THE COMMUNITY COLLEGE DISTRICT OF JEFFERSON COUNTY, MISSOURI

Hillsboro, Missouri

For the Year Ended June 30, 2023

ANNUAL FINANCIAL REPORT

BEUSSINK, HEY, ROE & STRODER, L.L.C.

Certified Public Accountants

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of
Community College District of
Jefferson County, Missouri

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit of the Community College District of Jefferson County, Missouri (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 as listed in the table of contents.

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

Basis for Opinions

We conducted our audit in accordance with 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. Our responsibilities under those 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 requirements 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.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about 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.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 generally accepted auditing standards 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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 5 through 18 and the Schedule of Proportionate Share of Net Pension Liability and Related Ratios, Schedule of Employer Contributions, and Schedule of Changes in the College's Total OPEB Liability and Related Ratios on pages 52 through 54 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 Government 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the College's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 11, 2024, on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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.

BEUSSINK, HEY, ROE & STRODER, L.L.C.

Beussink, Hey, Roe & Stroder, L.L.C.

Cape Girardeau, Missouri
January 11, 2024

REQUIRED SUPPLMENTARY INFORMATION

THE COMMUNITY COLLEGE DISTRICT OF JEFFERSON COUNTY, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2023 (UNAUDITED)

Introduction

Management's discussion and analysis is an overview of the financial position and financial activities of The Community College of Jefferson County, Missouri (the "College"). The College's management prepared this discussion. It should be read in conjunction with the financial statements and notes that follow.

There are three financial statements presented: the statements of net position; the statements of revenues, expenses, and changes in net position; and the statements of cash flows.

Financial Highlights

The College's financial position at June 30, 2023 shows assets and deferred outflows at $114.1 million, liabilities and deferred inflows at $68.4 million, and net position at $45.7 million. Net position represents the balance in the College's assets after liabilities are deducted. Net position increased by $3.3 million during fiscal year 2023. The most significant changes in net position during fiscal year 2023 were an increase to investments of 12.4 million from bond receipts, increase in Construction in Progress 1.1 million due to multiple capital projects in progress, increase in COPS Bond liability of 14.9 million, increase in Net Pension Liability of 15.7 million.

Statements of Net Position

The statements of net position present the assets, liabilities, and net position of the College at the end of the fiscal years June 30, 2023. The purpose of the statements is to present a snapshot of the financial condition of the College. Total net position, which is the difference between total assets and total liabilities, is one of the indicators of the current financial condition of the College.

The assets and liabilities are categorized between Current, Non-current and Deferred Inflows / Outflows of Resources. The difference is that Current Assets and Liabilities mature or become payable within the normal 12-month accounting/operating cycle versus non-current which mature or become payable after 12 months.

For example, at June 30, 2023, the College's current assets consist primarily of cash, investments and receivables while non-current assets consist primarily of capital assets. Capital assets are the property, plant, and equipment owned by the College, net of any related accumulated depreciation.

Net Position is presented in three major categories. The first is Net Investment in Capital Assets, which represents the College's equity in its property, plant and equipment. The second category is Restricted, the third category is Unrestricted.

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

Restricted net position is available for a specific purpose but not invested in capital assets.

The College's Net Position is as follows:

	2023	2022
Current Assets	47,214,746	30,410,762
Non-current assets	45,339,706	44,189,593
Deferred Outflows of Resources	21,561,950	7,704,854
Total Assets and Deferred Outflows of Resources	114,116,402	82,305,209
Current Liabilities	8,118,629	7,844,210
Non-current liabilities	38,045,272	7,652,494
Deferred Inflows of Resources	22,222,398	26,659,170
Total Liabilities	68,386,299	42,155,874
Invested in Capital Assets - Net of Related Debt	26,658,255	39,766,179
Restricted	7,101,680	13,916,950
Unrestricted	11,970,168	(13,533,794)
Total Net Position	45,730,103	40,149,335

Statements of Revenues, Expenses, and Changes in Net Position

The statements of revenues, expenses, and changes in net position present the College's financial results for the fiscal year. The statements include the College's revenues and expenses, both operating and non-operating.

The change in Current and Non-current Liabilities is a restatement of Deferred Tuition from Current Liabilities to Non-current Liabilities.

Operating revenues and expenses are those for which the College directly exchanges goods and services. Non-operating revenues and expenses are those that exclude specific, direct exchanges of goods and services. Local property tax revenue and state aid are two examples of non- operating revenues where the local taxpayers and state legislature do not directly receive goods and services for the revenue. For the years ended June 30, 2023, a summarized version of the College's revenues, expenses and changes in net position are as follows:

	2023	2022
Operating Revenue	14,994,689	6,797,386
Operating Expenses	(43,536,692)	(38,422,192)
Operating Loss	(28,542,003)	(31,624,806)
Non-Operating Revenue, Net	31,846,597	41,627,165
Increase (Decrease) in Net Assets	3,304,594	10,002,359
Net Position - Beginning of Year	40,149,335	30,146,976
Restatement of Net Position - SBITA Adjustment	6,477	-0-
Prior Period Adjustment	2,269,697	-0-
Net Position - End of Year	45,730,103	40,149,335

The College's fiscal year 2023 and 2022 revenues, both operating and non-operating, are as follows:

	2023	2022
Operating Revenues		
Tuition and Fees (net of scholarships)	9,058,127	4,575,128
Student Housing Revenues (net of scholarships)	789,323	728,640
Other Operating Revenues	5,147,239	1,493,618
Total	14,994,689	6,797,386
Non-Operating Revenue (Expense)		
Local Taxes	12,630,312	12,192,389
State Aid	8,664,993	9,301,694
Grants & Contracts	10,520,469	18,140,650
Interest Income	452,369	(67,015)
Interest Expense on Capital Asset Related Debt	(443,069)	(163,037)
Other	21,523	2,222,484
Total	31,846,597	41,627,165

During fiscal year 2023 tuition and fees net of discounts increased due to a decrease in the tuition discounts caused by COVID-19 federal grants. Grants and Contracts revenue decreased due to the reduction of COVID-19 federal grants. State Aid decreased mainly due to the additional $1.4 million of House Bill 19 funds received in the prior year, not received this year.

During fiscal year 2023 and 2022, the operating expenses for the College are as follows:

	2023	2022
Operating Expenses:		
Salaries & Benefits	28,480,125	23,949,094
Supplies, Utilities and Other Services	8,595,536	8,423,265
Depreciation and Amortization	3,204,183	2,762,909
Financial Aid and Scholarships	3,256,848	3,286,924
Total	43,536,692	38,422,192

During fiscal year 2023 salaries and benefits increased due to a salary cost of living adjustment.

Statements of Cash Flows

The statements of cash flows present information about the cash activity of the College. The statements show the major sources and uses of cash. For the years ended June 30, 2023 and 2022, a summary of the statements of cash flows is as follows:

	2023	2022
Cash provided (used) by:		
Operating Activities	(25,873,394)	(32,354,512)
Capital and capital related financing activities	9,027,559	(3,007,286)
Noncapital financing activities	31,347,469	41,854,842
Investing activities	(14,750,541)	(1,528,500)
Net increase (decrease) in cash	(248,907)	4,964,544
Cash - Beginning of the year	22,558,393	17,593,849
Cash - end of year	22,309,486	22,558,393

Capital and Debt Activities

The College refinanced $3.98 million in our Leasehold Revenue Bonds during fiscal year 2014. This refinance has saved the college over $1 million in interest expenses over the life of the bonds.

The College issued $15.19 million Certificates of Participation (COPs) through a Lease Purchase Agreement during fiscal year 2023. The COPs were issued to fund multiple capital projects for the College. The cost of issuance of the COPs was $173,599 and the term is twenty years.

See accompanying financial statements for additional disclosures regarding capital and debt activities.

During fiscal year 2017, the College entered into a direct borrowing agreement for a video display for the field house at a cost of $83,350. The term of this lease is eight years.

