ST. CHARLES COMMUNITY COLLEGE

FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT

For the Years Ended June 30, 2023 and 2022

SIKICH.

ST. CHARLES COMMUNITY COLLEGE

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
St. Charles Community College

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the College, and the College's discretely presented component unit, the Foundation as of June 30, 2023 and 2022, and the respective changes in financial position and, where applicable, cash flows 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. The financial statements of the Foundation were not audited in accordance with *Government Auditing Standards*. Our responsibilities under these standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the College and to meet our other ethical responsibilities, in accordance with the relevant ethical requirement relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

The College adopted new accounting guidance, GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, for the years ended June 30, 2023 and 2022. The implementation of this guidance resulted in changes to the reporting of right-to-use intangible subscription assets, subscription liabilities and the related notes to the financial statements as reported in Note 18. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 the 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.

Auditor's Responsibility 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 auditor's 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 the 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 the 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information listed in the table of contents 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 auditing standards generally accepted in the United States of America, 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 audit 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 January 3, 2024 on our consideration of the College's internal control over financial reporting and on our tests of is compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 the 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 the College's internal control over financial reporting and compliance.

Sikich LLP

St. Louis, Missouri
January 3, 2024

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Trustees
St. Charles Community College
Cottleville, 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 St. Charles Community College (the College), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon date January 3, 2024. The financial statements of the Foundation were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the Foundation.

Report on Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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.

Sikich LLP

St. Louis, Missouri
January 3, 2024

INTRODUCTION

Management's discussion and analysis is an overview of the financial position and activities of St. Charles Community College (the College). It should be read in conjunction with the financial statements and notes that follow. The financial statements include the St. Charles Community College Foundation, Inc. (the Foundation) as a discretely presented component unit. The Foundation issues separate financial statements, which can be obtained by contacting the Foundation office.

There are three financial statements presented: the Statement of Net Position; the Statement of Revenues, Expenses and Changes in Net Position; and, the Statement of Cash Flows. The emphasis of the discussion concerning the financial statements is on the current year data. Summarized prior year information is available in this report for comparative analysis.

STATEMENT OF NET POSITION

The Statement of Net Position presents the assets, liabilities and net position of the College as of June 30, 2023. The purpose of the Statement of Net Position is to present a snapshot of the financial condition of the College. Total net position, which is total assets and deferred outflows less total liabilities and deferred inflows, is one of the indicators of the current financial condition of the College.

Assets and liabilities are categorized as current or non-current. Current assets and liabilities mature or become payable within the current twelve-month accounting cycle versus non-current, which mature or become payable after the current twelve-month accounting cycle. At June 30, 2023, the current assets consist primarily of cash, cash equivalents, short-term investments, accounts receivable, taxes receivable, bookstore inventory, and other assets. Non-current assets consist primarily of property and equipment. Property and equipment are the capital assets owned by the College.

Net position is presented in three categories: invested in capital assets, net of related debt, restricted and unrestricted. Restricted net position is generally those assets that are restricted for various grant projects and services. Unrestricted net position is available to meet current expenses for any lawful purpose.

The following table shows the College's net assets at June 30, 2023, 2022 and 2021:

	2023	2022	2021
Current assets	$ 75,109,081	$ 72,680,210	$ 69,749,505
Non-current assets	74,489,138	71,689,195	64,374,447
Total Assets	149,598,219	144,369,405	134,123,952
Deferred outflows	9,237,944	8,895,830	10,091,382
Current liabilities	10,791,177	12,285,334	9,085,744
Non-current liabilities	68,081,644	52,765,014	82,535,891
Total Liabilities	78,872,821	65,050,348	91,621,635
Deferred inflows	10,767,452	29,944,684	10,787,186
Invested in capital assets, net of related debt	48,494,092	46,529,269	42,031,272
Restricted	10,067,349	8,257,197	5,894,787
Unrestricted	10,634,449	3,483,737	(6,119,546)
Total Net Position	$ 69,195,890	$ 58,270,203	$ 41,806,513

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

The Statement of Revenues, Expenses and Changes in Net Position reflects the financial results for the fiscal year. This statement includes revenues and expenses, both operating and non-operating.

Operating revenues and expenses are those for which there is a direct exchange of goods and services. Non-operating revenues and expenses are those that exclude the specific, direct exchange of goods and services. Local property tax revenue and state aid are examples of non-operating revenues where the local taxpayers and the state legislature, respectively, do not receive goods and services directly for the revenue. Examples of operating revenues are tuition and fees and auxiliary revenues where students and patrons receive a direct benefit in exchange for goods and services provided.

The following summarizes the College's revenues, expenses, and changes in net position for the years ended June 30, 2023, 2022 and 2021:

	2023	2022	2021
Operating revenues	$ 19,444,821	$ 18,602,487	$ 18,935,906
Operating expenses	56,997,053	54,579,935	54,520,354
Operating Loss	(37,552,232)	(35,977,448)	(35,584,448)
Non-Operating revenues (expenses)	48,477,919	52,111,043	44,748,884
Capital grants and contributions	-	72,500	-
Change in Net Position	10,925,687	16,206,095	9,164,436
Net position, beginning of the year	58,270,203	41,806,513	32,642,077
Change in accounting principle	-	257,595	-
Net position, beginning of the year, restated	58,270,203	42,064,108	-
Net position, end of the year	$ 69,195,890	$ 58,270,203	$ 41,806,513

One of the financial strengths of the College is the diversity of resources that support student tuition and fees. The following table reflects the revenues, both operating and non-operating for the years ended June 30, 2023, 2022 and 2021:

	2023	2022	2021
Operating Revenues			
Tuition and fees	$ 17,574,337	$ 17,066,185	$ 17,386,012
Grants and contracts	1,140,382	765,644	859,713
Auxiliary enterprises	277,236	409,405	312,888
Other revenues	452,866	361,253	377,293
Total Operating Revenues	19,444,821	18,602,487	18,935,906
Non-operating Revenues			
Local property tax revenues	21,429,112	20,621,467	19,962,364
State appropriations	12,603,518	11,379,093	8,843,590
Grants and contracts	14,470,638	21,008,122	16,454,192
Private gifts and contributions	44,542	118,566	169,548
Investment income	963,941	126,155	69,215
Loss on disposal of assets	-	-	(15,458)
Total Non-operating Revenues	$ 49,511,751	$ 53,253,403	$ 45,483,451

Operating revenues increased from fiscal year 2022 to fiscal year 2023. This was primarily due to tuition and fees from slightly higher enrollment. Non-operating revenues decreased in total in fiscal year 2023 compared to the prior year. Grants and contracts were significantly lower, which more than offset increases in local taxes, state appropriations and investment income.

Listed below are the components of expenses, both operating and non-operating, for the College during fiscal years 2023, 2022 and 2021 by their natural classification:

	2023	2022	2021
Operating Expenses			
Salaries and benefits	$ 34,876,349	$ 28,025,771	$ 34,662,762
Supplies and materials	12,535,511	12,967,488	9,365,898
Utilities and insurance	1,666,221	1,504,726	1,334,036
Student aid	4,142,230	8,965,970	6,331,453
Amortization of lease and SBITA assets	720,917	218,547	-
Depreciation	3,055,825	2,897,433	2,826,205
Total Operating Expenses	56,997,053	54,579,935	54,520,354
Non-operating Expenses			
Interest on capital asset related debt	1,295,027	1,403,555	885,931
Amortization of bond discount	(261,195)	(261,195)	(151,364)
Total Non-operating Expenses	$ 1,033,832	$ 1,142,360	$ 734,567

Operating expenses increased overall from fiscal year 2022 to 2023. The cost of salaries and benefits increased from the prior, but inline with fiscal year 2021. Student aid decreased from prior years as federal funding programs for student aid ended.

The following shows the functions of operating expense for the College for the fiscal years 2023, 2022 and 2021:

	2023	2022	2021
Instruction	$ 26,796,353	$ 21,057,211	$ 24,503,900
Institutional support	7,947,243	8,610,762	8,317,644
Operation and maintenance of plant	6,907,119	6,381,603	5,522,094
Student services	4,311,736	3,671,603	4,206,623
Academic support	1,711,944	1,584,102	1,628,127
Library	741,346	685,768	761,421
Student aid	4,142,230	8,965,970	6,331,453
Auxiliary services	662,341	506,836	422,887
Amortization of lease and SBITA	720,917	218,547	-
Depreciation	3,055,825	2,897,433	2,826,205
Total Operating Expenses	$ 56,997,053	$ 54,579,935	$ 54,520,354

CAPITAL ASSETS AND DEBT ADMINISTRATION

During fiscal year 2022, the College began projects funded by $27,955,000 in General Obligation Bonds issued in fiscal year 2021 for the purpose of modernizing and expanding facilities; improving infrastructure for workforce training, academic programs and support services; and enhancing campus security.

At June 30, 2023, the College had outstanding debt of $8,375,000 in General Obligation Series 2016 Refunding Bonds, $26,945,000 in General Obligation Series 2021 Bonds and $3,810,000 in Certificates of Participation. During fiscal year 2023, principal retirement payments of $3,295,000 were made on these outstanding bond issues. Further information related to the bonds payable can be found in the footnotes to the financial statements.

ECONOMIC OUTLOOK

Budgeted revenue for general operations for fiscal year 2024 is 5.9% higher than the previous fiscal year budget.

Student enrollment is projected to be level (0.0% change) in the total number of credit hours for fiscal year 2024 compared to the actual results for fiscal year 2023. This follows enrollment for fiscal year 2023 that was 0.7% above fiscal year 2022. Expanded program offerings and a continued focus on student recruitment and retention are priorities for fiscal year 2024.

For fiscal year 2024, base tuition rates were not adjusted. The regular tuition rate is $111 per credit hour for in-district students. The rate per credit hour for out-of-district students is $167 and the rate for out-of-state students remains at $222 per credit hour. The three-tier differential tuition plan implemented in fall 2021 was not adjusted.

The College’s fiscal year 2024 appropriation from the State of Missouri is budgeted to increase by 13.9% from the fiscal year 2023 budgeted amount. The fiscal year 2024 budget amount remains very conservative, however. The increase from 2023 to 2024 is due to an increase in the core appropriation from the State.

The fiscal year 2024 budget for local property tax revenues anticipates an increase of 3.0% from the fiscal year 2023 budgeted amount. Commercial and residential construction remains strong in St. Charles County.

The expenditure budget for fiscal year 2024 includes salary increases for full time employees ranging from 4.0% to 5.0%. Part-time staff and faculty positions were increased 1.5%. Personnel expenditures are budgeted to increase by 2.6% in fiscal year 2024 compared to the previous fiscal year.

A new Memorandum of Understanding (MOU) with the full-time faculty association was reached in December 2020. This agreement expires June 30, 2024.

