MOBERLY AREA COMMUNITY COLLEGE
MOBERLY, MISSOURI

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2024 AND 2023

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MOBERLY, MISSOURI
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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, 2024 and 2023, 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, 2024 and 2023, 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.

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.

Board of Trustees
Moberly Area Community College

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.

Board of Trustees
Moberly Area Community College

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 17, 2024, 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 17, 2024

Introduction

The management of Moberly Area Community 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, 2024, 2023 and 2022. 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 noncurrent 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,		
	2024	2023	2022 (As Restated)
Current Assets	$ 32,007,380	$ 18,953,398	$ 36,608,543
Noncurrent Assets	13,273,941	22,233,157	4,017,756
Capital Assets	33,267,055	34,004,985	27,966,857
Total Assets	78,548,376	75,191,540	68,593,156
Deferred Outflows	7,653,660	6,278,960	5,671,368
Current Liabilities	5,022,911	4,696,845	4,023,325
Noncurrent Liabilities	25,459,298	24,065,823	11,093,547
Total Liabilities	30,482,209	28,762,668	15,116,872
Deferred Inflows	563,520	1,301,063	13,728,718
Net Investment in Capital Assets	27,173,983	26,990,249	21,778,371
Restricted:			
Nonexpendable	423,178	423,178	423,178
Expendable	48,817	508,174	397,486
Unrestricted	27,510,329	23,485,168	22,819,899
Total Net Position	$ 55,156,307	$ 51,406,769	$ 45,418,934

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,		
	2024	2023	2022 (As Restated)
Operating Revenues	$ 14,661,153	$ 12,772,795	$ 11,146,910
Operating Expenses	36,619,765	34,021,107	33,621,297
Operating Loss	(21,958,612)	(21,248,312)	(22,474,387)
Nonoperating Revenues (Expenses)	25,606,640	25,926,797	30,995,444
Gain Before Other Revenues	3,648,028	4,678,485	8,521,057
Capital Gifts & Grants	101,510	1,309,350	357,200
Increase in Net Position	3,749,538	5,987,835	8,878,257
Net Position - Beginning of Year	51,406,769	45,418,934	36,540,677
Net Position - End of Year	$ 55,156,307	$ 51,406,769	$ 45,418,934

	June 30,		
	2024	2023	2022 (As Restated)
Operating Revenues:			
Student Tuition and Fees, Net of Scholarship Allowances	$ 10,870,260	$ 9,822,204	$ 8,702,378
Auxiliary Enterprises	2,591,611	2,155,255	1,793,467
Contracts and Grants	890,779	546,199	489,957
Other	308,503	249,137	161,108
Total Operating Revenues	$ 14,661,153	$ 12,772,795	$ 11,146,910
Nonoperating Revenues (Expenses):			
Local Property Taxes	$ 856,805	$ 814,238	$ 728,852
State Aid and Grants	9,515,953	9,803,444	8,086,763
Investment Income	1,646,348	488,607	(26,077)
Interest Expense	(103,045)	(98,787)	(57,019)
Gifts and Grants	13,698,525	14,880,253	22,262,925
Loss on Sale of Fixed Assets	(7,946)	39,042	-
Total Nonoperating Revenues (Expenses)	$ 25,606,640	$ 25,926,797	$ 30,995,444

The following is the College's FY 2024, 2023 and 2022 operating expenses by function:

	June 30,		
	2024	2023	2022 (As Restated)
Operating Expenses:			
Salaries and Benefits	$ 21,442,479	$ 19,676,001	$ 16,161,554
Supplies and Other Services	8,518,365	8,126,071	7,516,721
Depreciation and Amortization	3,311,342	2,889,346	2,320,014
Financial Aid and Scholarships	3,347,579	3,329,689	7,623,008
Total Operating Expenses	$ 36,619,765	$ 34,021,107	$ 33,621,297

In addition, the following represents the FY 2024, 2023 and 2022 operating expenses of the College by program classification:

	June 30,		
	2024	2023	2022 (As Restated)
Operating Expenses:			
Instruction	$ 12,789,659	$ 11,918,223	$ 10,447,080
Academic Support	3,080,672	2,901,814	2,537,213
Student Services	4,696,109	4,070,043	3,307,913
Institutional Support	4,068,071	3,777,648	3,112,372
Student Financial Aid	3,347,578	3,329,689	7,623,008
Plant and Maintenance	2,766,148	2,857,614	2,432,070
Auxiliary	2,560,186	2,276,730	1,841,627
Depreciation	3,311,342	2,889,346	2,320,014
Total Operating Expenses	$ 36,619,765	$ 34,021,107	$ 33,621,297

During the year ended June 30, 2024, the College saw an increase in net position of $3,749,535, compared to increases of $5,987,835 and $8,878,257 in the two preceding years. Several factors contributed to these changes.

In the year ending June 30, 2024, the College benefited from higher Non-operating Revenues classified as Investment Income, thanks to favorable market rates compared to previous years.

Nonoperating Revenues classified as Gifts and Grants were exceptionally high in the year ending June 30, 2022. During that year, the College received Coronavirus Aid, Relief, and Economic Security Act (CARES) grant funds, which were used for operating expenses in the form of Financial Aid and Scholarships to students, as well as relief funds to offset decreased Operating Revenues and increased Operating Expenses due to the pandemic.

The College also received private Capital Gifts and Grants during the fiscal years ending June 30, 2024, 2023, and 2022. These funds were used to build a dormitory addition to meet student needs and to renovate the Marie O'Keefe Health Sciences Center for state-of-the-art instruction. The largest contributions were received in the year ending June 30, 2023, during the height of these projects.

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,		
	2024	2023	2022 (As Restated)
Cash Provided (Used) by:			
Operating Activities	$ (18,081,835)	$ (18,504,619)	$ (21,445,903)
Noncapital Financing Activities	23,981,917	25,957,231	32,002,394
Capital and Related Financing Activities	(3,504,557)	(6,851,619)	(5,196,142)
Investing Activities	(1,932,623)	3,468,151	(7,118,984)
Net Increase (Decrease) in Cash	462,902	4,069,144	(1,758,635)
Cash - Beginning of Year	5,959,716	1,890,572	3,649,207
Cash - End of Year	$ 6,422,618	$ 5,959,716	$ 1,890,572

Capital and Debt Activities

During the year ended June 30, 2024, 2023 and 2022, the College spent $2,321,328, $5,966,771, and $4,246,522, respectively, on equipment, building improvements, and leasehold improvements.