During fiscal year 2019, the College entered into a direct borrowing agreement for tasers and cartridges at a cost of $23,700. The term of this lease is five years.

During fiscal year 2021, the College entered into a direct borrowing agreement for fiber optic cabling to replace the old cabling across campus at a cost of $446,120. The term of this lease is five years.

During fiscal year 2021, the College entered into a direct borrowing agreement for wireless network equipment to upgrade our campus network at a cost of $510,490. The term of this lease is four years.

During fiscal year 2022, the College entered into a lease contract with GFI Digital Inc. for use of a copier machine. The lease term is 60 months with payments of $1,570 due each month.

During fiscal year 2022, the College entered into a lease contract with Pitney Bowes for use of a postage meter machine. The lease term is 60 months with payments of $2,156 due quarterly.

THE COMMUNITY COLLEGE DISTRICT OF JEFFERSON COUNTY, MISSOURI MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2023 (UNAUDITED)

Significant Budget Variances

For fiscal year 2023, the State of Missouri appropriated an additional $1.4 million in funds to be used for maintenance and repairs under the guidelines of the House Bill 19. The FY23 budget reflected FY22 funding levels which was based on data obtained from the Governor's office at the time the budget was approved.

STATE AID HISTORY

	Actual FY 2021	Actual FY 2022	Actual FY 2023	Budget FY 2024
Unrestricted				
General Revenue	$7,296,004	$7,528,635	$8,271,966	$8,572,753
Budget Stabilization Funds	-	-	-	-
Total Unrestricted	7,296,004	7,528,635	8,271,966	8,572,753
Restricted				
Maintenance & Repair HB3	333,043	333,043	333,043	333,043
Maintenance & Repair HB19	-	1,440,016	59,984	-
Total Restricted	333,043	1,773,059	393,027	333,043
Total State Aid	$7,629,047	$9,301,694	$8,664,993	$8,905,796

TUITION HISTORY

	Actual FY 2021	Actual FY 2022	Actual FY 2023	Budget FY 2024
Tuition Rates				
In District	$ 112	$ 114	$ 118	$ 120
Out of District	168	171	177	180
Out of State	224	228	236	240
Technology Fee	25	25	25	25
Activity Fee	5	5	5	5
Gross Tuition and Fee Revenue:				
Unrestricted Funds				
Gross Tuition and Fees	$11,106,638	$11,155,709	$11,265,785	$12,970,950
Plant Funds				
Gross Tuition and Fees	630,564	616,770	607,665	604,200
All Funds				
Gross Tuition and Fees	$11,737,202	$11,772,479	$11,873,450	$13,575,150

TAX RATES AND REVENUES HISTORY

Tax Rates

	Actual FY 2021	Actual FY 2022	Actual FY 2023	Budget FY 2024
Current Unrestricted	$.2498	$.2312	$.2312	$.2312
Plant	.0300	.0300	.0300	.0300
Capital Projects	.0500	.0500	.0500	.0500
Total Tax Levy	$.3298	$.3298	$.3112	$.3112

Tax Revenue

	Actual FY 2021	Actual FY 2022	Actual FY 2023	Budget FY 2024
Current Unrestricted	$ 8,907,089	$ 9,055,274	$ 9,383,059	$ 9,425,800
Plant	1,070,164	1,176,320	1,217,562	1,221,000
Capital Projects	1,782,792	1,960,795	2,029,691	2,028,000
Total Tax Revenue	$11,760,045	$12,192,389	$12,630,312	$12,674,800

The following is the College's approved budget for fiscal year 2024.

BUDGET SUMMARY

		2021 Actuals	2022 Actuals	2023 Actuals	2024 Budget
Revenues:					
	State Aid	$ 7,629,047	$9,301,694	$ 8,664,993	$8,905,796
	Tuition and fees	11,737,202	11,772,480	11,873,449	13,575,150
	Local Taxes	11,760,045	12,192,389	12,630,312	12,674,800
	Federal Grant Revenue	7,773,857	11,952,863	3,122,489	7,756,157
	State Grant Revenue	3,170,591	3,279,416	4,661,219	3,852,018
	Student Aid	6,679,232	6,809,885	7,282,687	7,453,473
	Sales & Services	644,193	735,545	1,263,821	983,500
	Adult Education	180,832	190,155	198,410	248,445
	Student Activities	13,387	15,276	22,895	17,150
	Organized Activities	21,010	29,430	38,383	39,750
	Auxiliary Enterprises	1,116,140	1,316,086	1,448,822	1,353,250
	Interest Income	11,088	(66,515)	452,369	453,517
	Other	3,638,161	3,809,029	3,662,198	4,568,200
Total Revenues		**$54,374,785**	**$61,337,733**	**$55,322,047**	**$61,881,206**
Expenditures:					
	Instructional	$14,579,912	$15,611,736	$16,300,006	$17,734,944
	Administration & General	13,283,660	9,230,601	12,222,902	11,939,782
	Plant Oper and Maint	4,012,678	4,274,590	4,371,698	26,112,652
	Grants & Scholarships	10,301,517	13,736,984	9,876,654	9,974,181
	Auxiliary Enterprises	1,275,096	1,357,473	1,490,711	3,223,770
	Academic Support	1,260,771	978,121	1,160,455	1,341,956
	Student Services	4,509,303	5,054,478	5,432,876	6,020,453
	Scholarships	1,218,341	1,070,275	1,136,781	1,151,000
	Public Service	20,838	21,116	25,370	20,000
Total Expenditures		**$50,462,116**	**$51,335,374**	**$52,017,453**	**$77,518,738**
	Net Revenue Less Expenses	$3,912,669	$10,002,359	$3,304,594	($15,637,532)
	Transfers In/Out	-	-	-	-
	Net Increase/Decrease for YTD	$3,912,669	$10,002,359	$3,304,594	($15,637,532)
	Beginning Net Position	26,234,307	30,146,976	40,149,335	45,790,568
	Prior Period Adjustment	-	-	2,276,174	-
	Ending Net Position	**$30,146,976**	**$40,149,335**	**$45,730,103**	**$30,153,036**

THE COMMUNITY COLLEGE DISTRICT OF JEFFERSON COUNTY, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023
(UNAUDITED)

Current Unrestricted Fund

		2021 Actuals	2022 Actuals	2023 Actuals	2024 Budget
Revenues:					
	State Aid	$ 7,296,004	$ 7,528,635	$ 8,271,966	$ 8,572,753
	Tuition and fees	11,106,638	11,155,709	11,265,785	12,970,950
	Local Taxes	8,907,089	9,055,274	9,383,059	9,425,800
	Federal Grant Revenue	21,073	19,604	19,769	18,000
	State Grant Revenue	151,713	143,640	393,346	150,000
	Student Aid	1,486,809	1,642,679	1,948,888	1,975,000
	Sales & Services	644,193	735,545	1,263,821	983,500
	Adult Education	-	-	-	-
	Student Activities	-	2,340	2,990	-
	Organized Activities	21,010	24,210	32,679	33,500
	Auxiliary Enterprises	461,847	507,135	553,727	485,000
	Interest Income	38,397	32,876	238,914	150,000
	Other	285,409	451,906	482,082	281,400
Total Revenues		**$30,420,182**	**$31,299,553**	**$33,857,026**	**$35,045,903**
Expenditures:					
	Instructional	$12,604,854	$13,031,000	$14,181,992	$14,744,703
	Admin & General	7,128,673	2,033,813	5,172,236	6,660,923
	Plant Oper and Maint	3,134,382	3,383,558	3,748,266	3,771,756
	Grants & Scholarships	1,551,062	1,693,452	1,982,722	2,004,500
	Auxiliary Enterprises	521,600	586,759	675,784	2,411,341
	Academic Support	1,072,572	974,642	1,117,512	1,266,956
	Student Services	3,926,584	3,938,393	4,874,778	5,490,601
	Scholarships	1,218,341	1,070,275	1,136,781	1,151,000
	Public Service	20,838	21,116	25,370	20,000
Total Expenditures		**$31,178,906**	**$26,733,008**	**$32,915,441**	**$37,521,780**
	Net Revenue Less Expenses	($758,724)	$4,566,545	$941,585	($2,475,877)
	Transfers In/Out	1,970,422	451,420	(166,941)	105,526
	Net Increase/Decrease for YTD	$1,211,698	$5,017,965	$774,643	($2,370,351)
	Beginning Net Position	(19,194,184)	(17,982,486)	(12,964,521)	(9,920,181)
	Prior Period Adjustment	-	-	2,269,697	-
	Ending Net Position	**($17,982,486)**	**($12,964,521)**	**($9,920,181)**	**($12,290,532)**

