June 30, 2016	271,536	271,536	-	3,958,246	6.86%
June 30, 2017	276,235	276,235	-	4,026,744	6.86%
June 30, 2018	280,623	280,623	-	4,090,709	6.86%
June 30, 2019	296,664	296,664	-	4,192,211	7.08%
June 30, 2020	289,154	289,154	-	4,215,068	6.86%
June 30, 2021	272,459	272,459	-	3,971,720	6.86%
June 30, 2022	281,741	281,741	-	4,107,022	6.86%

Note: These schedules are intended to show information for 10 years. Additional years will be displayed as they become available.

See Note 8 for factors that affect trends in the amounts reported, such as changes in benefit terms or assumptions. Contribution rates for PEERS and PSRS remained the same for the College for the years ended June 30, 2023, 2022, and 2021.

INDEPENDENT AUDITORS' 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*

Board of Trustees
Moberly Area Community College
Moberly, Missouri

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 financial statements of the business-type activities and the discretely presented component unit of Moberly Area Community College, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Moberly Area Community College's basic financial statements, and have issued our report thereon dated December 13, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Moberly Area Community College's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Moberly Area Community College's internal control. Accordingly, we do not express an opinion on the effectiveness of Moberly Area Community 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* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Moberly Area Community College's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

St. Louis, Missouri
December 13, 2023

MOBERLY AREA COMMUNITY COLLEGE
MOBERLY, MISSOURI
SCHEDULE OF FINDINGS
YEAR ENDED JUNE 30, 2023

Section I – Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

MOBERLY AREA COMMUNITY COLLEGE
MOBERLY, MISSOURI

SINGLE AUDIT REPORTS AND THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2023

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MOBERLY AREA COMMUNITY COLLEGE
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2023

MOBERLY AREA COMMUNITY COLLEGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2023

Federal Grantor/Pass-Through Grantor/ Program Title	Federal Assistance Listing Number	Pass-Through Grantor's Project No.	Program or Award Amount	Receipts or Revenue Recognized	Disbursements Expenditures
U.S. Department of Education					
Student Financial Assistance:					
FSEOG Grants	84.007	N/A	$ 117,750	$ 117,750	$ 117,750
Federal Work-Study	84.033	N/A	86,059	86,059	86,059
Federal Pell Grants	84.063	N/A	6,065,617	6,065,617	6,065,617
Federal Direct Student Loans	84.268	N/A	3,068,665	3,068,665	3,068,665
Total Student Financial Assistance				9,338,091	9,338,091
Passed through the Missouri Department of Education:					
Pathways for Teachers	84.048A	42702	7,701	7,701	7,701
Title II-C, Perkins	84.048A	13-24	284,761	283,909	283,909
Adult Basic Education	84.002A	N/A	425,857	425,857	425,857
Total Passed through the Missouri Department of Education				717,467	717,467
Education Stabilization Fund :					
COVID-19 Institutional Allocation	84.425F	N/A	9,590,011	1,410,767	1,410,767
Total Education Stabilization Fund				1,410,767	1,410,767
Total U.S. Department of Education				11,466,325	11,466,325
U.S. Department of Treasury					
Passed through the City of Columbia:					
COVID-19 Coronavirus State & Local Recovery Funds	21.027	N/A	1,370,339	186,742	186,742
Passed through the Missouri Department of Education:					
COVID-19 Coronavirus State & Local Recovery Funds	21.027	N/A	1,489,148	154,433	154,433
Total U.S. Department of Treasury				341,175	341,175
U.S. Department of Housing and Urban Development					
Passed through Missouri Department of Economic Development & Adair County:					
Community Development Block Grant	14.228	N/A	480,688	79,100	79,100
Total U.S. Department of Housing and Urban Development				79,100	79,100
U.S. Department of Labor					
Scaling Apprenticeships through Sector-Based Strategies					
Missouri Apprenticeships in Manufacturing Programs (MoAMP)					
Passed through St. Louis Community College:					
MOAMP	17.268	HG-33040-19-60-A-29	743,053	147,518	147,518
Total U.S. Department of Labor				147,518	147,518
U.S. Department of Agriculture					
Passed Through - Missouri Community College Association					
SkillUP	10.561	N/A	N/A	11,755	11,755
Total U.S. Department of Agriculture				11,755	11,755
National Science Foundation					
Passed Through - Lincoln University					
Robert Noyce Teach Scholarship Program	47.076	N/A	66,770	6,684	6,684
Total National Science Foundation				6,684	6,684
Total Federal Awards Expended				$ 12,052,557	$ 12,052,557

See accompanying Notes to Schedule of Expenditures of Federal Awards.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of expenditures of federal awards (the Schedule) of the Moberly Area Community College (the College) has been prepared in the format as set forth in Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The purpose of the Schedule is to present a consolidated summary of those expenditures of the College for the year ended June 30, 2023, which has been financed by the U.S. government (federal awards). For purposes of the Schedule, federal awards include all federal assistance and procurement relationships entered into directly and indirectly between the College and the federal government and sub-awards from nonfederal organizations made under federally sponsored agreements.