A new Memorandum of Understanding (MOU) with the part-time faculty bargaining unit became effective on August 1, 2022. This agreement expires July 31, 2024.

Current and foreseeable financial resources support the College’s educational mission. The financial plan continues to allow students to receive a quality education at an affordable cost. The College continues to operate from a strong financial base.

CONTACTING THE COLLEGE’S FINANCIAL MANAGEMENT

This financial report is designed to provide the citizens, taxpayers, patrons, investors, and creditors with a general overview of the College’s finances.

If you have any questions about this report or need additional information, contact:

Senior Vice President for Administrative Services
4601 Mid Rivers Mall Drive
Cottleville, MO 63376-2865

ST. CHARLES COMMUNITY COLLEGE
STATEMENTS OF NET POSITION - PRIMARY GOVERNMENT
JUNE 30, 2023 AND 2022

	2023	2022
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 5,362,579	$ 8,347,874
Investments	64,989,429	60,030,869
Accounts receivable (net of allowance)	2,592,077	2,563,908
Interest receivable	177,311	61,315
Taxes receivable	436,311	501,664
Lease receivable	85,353	85,073
Inventory	347,727	352,393
Prepaid expenses	1,118,294	737,114
TOTAL CURRENT ASSETS	75,109,081	72,680,210
NONCURRENT ASSETS		
Capital assets, net	72,199,292	69,313,996
Lease receivable	2,289,846	2,375,199
TOTAL NONCURRENT ASSETS	74,489,138	71,689,195
TOTAL ASSETS	149,598,219	144,369,405
DEFERRED OUTFLOWS		
Pension related deferred outflows	8,784,824	8,277,938
Deferred outflows - refunding	453,120	617,892
TOTAL DEFERRED OUTFLOWS	9,237,944	8,895,830
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	1,630,375	2,324,605
Accrued payroll expenses	1,231,245	1,187,436
Interest payable	450,326	496,726
Advance student fees	1,891,900	1,821,774
Unearned revenues	300,000	1,814,322
Retainage payable	52,228	256,825
Deposits	6,119	4,151
Current portion of compensated absences	562,522	548,496
Current portion of bond premium	425,966	425,966
Current portion of long-term debt	3,440,000	3,295,000
Current portion of SBITA payable	625,811	110,033
Current portion of lease payable	174,685	-
TOTAL CURRENT LIABILITIES	10,791,177	12,285,334
NONCURRENT LIABILITIES		
Compensated absences	687,527	670,384
Other post-employment benefits obligation	2,185,672	3,159,582
Net pension liability	24,916,008	6,853,463
Bond premium, net	2,475,891	2,901,856
Long-term debt	35,690,000	39,130,000
Long-term SBITA	1,756,098	49,729
Long-term lease	370,448	-
TOTAL NONCURRENT LIABILITIES	68,081,644	52,765,014
TOTAL LIABILITIES	78,872,821	65,050,348
DEFERRED INFLOWS		
Pension related deferred inflows	3,580,621	22,956,998
Leases	2,375,199	2,460,272
Other post-employment benefits deferred inflows	4,811,632	4,527,414
TOTAL DEFERRED INFLOWS	10,767,452	29,944,684
NET POSITION		
Invested in capital assets, net of related debt	48,494,092	46,529,269
Restricted for special projects	4,963,554	3,200,758
Restricted for debt service	5,103,795	5,056,439
Unrestricted	10,634,449	3,483,737
TOTAL NET POSITION	$ 69,195,890	$ 58,270,203

The accompanying notes are an integral part of these financial statements.

ST. CHARLES COMMUNITY COLLEGE

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - PRIMARY GOVERNMENT

FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	2023	2022
OPERATING REVENUES		
Tuition and fees, net of scholarship allowances of $2,759,048 and $2,577,108, respectively	$ 17,574,337	$ 17,066,185
Auxiliary enterprise revenues, net of scholarship allowances of $24,587 and $23,633, respectively	277,236	409,405
Governmental grants and contracts	1,140,382	765,644
Other operating revenues	452,866	361,253
TOTAL OPERATING REVENUES	19,444,821	18,602,487
OPERATING EXPENSES		
Educational and General:		
Instruction	26,796,351	21,057,211
Institutional support	7,947,244	8,610,862
Operation and maintenance of plant	6,907,119	6,381,603
Student services	4,311,736	3,671,603
Academic support	1,711,944	1,584,102
Library	741,346	685,768
Student aid	4,142,230	8,965,970
Total Educational And General	52,557,970	50,957,119
Auxiliary enterprise expenditures	662,341	506,836
Amortization	720,917	218,547
Depreciation	3,055,825	2,897,433
TOTAL OPERATING EXPENSES	56,997,053	54,579,935
OPERATING INCOME (LOSS)	(37,552,232)	(35,977,448)
NONOPERATING REVENUES (EXPENSES)		
Taxes	21,429,112	20,621,467
State appropriations	12,603,518	11,379,093
Governmental grants and contracts	14,470,638	21,008,122
Private gifts and contributions	44,542	118,566
Investment income	963,941	126,155
Interest on capital asset-related debt	(1,295,027)	(1,403,555)
Amortization of bond discount	261,195	261,195
TOTAL NONOPERATING REVENUES (EXPENSES)	48,477,919	52,111,043
CHANGE IN NET POSITION BEFORE CAPITAL GRANTS/CONTRIBUTIONS	10,925,687	16,133,595
CAPITAL GRANTS AND CONTRIBUTIONS	-	72,500
CHANGE IN NET POSITION	10,925,687	16,206,095
NET POSITION, BEGINNING OF YEAR	58,270,203	41,806,513
Change in accounting principle	-	257,595
NET POSITION, BEGINNING OF YEAR, RESTATED	58,270,203	42,064,108
NET POSITION, END OF YEAR	$ 69,195,890	$ 58,270,203

The accompanying notes are an integral part of these financial statements.

ST. CHARLES COMMUNITY COLLEGE
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from tuition and fees	$ 16,962,447	$ 17,409,893
Cash received from grants and contracts	1,154,788	751,238
Cash received from auxiliary enterprise charges	2,377,231	2,128,652
Cash paid to suppliers	(26,118,453)	(22,831,308)
Cash paid to employees	(27,861,623)	(26,336,500)
Cash paid as grants to students	(4,142,230)	(8,965,970)
Other receipts	452,866	361,253
NET CASH USED BY OPERATING ACTIVITIES	(37,174,974)	(37,482,742)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Cash received from taxes collected	21,494,465	20,529,827
Cash received from state appropriations	12,603,518	11,379,093
Cash received from grants and contracts	13,475,318	22,955,618
Federal Direct loan receipts	1,951,037	2,001,423
Federal Direct loan disbursements	(1,951,037)	(2,001,423)
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	47,573,301	54,864,538
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
Cash received from capital contributions	-	12,500
Purchases of capital assets	(3,686,980)	(9,396,999)
Principal payments on debt	(3,295,000)	(3,190,000)
Principal payments on leases	(112,964)	-
Principal payments on SBITA	(836,636)	(124,034)
Interest payments on debt, leases, and SBITA	(1,341,427)	(1,314,873)
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	(9,273,007)	(14,013,406)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	66,334,048	78,823,202
Interest on investments	847,945	136,986
Purchase of investments	(71,292,608)	(77,912,467)
NET CASH USED BY INVESTING ACTIVITIES	(4,110,615)	1,047,721
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(2,985,295)	4,416,111
CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR	8,347,874	3,931,763
CASH AND CASH EQUIVALENTS, END OF THE YEAR	$ 5,362,579	$ 8,347,874

The accompanying notes are an integral part of these financial statements.

ST. CHARLES COMMUNITY COLLEGE
STATEMENTS OF CASH FLOWS (Continued)
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

RECONCILIATION OF OPERATING LOSS
TO NET CASH USED BY OPERATING ACTIVITIES

	2023	2022
OPERATING INCOME (LOSS)	$ (37,552,232)	$ (35,977,448)
ADJUSTMENTS TO RECONCILE OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES		
Depreciation	3,055,825	2,897,433
Amortization on lease and SBITA capital assets	720,917	218,547
(Increase) decrease in assets:		
Accounts receivable	(502,629)	302,346
Inventory	4,666	76,619
Prepaid expenses	(381,180)	262,187
(Increase) decrease in deferred outflows	(506,886)	1,030,782
Increase (decrease) in liabilities:		
Accounts payable	(157,003)	381,108
Accrued payroll expenses	43,809	(164,998)
Compensated absences	31,169	(18,214)
Advance student fees	70,126	(197,658)
Deposits	1,968	2,030
Other post employment benefits obligation	(973,910)	209,604
Net pension liability	18,062,545	(25,747,371)
Increase (decrease) in deferred inflows	(19,092,159)	19,242,291
TOTAL ADJUSTMENTS	377,258	(1,505,294)
NET CASH USED BY OPERATING ACTIVITIES	$ (37,174,974)	$ (37,482,742)
NONCASH SUPPLEMENTAL DISCLOSURE		
Pension and OPEB expenses	$ 344,270	$ 5,264,694
Amortization on bonds	261,195	261,195
Issuance of lease	658,097	-
Issuance of SBITA	3,058,783	81,272
Donated assets	-	35,000
TOTAL	$ 4,322,345	$ 5,642,161
Capital assets included in accounts payable	$ 209,436	$ 951,258

The accompanying notes are an integral part of these financial statements.

ST. CHARLES COMMUNITY COLLEGE

ST. CHARLES COMMUNITY COLLEGE FOUNDATION, INC. - COMPONENT UNIT
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2023 AND 2022

ASSETS

	2023	2022
ASSETS		
Cash and cash equivalents	$ 331,776	$ 239,666
Investments	106,363	66
Interest receivable	93	93
Certificate of Deposit	103,817	194,269
Accounts receivable	-	8,250
Prepaid expenses	-	6,300
Cash surrender value	35,713	34,729
Investments, long term	1,539,131	1,421,219
TOTAL ASSETS	2,116,893	1,904,592

LIABILITIES AND NET ASSETS

	2023	2022
LIABILITIES		
Accounts payable	$ 21,633	$ 43,941
Unearned revenue	-	745
TOTAL LIABILITIES	21,633	44,686
NET ASSETS		
Without Donor Restrictions		
Board designated	1,171,117	1,076,399
Undesignated	298,662	259,730
TOTAL WITHOUT DONOR RESTRICTIONS	1,469,779	1,336,129
With Donor Restrictions		
Perpetual in Nature	99,478	97,328
Purpose Restrictions - Scholarships	434,673	421,457
Purpose Restrictions - Grants/Enhancements	91,330	4,992
TOTAL NET ASSETS	2,095,260	1,859,906
TOTAL LIABILITIES AND NET ASSETS	$ 2,116,893	$ 1,904,592

The accompanying notes are an integral part of these financial statements.