THE COMMUNITY COLLEGE DISTRICT OF JEFFERSON COUNTY, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023
(UNAUDITED)

Current Restricted Fund

		2021 Actuals	2022 Actuals	2023 Actuals	2024 Budget
Revenues:					
	State Aid	$ 333,043	$1,773,059	$393,027	$ 333,043
	Tuition and fees	-	-	-	-
	Local Taxes	-	-	-	-
	Federal Grant Revenue	7,752,784	11,933,259	3,102,720	7,738,157
	State Grant Revenue	3,018,878	3,135,776	4,267,873	3,702,018
	Student Aid	5,192,422	5,167,206	5,333,799	5,478,473
	Sales & Services	-	-	-	-
	Adult Education	180,832	190,155	198,410	248,445
	Student Activities	13,387	12,936	19,905	17,150
	Organized Activities	-	5,220	5,704	6,250
	Auxiliary Enterprises	654,293	808,951	895,095	868,250
	Interest Income	22,385	20,141	36,584	20,250
	Other	3,148,253	3,204,491	3,148,304	3,266,800
Total Revenues		**$20,316,277**	**$26,251,194**	**$17,401,421**	**$21,678,836**
Expenditures:					
	Instructional	$ 1,877,915	$ 2,489,402	$ 1,830,430	$ 2,731,701
	Admin & General	3,421,707	2,800,703	2,838,780	3,216,050
	Plant Oper and Maint	685,746	710,568	324,665	8,454,983
	Grants & Scholarships	8,750,455	12,043,532	7,893,932	7,969,681
	Auxiliary Enterprises	748,830	723,096	772,766	737,429
	Academic Support	155,220	3,479	14,472	-
	Student Services	556,647	1,092,029	515,230	439,852
	Scholarships	-	-	-	-
	Public Service	-	-	-	-
Total Expenditures		**$16,196,520**	**$19,862,809**	**$14,190,275**	**$23,549,696**
	Net Revenue Less Expenses	$4,119,757	$6,388,385	$3,211,146	($1,870,860)
	Transfers In/Out	(3,725,022)	(4,651,741)	(2,189,715)	652,931
	Net Increase/Decrease for YTD	$394,735	$1,736,644	$1,021,43	($1,217,929)
	Beginning Net Position	2,540,294	2,935,029	4,671,673	5,693,104
	Ending Net Position	**$2,935,029**	**$4,671,673**	**$5,693,104**	**$4,475,175**

THE COMMUNITY COLLEGE DISTRICT OF JEFFERSON COUNTY, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023
(UNAUDITED)

Plant Funds

		2021 Actuals	2022 Actuals	2023 Actuals	2024 Budget
Revenues:					
	State Aid	$ -	$ -	$ -	$ -
	Tuition and fees	630,564	616,771	607,665	604,200
	Local Taxes	2,852,956	3,137,115	3,247,253	3,249,000
	Federal Grant Revenue	-	-	-	-
	State Grant Revenue	-	-	-	-
	Student Aid	-	-	-	-
	Sales & Services	-	-	-	-
	Adult Education	-	-	-	-
	Student Activities	-	-	-	-
	Organized Activities	-	-	-	-
	Auxiliary Enterprises	-	-	-	-
	Interest Income	302	641	196,334	5,667
	Other	204,500	152,632	31,812	1,020,000
Total Revenues		**$3,688,322**	**$3,907,159**	**$4,083,064**	**$4,878,867**
Expenditures:					
	Instructional	$ 97,143	$ 91,334	$ 287,584	$ 258,540
	Admin & General	452,467	399,172	4,213,047	1,405,928
	Plant Oper and Maint	192,550	180,464	297,606	4,178,441
	Grants & Scholarships	-	-	-	-
	Auxiliary Enterprises	4,665	47,618	42,161	75,000
	Academic Support	32,980	-	28,471	75,000
	Student Services	26,072	24,056	42,868	90,000
	Scholarships	-	-	-	-
	Public Service	-	-	-	-
Total Expenditures		**$805,877**	**$742,644**	**$4,911,737**	**$6,082,909**
	Net Revenue Less Expenses	$2,882,445	$3,164,515	($828,673)	($1,204,042)
	Transfers In/Out	(2,828,918)	(2,468,826)	2,335,185	(758,457)
	Net Increase/Decrease for YTD	$ 53,527	$ 695,689	$1,506,512	($1,962,499)
	Beginning Net Position	8,732,896	8,786,423	9,482,112	10,988,624
	Ending Net Position	**$8,786,423**	**$9,482,112**	**$10,988,624**	**$9,026,125**

Other Funds

		2021 Actuals	2022 Actuals	2023 Actuals	2024 Budget
Revenues:					
	State Aid	$ -	$ -	$ -	$ -
	Tuition and fees	-	-	-	-
	Local Taxes	-	-	-	-
	Federal Grant Revenue	-	-	-	-
	State Grant Revenue	-	-	-	-
	Student Aid	-	-	-	-
	Sales & Services	-	-	-	-
	Adult Education	-	-	-	-
	Student Activities	-	-	-	-
	Organized Activities	-	-	-	-
	Auxiliary Enterprises	-	-	-	-
	Interest Income	(49,996)	(120,173)	(19,463)	27,600
	Other	-	-	-	-
Total Revenues		**($49,996)**	**($120,173)**	**($19,463)**	**$27,600**
Expenditures:					
	Instructional	$ -	$ -	$ -	$ -
	Admin & General	-	-	-	-
	Plant Oper and Maint	-	-	-	-
	Grants & Scholarships	-	-	-	-
	Auxiliary Enterprises	-	-	-	-
	Academic Support	-	-	-	-
	Student Services	-	-	-	-
	Scholarships	-	-	-	-
	Public Service	-	-	-	-
Total Expenditures		$ -	$ -	$ -	$ -
	Net Revenue Less Expenses	($49,996)	($120,173)	($19,463)	$ 27,600
	Transfers In/Out	52,187	122,627	21,471	-
	Net Increase/Decrease for YTD	$2,191	$2,454	$ 2,008	$ 27,600
	Beginning Net Position	704,880	707,071	709,525	711,533
	Ending Net Position	**$707,071**	**$709,525**	**$711,533**	**$739,133**

Economic Outlook

State Aid for FY23 was difficult to estimate as there were multiple scenarios being discussed for performance funding last spring. In the end, the final model will provide the College an additional $168,000 over the budgeted amount. There is no significant reduction in state funding anticipated for FY24.

Property tax revenue has steadily increased annually. The College's administration believes that this will continue through FY23 and into FY24.

The College projected an enrollment decline of about 4% in fiscal year 2023. However, the fall semester enrollment has been running even with last fall's enrollment and early projections for the spring semester indicate similar favorable results.

The Board of Trustees and Management will continue to maintain a close watch over its resources and be cognizant of long-term financial goals to ensure its ability to plan and react to future internal and external issues.

Contacting the College's Financial Management

This financial report is designed to provide the College's Board, State Officials, Legislature, taxpayers, and other interested parties with a general overview of the College's finances and to demonstrate the College's accountability for the funding it receives. If you have questions about this report or need additional financial information, contact Leslie Hoff, Controller, at 1000 Viking Drive, Hillsboro, MO 63050. The College's budgets and audited financial statements are available upon request.