The accounting principles followed by the College and used in preparing the Schedule are as follows:

Expenses for direct costs are recognized as incurred using the accrual basis of accounting and the cost accounting principles contained in Uniform Guidance. Under those cost principles, certain types of expenses are not allowable or are limited as to reimbursement. Moreover, expenditures include a portion of costs associated with general College activities (facilities and administrative costs) which are allocated to awards under negotiated formulas commonly referred to as indirect cost rates. The College has elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 2 SUBRECIPIENTS

The College provided no federal awards to subrecipients during the year ended June 30, 2023.

CliftonLarsonAllen LLP
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INDEPENDENT AUDITORS' 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*

Board of Trustees
Moberly Area Community College
Moberly, Missouri

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 financial statements of the business-type activities and the discretely presented component unit of Moberly Area Community College, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Moberly Area Community College's basic financial statements, and have issued our report thereon dated December 13, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Moberly Area Community College's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Moberly Area Community College's internal control. Accordingly, we do not express an opinion on the effectiveness of Moberly Area Community 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* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Moberly Area Community College's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

St. Louis, Missouri
December 13, 2023

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Trustees
Moberly Area Community College
Moberly, Missouri

Report on Compliance for Each Major Federal Program

Qualified and Unmodified Opinions

We have audited Moberly Area Community College's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Moberly Area Community College's major federal programs for the year ended June 30, 2023. Moberly Area Community College's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Qualified Opinion on Student Financial Assistance Cluster

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, Moberly Area Community College complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on Student Financial Assistance Cluster for the year ended June 30, 2023.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, Moberly Area Community College complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2023.

Basis for Qualified and Unmodified Opinions

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative* Requirements*, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Moberly Area Community College and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Moberly Area Community College's compliance with the compliance requirements referred to above.

Matter(s) Giving Rise to Qualified Opinion on Student Financial Assistance Cluster

As described in the accompanying schedule of findings and questioned costs, Moberly Area Community College did not comply with requirements regarding Student Financial Assistance Cluster as described in finding number 2023-003 for Special Tests and Provisions.

Compliance with such requirements is necessary, in our opinion, for Moberly Area Community College to comply with the requirements applicable to that program.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Moberly Area Community College's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Moberly Area Community College's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Moberly Area Community College's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.

- identify and assess the risks of material noncompliance, 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 Moberly Area Community College's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- obtain an understanding of Moberly Area Community College's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Moberly Area Community College's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed other instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2023-001 and 2023-002. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on Moberly Area Community College's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. Moberly Area Community College's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2023-003 to be a material weakness.

A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2023-001 and 2023-002 to be significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on Moberly Area Community College's response to internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. Moberly Area Community College's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the business-type activities and discretely presented component unit of Moberly Area Community College as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Moberly Area Community College's basic financial statements. We have issued our report thereon, dated December 13, 2023, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

St. Louis, Missouri
December 13, 2023

MOBERLY AREA COMMUNITY COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023

Section I – Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unmodified			
Internal control over financial reporting:				
Material weakness(es) identified?		yes	x	no
Significant deficiency(ies) identified that are not considered to be material weakness(es)?		yes	x	none reported
Noncompliance material to financial statements noted?		yes	x	no

Federal Awards

Internal control over major programs:				
Material weakness(es) identified?	x	yes		no
Significant deficiency(ies) identified that are not considered to be material weakness(es)?	x	yes		none reported
Type of auditors' report issued on compliance for for major programs?	Qualified - Student Financial Assistance, Unmodified - COVID-19 Education Stabilization Fund			
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	x	yes		no

Identification of Major Programs:

Assistance Listing Numbers	Name of Federal Program or Cluster
84.425	COVID-19 Education Stabilization Fund
Various	Student Financial Assistance Cluster

Dollar threshold used to distinguish between type A and type B programs:	$750,000/$187,500			
Auditee qualified as low-risk auditee?	x	yes		no

Section II – Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

Section III – Findings and Questioned Costs – Major Federal Programs

2023 – 001: Common Origination and Disbursement

Federal Agency: US Department of Education

Federal Program Title: Student Financial Assistance Cluster

Assistance Listing Number: 84.063

Federal Award Identification Number and Year: Various

Award Period: July 1, 2022, to June 30, 2023

Type of Finding:

- Compliance, Other Matter
- Significant Deficiency in Internal Control over Compliance

Criteria or specific requirement: The Department of Education requires institutions to report the disbursement dates and amounts to the Common Origination and Disbursement (COD) system within 15 days of disbursing Pell (34 CFR 690.83(b)(2) and Direct Loan (34 CFR 685.309) funds to a student.