ST. CHARLES COMMUNITY COLLEGE

ST. CHARLES COMMUNITY COLLEGE FOUNDATION, INC. - COMPONENT UNIT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES			
Contributions	$ 36,542	$ 160,968	$ 197,510
Special events	71,569	-	71,569
Investment return, net	93,911	24,044	117,955
Net assets released from restrictions	83,308	(83,308)	-
TOTAL REVENUES	285,330	101,704	387,034
EXPENSES			
Program services	138,572	-	138,572
Management and general	40,305	-	40,305
Fundraising	79,815	-	79,815
Cost of direct benefit to donors	17,802	-	17,802
TOTAL EXPENSES	276,494	-	276,494
TRANSFER FROM AFFILIATE			
Contributed services	124,814	-	124,814
TOTAL TRANSFER FROM AFFILIATE	124,814	-	124,814
CHANGE IN NET ASSETS	133,650	101,704	235,354
NET ASSETS, BEGINNING OF YEAR	1,336,129	523,777	1,859,906
NET ASSETS, END OF YEAR	$ 1,469,779	$ 625,481	$ 2,095,260

The accompanying notes are an integral part of these financial statements.

ST. CHARLES COMMUNITY COLLEGE

ST. CHARLES COMMUNITY COLLEGE FOUNDATION, INC. - COMPONENT UNIT
STATEMENT OF ACTIVITIES (Continued)
FOR THE YEAR ENDED JUNE 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES			
Contributions	$ 28,905	$ 169,327	$ 198,232
Special events	61,501	-	61,501
Investment return, net	(149,461)	(47,443)	(196,904)
Net assets released from restrictions	144,972	(144,972)	-
TOTAL REVENUES	85,917	(23,088)	62,829
EXPENSES			
Program services	256,575	-	256,575
Management and general	45,204	-	45,204
Fundraising	53,720	-	53,720
Costs if direct benefits to donors	16,925	-	16,925
TOTAL EXPENSES	372,424	-	372,424
TRANSFER FROM AFFILIATE			
Contributed services	103,524	-	103,524
TOTAL TRANSFER FROM AFFILIATE	103,524	-	103,524
CHANGE IN NET ASSETS	(182,983)	(23,088)	(206,071)
NET ASSETS, BEGINNING OF YEAR	1,519,112	546,865	2,065,977
NET ASSETS, END OF YEAR	$ 1,336,129	$ 523,777	$ 1,859,906

The accompanying notes are an integral part of these financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity – The College, formed in 1986, is governed by a six member Board of Trustees and administered by the President. The College is accredited by the State of Missouri and by the Higher Learning Commission, a voluntary organization.

GASB Statement 61, *The Financial Reporting Entity,* has been applied in determining the financial reporting entity of the College. GASB requires the financial reporting entity to include the following:

- the primary government;
- other organizations for which the primary government is financially accountable;
- any not-for-profit corporations of which the primary government holds a majority ownership for the purpose of directly facilitating provision of government services; and
- any other organization whose exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

In evaluating the College as a reporting entity, management has addressed all potential component units which may or may not fall within the College's reporting entity because of the significance of their operational or financial relationships with the College. Included in these financial statements is the financial data of St. Charles Community College Foundation, Inc., a discretely presented component unit.

The College is not included in any other governmental "reporting entity" as defined by GASB pronouncements, since Board members are elected by the public and have decision making authority, the authority to levy taxes, the power to designate management, the ability to significantly influence operations and primary accountability for fiscal matters.

Discretely Presented Component Unit – St. Charles Community College Foundation, Inc. (the Foundation) is a nonprofit organization formed to support the mission of the St. Charles Community College and activities in the field of education. The Foundation is a legally separate, tax exempt component unit of the College. The Foundation receives revenue primarily through fundraising efforts and contributions, which are used to provide scholarships to students attending the College and grants to the College for various educational purposes. The Foundation has issued separate financial statements for the fiscal year ended June 30, 2023 and 2022. These statements may be obtained by contacting the St. Charles Community College Foundation.

Basis of Presentation – For financial reporting purposes, the College is considered a special purpose governmental agency engaged only in business-type activities, as defined by GASB Statement No. 34, *Basic Financial Statements – Management's Discussion and Analysis – for State and Local Governments,* as amended by Statement No. 35, *Basic Financial Statements – Management's Discussion and Analysis – for Public Colleges and Universities;* Statement No. 37, *Basic Financial Statements – Management's Discussion and Analysis – for State and Local Governments: Omnibus;* and Statement No. 38, *Certain Financial Statement Disclosures.* Accordingly, the College's financial statements have been presented on the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)***

Classification of Net Position – The College's net position is classified as follows:

> *Net investment in capital assets* represents the College's total investment in capital assets, net of outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of invested in capital assets, net of related debt.
>
> *Restricted* net position includes resources that the College is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties.
>
> *Unrestricted* net position represents resources derived from student tuition and fees, state appropriations, and auxiliary enterprises. While unrestricted net position may be designated for specific purposes by action of management or the Board of Trustees, it is available for use, at the discretion of the governing board, to meet current expenses for any purpose.

The statement of net position is presented in a classified format to distinguish between current and noncurrent assets and liabilities. When both restricted and unrestricted resources are available to fund certain programs, it is the College's policy to first apply the restricted resources to such programs followed by the use of the unrestricted resources.

Contributions – The Foundation recognizes contributions when cash, securities, or other assets, an unconditional promise to give, or a notification of beneficial interest is received. Conditional promise to give, or a notification of beneficial interest is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right to return – are not recognized until the conditions on which they depend have been met. Contributions, including unconditional promises to give are recognized as revenue in the period received. Contributions of assets other than cash are recorded at their estimated fair value. Contributions from unconditional promises to give that are to be received after one year are discounted at an appropriate risk adjusted rate at the date the promise is made. Amortization of discounts is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. An allowance for uncollectible contributions is based upon management's judgment including such factors as prior collections history, type of contribution, and nature of fundraising activity. No allowance was deemed necessary as of June 30, 2023 or 2022.

Donated Services – Donated services for the Foundation are recorded as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Foundation. In addition, a number of volunteers have donated their time to further the mission of the Foundation. The value of these volunteer services is not reflected in the accompanying statements of activities as they do not meet the requirements for recognition.

Cash and Cash Equivalents – The College and Foundation consider all highly liquid debt instruments with an original maturity of three months or less from the date of acquisition to be cash equivalents.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Budget Policy – The budget is prepared under the direction of the College President. The budget is based upon information provided by the various department heads through the planning process and results in a college-wide plan being submitted and approved. The Office of Administrative Services is responsible for preparing the preliminary budget and submitting it to the President. The President submits the preliminary budget to the Board of Trustees for final approval in June. The Board of Trustees may revise items contained in the final budget.

Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Scholarship Allowances and Student Financial Aid – Student tuition and fees, and certain other revenues from students, are reported net of scholarship discounts and allowances in the statement of revenues, expenses and changes in net position. Scholarship discounts and allowances are the difference between the stated charge for goods and services provided by the College and the amount that is paid by students and/or third parties making payments on the students' behalf. Certain governmental grants, such as Pell grants and other federal, state or nongovernmental programs, are recorded as either operating or non-operating revenues in the College's financial statements. To the extent that revenues for such programs are used to satisfy tuition and fees and certain other student charges, the College has recorded a scholarship discount and allowance.

Investments – The College's investment policies are governed by the Treasurer of the State of Missouri, which authorizes the College to invest in obligations of the U.S. Treasury and U.S. Government agencies, State Governments, local governments within Missouri and collateralized certificates of deposit. Investments in marketable securities with readily determinable fair values are stated at fair market value.

The Foundation's investments in mutual funds and exchange traded funds (EFT) with readily determinable fair values are stated at fair market value. The realized and unrealized gain or loss on investments is reflected in investment return on the statement of activities. Investment return is reported net of external and direct internal investment expenses.

Inventory – Inventory consists of textbooks and related bookstore items as well as food service items held for resale. The inventory is stated at the lower of cost or market value on a first-in, first-out basis.

Prepaid items – Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the financial statements.

Cash surrender value of life insurance – The cash surrender value of two Universal Life insurance policies, included in the Statements of Financial Position for the years ending June 30, 2023 and 2022, amounted to $35,713 and $34,729, respectively. The policies, owned by the Foundation, were established during 2010 by a member of the board of directors and a former Executive Director as the insured parties. These individuals contribute an amount to the Foundation equal to the premiums paid by the Foundation for the policies. The death benefit on the policies will be paid to the Foundation as the beneficiary.

Amortization of Bond Discount/Premium – Bond discounts and premiums are amortized over the life of the bonds. Amortization for the years ended June 30, 2023 and 2022 amounted to $425,966.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Amortization of Deferred Outflows Bond Refunding – Deferred items related to the refunding of bonds are amortized over the life of the new bonds or refunded bond, whichever is shorter. Amortization for each of the years ended June 30, 2023 and 2022 was ($164,771).

Accounts Receivable – Accounts receivable consists of balances due from students for tuition and other fees as well as government and other businesses for various other program related charges. Very few accounts are written off because the College has the potential to collect outstanding debts through the State of Missouri's Debt Offset Program. The allowance for doubtful accounts totals $972,076 and $1,077,575 at June 30, 2023 and 2022, respectively.

Capital Assets – All capital expenditures of $5,000 or more having an estimated life of more than one year are capitalized at cost or fair value, if donated. Depreciation and amortization is recorded using the straight-line method over the estimated service lives as follows:

Major Group	Life
Buildings	40 years
Land improvements	15 years
Equipment and furniture	5 - 10 years
Vehicles	5 years
Leased equipment	5 years

Depreciation and amortization expenses for the years ended June 30, 2023 and 2022 was $3,776,742 and $3,115,980, respectively.

In addition to the intangible assets reported above, the College reports intangible right-to-use assets as defined by GASB Statement No. 87, Leases and GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITA).

Advertising – The College and Foundation follow the policy of charging the cost of advertising to expense as incurred. Advertising expense for the primary government was $362,931 and $193,681 for the years ended June 30, 2023 and 2022, respectively. For the component unit, advertising expense amounted to $2,135 and $1,399 for the years ended June 30, 2023 and 2022, respectively.

Income Taxes – The Foundation qualifies as a nonprofit organization and is exempt from Federal and State income taxes pursuant to Internal Revenue Code Section 501(c)(3). The Foundation has also been classified as an entity that is not a private foundation within the meaning of Section 509(a).

Pensions – Financial reporting information pertaining to the College'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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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

Expense Allocation – The costs of providing various programs and other activities for the Foundation have been summarized on a functional basis in the Statement of Activities. Costs are directly charged when feasible. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The Foundation allocates salaries based on an analysis of time spent in each function.

Postemployment Benefits Other Than Pensions (OPEB) – For the purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense have been determined on the same basis as they are reported by the College. Benefit payments are recognized when due and payable in accordance with the benefit terms.