Other

Management is not aware of any other currently known facts, decisions, or conditions that would have a significant effect on the College's financial position.

BASIC FINANCIAL STATEMENTS

STATEMENT 1

THE COMMUNITY COLLEGE OF JEFFERSON COUNTY, MISSOURI
Hillsboro, Missouri

STATEMENT OF NET POSITION

June 30, 2023

		2023
CURRENT ASSETS:		
Cash	$	22,309,486
Investments		15,376,320
Receivables:		
Student Fees, Net of Allowance of $272,925		5,123,498
Government Program		3,315,161
Taxes, Net of Allowance of $23,490		507,243
Other		63,554
Inventory		47,608
Prepaid Expenses		471,876
Total Current Assets	$	47,214,746
NONCURRENT ASSETS:		
Restricted Deposits	$	13
Restricted Investments		667,330
Land		783,487
Construction in Progress		1,092,200
Capital Assets, Net		42,796,676
Total Noncurrent Assets	$	45,339,706
TOTAL ASSETS	$	92,554,452
DEFERRED OUTFLOWS OF RESOURCES:		
Deferred Amounts Related to Pensions	$	21,112,604
Deferred Amounts Related to OPEB		449,346
TOTAL DEFFERRED OUTFLOWS OF RESOURCES	$	21,561,950
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$	114,116,402

The notes to the financial statements are an integral part of this statement.

STATEMENT 1

THE COMMUNITY COLLEGE OF JEFFERSON COUNTY, MISSOURI
Hillsboro, Missouri

STATEMENT OF NET POSITION

June 30, 2023

		2023
CURRENT LIABILITIES:		
Accounts Payable	$	1,094,550
Security Deposits		55,500
Payroll Liabilities Payable		4,823,553
Accrued Payroll Expenses		141,887
Accured Interest Payable		169,626
Bonds Payable, Current Portion		569,455
COPS, Current Portion		280,000
Direct Borrowings, Current Portion		213,349
Compensated Absences		770,709
Total Current liabilities	$	8,118,629
NONCURRENT LIABILITIES:		
Bonds Payable	$	541,222
COPS		15,455,000
Direct Borrowings		296,358
Early Retirement Liability		15,609
Net Pension Liability		21,078,359
Lease Liability		658,724
Total Noncurrent liabilities	$	38,045,272
TOTAL LIABILITIES	$	46,163,901
DEFERRED INFLOWS OF RESOURCES:		
Deferred Amounts Related to Pensions	$	15,261,922
Deferred Amounts Related to OPEB		1,376,684
Deferred Aid and Tuition		5,583,792
TOTAL DEFERRED INFLOWS OF RESOURCES	$	22,222,398
Net Investment in Capital Assets	$	26,658,255
Restricted		7,101,680
Unrestricted		11,970,168
TOTAL NET POSITION	$	45,730,103
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	$	114,116,402

The notes to the financial statements are an integral part of this statement.

THE COMMUNITY COLLEGE DISTRICT OF JEFFERSON COUNTY, MISSOURI
Hillsboro, Missouri

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

For the Year Ended June 30, 2023

		2023
OPERATING REVENUES:		
Tuition and Fees (net of scholarships)	$	9,058,127
Student Housing Revenues (net of scholarships)		789,323
Other Operating Revenues		5,147,239
TOTAL OPERATING REVENUES	$	14,994,689
OPERATING EXPENSES:		
Salaries	$	20,362,829
Benefits		8,117,296
Financial Aid and Scholarships		3,256,848
Utilities		1,109,928
Supplies and Other Services		7,485,608
Depreciation		2,984,325
Amortization		219,858
TOTAL OPERATING EXPENSES	$	43,536,692
NET OPERATING INCOME (LOSS)	$	(28,542,003)
NONOPERATING REVENUES (EXPENSES):		
Regular State Aid	$	8,664,993
Local Taxes		12,630,312
Grants and Contracts		10,520,469
Investment Income		452,369
Interest Expense		(443,069)
Gain (Loss) on sale of assets		(302,980)
Other Nonoperating Revenues		324,503
TOTAL NONOPERATING REVENUES (EXPENSES)	$	31,846,597
CHANGE IN NET POSITION	$	3,304,594
TOTAL NET POSITION, July 1, 2022		40,149,335
Restatement of Net Position - SBITA Adjustment		6,477
Prior Period Adjustment		2,269,697
TOTAL NET POSITION, June 30, 2023	$	45,730,103

The notes to the financial statements are an integral part of this statement.

THE COMMUNITY COLLEGE DISTRICT OF JEFFERSON COUNTY, MISSOURI
Hillsboro, Missouri

STATEMENT OF CASH FLOWS

For the Year Ended June 30, 2023

	2023
CASH FLOWS FROM OPERATING ACTIVITIES:	
Tuition and Fees	$ 9,126,375
Student Housing Revenue	789,323
Receipts (Refunds) of Deposits	9,500
Payments to Suppliers	(8,377,323)
Payments to Employees	(29,311,660)
Financial Aid and Scholarships	(3,256,848)
Other Receipts or Expenses - Net	5,147,239
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	$ (25,873,394)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Local Taxes	$ 12,587,643
State Aid	8,664,993
Grants and Contracts	9,770,330
Miscellaneous Noncapital Receipts	324,503
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	$ 31,347,469
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Debt Proceeds	$ 15,185,000
Debt Service - Principle Payments	(1,479,515)
Debt Service - Interest Payments	(288,329)
Lease Payments	(215,396)
Proceeds from Sale of Assets	69,284
Acquisition of Capital Assets	(4,243,485)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	$ 9,027,559
CASH FLOWS FROM INVESTING ACTIVITES:	
Purchase of Certificates of Deposit	$ (33,846,268)
Maturities of Certificates of Deposit	18,621,887
Interest on Investments	473,840
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	$ (14,750,541)
NET CHANGE IN CASH	$ (248,907)
CASH, July 1,	22,558,393
CASH, June 30,	$ 22,309,486
RECONCILIATION OF NET OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:	
Operating Income (loss)	$ (28,542,003)
Adjustments to Reconcile Operating Income to Net Cash Provided from Operating Activities:	
Depreciation	2,984,325
Amortization	219,858
Bad Debt	69,699
Changes in assets and liabilities:	
Accounts Receivable	(760,701)
Inventory, Prepaid Expenses, and Other Assets	(53,350)
Deferred Outflows	(11,587,399)
Accounts Payable	201,864
Payroll Liabilities	338,860
Compensated Absences	(22,909)
Security Deposits	9,500
Deferred Revenue	828,949
Deferred Inflows	(5,265,721)
Net Pension Liability	15,705,634
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	$ (25,873,394)

The notes to the financial statements are an integral part of this statement.

THE COMMUNITY COLLEGE DISTRICT OF JEFFERSON COUNTY, MISSOURI
Hillsboro, Missouri

STATEMENT OF FINANCIAL POSITION - COMPONENT UNIT
Jefferson College Foundation, Inc.

June 30, 2023

ASSETS

	2023
CURRENT ASSETS:	
Cash	$ 205,144
Investments	3,881,566
Pledges Receivable - Current	27,000
Other Receivables	30,145
Prepaid Expenses	14,560
Total Current Assets	$ 4,158,415
NONCURRENT ASSETS:	
Pledges Receivable - Noncurrent	$ 23,000
Property and Equipment, Net	433,674
Total Noncurrent Assets	$ 456,674
TOTAL ASSETS	$ 4,615,089

LIABILITIES AND NET ASSETS

	2023
CURRENT LIABILITIES:	
Accounts Payable	$ 18,638
Credit Card Payable	1,143
Total Current Liabilities	$ 19,781
TOTAL LIABILITIES	$ 19,781
NET ASSETS:	
Net Assets with Donor Restrictions	$ 2,668,401
Net Assets without Donor Restrictions	1,926,907
Total Net Assets	$ 4,595,308
TOTAL LIABILITIES AND NET ASSETS	$ 4,615,089

The notes to the financial statements are an integral part of this statement.