The College's investment in capital assets net of accumulated depreciation as of June 30, 2024, 2023 and 2022 amounted to $33 million, $34 million, and $28 million, respectively. This investment includes land, buildings, equipment, improvements, right-of-use assets, and subscription assets..

	June 30,		
	2024	2023	2022 (As Restated)
Property, Plant, and Equipment:			
Land	$ 528,200	$ 528,200	$ 528,200
Improvements (Other Than Buildings)	3,429,862	2,650,999	378,677
Buildings and Improvements	20,604,399	20,229,114	15,849,863
Construction in Progress	94,469	569,675	2,493,168
Equipment	2,486,590	2,500,559	2,542,027
Right-of-use asset	4,136,051	4,811,925	5,642,155
Subscription Asset	1,987,484	2,714,513	532,767
Net Capital Assets	$ 33,267,055	$ 34,004,985	$ 27,966,857

The College had no debt during the years ended June 30, 2024, 2023 and 2022.

Economic Outlook

The College's financial health is closely linked to the economic conditions of the State and, to a lesser extent, the County. Over the fiscal years ending June 30, 2024, 2023, and 2022, the College's annual state appropriations have risen by $0.5 million, $0.5 million, and $1.6 million, respectively. Additionally, with the availability of federal American Rescue Plan Act (ARPA) funds to the State of Missouri due to the Coronavirus pandemic, the College has secured additional multi-year pass-through grants for workforce development.

Student tuition and regular fees have seen average increases of 2.9% for FY2425 and 3.3% for FY2324.

As technology advances, the College is leveraging these developments. In October 2022, a new cloud-based ERP software system was introduced, enabling ongoing improvements in functionality to stay aligned with the evolving higher education landscape. Additionally, instructional technology has been further utilized to broaden access to online and virtual learning.

Over the past three years (2024, 2023, and 2022), the College has invested in several capital improvement projects to better serve students. These include a significant renovation of a health sciences instructional center and the addition of a dormitory to accommodate more students.

In recent years, the College has expanded its program offerings to reach a wider range of students. New programs include CDL (truck driving) and Veterinary Technology, with an Aviation Technology program currently in development. Customized training programs have also grown significantly to meet the needs of regional employers.

Additionally, the College has introduced new sports programs to attract students in the region, including baseball, softball, and esports.

These measures have enabled the College to remain well-positioned to address the evolving needs of its students in the coming years.

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, 2024 AND 2023

	College		Component Unit	
	6/30/2024	6/30/2023	6/30/2024	6/30/2023
ASSETS				
Current Assets:				
Cash and Cash Equivalents	$ 6,422,618	$ 5,959,716	$ 219,235	$ 91,786
Short-Term Investments	20,694,282	8,237,158	423,868	388,810
Accounts Receivable, Net of $2,254,191 and $2,583,372 Allowance for Doubtful Accounts, Respectively	4,215,646	4,145,382	2,455	2,408
Current Portion of Lease Receivable	47,703	50,296	-	-
Inventories	144,386	164,646	-	-
Prepaid Expenses	482,745	396,200	-	-
Total Current Assets	32,007,380	18,953,398	645,558	483,004
Noncurrent Assets:				
Long-Term Investments	13,111,630	22,023,142	4,011,300	3,488,734
Long-Term Lease Receivable	162,311	210,015	-	-
Capital Assets, Net	33,267,055	34,004,985	-	-
Total Noncurrent Assets	46,540,996	56,238,142	4,011,300	3,488,734
Total Assets	78,548,376	75,191,540	4,656,858	3,971,738
DEFERRED OUTFLOWS				
Deferred Outflows Related to Pension	7,405,562	6,124,769	-	-
Deferred Outflows Related to OPEB	248,098	154,191	-	-
Total Deferred Outflows	7,653,660	6,278,960	-	-
LIABILITIES				
Current Liabilities:				
Accounts Payable	795,303	734,413	65,230	86,855
Accrued Liabilities	2,354	946	-	-
Retainage Payable	110,969	-	-	-
Accrued Unpaid Vacation	1,726,842	1,524,780	-	-
Deposits Held for Others	76,205	120,937	-	-
Unearned Revenue	934,581	885,242	-	-
Current Portion of Lease Liability	934,751	882,902	-	-
Current Portion of Subscription Liability	441,906	547,625		
Total Current Liabilities	5,022,911	4,696,845	65,230	86,855
Noncurrent Liabilities:				
Long-Term Lease Liability	3,486,069	4,171,386	-	-
Long-Term Subscription Liability	970,917	1,412,823		
Accrued Postemployment Benefits	1,924,131	1,683,659	-	-
Net Pension Liability	19,078,181	16,797,955	-	-
Total Noncurrent Liabilities	25,459,298	24,065,823	-	-
Total Liabilities	30,482,209	28,762,668	65,230	86,855
DEFERRED INFLOWS				
Deferred Inflows Related to Pension	149,148	848,939	-	-
Deferred Inflows Related to Leases	195,716	243,388	-	-
Deferred Inflows Related to OPEB	218,656	208,736	-	-
Total Deferred Inflows	563,520	1,301,063	-	-
NET POSITION				
Net Investment in Capital Assets	27,173,983	26,990,249	-	-
Restricted for:				
Nonexpendable Endowment	423,178	423,178	2,249,920	1,937,068
Expendable Endowment	48,817	508,174	1,035,068	768,431
Unrestricted	27,510,329	23,485,168	1,306,640	1,179,384
Total Net Position	$ 55,156,307	$ 51,406,769	$ 4,591,628	$ 3,884,883