Operating and Nonoperating activities – Operating revenue includes activities that have characteristics of exchange transactions, such as (1) student tuition and fees, and (2) sales and services of auxiliary enterprises, net of scholarship discounts and allowances. Non-operating revenues include activities that have characteristics of no-exchange transactions, such as (1) local property taxes, (2) state appropriation, (3) most federal, state and local grant and contracts and Federal appropriations and (4) gift and contribution. Operating expense include all direct expenses incurred for education purposes. Nonoperating expenses are expenses incidental to operations.

Reclassifications – Certain reclassifications of amounts previously reported by the College have been made to the accompanying consolidated financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

2. CASH AND INVESTMENTS

Primary government:

Custodial credit risk – The College's cash balance is held at one financial institution. Collateral is required for demand and time deposits. Obligations that may be pledged as collateral are of the same type in which the College may invest. Obligations to secure deposits are held by the College's agent bank or in the agent bank's joint-custody account at the Federal Reserve Bank. All of the bank balance was insured by federal depository insurance or collateralized by securities at June 30, 2023 and 2022, respectively.

Interest rate risk – The College minimizes the risk that the market value of securities in the portfolio will fall due to changes in general interest rates by (1) structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity and; (2) investing operating funds primarily in shorter-term securities. Investments in repurchase agreements shall mature and become payable not more than ninety days (90) from the date of purchase. The weighted average maturity limitations for other investments should not exceed three (3) years.

The College's investment balances and maturities at June 30, 2023 are as follows:

Investment Type	Fair Value	Less than 6 months	6 -12 months	More than 1 year
U.S. Agency securities	$ 16,952,719	$ 13,964,259	$ 2,988,460	$ -
U.S. Treasury securities	46,464,771	21,308,170	17,689,490	7,467,111
Repurchase Agreement	1,571,939	-	-	1,571,939
TOTAL	$ 64,989,429	$ 35,272,429	$ 20,677,950	$ 9,039,050

The College's investment balances and maturities at June 30, 2022 were as follows:

Investment Type	Fair Value	Less than 6 months	6 -12 months	More than 1 year
U.S. Agency securities	$ 3,516,679	$ -	$ 2,024,339	$ 1,492,340
U.S. Treasury securities	47,514,190	20,863,722	13,255,832	13,394,636
Certificates of deposit	9,000,000	9,000,000	-	-
TOTAL	$ 60,030,869	$ 29,863,722	$ 15,280,171	$ 14,886,976

2. CASH AND INVESTMENTS *(continued)*

Credit risk – The College follows the Missouri Model Investment Policy as its formal investment policy. The College's investment policies are governed by the Treasurer of the State of Missouri, which authorizes the College to invest in obligations of the U.S. Treasury and U.S. Government agencies, State Governments, local governments within Missouri and collateralized certificates of deposit. These investments are rated AA+ by Standard & Poor's.

Concentration of credit risk – The College's policy is to diversify investments to minimize the risk of loss resulting from over concentration of assets in specific maturity, specific issuer, or specific class of security. At a minimum, the maximum security type and issuer shall be:

U.S. Treasuries and securities having principal and/or interest guaranteed by the U.S. government	100%
Collateralized time and demand deposits	100
U.S. Government agencies, and government-sponsored enterprises	60
Collateralized repurchase agreements	50
U.S. Government agency callable securities	30

Investments in any one issuer that represent 5% or more of total College investments are as follows:

Investment Type	2023 Percentage Of Investments	2022 Percentage Of Investments
Certificates of deposit	0 %	6 %
U.S. Treasury securities	71 %	79 %
U.S. Agency securities	26 %	15 %
Repurchase agreement	3 %	0 %

For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the College will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. All securities are required to be held by a third-party custodian designated by the College and evidenced by safekeeping receipts.

Component unit:

The Foundation maintains its cash in one financial institution located in St. Charles County. The account is guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to $250,000 per bank. The amount of uninsured cash is $82,012 and $51,136 as of June 30, 2023 and 2022, respectively. The Foundation has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

3 ACCOUNTS RECEIVABLE

The College's accounts receivable reported in the Statements of Net Position at June 30 are as follows:

	2023	2022
Tuition receivable	$ 1,761,440	$ 1,149,550
Grants and contracts receivable	667,631	1,156,497
Other accounts receivable	163,066	257,861
TOTAL	$ 2,592,077	$ 2,563,908

3 ACCOUNTS RECEIVABLE *(continued)*

Approximately, 17% of the College's outstanding accounts receivable at June 30, 2023 are due from the U.S. Department of Education, the U.S. Department of Labor and the State of Missouri while 42% of the College's outstanding accounts receivable at June 30, 2022 are due from the U.S. Department of Education, the U.S. Department of Labor and the State of Missouri.

4 FAIR VALUE MEASUREMENTS

U.S. GAAP establishes a framework for measuring fair value. That framework uses a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. U.S. GAAP requires entities to maximize the use of observable inputs when measuring fair value. The hierarchy describes three levels of input, which are as follows:

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in inactive markets; or inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3: Significant unobservable inputs.

Fair values of assets measured on a recurring basis at June 30, 2023 are as follows:

	Level 1	Level 2	Level 3	Total
Primary government:				
U.S. Agency securities	$ -	$ 16,952,719	$ -	$ 16,952,719
U.S. Treasury securities	-	46,464,711	-	46,464,711
Repurchase agreement	-	1,571,939		1,571,939
TOTAL	$ -	$ 64,989,429	$ -	$ 64,989,429
Component unit:				
Mutual Funds & ETF	$ 1,618,214	$ -	$ -	$ 1,618,214
Total investments at fair value	$ 1,618,214	$ -	$ -	$ 1,618,214
Cash				27,280
TOTAL				$ 1,645,494

Fair values of assets measured on a recurring basis at June 30, 2022 are as follows:

	Level 1	Level 2	Level 3	Total
Primary government:				
U.S. Agency securities	$ -	$ 3,516,679	$ -	$ 3,516,679
U.S. Treasury securities	-	47,514,190	-	47,514,190
TOTAL	$ -	$ 51,030,869	$ -	$ 51,030,869
Component unit:				
Mutual Funds & ETF	$ 1,333,267	$ -	$ -	$ 1,333,267
Total investments at fair value	$ 1,333,267	$ -	$ -	$ 1,333,267
Cash				88,018
TOTAL				$ 1,421,285

5. PROPERTY TAX

The College's property tax is levied in September of each year based on the assessed value listed as of the prior January 1st for all property located in the College's district. Property taxes are due by December 31st, following the levy date, and a lien is placed on the property as of January 1st if the taxes are not paid by the due date. Assessed values are established by the County Assessor subject to review by the Board of Equalization. The assessed value for property located in the County was $11,091,551,814.

The College is permitted by Missouri State Statutes to levy taxes for various purposes. The following presents the College's levy for the fiscal years ended June 30, 2023 and 2022:

	2023	2022
Operations	$ 0.1510	$ 0.1510
Debt retirement	0.0392	0.0398

6. CAPITAL ASSETS

A summary of changes in capital assets for the year ended June 30, 2023 is as follows:

	Beginning Balances, As Restated	Additions	Deletions	Ending Balance
Tangible capital assets, not being depreciated:				
Land	$ 13,308,573	$ -	$ -	$ 13,308,573
Construction in progress	6,376,998	1,896,274	(6,483,956)	1,789,316
Total tangible capital assets, not being depreciated	19,685,571	1,896,274	(6,483,956)	15,097,889
Tangible capital assets, being depreciated:				
Buildings and improvements	84,454,372	6,483,956	-	90,938,327
Land improvements	11,302,939	-	-	11,302,939
Equipment and furniture	7,907,973	784,376	-	8,692,349
Vehicles	664,097	264,509	-	928,606
Total tangible capital assets, being depreciated	104,329,381	7,532,840	-	111,862,221
Intangible capital asset, being Amortized:				
Software	541,392	3,058,783	(51,969)	3,548,206
Buildings and improvements	-	583,254	-	583,254
Equipment and furniture	-	74,843	-	74,843
Total intangible capital assets being amortized	541,392	3,716,880	(51,969)	4,206,303
Less, accumulated depreciation for tangible capital assets:				
Buildings and improvements	(42,734,497)	(2,226,366)	-	(44,960,884)
Land improvements	(6,114,992)	(268,453)	-	(6,383,445)
Equipment and furniture	(5,706,084)	(498,376)	-	(6,204,460)
Vehicles	(468,228)	(62,659)	-	(530,887)
Total accumulated Depreciation for Tangible capital assets	(55,023,801)	(3,055,825)	-	(58,079,626)
Less accumulated amortization for intangible capital assets:				
Software	(218,547)	(594.805)	51,969	(761,383)
Buildings and improvements	-	(83,344)	-	(83,344)
Equipment and furniture	-	(42,768)	-	(42,768)
Total intangible capital assets being amortized	(218,547)	(720,917)	51,969	(844,959)
Total tangible and intangible capital assets, being depreciated and amortized, net	49,628,425	7,472,978	-	57,101,403
Total capital assets, net	$ 69,313,996	$ 9,369,252	$ (6,483,956)	$ 72,199,292

6. CAPITAL ASSETS *(continued)*

A summary of changes in capital assets for the year ended June 30, 2022 is as follows:

	Beginning Balance As Restated	Additions	Deletions	Ending Balance
Capital assets, not being depreciated:				
Land	$ 10,368,264	$ 2,940,309	$ -	$ 13,308,573
Construction in progress	1,578,726	7,759,458	(2,961,186)	6,376,998
Total capital assets, not being depreciated	11,946,990	10,699,767	(2,961,186)	19,685,571
Capital assets, being depreciated:				
Buildings and improvements	83,168,225	1,286,147	-	84,454,372
Land improvements	11,302,939	-	-	11,302,939
Equipment and furniture	7,532,770	794,047	(418,844)	7,907,973
Vehicles	519,653	155,634	(11,190)	664,097
Total capital assets, being depreciated	102,523,587	2,235,828	(430,034)	104,329,381
Intangible capital asset, being Amortized:				
Software	460,120	81,272	-	541,392
Total intangible capital assets being amortized	460,120	81,272	-	541,392
Less, accumulated depreciation for:				
Buildings and improvements	(40,634,591)	(2,099,906)	-	(42,734,497)
Land improvements	(5,831,109)	(283,883)	-	(6,114,992)
Equipment and furniture	(5,650,610)	(474,318)	418,844	(5,706,084)
Vehicles	(440,092)	(39,326)	11,190	(468,228)
Total accumulated depreciation	(52,556,402)	(2,897,433)	430,034	(55,023,801)
Less accumulated amortization for intangible capital assets:				
Software	-	(218,547)	-	(218,547)
Total intangible capital assets being amortized	-	(218,547)	-	(218,547)
Total tangible and intangible capital assets, being depreciated and amortized, net	50,427,305	(798,880)	-	49,628,425
Total capital assets, net	$ 62,374,295	$ 9,900,887	$ (2,961,186)	$ 69,313,996

7. ACCUMULATED UNPAID VACATION AND SICK LEAVE

The College's employees earn vacation during the year, which may accumulate to a maximum of 44 days. Accrued vacation time is payable to the employee upon termination. The total liability for vacation is $1,250,049 and $1,218,880 at June 30, 2023 and 2022, respectively. Sick leave may be accumulated up to a maximum of 120 days. The College's employees have accumulated sick leave of $2,898,856 and $4,491,280 at June 30, 2023 and 2022, respectively. Accrued sick leave is cancelled upon termination of an employee; therefore, no liability has been accrued.