THE COMMUNITY COLLEGE DISTRICT OF JEFFERSON COUNTY, MISSOURI
Hillsboro, Missouri

STATEMENT OF ACTIVITIES - COMPONENT UNIT
Jefferson College Foundation, Inc.

For the Year Ended June 30, 2023

	2023
Changes in Net Assets without Donor Restrictions	
Revenues	
Contributions	$ 335,252
Fundraising Events	88,796
Miscellaneous	422
Investment Income	32,387
Investment Gain (Loss)	143,906
Net Assets Released from Restrictions	454,519
Total Revenue without Donor Restrictions	$ 1,055,282
Expenses	
Program Services	$ 441,976
General and Administrative	222,600
Fundraising	195,167
Total Expenses	$ 859,743
Increase (Decrease) in Net Assets without Donor Restrictions	$ 195,539
Changes in Net Assets with Donor Restrictions	
Contributions	$ 904,615
Grant Income	140,000
Investment Income	55,679
Investment Gain (Loss)	-
Fundraising Events	109,049
Miscellaneous	-
Net Assets Released from Restrictions	(454,519)
Increase (Decrease) in Net Assets with Donor Restrictions	$ 754,824
CHANGE IN NET ASSETS	$ 950,363
NET ASSETS, July 1,	3,644,945
NET ASSETS, June 30,	$ 4,595,308

The notes to the financial statements are an integral part of this statement.

COMMUNITY COLLEGE DISTRICT OF
JEFFERSON COUNTY, MISSOURI
Hillsboro, Missouri

NOTES TO BASIC FINANCIAL STATEMENTS

For the Year Ended June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Organization

Community College District of Jefferson County, Missouri (the "College"), a public two-year institution, was established April 2, 1963, under the Missouri Junior College Act of 1961. The College provides academic transfer, occupational, technical, developmental, and continuing education courses to the surrounding counties. The six-member elected Board of Trustees establishes the policies and procedures by which the College is governed.

Accounting policies of the College conform to accounting principles generally accepted in the United States of America as applicable to colleges and universities.

Basis of Accounting

Proprietary Funds

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

Non-exchange transactions, in which the College receives value without directly giving value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are earned. Revenue from grants, entitlements and donations is recognized in the fiscal year in which the funds are earned and eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the College must provide local resources to be used for a specific purpose, and expenditure requirements, in which the resources are provided to the College on a reimbursement basis.

Reporting Entity

The financial statements referred to above include the primary government of The Community College District of Jefferson County, Missouri, the blended component unit – Viking Woods, and the College's discretely presented component unit – Jefferson College

Foundation, Inc. which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the College's legal entity.

Discretely Presented Component Unit

The discretely presented component unit column in the basic financial statements includes the financial data of the College's other component unit. It is reported in separate columns in the financial statements to emphasize that it is legally separate from the College. The following entity is discretely presented in the basic financial statements as governmental fund types.

Jefferson College Foundation, Inc.

The component unit's governing body is elected by its own board. The purpose of the component unit is to advance, encourage, assist and support the growth and development of the Community College District of Jefferson County. A complete copy of the audit report can be obtained by writing to Jefferson College Foundation, Inc., 1000 Viking Drive, Hillsboro, MO 63050.

Use of Estimates

The preparation of general-purpose financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Property Taxes

Property taxes are attached as an enforceable lien on property as of January 1. Taxes are levied on November 1 and are payable by December 31. Jefferson, Ste. Genevieve, and St. Francois Counties collect the property taxes and remit them to the College.

The assessed valuation of the tangible taxable property for the calendar year 2022 for the purposes of local taxation was $3,817,315,734, respectively on which taxes were levied during fiscal year 2023, respectively. The tax levy per $100 of the assessed valuation of tangible property for the calendar year 2022 was set at $0.2330, respectively.

Cash and Cash Equivalents

The College considers all liquid investments with original maturities of three months or less to be cash equivalents.

Investments

Investments are recorded at cost that approximates market and consist of repurchase agreements, certificates of deposit, a mutual bond fund, and government securities. The mutual fund assets are carried at fair value based on market quotations. Net unrealized gains (losses) are included in investment income in the statement of revenues, expenses, and changes in net position.

Restricted Investments

Restricted investments consist of two components, a reserve requirement on the Series 2004 Leasehold Refunding Revenue Bonds, and $1 in order to keep an account open for the pass-through of principal and interest payments on the Series 2005 Leasehold Revenue Bonds through the Jefferson College Educational Facilities Authority.

Tuition and Fees Receivable

Accounts receivable consist of tuition and fee charges to students and charges for auxiliary enterprise services provided to students, faculty, and staff. Accounts receivable are recorded net of estimated uncollectible amounts.

Capital Assets

Land and improvements to land, buildings, furniture, equipment and software are recorded at cost at the date of acquisition, or if donated, at fair value at the date of gift. Depreciation of capital assets is provided on a straight-line basis over the estimated useful lives (3-40 years) of the respective assets. Net interest expense incurred during the construction of debt-financed facilities is included in the capitalization of the related facilities.

Supplies and Materials Inventories

These assets are stated at the lower of cost or market on a first-in, first-out basis.

Deferred Revenue

Deferred aid and tuition primarily consists of tuition and fees for the 2023-2024 school year billed in advance. The College recognizes tuition revenue for the portion of summer school falling in the fiscal year, the remainder of summer school tuition and fall tuition is deferred.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, Deferred Outflows of Resources, represents a consumption of net position that applies to a future period and will not be recognized as an expense until then. In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, Deferred Inflows of Resources, represents an acquisition of net position that applies to a future period and will not be recognized as revenue until then. The College has two items that meet the criterion for this category-pension deferrals that results from the implementation of GASB Statement No. 68 (see Note 4), and other post employment benefits deferrals that result from the implementation of GASB Statement No. 75 (see Note 12).

Compensated Absences

Amounts of vested or accumulated vacation leave are reported as accrued liabilities. Classified employees (i.e., professional and administrative staff) earn vacation during the current year, which can be taken in the subsequent years. However, no more than 40 days of earned but unused vacation time may be carried forward and used in subsequent years by an employee. Amounts of vested or accumulated sick leave are also recorded in accrued liabilities. Sick leave is accumulated beginning with the employee's date of hire at the rate of one day for each complete month of service. All full-time employees hired after January 1, 2013, will accumulate sick leave up to a maximum of 120 days while all full-time employees hired before January 1, 2013, will accumulate leave with no maximum number of days. Any unused earned sick leave, up to 90 days, accumulated by an employee at the time of their retirement, will be compensated at the rate of $22.50 per day. Upon termination of employment, employees forfeit any unused earned sick leave with the exception of those employees that are grandfathered under the Sick Leave Buy-Back Program. Those employees grandfathered under the Sick Leave Buy-Back Program will first be compensated for eligible days under the buy-back program then additional days will be compensated at the rate of $22.50 per day. The combination of buy-back program sick leave days and additional sick leave days at the rate of $22.50 per day will not exceed 90 days.

Pension Plan

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.

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 in 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.

Classification of Revenues

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

Operating Revenues
Operating revenues include activities that have the characteristics of exchange transactions, such as student tuition and fees, sales and services of auxiliary enterprises, most federal, state, and local grants and contracts and federal appropriations, and interest

on student loans. The College recognizes revenues net of discounts and allowances, when they are earned, and accordingly a pro rata portion of summer tuition and fees for June 30, 2023 is recognized in operating revenues.