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, 2024 AND 2023

	College		Component Unit	
	6/30/2024	6/30/2023	6/30/2024	6/30/2023
REVENUES				
Operating Revenues:				
Student Tuition and Fees, Net of Scholarship Allowances of $8,342,189 and $8,282,646, Respectively	$ 10,870,260	$ 9,822,204	$ -	$ -
Auxiliary Enterprises:				
Bookstore, Cafeteria, Housing, Net of Scholarship Allowances of $295,561 and $276,515, Respectively	2,591,611	2,155,255	-	-
Contracts and Grants from Government Sources	864,354	520,348	-	-
Contracts and Grants from Private Sources	26,425	25,851	-	-
Other Operating Revenues	308,503	249,137	-	-
Total Operating Revenues	14,661,153	12,772,795	-	-
EXPENSES				
Operating Expenses:				
Instruction	12,789,659	11,918,223	-	-
Academic Support	3,080,672	2,901,814	-	-
Student Services	4,696,109	4,070,043	-	-
Institutional Support	4,068,071	3,777,648	71,770	279,628
Student Financial Aid	3,347,578	3,329,689	69,754	87,606
Plant Maintenance	2,766,148	2,857,614	-	-
Auxiliary	2,560,186	2,276,730	-	-
Depreciation and amortization	3,311,342	2,889,346	-	-
Total Operating Expenses	36,619,765	34,021,107	141,524	367,234
Operating Loss	(21,958,612)	(21,248,312)	(141,524)	(367,234)
NONOPERATING REVENUES (EXPENSES)				
Local Property Tax Revenue	856,805	814,238	-	-
State Aid and Grants	9,255,805	9,579,089	-	-
Investment Income	1,646,348	488,607	458,220	377,176
Interest Expense	(103,045)	(98,787)	-	-
Vocational Funding	260,148	224,355	-	-
Gifts and Grants from Government Sources	13,354,723	14,656,012	-	-
Gifts and Grants from Private Sources	343,802	224,241	77,198	253,120
Gain (Loss) on Sale of Fixed Assets	(7,946)	39,042	-	-
Total Nonoperating Revenues (Expenses)	25,606,640	25,926,797	535,418	630,296
Gain Before Other Revenues, Expenses, Gains, or Losses	3,648,028	4,678,485	393,894	263,062
CAPITAL GIFTS AND GRANTS	101,510	1,309,350	-	-
ADDITIONS (REDUCTIONS) TO PERMANENT ENDOWMENTS	-	-	312,851	(927,531)
INCREASE IN NET POSITION	3,749,538	5,987,835	706,745	(664,469)
Net Position - Beginning of Year	51,406,769	45,418,934	3,884,883	4,549,352
NET POSITION - END OF YEAR	$ 55,156,307	$ 51,406,769	$ 4,591,628	$ 3,884,883

See accompanying Notes to Financial Statements.

MOBERLY AREA COMMUNITY COLLEGE
MOBERLY, MISSOURI
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2024 AND 2023

	College	
	6/30/2024	6/30/2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Tuition and Fees	$ 10,764,852	$ 9,617,651
Payments to Suppliers	(8,022,394)	(8,077,526)
Payments for Utilities	(606,605)	(608,691)
Payments to Employees	(15,973,767)	(15,189,779)
Payments for Benefits	(4,858,194)	(4,256,331)
Payments for Financial Aid and Scholarships	(3,347,578)	(3,329,689)
Auxiliary Enterprise Collections:		
Bookstore, Vending, Cafeteria, and Housing	2,602,697	2,182,845
Contracts and Grants from Government Sources	864,354	520,348
Contracts and Grants from Private Sources	26,425	25,851
Other Receipts (Payments)	468,375	610,702
Net Cash Used by Operating Activities	(18,081,835)	(18,504,619)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Local Property Taxes	856,805	814,238
State Aid and Grants	9,255,805	9,579,089
Gifts and Grants Other Than Capital	13,869,307	15,563,904
Net Cash Provided by Noncapital Financing Activities	23,981,917	25,957,231
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of Capital Assets	(2,321,929)	(8,927,474)
Proceeds of Capital Debt	261,321	2,376,431
Principal Paid on Capital Debt, Leases, and Subscriptions	(1,442,414)	(1,550,181)
Interest paid on Capital Debt and Leases, and Subscriptions	(103,045)	(98,787)
Private Gifts for Endowment Purposes	101,510	1,309,350
Proceeds from sale	-	39,042
Net Cash Used by Capital and Related Financing Activities	(3,504,557)	(6,851,619)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from the Sale and Maturities of Investments	28,159,987	33,225,279
Investment Income	1,612,989	408,172
Purchase of Investments	(31,705,599)	(30,165,300)
Net Cash Provided (Used) by Investing Activities	(1,932,623)	3,468,151
NET INCREASE (DECREASE) IN CASH	462,902	4,069,144
Cash - Beginning of Year	5,959,716	1,890,572
CASH - END OF YEAR	$ 6,422,618	$ 5,959,716

See accompanying Notes to Financial Statements.

MOBERLY AREA COMMUNITY COLLEGE
MOBERLY, MISSOURI
STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED JUNE 30, 2024 AND 2023

	College	
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES	6/30/2024	6/30/2023
Operating Loss	$ (21,958,612)	$ (21,248,312)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:		
Depreciation and Amortization Expense	3,311,342	2,889,346
Changes in Assets and Liabilities:		
Receivables, Net	180,591	(71,926)
Inventories	20,260	(64,077)
Other Assets	(86,545)	345,135
Accounts Payable and Other Current Liabilities	71,169	284,053
Deferred Outflows Related to Pension	(1,280,793)	(594,024)
Deferred Outflows Related to OPEB	(93,907)	(13,568)
Deferred Inflows Related to Pension	(699,791)	(12,344,185)
Deferred Inflows Related to Leases	(47,672)	(50,513)
Deferred Inflows Related to OPEB	9,920	(32,957)
Net Pension and OPEB Liability	2,520,698	12,485,016
Unearned Revenue	(28,495)	(88,607)
Net Cash Used by Operating Activities	$ (18,081,835)	$ (18,504,619)
NONCASH INVESTING, NONCAPITAL FINANCING, AND CAPITAL AND RELATED FINANCING TRANSACTIONS		
Capital Assets Acquired through Leases and Subscriptions	$ (179,948)	$ 2,968,040
Capital Asset Additions included in accounts payable	259,429	-
Total	$ 79,481	$ 2,968,040

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, 2024 and 2023 from the Moberly taxing district on taxes levied for calendar years 2023 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)

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

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.

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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 2019 through 2023. 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.