8. NONCURRENT LIABILITIES

The following is a summary of the changes in long-term liabilities as of June 30, 2023:

	Beginning Balance As Restated	Additions	Reductions	Ending Balance	Due Within One Year
General Obligation Bonds - Series 2021	$ 27,465,000	$ -	$ 520,000	$ 26,945,000	$ 555,000
General Obligation Bonds - Series 2016	10,935,000	-	2,560,000	8,375,000	2,665,000
Certificates of Participation - Series 2017	4,025,000	-	215,000	3,810,000	220,000
Bond Discount/Premium, net	3,327,823	-	425,966	2,901,857	425,966
Compensated Absences	1,218,880	886,795	855,626	1,250,049	562,522
SBITA Payables	159,762	3,058,783	836,636	2,381,909	625,811
Lease Payables	-	658,097	112,964	545,133	174,685
TOTAL	$ 47,131,465	$ 4,603,675	$ 5,526,192	$ 46,208,948	$ 5,228,984

The following is a summary of the changes in long-term liabilities as of June 30, 2022:

	Beginning Balance As Restated	Additions	Reductions	Ending Balance	Due Within One Year
General Obligation Bonds - Series 2021	$ 27,955,000	$ -	$ 490,000	$ 27,465,000	$ 520,000
General Obligation Bonds - Series 2016	13,425,000	-	2,490,000	10,935,000	2,560,000
Certificates of Participation - Series 2017	4,235,000	-	210,000	4,025,000	215,000
Bond Discount/Premium, net	3,753,789	-	425,966	3,327,823	425,966
Compensated Absences	1,237,093	822,005	840,218	1,218,880	548,496
SBITA Payables	202,525	81,272	124,034	159,762	110,033
TOTAL	$ 50,808,407	$ 903,277	$ 4,580,218	$ 47,131,465	$ 4,379,495

Bonds

Noncurrent liabilities for Bonds consist of the following issues at June 30:

	2023	2022
General Obligation Bonds, Series 2021, payable in annual installments through February, 2041, interest at 1.88% to 4.0%	$ 26,945,000	$ 27,465,000
General Obligation Refunding Bonds, Series 2016, payable In annual installments through February, 2026, interest at 3.0% to 4.0%	8,375,000	10,935,000
Certificates of Participation, Series 2017, payable in annual installments through March 2037, interest at 3.0% to 3.5%	3,810,000	4,025,000
TOTAL NONCURRENT LIABILITIES	$ 39,130,000	$ 42,425,000

8. NONCURRENT LIABILITIES *(continued)*

Bonds (Continued)

During 2021, the College issued $27,955,000 in General Obligation Bonds for the purpose of modernizing and expanding facilities for workforce training, academic programs and support services and to enhance campus security. At the College's option, the bonds or portions thereof maturing on and after February 15, 2031 may be called for redemption and payment prior to their stated maturity on and after February 15, 2030, in whole or in part at any time, in such amounts for each stated maturity as shall be determined by the College, at the redemption price of 100% of the principal amount thereof, plus accrued interest thereon to the redemption date.

During 2017, the College issued $5,015,000 of Certificates of Participation (COP) to finance the purchase 69 acres of land which included a 69,000 square foot building, gymnasium and athletic fields. This property is pledged as collateral on the loan. The College may prepay the COPs at any point after March 1, 2025.

The annual requirements to pay principal and interest on long-term obligations outstanding at June 30, 2023, excluding capital leases and accrued compensated absences payable, are as follows:

	Principal	Interest	Total
2024	$ 3,440,000	$ 1,214,344	$ 4,654,344
2025	3,595,000	1,052,294	4,647,294
2026	3,740,000	910,794	4,650,794
2027	1,590,000	763,544	2,353,544
2028	1,650,000	702,394	2,352,394
2029-2033	9,190,000	2,556,569	11,746,569
2034-2038	10,160,000	1,208,113	11,368,113
2039-2041	5,765,000	232,100	5,997,100
Total	$ 39,130,000	$ 8,640,150	$ 47,770,150

Leases

The College entered into a lease for the right to use building. The lease is payable in annual principal and interest installments of $82,800. The lease period is through May 15, 2028. The total intangible right-to-use asset acquired under this lease was $367,855. There were no variable payments being paid that are not part of the lease payable. During the fiscal year ended June 30, 2023, the College paid $0 in principal towards the lease and recognized amortization expense of $9,493.

The College entered into a lease for the right to use building. The lease is payable in monthly principal and interest installments ranging from $6,250 to $6,500. The lease period is through May 31, 2025. The total intangible right-to-use asset acquired under this lease was $215,399. There were no variable payments being paid that are not part of the lease payable. During the fiscal year ended June 30, 2023, the College paid $70,291 in principal towards the lease and recognized amortization expense of $73,851.

The College entered into a lease for the right to use equipment. The lease is payable in monthly principal and interest installments of $3,583. The lease period is through March 31, 2024. The total intangible right-to-use asset acquired under this lease was $74,843. There were no variable payments being paid that are not part of the lease payable. During the fiscal year ended June 30, 2023, the College paid $42,673 in principal towards the lease and recognized amortization expense of $42,768.

8. NONCURRENT LIABILITIES *(continued)*

Leases (Continued)

The following schedule reflects the College's future obligations under the lease payable:

Fiscal Year Ending June 30,	Leases	
	Principal	Interest
2024	$ 174,685	$ 18,365
2025	141,009	13,291
2026	73,447	9,353
2027	76,441	6,359
2028	79,551	3,250
TOTAL	$ 545,133	$ 50,618

Subscription-Based Information Technology Arrangements (SBITA)

In accordance with GASB Statement No.96, Subscription-Based Information Technology Arrangements (SBITA), the College's SBITA activity is as follows:

The College has entered into various SBITAs for the right to use another party's information technology software. These agreements range, in term, from fiscal year 2020 through fiscal year 2027. Additionally, payment terms on these agreements vary in frequency with payments due to in either monthly or annual installments, depending on the agreements.

The following schedule reflects the College's future obligations under the SBITA payable:

Fiscal Year Ending June 30,	SBITA	
	Principal	Interest
2024	$ 625,811	$ 95,072
2025	639,819	69,487
2026	547,484	44,877
2027	568,795	23,168
TOTAL	$ 2,381,909	$ 232,604

9. LIQUIDITY AND AVAILABILITY

Component unit:

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the Statement of Financial Position date, comprise the following for the Foundation:

		2023		2022
Cash and cash equivalents	$	331,776	$	239,666
Investments		1,645,494		1,421,285
Certificate of Deposit		103,817		194,269
Pledges receivable		-		8,250
Interest receivable		93		93
Cash surrender value of life insurance		35,713		34,729
Financial assets, at year-end		2,116,893		1,898,292
Less those unavailable for general expenditures within one year due to:				
Donor-imposed restrictions:				
Restrictions by donor with time or purpose restrictions		(526,003)		(426,449)
Restrictions by donor to be maintained in perpetuity		(99,478)		(97,328)
Financial assets available to meet cash needs for general expenditures within one year before board designations		1,491,412		1,374,515
Less board designations:				
Scholarships		(1,171,117)		(1,076,399)
Financial assets available to meet cash needs for general expenditures within one year	$	320,295	$	298,116

Contributions with donor restrictions require resources to be used in a particular manner, in a future period, or to be maintained in perpetuity. The Foundation must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year.

The Foundation board has designated unrestricted reserves totaling $1,171,117 and $1,076,399 as of June 30, 2023 and 2022, respectively, to be used for scholarships. Although the Board does not intend to use these designated funds for general operating expenditures, these amounts could be made available for immediate use in the event of an urgent liquidity need.

As part of the Foundation's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. The Foundation invests cash in excess of daily requirements in money market funds and CDs.

10. ENDOWMENTS

The endowments of the Foundation consist of board designated and individual donor-restricted funds established for a variety of purposes. In accordance with FASB ASC 958-305-45, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. Endowment balances are included in investments in the Statements of Financial Position.

The Board of Directors of the Foundation has interpreted the State of Missouri enacted version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary.

As a result of this interpretation, the Foundation classifies as perpetual in nature net assets with donor restrictions (a) the original value of the gifts donated to the permanent endowment, and (b) the original value of subsequent gifts to the permanent endowment. The remaining portion of the donor-restricted endowment that is not classified as perpetual in nature is classified as purpose restricted net assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA.

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity. Under this policy, the endowment assets are invested in a manner that is intended to produce results while assuming a moderate level of investment risk.

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved both through capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

The Foundation has a policy for distribution of funds each year based on a maximum of three percent of its endowment fund’s average fair value over the prior 12 quarters through the fiscal year-end preceding the year in which the funds will be awarded. In establishing this policy, the Foundation considered the long-term expected rate of return on its endowment assets.

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). The Foundation has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required by law. There were no amounts underwater as of June 30, 2023 or 2022.

10. ENDOWMENTS *(continued)*

Endowment net asset composition by type for the year ended June 30, 2023 were as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor restricted	$ -	$ 368,014	$ 368,014
Board designated	1,171,117	-	1,171,117
Total endowment net assets	$ 1,171,117	$ 368,014	$ 1,539,131

Endowment net asset composition by type for the year ended June 30, 2022 were as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor restricted	$ -	$ 344,820	$ 344,820
Board designated	1,076,399	-	1,076,399
Total endowment net assets	$ 1,076,399	$ 344,820	$ 1,421,219

The changes in endowment net assets for the year ended June 30, 2023 were as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, July 1, 2022	$ 1,076,399	$ 344,820	$ 1,421,219
Investment return, net	94,718	24,044	118,762
Contributions to endowment	-	2,150	2,150
Net assets released from restrictions	-	(3,000)	(3,000)
Endowment net assets, June 30, 2023	$ 1,171,117	$ 368,014	$ 1,539,131

The changes in endowment net assets for the year ended June 30, 2022 were as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, July 1, 2021	$ 1,228,040	$ 372,460	$ 1,600,500
Investment return, net	(150,641)	(47,443)	(198,084)
Contributions to endowment	-	21,479	21,479
Net assets released from restrictions	(1,000)	(1,676)	(2,676)
Endowment net assets, June 30, 2022	$ 1,076,399	$ 344,820	$ 1,421,219

11. RETIREMENT PLANS

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 non-certificated 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 the 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.