Nonoperating Revenues
Nonoperating revenues include activities that have the characteristics of nonexchange transactions, such as gifts and contributions, and other revenue sources that are defined as nonoperating revenues by GASB No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Government Entities That Use Proprietary Fund Accounting,* and GASB No. 34, such as state appropriations, local property taxes, and investment income.

Federal Financial Assistance Programs

Major federally funded student financial aid programs in which the College participates include the Federal Pell Grant, Federal Supplemental Educational Opportunity Grant, Federal Work Study, and Federal Direct Student Loan Programs.

Scholarship Allowances

The College provides tuition reductions by awarding scholarships from its own funds and certain federal student financial aid programs. These scholarship awards are recognized as reductions of tuition to the extent they offset amounts otherwise billable as tuition or fees. Amounts of awards in excess of tuition and fees are provided to the student and are recognized as scholarship expense.

Net Position

The College's net position is classified as follows:

Net Investment in Capital Assets
Capital assets are net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets.

Restricted Net Assets
Restricted net position includes resources that the College is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties. When both restricted and unrestricted resources are available for use, it is the College's policy to use restricted resources first, then unrestricted resources when they are needed.

Unrestricted Net Assets
Unrestricted net position is assets that are not subject to externally imposed stipulations. Unrestricted net position may be designated for specific purposes by action of management or the Board of Trustees or may otherwise be limited by contractual agreements with outside parties.

Subsequent Events

The College has evaluated subsequent events through January 11, 2024, which is the date that the financial statements were available to be issued.

2. CASH AND INVESTMENTS:

As of June 30, 2023, the College had deposits and investments as follows:

Type	2023 Maturities	2023 Cost
Unrestricted Deposits:		
Petty Cash and Postage Machines	N/A	16,516
Demand Deposits	N/A	19,745,713
Restricted Deposits:		
Endowment Demand Deposits	N/A	13
Self-Insurance	N/A	2,547,257
Total Deposits		22,309,499
Unrestricted Investments:		
Certificate of Deposit	N/A	2,021,207
Certificate of Deposit	N/A	2,198,872
Certificate of Deposit	N/A	2,025,808
Certificate of Deposit	N/A	3,041,310
Certificate of Deposit	N/A	6,089,123
Restricted Investments:		
Money Market	N/A	189,903
Endowment Bonds	07/15/2033	63,229
Endowment Bonds	09/01/2033	85,111
Endowment Bonds	06/15/2035	100,944
Endowment Bonds	06/08/2037	21,547
Endowment Bonds	09/15/2039	122,960
Endowment Bonds	12/15/2042	83,636
Total Investments		16,043,650
Total Deposits and Investments -		38,353,149

These accounts are reported on the Statement of Net Position as follows:

Cash	$22,309,486
Investments	15,376,320
Restricted Deposits	13
Restricted Investments	667,330
Total	$38,353,149

All of the College's investments in debt securities are issued in U.S. Government and agency securities.

Investments are recorded at cost, which approximates market. Repurchase agreements are recorded at fair value, which approximates market.

The College's repurchase agreements are held for safekeeping at the counter party financial institution's trust department in the College's name.

Interest Rate Risk

The College's investment policy minimizes the risk that the market value of securities mature to meet cash requirements for ongoing operations and investing operating funds primarily in short-term securities. Investments in banker's acceptance and commercial paper shall mature and become payable not more than 180 days from the date of purchase. All other investments shall mature and become payable not more than five years from the date of purchase.

The College's established investment policy has limited the College's investment portfolio to a weighted-average maturity that does not exceed three years.

Credit Risk

State law permits public colleges to invest in obligations of the State of Missouri or U.S. Government and obligations of government agencies that mature or become payable in one year or less from the date of issue. The College also invests some endowment funds, which are not subjected to these regulations, in the mutual bond fund and U.S. agencies. The College does not have a policy for credit risk.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of failure of the counter party, the College will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State law requires depository financial institutions to pledge as collateral for public funds on deposit by governmental unit securities which, when combined with Federal Deposit Insurance Corporation ("FDIC") insurance, are at least equal to the amount on deposit at all times. At June 30, 2023, the College's deposits bank balance was insured or collateralized as follows: The College had a total of $38,823,987 in cash and investment (bank balance) with a total of $838,972 in FDIC coverage and the remaining $37,985,015 covered by pledged securities and government securities at various banks. The College does not have a policy for custodial credit risk.

Concentration of Credit Risks

The College places no limit on the amount the College may invest in any one issuer. More than 5% of the College's total unrestricted investments are with U.S. federal agencies.

3. CAPITAL ASSETS:

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

	June 30, 2022	Addition	Retirement	June 30, 2023
Capital Assets Not Being Depreciated				
Land	$ 783,487	$ -	$ -	$ 783,487
Construction in Progress	-	1,092,200	-	1,092,200
Total Capital Assets Not Being Depreciated	$ 783,487	$ 1,092,200	$ -	$ 1,875,687
Capital Assets Being Depreciated				
Land Improvements	$ 16,831,476	$ 579,682	$ (357,390)	$ 17,053,768
Buildings	67,048,515	1,543,382	-	68,591,897
Furniture and Equipment	8,559,507	698,386	(145,559)	9,112,334
Library Books	2,523,654	30,082	-	2,553,736
Software	756,889	34,180	(117,493)	673,576
Capital Leases	131,503	-	-	131,503
Subscription Based Assets	985,676	-	-	985,676
Total Capital Assets Being Depreciated	$ 96,837,220	$ 2,885,712	$ (620,442)	$ 99,102,490
Less - Accumulated Depreciation	(53,349,807)	(3,204,183)	248,176	(56,305,814)
Total Capital Assets Being Depreciated - Net	$ 43,487,413	$ (318,471)	$ (372,266)	$ 42,796,676
Total Capital Assets - Net	$ 44,270,900	$ 773,729	$ (372,266)	$ 44,672,363

4. PENSION PLAN:

General Information about the Pension Plan

Plan Description. PSRS is a mandatory cost-sharing multiple employer retirement system for all full-time certificated employees and certain part-time certificated employees of all public school districts in Missouri (except the school districts of St. Louis and Kansas City) and all public community colleges. PSRS also includes certificated employees of the Systems, Missouri State Teachers' Association, Missouri State High School Activities Association, and certain employees of the state of Missouri who elected to remain covered by PSRS under legislation enacted in 1986, 1987 and 1989. The majority of PSRS members are exempt from Social Security contributions. In some instances, positions may be determined not to be exempt from Social Security contributions. Any PSRS member who is required to contribute to Social Security comes under the requirements of Section 169.070 (9) RSMo, known as the “2/3’s 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 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 the Public School Retirement System of Missouri (PSRS) must contribute to PEERS. Employees of PSRS 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 Public School Retirement System of Missouri.

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. Actuarial 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 service retirement and disability 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 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 .8% benefit multiplier until reaching minimum Social Security age (currently age 62). 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.

A Summary Plan Description detailing the provisions of the plan can be found on PSRS' website at www.psrs-peers.org.

Cost-of-Living Adjustments ("COLA"). The Board of Trustees has established a policy of providing COLAs to PSRS members as follows:

- If the June to June change in the Consumer Price Index for All Urban Consumers (CPI-U) is less than 2% for consecutive one-year periods, a cost-of-living increase of 2% will be granted when the cumulative increase is equal to or greater than 2%, at which point the cumulative increase in the CPI-U will be reset to zero. For the following year, the starting CPI-U will be based on the June value immediately preceding the January 1 at which the 2% cost-of-living increase is granted.

- If the June to June change in the CPI-U is greater than or equal to 2%, but less than 5%, a cost-of-living increase of 2% will be granted.

- If the June to June change in the CPI-U is greater than or equal to 5%, a cost-of-living increase of 5% will be granted.

- If the CPI decreases, no COLA is provided.

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

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

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

The College's contributions to PSRS and PEERS were $1,783,601 and $500,575, respectively, for the year ended June 30, 2023.