NOTE 2 CASH, CASH EQUIVALENTS, AND INVESTMENTS

As of June 30, 2024 and 2023, the carrying amounts of cash and cash equivalents on the statement of net position total $6,422,618 and $5,959,716, respectively, and consists of cash deposits, cash on hand, short-term CD's, and money market accounts. The bank balances of the College's cash deposits totaled $5,959,716 and $7,027,108 for the years ending June 30, 2024 and 2023, respectively. The College's bank balances as of June 30, 2024 and 2023, 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, 2024, $219,235 was insured by the FDIC. Of the bank balances of the Foundation's cash deposits as of June 30, 2023, $91,786 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, 2024 and 2023, 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, 2024 and 2023, deposits were categorized as follows:

	2024		2023	
	Carrying Amount	Deposit Amount	Carrying Amount	Deposit Amount
College:				
Insured (FDIC)	$ 263,769	$ 260,809	$ 268,893	$ 264,682
Insured or Registered for Which Securities Held by the College or its Agent in the College's Name	6,158,849	4,690,195	5,690,823	6,762,426
Unsecured	-	-	-	-
Total	6,422,618	4,951,004	5,959,716	7,027,108
Foundation:				
Insured (FDIC)	219,235	219,235	91,786	91,786
Insured or Registered for Which Securities Held by the Foundation or its Agent in the Foundation's Name	-	-	-	-
Total Deposits	$ 6,641,853	$ 5,170,239	$ 6,051,502	$ 7,118,894

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, 2024 and 2023, the College had the following investments:

	2024			
Type	Fair Value	Book Value	Book Value Less Than One Year	Book Value Greater Than One Year (or Stocks)
College:				
Certificates of Deposit	$ 392,000	$ 392,000	$ 50,000	$ 342,000
U.S. Treasury Notes	33,413,912	33,413,912	20,644,282	12,769,630
Total	$ 33,805,912	$ 33,805,912	$ 20,694,282	$ 13,111,630
Foundation:				
Certificates of Deposit	$ 1,553,241	$ 1,553,241	$ 263,336	$ 1,289,905
Equities	868,967	868,967	-	868,967
Corporate Bonds	128,849	128,849	25,075	103,773
Mutual Funds	1,669,354	1,669,354	-	1,669,355
U.S. Treasury Notes	214,757	214,757	135,457	79,300
Total	$ 4,435,168	$ 4,435,168	$ 423,868	$ 4,011,300

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

Investments (Continued)

	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
Equities	-	-	-	-
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

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 $15,633 and $8,227 in fiscal years ending June 30, 2024 and 2023, respectively.

NOTE 3 ACCOUNTS RECEIVABLE

Accounts receivable as June 30, 2024 and 2023, was composed of the following:

	2024 College
Student Charges (Net of Allowances)	$ 2,117,697
Federal Grants/Contracts	1,535,190
State Grants/Contracts	-
Interest Receivable	144,469
Other	418,290
Total	$ 4,215,646

	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

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 0.45% and 1.17%. During the years ended June 30, 2024 and 2023, the College recognized $47,672 and $1,669, and $52,877 and $1,938 in lease revenue and interest revenue, respectively, pursuant to these contracts. Future minimum lease payments receivables as of June 30, 2024, are as follows:

Year Ending June 30	Principal	Interest	Total
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
2029	6,279	667	6,946
2029-2034	33,281	2,200	35,481
2034-2039	20,314	348	20,662
	$ 210,014	$ 7,421	$ 217,435

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 Plan at year-end.

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 Plan at year-end.

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.

NOTE 5 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

The table below presents the College's assets measured at fair value on a recurring basis as of the years ending June 30, 2024 and 2023, aggregated by the level in the fair value hierarchy within which those measurements fall:

	2024			
	Level 1	Level 2	Level 3	Total
U.S. Treasury Notes	$ -	$ 33,413,912	$ -	$ 33,413,912
Total	$ -	$ 33,413,912	$ -	$ 33,413,912

	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

As of June 30, 2024 and 2023, 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 presents the Foundation's assets measured at fair value on a recurring basis as of the years ending June 30, 2024 and 2023, aggregated by the level in the fair value hierarchy within which those measurements fall:

	2024			
	Level 1	Level 2	Level 3	Total
Mutual Funds	$ 1,669,354	$ -	$ -	$ 1,669,354
Corporate Bonds	128,849	-	-	128,849
Equities	868,967	-	-	868,967
U.S. Treasury Notes	-	214,757	-	214,757
Total	$ 2,667,170	$ 214,757	$ -	$ 2,881,927

	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

NOTE 6 CHANGES IN CAPITAL ASSETS

Changes in capital assets for the year ended June 30, 2024 are summarized below:

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024
Capital Assets Not Being Depreciated or Amortized :				
Land	$ 528,200	$ -	$ -	$ 528,200
Construction in Progress	569,675	94,469	569,675	94,469
Capital Assets Being Depreciated or Amortized:				
Improvements (Other Than Buildings)	2,822,616	1,023,992	-	3,846,608
Buildings and Building Improvements	34,735,060	1,430,305	-	36,165,365
Equipment	4,662,302	342,237	21,740	4,982,799
Right-of-Use Asset	7,363,466	260,027	155,138	7,468,355
Subscription Asset	3,654,469	-	284,837	3,369,632
Subtotal	53,237,913	3,056,561	461,715	55,832,759
Total	54,335,788	3,151,030	1,031,390	56,455,428
Less: Accumulated Depreciation and Amortization:				
Improvements (Other than Buildings)	171,617	245,129	-	416,746
Buildings and Building Improvements	14,505,946	1,055,020	-	15,560,966
Equipment	2,161,743	348,260	13,794	2,496,209
Right-of-use asset	2,551,541	935,901	155,138	3,332,304
Subscription Asset	939,956	727,032	284,840	1,382,148
Total	20,330,803	3,311,342	453,772	23,188,373
Capital Assets, Net	$ 34,004,985	$ (160,312)	$ 577,618	$ 33,267,055

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
Construction in Progress	2,493,168	5,457,885	7,381,378	569,675
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
Equipment	4,420,757	295,503	53,958	4,662,302
Right-of-Use Asset	7,258,349	105,117	-	7,363,466
Subscription Asset	791,546	2,862,923	-	3,654,469
Subtotal	42,433,567	10,858,304	53,958	53,237,913
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-of-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

NOTE 7 LONG-TERM LIABILITIES

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

	2024				
	Balance July 1, 2023	Additions	Reductions	Balance June 30, 2024	Amounts Due Within One Year
Long-Term Liabilities:					
Lease Liability	$ 5,054,288	$ 261,321	$ (894,789)	$ 4,420,820	$ 934,751
Subscription Liability	1,960,448	-	(547,625)	1,412,823	441,906
Accrued Postemployment Benefits	1,683,659	353,913	(113,441)	1,924,131	-
Net Pension Liability	16,797,955	14,592,539	(12,312,313)	19,078,181	-
Total	$ 25,496,350	$ 15,207,773	$ (13,868,168)	$ 26,835,955	$ 1,376,657

	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

NOTE 8 PENSION PLANS

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

Summary of Significant Accounting Policies

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.

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.

NOTE 8 PENSION PLANS (CONTINUED)

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.

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.