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 plan and audited financial statements can be found on the Systems' website at www.psrs-peers.org.

11. RETIREMENT PLANS *(continued)*

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-U decreases, no COLA is provided.

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

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

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

The College's contributions to PSRS and PEERS were $2,846,494 and $2,649,414 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, 2023, the College recorded a liability of $21,539,762 for its proportionate share of the PSRS net pension liability and $3,376,246 for its proportionate share of the PEERS net pension liability. In total the College recorded net pension liabilities of $24,916,008. 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 $2,126,879 and $534,978, respectively, for the year ended June 30, 2022 relative to the total contributions of $763,765,603 for PSRS and $133,912,932 for PEERS from all participating employers. At June 30, 2022, the College's proportionate share was 0.2785% for PSRS and 0.3995% for PEERS.

For the year ended June 30, 2023, the College recognized pension expense (income) of $1,122,512 for PSRS and ($96,736) for PEERS, its proportionate share of the total pension expense.

11. RETIREMENT PLANS *(continued)*

At June 30, 2022, the College recorded a liability of $6,357,970 for its proportionate share of the PSRS net pension liability and $495,493 for its proportionate share of the PEERS net pension liability. In total the College recorded net pension liabilities of $6,853,462. The net pension liability for the plans in total was measured as of June 30, 2021 and determined by an actuarial valuation as of that date. The College's proportionate share of the total net pension liability was based on the ratio of its actual contributions paid to PSRS and PEERS of $2,138,761 and $578,426, respectively, for the year ended June 30, 2021 relative to the total contributions of $744,694,744 for PSRS and $125,712,392 for PEERS from all participating employers. At June 30, 2021, the College's proportionate share was N/A for PSRS and 0.4601% for PEERS.

For the year ended June 30, 2022, the College recognized pension expense of ($1,435,885) for PSRS and ($621,306) for PEERS, its proportionate share of the total pension expense.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Balance of Deferred Outflows and Inflows Due to:		
Differences between expected and actual experience	$ 4,397,388	$ 320,647
Change of assumptions	1,531,875	-
Net difference between projected and actual earnings on pension plan investments	-	705,137
Changes in proportion and differences between Employer contributions and proportionate share of contributions	9,067	2,554,838
Employer contributions subsequent to measurement date	2,846,494	-
TOTAL	$ 8,784,824	$ 3,580,621

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Balance of Deferred Outflows and Inflows Due to:		
Differences between expected and actual experience	$ 2,661,725	$ 594,789
Change of assumptions	2,875,054	-
Net difference between projected and actual earnings on pension plan investments	-	19,580,748
Changes in proportion and differences between Employer contributions and proportionate share of contributions	91,745	2,781,461
Employer contributions subsequent to measurement date	2,649,414	-
TOTAL	$ 8,277,938	$ 22,956,998

11. RETIREMENT PLANS *(continued)*

Amounts reported as deferred outflows of resources resulting from contribution subsequent to the measurement date of June 30, 2022 will be recognized as a reduction to the net pension liability in the year ended June 30, 2023. Other amounts reported as collective deferred (inflows) / outflows of resources are to be recognized in pension expense as follows:

Year Ending June 30:	PSRS	PEERS	TOTAL
2024	$ 48,372	$ (158,706)	$ (110,334)
2025	(381,183)	(108,661)	(489,844)
2026	(999,650)	(310,787)	(1,310,437)
2027	3,539,972	524,706	4,064,678
2028	203,646	-	203,646
Thereafter	-	-	-
TOTAL	$ 2,411,157	$ (53,448)	$ 2,357,709

11. RETIREMENT PLANS *(continued)*

Actuarial Assumptions

Actuarial valuations of the Systems involve assumptions about 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 updated, where appropriate, based on the results of the studies and effective with the June 30, 2021 valuation. Significant actuarial assumption and methods are detailed below. For additional information please refer to the Systems' Comprehensive Annual Financial Report (CAFR). The next experience studies are scheduled for 2026.

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

- Measurement Date	June 30, 2022 and June 30, 2021
- Valuation Date	June 30, 2022 and June 30, 2021
- Expected Return on Investments-2022	7.30%, net of investment expenses and including 2.00% inflation
- Expected Return on Investments-2021	7.30%, net of investment expenses and including 2.00% inflation
- Inflation	2.00% and 2.00%, respectively
- Total Payroll Growth for PSRS-2022	2.25% per annum, consisting of 2.00% inflation, 0.125% real wage growth due to the inclusion of active health care costs in pensionable earnings, and 0.125% of real wage growth due to productivity.
- Total Payroll Growth for PSRS-2021	2.25% per annum, consisting of 2.00% inflation, 0.125% real wage growth due to the inclusion of active health care costs in pensionable earnings, and 0.125% of real wage growth due to productivity.
- Total Payroll Growth for PEERS-2022	2.50% per annum, consisting of 2.00% inflation, 0.25% real wage growth due to the inclusion of health care costs in pensionable earnings, and 0.25% of real wage growth due to productivity.
- Total Payroll Growth for PEERS-2021	2.50% per annum, consisting of 2.00% inflation, 0.25% real wage growth due to the inclusion of health care costs in pensionable earnings, and 0.25% of real wage growth due to productivity.
- Future Salary Increases for PSRS-2022	2.625% - 8.875%, depending on service and including 2.00% inflation, 0.125% real wage growth due to the inclusion of active health care costs in pensionable earnings, and 0.125% of real wage growth due to productivity, and real wage growth for merit.
- Future Salary Increases for PSRS-2021	2.625% - 8.875%, depending on service and including 2.00% inflation, 0.125% real wage growth due to the inclusion of active health care costs in pensionable earnings, and 0.125% of real wage growth due to productivity, and real wage growth for merit.

11. RETIREMENT PLANS *(continued)*

Actuarial Assumptions *(continued)*

- Future Salary Increases for PEERS-2022	3.25% - 9.75%, depending on service and including 2.00% inflation, 0.250% real wage growth due to the inclusion of health care costs in pensionable earnings, and 0.25% of real wage growth due to productivity, and real wage growth for merit.
- Future Salary Increases for PEERS-2021	3.25% - 9.75%, depending on service and including 2.00% inflation, 0.250% real wage growth due to the inclusion of health care costs in pensionable earnings, and 0.054% of real wage growth due to productivity, and real wage growth for merit
- Cost-of-Living Increases for PSRS & PEERS - 2022	Given that the actual increase in the CPI-U index from June 2021 to June 2022 was 9.06%, the Board approved an actual cost-of-living adjustment (COLA) as of January 1, 2023 of 5.00%, in accordance with the Board's funding policy and Missouri statutes, compared to an assumed COLA of 2.00%. Future COLAs assumed in the valuation are 2.00% as of January 1, 2024, and 1.35% each January 1, thereafter. This COLA assumption is based on the 20-year stochastic analysis of inflation performed in the 2021 experience study, the application of the Board's COLA policy, and the short-term expectations of COLA due to recent CPI activity. It is also based on the current policy of the Board to grant a COLA on each January 1 as follows: - If the June to June change in the CPI-U is less than 2% for 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-U decreases, no COLA is provided. 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 members receive a COLA on the second January after retirement, while PEERS members receive a COLA on the fourth January after retirement.

11. RETIREMENT PLANS *(continued)*

Actuarial Assumptions *(continued)*

- Cost-of-Living Increases for PSRS & PEERS - 2021

Given that the actual increase in the CPI-U index from June 2020 to June 2021 was 5.39%, the Board approved an actual cost-of-living adjustment (COLA) as of January 1, 2022 of 5.00%, in accordance with the Board's funding policy and Missouri statutes, compared to an assumed COLA of 2.00%. Future COLAs assumed in the valuation are 2.00% as of January 1, 2023 and January 1, 2024, and 1.35% each January 1, thereafter. This COLA assumption is based on the 20-year stochastic analysis of inflation performed in the 2021 experience study, the application of the Board's COLA policy, and the short-term expectations of COLA due to recent CPI activity. It is also based on the current policy of the Board to grant a COLA on each January 1 as follows:

- If the June to June change in the CPI-U is less than 2% for 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-U decreases, no COLA is provided.

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 members 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 -2022

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.

Actives: PSRS-2021

Experience-adjusted Pub-2010 Teachers Mortality Table for Employees projected from 2010 to 2018 using the MP-2020 improvement scale and multiplied by the healthy retiree experience-based adjustment factors at all ages for both males and females, with generational improvement after 2018 using the MP-2020 improvement scale.

Actives: PEERS-2022

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.

11. RETIREMENT PLANS *(continued)*

Actuarial Assumptions *(continued)*

Actives: PEERS-2021	Experience-adjusted Pub-2010 General (Below-Median Income) Mortality Table for Employees projected from 2010 to 2018 using the MP-2020 improvement scale and multiplied by the healthy retiree experience-based adjustment factors at all ages for both males and females, with generational improvement after 2018 using the MP-2020 improvement scale.
Non-Disabled Retirees: PSRS-2022	Mortality rates for non-disabled 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 male and females.

	Males	Females
Non-disabled	1.10	1.04
Contingent Survivor	1.18	1.07

Non-Disabled Retirees: PSRS-2021	Pub-2010 Teachers Mortality Table for Healthy Retirees and the Pub-2010 Teachers Mortality Table for Contingent Survivors, respectively. The tables are projected from 2010 to 2018 using the MP-2020 improvement scale and multiplied by the experience-based adjustment factors shown in the tables at all ages for both males and females, with generational improvement after 2018 using the MP-2020 improvement scale.
Non-Disabled Retirees: PEERS-2022	Mortality rates for non-disabled 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

Non-Disabled Retirees: PEERS - 2021	Mortality rates for non-disabled 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 from 2010 to 2018 using the MP-2020 improvement scale and multiplied by the experience-based adjustment factors shown in the tables at all ages for both males and females, with generational improvement after 2018 using the MP-2020 improvement scale.

11. RETIREMENT PLANS *(continued)*

Actuarial Assumptions *(continued)*

Disabled Retirees: PSRS-2022	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.
Disabled Retirees: PEERS-2022	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.
Disabled Retirees: PSRS & PEERS-2021	Experience-adjusted Pub-2010 General Mortality Table projected from 2010 to 2018 using the MP-2020 improvement scale and multiplied by the healthy retiree experience-based adjustment factors at all ages for both males and females, with generational improvement after 2018 using the MP-2020 improvement scale.
-Changes in Actuarial Assumption and Methods	
PSRS & PEERS-2022	An experience study was completed in May 2021 resulting in updates to the actuarial assumptions for the June 30, 2021 valuation. There were no further updates to the actuarial assumptions and methods for the June 30, 2022 valuation.
PSRS & PEERS-2021	An experience study was completed in May 2021 resulting in an update to the following assumptions: -The long-term inflation assumption was decreased from 2.25% to 2.00% -The expected return on assets assumption was decreased from 7.5% to 7.3%. -The cost-of-living increase assumption was changed to be 2.00% on January 1, 2022, 2023 and 2024, and 1.35% on each January 1, thereafter.