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

At June 30, 2023, the College recorded a liability of $17,920,154 for its proportionate share of PSRS' net pension liability and $3,158,205 for its proportionate share of PEERS' net pension liability. In total, the College recorded net pension liabilities of $21,078,359. The net pension liability for the plans in total was measured as of June 30, 2022, and determined by an actuarial valuation as of that date. The College's proportionate share of the total net pension liability was based on the ratio of its actual contributions paid to PSRS and PEERS of $1,769,446 and $500,395, respectively, for the year ended June 30, 2022, relative to the total contributions of $763,765,597 for PSRS and $133,912,935 for PEERS from all participating employers. At June 30, 2022, the College's proportionate share was 0.2317% for PSRS and 0.3737% for PEERS.

For the year ended June 30, 2023, the College recognized a pension expense (income) of $1,042,531 for PSRS and $459,984 for PEERS, its proportionate share of the total pension expense (income). Pension expense is the change in the net position liability from the previous reporting period to the current reporting period, less adjustments. This may be a negative expense (pension income).

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

PSRS:

Balance of Deferred Outflows and Inflows Due to:	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 3,210,289	$ 263,785
Changes of assumptions	1,169,453	-
Net difference between projected and actual earnings on pension plan investments	11,006,517	11,523,256
Changes in proportion and differences between employer contributions and proportionate share of contributions	396,112	1,107,271
Employer contributions subsequent to the measurement date	1,868,658	-
Total	$ 17,651,029	$ 12,894,312

PEERS:

Balance of Deferred Outflows and Inflows Due to:	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 503,880	$ 3,351
Changes of assumptions	118,059	-
Net difference between projected and actual earnings on pension plan investments	2,276,592	2,355,190
Changes in proportion and differences between employer contributions and proportionate share of contributions	37,962	9,069
Employer contributions subsequent to the measurement date	525,082	-
Total	$ 3,461,575	$ 2,367,610

COLLEGE TOTAL:

Balance of Deferred Outflows and Inflows Due to:	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 3,714,169	$ 267,136
Changes of assumptions	1,287,512	-
Net difference between projected and actual earnings on pension plan investments	13,283,109	13,878,446
Changes in proportion and differences between employer contributions and proportionate share of contributions	434,074	1,116,340
Employer contributions subsequent to the measurement date	2,393,740	-
Total	$ 21,112,604	$ 15,261,922

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, 2024. Other amounts reported as collective deferred (inflows)/outflows of resources are to be recognized in pension expense as follows:

Year Ended June 30:

	PSRS	PEERS	College Total
2024	$ 2,083,440	$ 794,021	$ 2,877,461
2025	(106,112)	89,339	(16,773)
2026	(586,563)	(280,215)	(866,778)
2027	3,105,438	490,820	3,596,258
2028	260,514	-0-	260,514
Thereafter	-0-	-0-	-0-
	$ 4,756,717	$1,093,965	$ 5,850,682

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' Annual Comprehensive Financial Report (ACFR). 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
Valuation Date	June 30, 2022
Expected Return on Investments	7.30 percent net of investment expenses and including 2.00 percent inflation
Inflation	2.00 percent
Total Payroll Growth	
PSRS:	2.25 percent per annum, consisting of 2.00 percent inflation, 0.125 percent real wage growth due to the inclusion of active health care costs in pensionable earnings, and 0.125 percent of real wage growth due to productivity.

PEERS:	2.50 percent per annum, consisting of 2.00 percent inflation, 0.25 percent real wage growth due to the inclusion of active health care costs in pensionable earnings, and 0.25 percent of real wage growth due to productivity.
Future Salary Increases	
PSRS:	2.625 percent – 8.875 percent, depending on service and including 2.00 percent inflation, 0.125 percent real wage growth due to the inclusion of active health care costs in pensionable earnings, 0.125 percent of real wage growth due to productivity, and real wage growth for merit.
PEERS:	3.25 percent – 9.75 percent, depending on service and including 2.00 percent inflation, 0.25 percent real wage growth due to the inclusion of active health care costs in pensionable earnings, 0.25 percent of real wage growth due to productivity, and real wage growth for merit.
Cost-of-Living Increases	
PSRS & PEERS	Given that the actual increase in the CPI-U index from June 2021 to June 2022 was 9.06%, the Board approved an actual cost-of-living adjustment (COLA) as of January 1, 2023 of 5.00%, in accordance with the Board's funding policy and Missouri statutes, compared to an assumed COLA of 2.00%. Future 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 percent for consecutive one-year periods, a cost-of-living increase of 2 percent will be granted when the cumulative increase is equal to or greater than 2 percent, 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 percent cost-of-living increase is granted.

- If the June to June change in the CPI-U is greater than or equal to 2 percent, but less than 5 percent, a cost-of-living increase of 2 percent will be granted.

- If the June to June change in the CPI-U is greater than or equal to 5 percent, a cost-of-living increase of 5 percent will be granted.

- If the CPI 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 percent 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 Assumptions

Actives:

PSRS

Experience-adjusted Pub-2010 Teachers Mortality Table for Employees with generational projection using the MP-2020 improvement scale. Experience adjustments are equal to the healthy retiree experience-based adjustment factors at all ages for both males and females.

PEERS

Experience-adjusted Pub-2010 General (Below-Median Income) Mortality Table for Employees with generational projection using the MP-2020 improvement scale. Experience adjustments are equal to the healthy retiree experience-based adjustment factors at all ages for both males and females.

Non-Disabled Retirees, Beneficiaries and Survivors:

PSRS

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 males and females.

	Males	Females
Non-Disabled	1.10	1.04
Contingent Survivor	1.18	1.07

PEERS

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

	Males	Females
Non-Disabled	1.13	0.94
Contingent Survivor	1.01	1.07

Disabled Retires:

PSRS

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.

PEERS

Experience-adjusted Pub-2010 General 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.

Changes in Actuarial Assumptions And Methods

An experience study was completed in May 2021 resulting in updates to the actuarial assumptions for the June 30, 2021 valuation. There were no further updates to the actuarial assumptions and methods for the June 30, 2022 valuation.

Fiduciary Net Position

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

Expected Rate of Return

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

Asset Class	Target Asset Allocation	Long-term Expected Real Return Arithmetic Basis
U.S Public Equity	23.0%	4.81%
Public Credit	0.0%	0.80%
Hedged Assets	6.0%	2.39%
Global 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%	

Discount Rate	The long-term expected rate of return used to measure the total pension liability was 7.30 percent 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 7.30 percent 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 Sensitivity

The sensitivity of the College's net pension liability to changes in the discount rate is presented below. The College's net pension liability calculated using the discount rate of 7.30% is presented as well as the net pension liability (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)	$ 34,049,327	$ 17,920,154	$ 4,559,839
PEERS	Proportionate share of the Net Pension Liability/(Asset)	$ 6,333,710	$ 3,158,205	$ 507,775

The College has offered an early retirement plan that results in the payout of benefits based upon salary and years of service over three years. The activity in the long-term liability account for the year ended June 30, 2023, was as follows:

		2023
Beginning of year	$	15,609
New participant liability		-0-
Payments		-0-
End of year		15,609
Less current portion (reported in accounts payable)		-0-
Early retirement liability		15,609

5. LONG-TERM DEBT:

BONDS PAYABLE

Bonds payable by series of issuance for the year ended June 30, 2023, consisted of the following:

	Beginning Balance July 1, 2022	Issued	Payment	Ending Balance June 30, 2023	Amounts Due Within One Year
Series 2005 Leasehold Bonds	$ 1,659,041	$ -	$ (548,364)	$ 1,110,677	$ 569,455
Series 2014 Leasehold Bonds	455,000	-	(455,000)	-	-
Total	$ 2,114,041	$ -	$ (1,003,364)	$ 1,110,677	$ 569,455

On May 19, 2005, the College issued $8,400,000 of Series 2005 Leasehold Revenue Bonds through the Jefferson College Educational Facilities Lease Authority. The bonds mature with a fixed rate of 3.78% ending in 2025. The proceeds went to expand the campus in the northern portion of the College's service area.