NOTE 8 PENSION PLANS (CONTINUED)

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

General Information about the Pension Plan (Continued)

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.

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.

NOTE 8 PENSION PLANS (CONTINUED)

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

General Information about the Pension Plan (Continued)

Contributions. PSRS members were required to contribute 14.5% of their annual covered salary during fiscal years 2022, 2023, and 2024. 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 2022, 2023, and 2024. 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 $1,659,871 and $336,172 respectively, for the year ended June 30, 2024. The College's contributions to PSRS and PEERS were $1,602,792 and $309,257, respectively, for the year ended June 30, 2023.

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

At June 30, 2024, the College recorded a liability of $16,963,501 for its proportionate share of the PSRS net pension liability and $2,114,680 for its proportionate share of the PEERS net pension liability. In total the College recorded net pension liabilities of $19,078,181. The net pension liability for the plans in total was measured as of June 30, 2023, 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 $1,602,792 and $309,257, respectively, for the year ended June 30, 2023, relative to the total contributions of $790,025,521 for PSRS and $146,077,918 for PEERS from all participating employers. At June 30, 2023, the College's proportionate share was 0.2029% for PSRS and 0.2117% for PEERS, an increase of 0.0087% and 0.0013% from the prior year, respectively.

For the year ended June 30, 2024, the College recognized pension expense (income) of $1,863,406 for PSRS and $432,279 for PEERS, its proportionate share of the total pension expense (income). 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).

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 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, an increase of 0.0015% from the previous year of 0.1927%. At June 30, 2022, the College's proportionate share was 0.2104% for PEERS, a decrease of 0.0063% from the previous year of 0.2167%.

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.

At June 30, 2024, 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	$ 2,783,737	$ 110,686	$ 278,723	$ -	$ 3,062,460	$ 110,686
Changes in Assumptions	576,510	-	11,147	-	587,657	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,035,057	-	147,601	-	1,182,658	-
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	570,658	13,463	6,089	24,999	576,747	38,462
Employer Contributions Subsequent to the Measurement Date	1,659,870	-	336,170	-	1,996,040	-
Total	$ 6,625,832	$ 124,149	$ 779,730	$ 24,999	$ 7,405,562	$ 149,148

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
2025	$ 645,323	$ 128,078	$ 773,401
2026	94,016	(49,237)	44,779
2027	3,285,666	309,287	3,594,953
2028	680,845	30,431	711,276
2029	135,963	-	135,963
Thereafter	-	-	-
Total	$ 4,841,813	$ 418,559	$ 5,260,372

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 valuations. For PSRS, the retirement rates assumption was updated for the June 30, 2023 valuation due to the passage of Senate Bill 75 (HCS/SS/SB 75), which added the 2.55% formula factor for members that retired with 32 or more years of service. 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, 2023
Valuation Date	June 30, 2023
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 healthcare 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 healthcare 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 healthcare 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 healthcare 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 2022 to June 2023 was 2.97%, the Board approved an actual cost-of-living adjustment (COLA) as of January 1, 2024 of 2.00%, 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 1.35% each January. 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)

<u>Actuarial Assumptions (Continued)</u>

Cost-of-Living Increases - PSRS and 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	For PSRS, the retirement rates assumption was updated for the June 30, 2023 valuation due to the passage of Senate Bill 75 (HCS/SS/SB 75), which added the 2.55% benefit formula multiplier for members that retire with 32 or more years of service. There have been no other changes to the actuarial assumptions and methods for PSRS or PEERS since ethe June 30, 2021 valuations, which included various assumption updates pursuant to the 2021 experience study. The next experience studies are scheduled for 2026.
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, 2023 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, 2023, 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, 2022 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, 2024:

	Discount Rate	1% Decrease (6.30%)	Current Rate (7.30%)	1% Increase (8.30%)
PSRS	Proportionate Share of the Net Pension Liability/ (Asset)	$ 31,569,424	$ 16,963,501	$ 4,869,010
PEERS	Proportionate Share of the Net Pension Liability/ (Asset)	4,014,664	2,114,680	529,775

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, 2024, the College recorded a payable to PSRS and PEERS of $368,661 and $62,978, respectively. For the year ended June 30, 2023, the College recorded a payable to PSRS and PEERS of $343,291 and $57,692, respectively.

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, 2024 are as follows:

	Active Rates		
	PPO	Flexpoint	HSA
Employee	$ 945.00	$ 827.00	$ 683.00
Employee/Spouse	1,908.00	1,653.00	1,377.00
Employee/Children	1,672.00	1,446.00	1,207.00
Family	2,503.00	2,272.00	1,807.00

	Retiree Rates*		
	PPO	Flexpoint	HSA
Retiree	$ 945.00	$ 827.00	$ 683.00
Retiree/Spouse	1,908.00	1,653.00	1,377.00

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

Dental contributions effective for July 1, 2024 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, 2024 and 2023, the College recorded a liability of $1,924,131 and 1,683,659, respectively, related to OPEB. The measurement date to determine the actuarial valuation was performed as of June 30, 2024.

For the years ended June 30, 2024 and 2023, the College recognized OPEB expense of $156,485 and 139,855, respectively.

As of June 30, 2024, 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	$ 120,749	$ (47,510)
Changes of Assumptions	127,349	(171,146)
Total	$ 248,098	$ (218,656)

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)

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
2025	$ 4,172
2026	4,172
2027	6,715
2028	3,977
2029	(2,566)
Thereafter	12,972

The following were included in the analysis of OPEB as of June 30, 2024:

Number of Members		Average Age	
Active	246	Active	47.2
Retired	22	Retired	68.6
Spouses of Retirees	8		
Total	276		

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

Number of Members		Average Age	
Active	236	Active	46.3
Retired	19	Retired	68.9
Spouses of Retirees	8		
Total	263		

Actuarial Assumptions

Discount Rate (Adopted 6/30/2024)	The interest rate for discounting liabilities is 3.93% per annum based on the 20 year bond GO index at the fiscal year-end. The rate for the prior fiscal year was 3.65%.

NOTE 9 POSTRETIREMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Actuarial Assumptions (Continued)

Medical/Retiree Premium Inflation Rate

Year	Medical	Year	Medical
2024	6.30%	2040	4.00%
2025	5.60%	2045	4.00%
2026	5.20%	2050	4.00%
2027	5.00%	2055	4.10%
2028	4.90%	2060	4.10%
2029	4.70%	2065	4.00%
2030	4.50%	2070	3.80%
2035	4.00%	2072+	3.70%

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% trending down to 3.7% over 49 years

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

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

Turnover (Adopted 6/30/2022) — 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%

NOTE 9 POSTRETIREMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Actuarial Assumptions (Continued)

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.