Condition: CLA noted 1 out of 40 COD disbursements tested, were not reported within the required 15 days to COD

Context: 1 of the 40 COD disbursements had applied dates greater than 15 days from the disbursement dates.

Questioned costs: None

Cause: The Student Financial Aid Office does not have a process in place to ensure all disbursements are reported within 15 days to COD.

Effect: Student interest accrues based on disbursement date reported to COD, thus interest calculation could be misstated due to the discrepancy in disbursement dates reported.

Repeat finding: No

Recommendation: CLA recommends that the student financial aid department review and revise processes and controls related to disbursements are reported to COD within 15 days of the disbursement date.

View of responsible official: Management agrees with the finding and has already implemented a corrective plan.

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

2023 – 002: Return of Title IV funds

Federal Agency: US Department of Education

Federal Program Title: Student Financial Assistance Cluster

Assistance Listing Number: 84.063, 84.268

Federal Award Identification Number and Year: Various

Award Period: July 1, 2022, to June 30, 2023

Type of Finding:

- Compliance, Other Matter
- Significant Deficiency in Internal Control over Compliance

Criteria or specific requirement: The Code of Federal Regulations, 34 CFR 668.22(j)(1), states that an institution must return the amount of title IV funds for which it is responsible as soon as possible but no later than 45 days after the date of the institution's determination that the student withdrew. Per Uniform Guidance 2 CFR 200.303, nonfederal entities receiving federal awards are required to establish and maintain internal controls designed to reasonably ensure compliance with federal laws, regulations, and program compliance requirements.

Condition: During testing of Return of Title IV funds, the College did not return Title IV funds within 45-days of the College's determination date

Context: During our testing of 40 student's Return of Title IV (R2T4) calculations, we noted 3 with refunds that were not returned within the 45-day requirement.

Questioned costs: None

Cause: The College has not implemented precise controls to ensure timely return of funds related to withdrawals

Effect: The College was not in compliance with the requirements to properly return refunds within the 45-day requirement.

Repeat finding: No

Recommendation: CLA recommends the College review its current procedures for Title IV funds and implement additional procedures to ensure refunds are returned timely.

View of responsible official: Management agrees with the finding and has already implemented a corrective plan.

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

2023 – 003: National Student Loan Data System

Federal Agency: US Department of Education

Federal Program Title: Student Financial Assistance Cluster

Assistance Listing Number: 84.007, 84.033, 84.063, 84.268

Federal Award Identification Number and Year: Various

Award Period: July 1, 2022, to June 30, 2023

Type of Finding:

- Material Noncompliance (Modified Opinion)
- Material Weakness in Internal Control over Compliance

Criteria or specific requirement: Per Uniform Guidance 2 CFR 200.303, nonfederal entities receiving federal awards are required to establish and maintain internal controls designed to reasonably ensure compliance with federal laws, regulations, and program compliance requirements. The Code of Federal Regulations, 34 CFR 682.610, states that institutions must report accurately the enrollment status of all students regardless of if they receive aid from the institution or not. Changes to said status are required to be reported within 30 days of becoming aware of the status change, or with the next scheduled transmission of statuses if the scheduled transmission is within 60 days.

Condition: The College did not properly report student enrollment changes for students who received federal student aid to the National Student Loan Data System (NSLDS).

Context: During our testing of 40 students, we noted student enrollment status changes were not properly reported or updated during the Spring 2023 term.

Questioned costs: None

Cause: The College did not have proper procedures in place to verify students' status in NSLDS matched the institutions records in a timely manner.

Effect: The College was not in compliance with the requirements to properly report student enrollment data correctly. Incorrect dates submitted to NSLDS may be used to determine the grace period for the repayment and interest of outstanding Title IV student loans.

Repeat finding: No

Recommendation: CLA recommends the College review current processes for reporting to NSLDS and implement procedures to ensure submissions are reported timely and accurately.

View of responsible official: Management agrees with the finding and has already implemented a corrective plan.