11. RETIREMENT PLANS *(continued)*

Actuarial Assumptions *(continued)*

- Fiduciary Net Position

The Systems issue a publicly available financial report (ACFR) that can be obtained at www.psrs-peers.org

- Expected Rate of Return

The long-term expected rate of return on investments was determined in accordance with Actuarial Standard of Practice (ASOP) No. 27, Selection of Economic Assumptions for Measuring Pension Obligations. ASOP No. 27 provides guidance on the selection of an appropriate assumed rate of return. The long-term expected rate of return on the Systems' investments was determined using a building-block method in which best-estimate ranges of expected future real rates of returns (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Systems' target allocation as of June 30, 2022 are summarized below:

Asset Class	Target Asset Allocation	Long-term Expected Real Return Arithmetic Basis
2022		
U.S. Public Equity	23.0%	4.81%
Public Credit	0.0%	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	0.0%	0.29%
Private Credit	8.0%	5.61%
Private Equity	21.0%	10.90%
Private Real Estate	11.0%	7.47%
Total	100.0%	
2021		
U.S. Public Equity	23.0%	4.81%
Public Credit	0.0%	0.80%
Hedged Assets	6.0%	2.39%
Non-U.S. Public Equity	16.0%	6.88%
U.S. Treasuries	20.0%	-0.02%
U.S. TIPS	0.0%	0.29%
Private Credit	8.0%	5.61%
Private Equity	16.0%	10.90%
Private Real Estate	11.0%	7.47%
Total	100.0%	

11. RETIREMENT PLANS *(continued)*

Actuarial Assumptions *(continued)*

- Discount Rate-2022

The long-term expected rate of return used to measure the total pension liability was 7.3% as of June 30, 2022 and is consistent with the long-term expected geometric return on plan investments. The actuarial assumed rate of return of 7.3% is consistent with the June 30, 2021 valuations and is based on the actuarial experience studies conducted during the 2021 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.

- Discount Rate-2021

The long-term expected rate of return used to measure the total pension liability was 7.3% as of June, 30, 2021, and is consistent with the long-term expected geometric return on plan investments. The Board of Trustees adopted a new actuarial assumed rate of return of 7.3% effective with the June 30, 2021 valuation based on the actuarial experience studies and asset-liability study 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 actuarial 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.

- Discount Rate Sensitivity-2022

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 (assets) using a discount rate that is 1.0% lower (6.30%) or 1.0% higher (8.30%) than the current rate.

	Discount Rate	1% Decrease (6.30%)	Current Rate (7.30%)	1% Increase (8.30%)
PSRS	Proportionate share of the Net Pension Liability/ (Asset)	$ 40,926,792	$ 21,539,762	$ 5,480,860
PEERS	Proportionate share of the Net Pension Liability/ (Asset)	6,770,986	3,376,246	542,831

11. RETIREMENT PLANS *(continued)*

Actuarial Assumptions *(continued)*

- Discount Rate Sensitivity-2021

The sensitivity of the College's net pension liabilities to changes in the discount rate is presented below. The College'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.

	Discount Rate	1% Decrease (6.30%)	Current Rate (7.30%)	1% Increase (8.30%)
PSRS	Proportionate share of the Net Pension Liability/ (Asset)	$ 25,596,710	$ 6,357,970	$ (9,570,727)
PEERS	Proportionate share of the Net Pension Liability/ (Asset)	4,195,831	495,493	(2,592,521)

12. INDUSTRIAL JOBS TRAINING CERTIFICATES

Under state legislation to provide tax-aided training for employees of industries which are new to or expanding their operations within the State of Missouri, the College has issued Industrial New Jobs Training Taxable Certificates and Industrial Retained Jobs Training Program Certificates.

The certificates are to be repaid by payroll tax withholdings related to the new jobs created. If such funds are not sufficient to repay the debt, then other withholding taxes paid by the employer shall be applied. A special trust fund is maintained for the deposit of tax withholdings received from the state and to disburse amounts payable for program costs and debt service. The certificates do not constitute indebtedness of the College and, accordingly, are not included in the accompanying statement of net assets. The College has no obligation to repay the debt should the certificate holder become unable to fulfill the obligation.

13. TRANSFERS FROM AFFILIATE AND RELATED PARTY TRANSACTIONS

The Foundation raises money for the College to finance various projects and scholarships. The College pays the salaries and benefits of the Foundation's employees. These are recorded as transfers from affiliates contributed services, which amounted to $124,814 and $103,524 for the years ended June 30, 2023 and 2022, respectively. During the years ended June 30, 2023 and 2022, the Foundation made grants to the College totaling $49,486 and $131,166, respectively. Amounts owed to the College totaled $21,633 and $43,162 at June 30, 2023 and 2022, respectively.

14. LESSOR DISCLOSURES

In accordance with GASB Statement No. 87, *Leases*, the District's lessor activity is as follows:

In April 2019, the College entered into a ground lease of approximately 3 acres of property with a local developer for an initial period of 25 years with the option to extend the lease for two additional 25-year periods. The first two years of rent were abated. The developer constructed and operates a housing complex and necessary parking spaces for students enrolled at the College. In addition, the developer agreed to provide $400,000 to the College for the development and construction of a new campus police station. The College is reasonably certain that the lessee will renew this lease for two additional terms.

14. LESSOR DISCLOSURES (*continued*)

In accordance with the provisions of GASBS No. 87, the lease was retroactively measured as of July 1 2020 with a lease term of 75 years and an interest rate of 4.15%, the College's incremental borrowing rate per the College's financial advisor. The College collected $25,000 and $25,000 for the years ending June 30, 2023 and 2022, respectively, which includes $19,498 in lease revenue and $5,502 in lease interest revenue for 2023 and $19,431 in lease revenue and $5,569 in lease interest revenue for 2022. The remaining lease receivable and offsetting deferred inflow of resources for this agreement is $1,571,479 and $1,590,976 as of June 30, 2023 and 2022 respectively.

In October 2020, the College entered into a lease with a local company for one of the College's buildings located on the main campus for an initial period of 15 years with the option to renew for 3 additional 5-yr periods. The College is not certain that the lessee will be renewed for three additional terms. In accordance with the provisions of GASBS No. 87, the lease was retroactively measured as of July 1 2020 with a lease term of 15 years and an interest rate of 3.9%, the College's incremental borrowing rate per the College's financial advisor. The College collected $68,400 and $68,400 for the years ending June 30, 2023 and 2022, respectively, which includes $65,575 in lease revenue and $2,825 in lease interest revenue for 2023 and $65,362 in lease revenue and $3,038 in lease interest revenue for 2022. The remaining lease receivable and offsetting deferred inflow of resources for this agreement is $803,720 and $869,296 as of June 30, 2023 and 2022 respectively.

The following table represents expected future minimum collections the College will receive under these lease arrangements are as follows:

Year Ending June 30,	Amount
2024	$ 93,400
2025	93,400
2026	93,400
2027	93,400
2028	93,400
2029-2033	467,000
2034-2038	261,800
2039-2043	125,000
2044-2048	125,000
2049-2053	125,000
2054-2058	125,000
2059-2063	125,000
2064-2068	125,000
2069-2073	125,000
2074-2078	125,000
2079-2083	125,000
2084-2088	125,000
2089-2093	125,000
2094	25,000
Total	2,595,800
Less Interest	(220,601)
Total	**$ 2,375,199**

15. OTHER POST EMPLOYMENT BENEFITS

Plan Description - The College's defined benefit OPEB plan is a single-employer plan administered by the College. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.*

Benefits provided - The College is required to allow retirees of the College to participate in the group health insurance plan with current employees. The College pays premiums applicable to the group as a whole. Retirees pay 100% of their premiums at the same rate as current employees with specific contribution from the College. The premiums paid by retirees may be lower than they would have been if the retirees were insured separately.

This benefit is called an "implicit rate subsidy." To comply with the applicable provisions of GASB Code Section P50, the College records a liability, as calculated by an actuary, to recognize the additional cost to the College of the participating retirees who benefit from the lower group health insurance plan premium rates and, because of their age, are most likely not paying 100% of the true cost of the medical benefits they receive.

Employees covered by benefit terms - As of June 30, 2023, the most recent actuarial valuation, the following participants were covered by the benefit terms:

Active employees	312
Retirees and covered spouses	21
TOTAL	333

Total OPEB Liability

The College's total OPEB liability of $2,185,672 as of June 30, 2023, was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs – The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods in the measurement, unless otherwise specified:

- Actuarial Cost Method	Individual Entry Age Normal as a level percentage of payroll
- Discount Rate	4.13%
- Annual Wage Increases	2.75%
- Funding Policy	Pay-as-you-go
- Annual Healthcare Trends	The assumed medical inflation rate of 7.5% is reduced by 0.5% per annum to an ultimate trend rate of 5%.
- Mortality	*Pre-retirement* SOA RPH-2014 White Collar Headcount-Weighted Mortality adjusted to 2006, multiplied by an adjustment factor of 0.75 *Post-retirement* SOA RPH-2014 White Collar Headcount-Weighted Mortality adjusted to 2006 *Margin for mortality improvements* Scale MP-2021, fully generational

15. OTHER POST EMPLOYMENT BENEFITS *(continued)*

Total OPEB Liability

- Changes Since Prior Valuation	1. Per-capita costs were updated to reflect experience since the previous valuation. 2. Discount rate was increased from 2.18% to 4.13% based on the 20-year tax-exempt general-obligation municipal bond yield. 3. Trend was adjusted to increase the immediate rate to 7.50%. 4. Mortality improvement scale was updated from scale MP-2020 to the most recent scale MP-2021.

Discount Rate

The discount rate is the single rate that reflects (1) the long-term expected rate of return on OPEB plan investments that are expected to be used to finance the payment of benefits, to the extent that the OPEB plan's fiduciary net position is projected to be sufficient to make projected benefit payments and OPEB plan assets are expected to be invested using a strategy to achieve that return, and (2) a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another scale), to the extent that the conditions for use of the long-term expected rate of return are not met.

For purposes of calculating the discount rate, the College is assumed to pay its share of retiree benefits as they come due ('pay-as-you-go') from its own resources. The College is expected to have the ability and willingness to make benefit payments from its own resources for the life of the plan.