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.

NOTE 9 POSTRETIREMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Actuarial Assumptions (Continued)

Future Dependent Coverage	Current active members are assumed to elect spouse coverage at retirement as follows. All female spouses are assumed to be three 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

	2024	2023
Balances as of Beginning of Year :	$ 1,683,659	$ 1,497,279
Changes for the Year:		
Service Cost	151,408	132,261
Interest on Total OPEB Liability	65,806	56,928
Effect of Plan Changes	-	-
Effect of Economic/Demographic Gains or Losses	136,699	-
Effect of Assumptions Changes or Inputs	(48,542)	40,408
Benefit Payments	(64,899)	(43,217)
Net Change in Total OPEB Liability	240,472	186,380
Total OPEB Liability, End of Year	$ 1,924,131	$ 1,683,659

Sensitivity Analysis

The following presents the total OPEB liability of the College, calculated using the discount rate of 3.93%, 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 (2.93%) or 1 percentage point higher (4.93%) than the current rate.

	1% Decrease (2.93%)	Discount Rate (3.93%)	1% Increase (4.93%)
Total OPEB Liability	$ 2,105,396	$ 1,924,131	$ 1,763,456

NOTE 9 POSTRETIREMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Sensitivity Analysis (Continued)

The following presents the total OPEB liability of the College, 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	$ 1,713,692	$ 1,924,131	$ 2,175,215

As of June 30, 2024 and 2023, 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, 2024:

	College	Foundation
Salaries	$ 15,995,670	$ -
Benefits	5,446,809	-
Supplies and Other Services	6,222,657	71,770
Utilities	628,616	-
Travel	631,023	-
Repairs and Maintenance	1,036,069	-
Financial aid Scholarships	3,347,579	69,754
Depreciation and Amortization	3,311,342	-
Total	$ 36,619,765	$ 141,524

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

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, 2023 and 2022, upon which 2023 and 2022 tax rates of $.3755 and $.3328, respectively, per $100 of the assessed valuation was levied for purposes of local taxation, was $211,195,221 and $234,534,885, respectively.

The receipt of current and delinquent property taxes during the fiscal year ended June 30, 2024 and 2023, aggregated approximately 92.6% and 104.0%, 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 4.82%.

NOTE 13 LEASE AND SUBSCRIPTION OBLIGATIONS (CONTINUED)

Future minimum annual payments leases are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	$ 934,751	$ 47,948	$ 982,699
2026	866,350	39,612	905,962
2027	413,522	32,704	446,226
2028	426,058	26,324	452,382
2029	385,275	20,534	405,809
2029-2034	951,189	53,685	1,004,874
2034-2039	443,675	5,439	449,114
Total	$ 4,420,820	$ 226,246	$ 4,647,066

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%.

Future minimum annual payments are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	$ 441,906	$ 37,790	$ 479,696
2026	470,508	22,813	493,321
2027	500,409	6,876	507,285
Total	$ 1,412,823	$ 67,479	$ 1,480,302

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 2024 and 2023 was $6,267,953 and $6,267,953, respectively. The total property taxes relating to the College abated in fiscal years 2024 and 2023 was $23,536, and $20,860, respectively.

MOBERLY AREA COMMUNITY COLLEGE
MOBERLY, MISSOURI
PUBLIC SCHOOL AND EDUCATION RETIREMENT SYSTEMS OF MISSOURI
YEAR ENDED JUNE 30, 2024

Schedule of Changes in Total OPEB Liability and Related Ratios

Total OPEB Liability	Fiscal Year Ending June 30, 2024	Fiscal Year Ending June 30, 2023	Fiscal Year Ending June 30, 2022	Fiscal Year Ending June 30, 2021	Fiscal Year Ending June 30, 2020
Service Cost	$ 151,408	$ 132,261	$ 163,249	$ 143,376	$ 109,031
Interest on Total OPEB Liability	65,806	56,928	36,634	33,801	44,361
Changes of Benefit Terms	-	-	-	-	-
Effect of Economic/Demographic Gains or (Losses)	-	-	(36,869)	-	(48,421)
Effect of Assumption Changes or Inputs	88,157	40,408	(181,962)	7,353	161,026
Benefit Payments	(64,899)	(43,217)	(32,950)	(42,655)	(33,993)
Net Change in Total OPEB Liability	240,472	186,380	(51,898)	141,875	232,004
Total OPEB Liability - Beginning	1,683,659	1,497,279	1,549,177	1,407,302	1,175,298
Total OPEB Liability - Ending	$ 1,924,131	$ 1,683,659	$ 1,497,279	$ 1,549,177	$ 1,407,302
Covered Payroll	$ 15,981,843	$ 15,329,401	$ 13,900,000	$ 13,912,775	$ 14,293,412
Total OPEB Liability as a % of Covered Payroll	12.04%	10.98%	10.77%	11.13%	9.85%

Total OPEB Liability	Fiscal Year Ending June 30, 2019	Fiscal Year Ending June 30, 2018
Service Cost	$ 91,390	$ 89,941
Interest on Total OPEB Liability	43,009	37,725
Changes of Benefit Terms	-	-
Effect of Economic/Demographic Gains or (Losses)	-	-
Effect of Assumption Changes or Inputs	43,067	(30,946)
Benefit Payments	(43,816)	(37,447)
Net Change in Total OPEB Liability	133,650	59,273
Total OPEB Liability - Beginning	1,041,648	982,375
Total OPEB Liability - Ending	$ 1,175,298	$ 1,041,648
Covered Payroll	$ 11,729,481	$ 11,729,481
Total OPEB Liability as a % of Covered Payroll	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:

2024	3.93%
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 years ended June 30, 2024.

MOBERLY AREA COMMUNITY COLLEGE
MOBERLY, MISSOURI
PUBLIC SCHOOL AND EDUCATION RETIREMENT SYSTEMS OF MISSOURI
YEAR ENDED JUNE 30, 2024

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%
June 30, 2023	0.2029%	16,963,501	11,238,622	150.94%	85.38%

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%
June 30, 2023	0.2117%	2,114,680	4,508,124	46.91%	86.50%

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, 2024

Schedule of Employer Contributions

Public School Retirement System of Missouri

Year Ended	Staturily Required Contribution	Actual Employer Contributions	Contributions Excess/ (Deficiency)	Covered Member Payroll	Contributions as a Percentage of Covered Payroll
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%
June 30, 2023	1,602,792	1,602,792	-	11,238,622	14.26%

Public Education Employee Retirement System of Missouri

Year Ended	Staturily Required Contribution	Actual Employer Contributions	Contributions Excess/ (Deficiency)	Covered Member Payroll	Contributions as a Percentage of Covered Payroll
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%
June 30, 2023	309,257	309,257	-	4,508,124	6.86%

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

NOTE TO SCHEDULES OF THE COLLEGE'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND EMPLOYER CONTRIBUTIONS
YEARS ENDED JUNE 30, 2024

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, 2024, 2023, and 2022.

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, 2024, 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 17, 2024.

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.

Board of Trustees
Moberly Area Community College

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 17, 2024

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, 2024

MOBERLY AREA COMMUNITY COLLEGE
MOBERLY, MISSOURI
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MOBERLY AREA COMMUNITY COLLEGE
MOBERLY, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2024

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	$ 68,608	$ 68,608	$ 68,608
Federal Work-Study	84.033	N/A	150,459	150,459	150,459
Federal Pell Grants	84.063	N/A	6,500,200	6,500,200	6,500,200
Federal Direct Student Loans	84.268	N/A	3,272,536	3,272,536	3,272,536
Total Student Financial Assistance				9,991,803	9,991,803
Passed Through the Missouri Department of Education:					
Pathways for Teachers	84.048A	42702	2,955	2,955	2,955
Title II-C, Perkins	84.048A	13-24	308,881	308,881	308,881
Adult Basic Education	84.002A	N/A	515,934	468,377	468,377
Total Passed Through the Missouri Department of Education				780,213	780,213
Total U.S. Department of Education				10,772,016	10,772,016
U.S. Department of Treasury					
Passed Through the MO Dept of Higher Education:					
COVID-19 Coronavirus State & Local Recovery Funds	21.027	N/A	2,233,722	346,316	346,316
Total U.S. Department of Treasury				346,316	346,316
U.S. Department of Commerce					
Passed Through Central Workforce Development Board & City of Springfield:					
Good Job Challenge Award	11.307	N/A	480,000	154,186	154,186
Total U.S. Department of Commerce				154,186	154,186
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	57,701	57,701
Total U.S. Department of Labor				57,701	57,701
U.S. Department of Agriculture					
Passed Through - Missouri Community College Association					
SkillUP	10.561	N/A	N/A	336	336
Total U.S. Department of Agriculture				336	336
National Science Foundation					
Passed Through - Lincoln University					
Robert Noyce Teach Scholarship Program	47.076	N/A	66,770	6,768	6,768
Total National Science Foundation				6,768	6,768
Total Federal Awards Expended				$ 11,337,323	$ 11,337,323

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, 2024, 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, 2024.

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 of Moberly Area Community College, as of and for the year ended June 30, 2024, 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 17, 2024.

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.

Board of Trustees
Moberly Area Community College

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 17, 2024

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

Board of Trustees
Moberly Area Community College
Moberly, Missouri

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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, 2024. 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.

In our opinion, 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 each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

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.

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 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 2024-001, 2024-002 and 2024-003. 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.

Board of Trustees
Moberly Area Community College

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 deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2024-003 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 2024-001 and 2024-002 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.

Board of Trustees
Moberly Area Community College

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, 2024, 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 17, 2024, 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 17, 2024

MOBERLY AREA COMMUNITY COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2024

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?	Unmodified			
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
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?		yes	x	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

2024 – 001: 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, 2023, to June 30, 2024

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: Yes; prior year finding number was 2023-002.

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)

2024 – 002: Eligibility

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, 2023, to June 30, 2024

Type of Finding:

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

Criteria or specific requirement: The Code of Federal Regulation, 34 CFR 668.16(f), states the College is required to develop and apply an adequate system to identify and resolve discrepancies in the information that the institution receives from different sources with respect to a student's application for financial aid under Title IV, HEA programs.

Condition: During inquiries with management, the College identified four students that they were unable to validate their high school transcripts.

Context: During inquiries with management, the College identified four students that were awarded and disbursed Pell, SEOG, and Direct Loans, who were subsequently determined to be ineligible for the programs.

Questioned costs: $19,435

Cause: During our testing, we identified that the College's internal control policies were not effectively designed to ensure funds are disbursed to eligible students.

Effect: The College disbursed funds to four ineligible students, resulting in questioned costs of $19,435.

Repeat finding: No

Recommendation: We recommend the College review their internal control procedures to ensure that students are eligible prior to funds being disbursed.

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)

2024 – 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, 2023, to June 30, 2024

Type of Finding:

- Compliance, Other Matter
- 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 60 students, we identified 15 students with enrollment changes submitted past 60 days, 4 students had incorrect effective dates on campus enrollment, 5 were not certified at least every 60 days, 3 had program enrollment effective dates that did not match institutional records, 1 had incorrect program enrollment statuses, 1 student's enrollment change was never reported on campus enrollment and 4 had incorrect program begin dates.

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: Yes; prior year finding number 2023-003

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.

MOBERLY AREA COMMUNITY COLLEGE
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2024

United States Department of Education

Moberly Area Community College respectfully submits the following summary schedule of prior audit findings for the year ended June 30, 2024.

Audit period: July 1, 2023 – June 30, 2024

The findings from the prior audit's schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the prior year.

FINDINGS—FINANCIAL STATEMENT AUDIT

There were no financial statement findings in the prior year.

FINDINGS— FEDERAL AWARD PROGRAMS AUDITS

2023 – 001 Common Origination and Disbursement

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

Status: Corrective Action was taken.

2023 – 002 Return of Title IV funds

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.

Status: See current year finding 2024-001.

Reason for finding's recurrence: Refer to Corrective Action Plan.

Corrective Action: Our Registrar, Deans, and Vice President for Instruction will provide reminders of our policy with our faculty each semester. In the event that a faculty member does not comply with the attendance policy, their Dean will take disciplinary action.

2023 – 003 National Student Loan Data System

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

Status: See current year finding 2024-003.

Reason for finding's recurrence: Refer to Corrective Action Plan.

Corrective Action: • The Registrar will review data in J1 and submit enrollment records to NSC each month.

- The Registrar will also work with the Director of Administrative Computing to ensure program information and other vital data are reported correctly.

- After the enrollment file is accepted by NSC, MACC will review correct enrollment information in NSLDS for all students who have withdrawn from all classes and/or have had an R2T4 calculation, for accuracy.