Single Equivalent Interest Rate (SEIR), June 30, 2023 valuation

Long-Term Expected Rate of Return	0.00%
Municipal Bond Index Rate*	4.13%
Administrative Expenses Paid from the Trust	0.00%
Fiscal Year in which Fiduciary Net Position is Projected to be Depleted	2023
Single Equivalent Interest Rate	4.13%

*Source: S&P Municipal Bond 20 Year High Grade Index

Annual Healthcare Trend

Trend rates are based on plan experience, historical trends, and industry norms. The immediate trend rates are assumed to decrease to an ultimate trend rate over a period of 5 to 10 years. Healthcare costs are currently approximately 18.3% of the Gross Domestic Product (GDP), according to the Center for Medicare & Medicaid Services. The ultimate rate is decreased over time to maintain this relationship.

Mortality, Withdrawal and Retirement

Because the College does not have enough data to conduct a fully credible experience analysis with respect to these assumptions, the current assumptions have been selected based on the most recent assumptions used in the underlying PSRS valuation (effective 6/30/16).

15. OTHER POST EMPLOYMENT BENEFITS *(continued)*

Mortality, Withdrawal and Retirement *(continued)*

Margin for future mortality improvements is the most recent available “MP” improvement scale released annually by the Society of Actuaries.

Participation

Because the College does not have enough data to conduct a fully credible experience analysis with respect to these assumptions, the current assumption has been selected based on observations of the plan’s past experience, the actuary’s experience with plans of a similar size, plan design and retiree contribution level.

Net OPEB Liability

The College’s net OPEB liability as of June 30, 2023 is reported in accordance with GASB Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.* GASB Statement No. 75 requires the net liability for postemployment benefits other than pension to be reported in the financial statements. The College’s annual other post-employment benefit costs in accordance with GASB statement No. 75 as of June 30, is as follows:

	2023	2022
OPEB liability at beginning of year	$ 3,159,582	$ 2,949,978
Service cost	220,490	214,589
Interest cost	73,597	68,906
Net benefits paid by employer	(8,186)	(7,542)
Ad hoc post employment benefit changes	-	-
Difference between expected and actual experience	(356,182)	(66,349)
Changes in assumptions	(903,629)	-
Total OPEB liability at end of year	$ 2,185,672	$ 3,159,582

As of June 30, 2023, the most recent actuarial valuation available, the College does not fund the plan. The fiduciary net position was $-0- at June 30, 2023 and June 30, 2022. The OPEB expenses were $689.692 and $(558,089) for the year ended June 30, 2023 and 2022, respectively.

At June 30, 2023, the College reported deferred outflows of resources and deferred inflows of resources from other post-employment benefits as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Balance of Deferred Outflows and Inflows Due to:		
Net difference between projected and actual earnings	$ -	$ -
Differences between expected and actual experience	-	1,644,929
Change of assumptions	-	3,166,703
Contributions subsequent to measurement date	-	-
TOTAL	$ -	$ 4,811,632

15. OTHER POST EMPLOYMENT BENEFITS *(continued)*

Net OPEB Liability

At June 30, 2022, the College reported deferred outflows of resources and deferred inflows of resources from other post-employment benefits as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Balance of Deferred Outflows and Inflows Due to:		
Net difference between projected and actual earnings	$ -	$ -
Differences between expected and actual experience	-	1,621,403
Change of assumptions	-	2,906,011
Contributions subsequent to measurement date	-	-
TOTAL	$ -	$ 4,527,414

Amounts reported as deferred outflows or deferred inflows of resources related to OPEBs will be recognized in OPEB expense as follows:

2024	$ (975,593)
2025	(975,593)
2026	(975,593)
2027	(637,103)
2028	(438,308)
2029+	(809,442)
TOTAL	$ (4,811,632)

16. TAX ABATEMENTS

As of June 30, 2018, the College is subject to the real property tax abatement program under Chapter 353 RSMo and Chapter 100RSMo. The effect of the tax abatement under Chapter 353 RSMo to the College was $24,034 and $24,556 for the years ended June 30, 2023 and 2022. The effect of the tax abatement under Chapter 100 RSMo was $348,593 and $182,308 for the years ended June 30, 2023 and 2022, respectively.

17. CONTINGENCIES

From time to time, the College is a party to various pending claims and legal actions arising in the ordinary course of its operations. Although the outcome of such matters cannot be forecast with certainty, in the opinion of management, all such matters are adequately covered by insurance, or if not covered, are without merit or involve amounts such that an unfavorable disposition would not have a material effect on the financial statements of the College.

The College receives federal, state and local grants that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under the terms of the grant. The College's management believes such disallowances, if any, will not have a material effect on the basic financial statements.

18. CHANGE IN ACCOUNTING PRINCIPLE

The beginning net position of the following opinion unit has been restated to reflect the new guidance as follows:

BEGINNING NET POSITION, JULY 1, 2021	$ 41,806,513
Recording initial balance of intangible right-to-use SBITA assets	460,120
Recording initial balance of SBITA liability	(202,525)
Total net restatement	257,595
BEGINNING NET POSITION, JULY 1, 2021	$ 42,064,108

19. SUBSEQUENT EVENT

In preparing these financial statements, management has evaluated events and transactions for potential recognition or disclosure through January 3, 2024, the date the financial statements were available to be issued.

ST. CHARLES COMMUNITY COLLEGE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITIES AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2023

Public School Retirement System of Missouri (PSRS)

Year Ended* June 30	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Actual Covered Member Payroll	Net Pension Liability as a Percentage of Covered Payroll	Fiduciary Net Pension as a Percentage of Total Pension Liability
2022	0.2785 %	$ 21,539,762	$ 14,949,216	144.09 %	86.04 %
2021	0.2872	6,357,970	14,992,275	42.41	95.81
2020	0.3059	27,319,061	15,493,981	176.32	82.01
2019	0.3150	23,247,222	15,707,490	148.00	84.62
2018	0.3235	24,076,347	15,800,628	152.38	84.06
2017	0.3331	24,054,901	15,131,336	158.97	83.77
2016	0.3263	24,278,837	15,327,980	158.40	82.18
2015	0.3176	18,334,604	14,612,901	125.47	85.78
2014	0.3117	12,787,727	14,006,336	91.30	89.34

Public Education Employee Retirement System of Missouri (PEERS)

Year Ended* June 30	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Actual Covered Member Payroll	Net Pension Liability as a Percentage of Covered Payroll	Fiduciary Net Pension as a Percentage of Total Pension Liability
2022	0.3995 %	$ 3,376,246	$ 7,798,526	43.29 %	87.92 %
2021	0.4601	495,493	8,431,867	5.88	98.36
2020	0.5442	5,281,773	9,792,429	53.94	84.06
2019	0.6265	4,955,371	10,530,023	47.06	86.38
2018	0.6555	5,065,129	10,905,946	46.44	86.06
2017	0.7294	5,564,964	11,071,634	50.26	85.35
2016	0.7204	5,780,023	11,124,438	51.96	83.32
2015	0.7160	3,786,968	10,736,383	35.27	88.28
2014	0.7094	2,590,487	10,345,181	25.04	91.33

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

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

ST. CHARLES COMMUNITY COLLEGE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF EMPLOYER CONTRIBUTIONS-PENSION
FOR THE YEAR ENDED JUNE 30, 2023

Public School Retirement System of Missouri (PSRS)

Year Ended June 30	Statutorily Required Contribution	Actual Employer Contribution	Contribution Excess/ (Deficiency)	Actual Covered Member Payroll	Contributions as a Percentage of Covered Payroll
2023	$ 2,280,034	$ 2,280,034	$ -	$ 15,074,109	15.13 %
2022	2,126,879	2,126,879	-	14,949,246	14.23
2021	2,138,761	2,138,761	-	14,992,275	14.27
2020	2,214,959	2,214,959	-	15,493,981	14.30
2019	2,242,151	2,242,151	-	15,707,490	14.27
2018	2,255,509	2,255,509	-	15,800,628	14.27
2017	2,278,684	2,278,684	-	15,131,336	15.06
2016	2,185,629	2,185,629	-	15,327,980	14.26
2015	2,085,438	2,085,438	-	14,612,901	14.27
2014	2,007,226	2,007,226	-	14,006,336	14.33

Public Education Employee Retirement System of Missouri (PEERS)

Year Ended June 30	Statutorily Required Contribution	Actual Employer Contribution	Contribution Excess/ (Deficiency)	Actual Covered Member Payroll	Contributions as a Percentage of Covered Payroll
2023	$ 556,460	$ 556,460	$	$ 7,489,129	7.43 %
2022	534,978	534,978	-	7,798,526	6.86
2021	578,426	578,426	-	8,431,867	6.86
2020	671,760	671,760	-	9,792,429	6.86
2019	746,009	746,009	-	10,530,023	7.08
2018	748,149	748,149	-	10,905,946	6.86
2017	804,149	804,149	-	11,071,634	7.26
2016	763,136	763,136	-	11,124,438	6.86
2015	736,516	736,516	-	10,736,383	6.86
2014	709,680	709,680	-	10,345,181	6.86

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

ST. CHARLES COMMUNITY COLLEGE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE COLLEGE'S
TOTAL OPEB LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30,

	2023	2022	2021	2020	2019	2018
Total OPEB liability						
Service Cost	$ 220,490	$ 214,589	$ 379,012	$ 368,868	$ 654,015	$ 656,243
Interest on total OPEB liability	73,597	68,906	183,764	167,219	276,759	231,641
Changes of assumptions	(1,259,811)	(66,349)	(2,699,189)	-	(4,497,075)	-
Benefit payments paid by the employer	(8,186)	(7,542)	(7,542)	(100,058)	(99,065)	(73,786)
Net change in total OPEB liability	(973,910)	209,604	(2,143,955)	436,029	(3,665,366)	814,098
Total OPEB liability - beginning of the year	3,159,582	2,949,978	5,093,933	4,657,904	8,323,270	7,509,172
Total OPEB liability - end of the year	$ 2,185,672	$ 3,159,582	$ 2,949,978	$ 5,093,933	$ 4,657,904	$ 8,323,270
Covered payroll	$ 19,675,226	$ 18,147,779	$ 18,147,779	$ 18,460,710	$ 18,460,710	$ 20,869,385
Total OPEB liability as a percentage of covered payroll	11.1 %	17.4 %	16.2 %	27.6 %	25.2 %	39.8 %

Notes to Required Supplementary Information

Changes in Assumptions:

As of June 30, 2023, per capita costs were updated to reflect experience, the discount rate was 4.13% (formerly 2.18%), the medical trend was adjusted to increase the immediate rate to 7.50%, and the mortality improvement scale was updated from scale MP-2020 to the most recent scale MP-2021.

As of June 30, 2021, the discount rate was 2.18% (formerly 3.36%), exccise taxes on "Cadillac" plan benefits were repealed, eliminating the load on liabilite to reflect the tax, Per-capital costs were update to reflect experience since the previous valuation, increased op-out rate at age 65 from 25% to 75%, which also decrease, the election assumption for future retirees at age 65 to 12.5% and mortality improvement scale update from MP-2018 to MP-2020.