  - The Registrar, or designee, will review the data in NSC.

  - The Director of Financial Aid, or designee, will review the data in NSLDS.

- Discrepancies will be addressed between the Registrar and Financial Aid Offices immediately; and will utilize the Director of Administrative Computing to assist with configuration changes and data clean-up.

- The records will be maintained in a designated Teams folder.

If the United States Department of Education has questions regarding this schedule, please call Susan Spencer at 660-263-4100 ext. 11274.

MOBERLY AREA COMMUNITY COLLEGE
CORRECTIVE ACTION PLAN
YEAR ENDED JUNE 30, 2024

__2024-001: Return of Federal Funds__

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

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

View of the responsible official: MACC is an attendance taking institution and our regular practice requires review of attendance records two to three times per week. When the Financial Aid Office discovers students have withdrawn from classes, we review and calculate an R2T4 when required – usually within 1-5 days from the date it is discovered. This finding of a "late return" is due to a faculty member dropping a student outside of the dates required by our attendance policy. I would like to note that the R2T4 was performed timely and accurately as soon as the drop was identified.

Action taken in response to finding: The issue was reported to the President, Vice Presidents, and Deans; as a result, the faculty were addressed and reminded of the importance to comply with the college's attendance policy.

Name(s) of the contact person(s) responsible for corrective action: Amy Hager

Planned completion date for corrective action plan: Our Registrar, Deans, and Vice President for Instruction will provide reminders of our policy with our faculty each semester. In the event that a faculty member does not comply with the attendance policy, their Dean will take disciplinary action.

2024-002: Eligibility

Cause: During our testing, we identified that the College's internal control policies were not effectively designed to ensure funds are disbursed to eligible students.

Context: During inquiries with management, the College identified four students that were awarded and disbursed Pell, SEOG, and Direct Loans, who were subsequently determined to be ineligible for the programs.

View of the responsible official: MACC does not agree with this finding. MACC has many measures in place to ensure funds are disbursed to eligible students, including verifying identity when enrolling degree seeking students in classes each semester and reviewing high school completion status with a high school transcript, as well as reviewing ISIRs, and other documentation to determine eligibility for federal student aid.

While preparing disbursements for fall 2024, the Financial Aid Office identified some odd entries on some ISIRs, which prompted us to review various patterns in admissions documents. MACC believes the students in question may be cases of stolen identities. However, this is only suspicion at this time because when the students in question enrolled in the summer 2024 semester they provided identification, submitted high school transcripts from valid high schools, completed FAFSAs which resulted with valid ISIRs (in one case the student submitted Verification (V4) documentation), submitted loan data sheets and completed entrance counseling via Zoom.

The students in question were referred to the Office of Inspector General at the U. S. Department of Education on 10/15/2024; no follow-up has been received from OIG as of 01/15/2025. MACC has also discussed this case with Kathy Feith, Region 7 Branch Chief, of the U. S. Department of Education, Federal Student Aid.

During an interview with an auditor from CLA, MACC disclosed the situation described above to the auditor when questioned about any potential fraud cases.

MACC firmly believes all internal control policies were followed to ensure funds were disbursed to eligible students. At the time of disbursement, there was no indication these students were not eligible. As noted above, the OIG has not determined that these are in fact ineligible students; therefore, MACC does not believe it should return funds based on suspicion of ineligibility.

As a result of these findings, MACC has added new steps to provide an additional layer of protection, including verifying images of state drivers licenses or other forms of identity, and development of guidelines for staff to follow if they have any suspicion of fraud.

Name(s) of the contact person(s) responsible for corrective action: Amy Hager

Planned completion date for corrective action plan: We expect the plan will be an ongoing effort to ensure compliance.

2004-003: National Student Loan Data System

Condition: The college did not properly report student enrollment changes for students who received federal student aid to NSLDS.

Context: During testing of 60 students, 15 students were enrollment changes submitted past 60 days, 6 students had incorrect effective dates on campus enrollment, 5 were not certified at least every 60 days, 6 had program enrollment effective dates that did not match institutional records, 4 had incorrect program enrollment statuses, and 4 had incorrect program begin dates.

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

View of responsible official:

MACC believes some of the current audit finding may be attributed to the SIS system implemented in November 2022; and these finding occurred before we implemented our Corrective Action Plan, which we have faithfully followed every month. As noted below, our CAP is a process in which we review enrollment records reported to NSLDS and update, if needed. Supporting documentation and verification of the work that has been done this past year can be provided, if needed.

As a result of the continued commitment to submit correct data from our system to NSLDS every month, this fall MACC paid more than $12,000 to our software vendor (Jenzabar) for enhancements needed to collect, retain and report enrollment data.

- Jenzabar created and installed a custom process to update the NSC status start date and NSC program status start date to the Last Date of Attendance. We began running this custom process with the November 2024 NSC enrollment file.
- Jenzabar created and installed a custom process to update program begin dates for students returning to the same program to the original program begin date. We have implemented this as a scheduled process beginning December 2024.

We are confident future reviews of our NSLDS enrollment reporting records will reflect greater accuracy.

MACC would like to note, although the auditors are noting several students with effective date issues and failure to report students timely, we have evidence of student records being exported from our system every month and recorded in the Program Certification Details within NSLDS, but the data is not found in the Program Enrollment Effective Date area of NSLDS. We acknowledge the data must be in both areas of NSLDS, but we believe there is evidence that we submitted our records as required. We are hopeful the new enhancements will correct this issue.

As disclosed in our audit response for 2022-2023, the corrective action plan has been slightly altered, but continues:

- The Registrar will review data in J1 and submit enrollment records to NSC each month.
- The Registrar will also work with the Director of Administrative Computing to ensure program information and other vital data are reported correctly.
- After the enrollment file is accepted by NSC, MACC will review correct enrollment information in NSLDS for all students who have withdrawn from all classes and/or have had an R2T4 calculation, for accuracy.
    - The Registrar, or designee, will review the data in NSC.
    - The Director of Financial Aid, or designee, will review the data in NSLDS.
- Discrepancies will be addressed between the Registrar and Financial Aid Offices immediately; and will utilize the Director of Administrative Computing to assist with configuration changes and data clean-up.
- The records will be maintained in a designated Teams folder.

Name(s) of the contact person(s) responsible for corrective action: Amy Hager and Amy See (Registrar).

Planned completion date for corrective action plan: We expect the plan will be an ongoing effort to ensure compliance.