On April 14, 2014, the College refinanced its Series 2004 Student Housing Revenue Bonds with $3,980,000 Series 2014 Leasehold Refunding Revenue Bonds through the Jefferson College Educational Facilities Lease Authority. The bonds mature with variable rates ranging from .40% in 2020 to 2.85% ending in 2023. The bonds were paid off during the year ended June 30, 2023.

The debt service requirements for the next five years, and thereafter, as of June 30, 2023, are as follows:

Year Ending June 30,	Principal	Interest	Total to be Paid
2024	$ 569,455	$ 32,185	$ 601,640
2025	541,222	10,283	551,505
Total	$1,110,677	$ 42,468	$1,153,145

CERTIFICATES OF PARTICIPATION

Certificates of Participation by series of issuance for the year ended June 30, 2023, consisted of the following:

	Beginning Balance July 1, 2022	Issued	Payment	Ending Balance June 30, 2023	Amounts Due Within One Year
Certificates of Participation:					
Series 2010 COPS	$ 810,000	$ -	$ (260,000)	$ 550,000	$ 270,000
Series 2023 COPS	-	15,185,000	-	15,185,000	10,000
Total	$ 810,000	$ 15,185,000	$ (260,000)	$ 15,735,000	$ 280,000

On June 2, 2010, the College entered into a lease with the Jefferson College Educational Facilities Lease Authority for $6,943,000 in certificates of participation for various maintenance projects throughout the District. The COPS mature with variable rates ranging from 1.50% in 2011 to 5.75% ending 2025. The Federal government will reimburse the College for 35% of the interest paid on every interest payment. For the year ended June 30, 2023, the College was reimbursed for $25,864 in interest.

On January 1, 2023, the College entered into a lease with Truist Bank for $15,185,000 in certificates of participation for various projects throughout the District. The COPS mature with an interest rate of 4.260% ending 2043.

The schedule of funds required for payment of future years' principal and interest components applicable to the College's COPS lease payments are as follows:

Year Ending June 30,	Principal	Interest	Total to be Paid
2024	$ 280,000	$ 678,506	$ 958,506
2025	290,000	662,555	952,555
2026	580,000	646,029	1,226,029
2027	600,000	621,321	1,221,321
2028	630,000	595,761	1,225,761
2029-2033	3,560,000	2,554,083	6,114,083
2034-2038	4,385,000	1,728,282	6,113,282
2039-2043	5,410,000	710,568	6,120,568
Total	$ 15,735,000	$8,197,105	$23,932,105

DIRECT BORROWINGS

Direct borrowing by issuance for the year ended June 30, 2023, consisted of the following:

	Beginning Balance July 1, 2022	Issued	Payments	Ending Balance June 30, 2023	Amounts Due Wigthin One Year
FS Leasing LLC Video Display	$ 20,874	$ -	$ (10,167)	$ 10,707	$ 10,707
Axon Enterprise, Inc. Tasers	4,740	-	(4,740)	-	-
First Community Bank Fiber	359,917	-	(87,802)	272,115	89,200
Extreme Networks, Inc. Equipment	340,327	-	(113,442)	226,885	113,442
Total	$ 725,858	$ -	$ (216,151)	$ 509,707	$ 213,349

All outstanding leases from direct borrowings contain an event of default that changes the timing of the repayments of outstanding amounts to become immediately due if the College is unable to make payments.

On January 12, 2017, the College entered into a direct borrowing with FS Leasing LLC for $83,350 for the purchase of a video display. The lease has a rate of 2.99% and is for a term of 96 months with the first payment of $15,445 followed by monthly payments of $10,914.

On December 20, 2018, the College entered into a direct borrowing with Axon Enterprise, Inc. for $23,700 for the purchase of tasers for the campus police. The lease has a rate of 0% and a term of 5 years with annual payments of $4,740. The lease was paid off during the year ended June 30, 2023

On September 10, 2020, the College entered into a direct borrowing with First State Community Bank for $446,120 for the purchase of the fiber optic network backbone upgrade for fire alarm and the data network. The lease has a rate of 1.7% and a term of 5 years with annual payments of $93,892.

On May 19, 2021, the College entered into a direct borrowing with Extreme Networks, Inc. for $510,490 for the purchase of equipment to expand and improve the wireless networks across campus. The lease has a rate of 0.0% and is for a term of 4 years with the first annual payment of $170,164 and three subsequent annual payments of $113,442.

The schedule of funds required for payment of future years' principal and interest components applicable to the College's direct borrowing payments are as follows:

Year Ending June 30,	Principal	Interest	Total to be Paid
2024	$ 213,349	$ 5,013	$ 218,362
2025	204,172	3,163	207,335
2026	92,186	1,592	93,788
	$ 509,707	$ 9,768	$ 519,475

6. LEASES:

Financial reporting information pertaining to the College's leases is prepared in accordance with Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. GASB 87 requires recognition of certain lease assets and liabilities for all leases including, those that previously were classified as operating leases and recognized as expenditures by the lessees. This GASB ruling establishes a single model for lease accounting based on the foundational principle that leases are a financing of the right to use an underlying asset. GASB 87 defines a lease as a contract that conveys control of the right to use another entity's nonfinancial asset as specified in the contract for a period of time in an exchange or exchange-like transaction.

Lease (Lessee) agreements are summarized as follows:

Description	Date	Term	Amount	Interest Rate	Total Liability	Balance June 30, 2023
GFI Digital, Inc.	9/10/2021	5 Years	$ 1,570	1.70%	$ 90,246	$ 59,528
Pitney Bowes	5/9/2021	5 Years	2,156	1.70%	41,257	25,172
Total Lease Payments						$ 84,700

A contract with GFI Digital Inc. for use of a copier machine was signed on September 10, 2021. The lease term is 60 months with payments of $1,570 due each month. The discount rate of 1.7% was used to determine the present value of the lease.

A contract with Pitney Bowes for use of a postage meter machine was signed on May 19, 2021. The lease term is 60 months with payments of $2,156 due quarterly. The discount rate of 1.7% was used to determine the present value of the lease.

Annual Requirements to amortize long-term obligations and related interest are as follows:

Year Ending June 30,	Principal	Interest
2024	$ 26,217	$ 1,248
2025	26,665	799
2026	27,121	343
2027	4,697	13
Total	$ 84,700	$ 2,403

7. SUBSCRIPTION BASED SOFTWARE AGREEMENTS:

Lease agreements are summarized as follows:

Description	Date	Terms	Amount	Interest Rate	Total Liability	Balance June 30, 2023
Oracle Database	5/31/2020	5 Years	$ 44,284	1.70%	$ 214,140	$ 43,544
Ellucian	7/1/2021	8 Years	86,508	1.70%	568,988	396,155
Spectrum	6/20/2023	3 Years	5,940	1.70%	208,335	134,325
Total Subscription Payments						$ 574,024

Community College District of Jefferson County, Missouri entered into a Subscription Based Software Agreement with Oracle Database for the Colleague Student Information System on May 31,2020. The interest rate was calculated based on Community College District of Jefferson County, Missouri's bond rating, the length of the lease, and federal interest rate at the commencement of the agreement. The agreement has a term of 5 years.

Community College District of Jefferson County, Missouri entered into a Subscription Based Software Agreement with Ellucian for the Ellucian Experience software package on July 1, 2021. The interest rate was calculated based on Community College District of Jefferson County, Missouri's bond rating, the length of the lease, and federal interest rate at the commencement of the agreement. The agreement has a term of 8 years.

Community College District of Jefferson County, Missouri entered into a Subscription Based Software Agreement with Spectrum on June 20, 2023. The interest rate was calculated based on Community College District of Jefferson County, Missouri's bond rating, the length of the lease, and federal interest rate at the commencement of the agreement. The agreement has a term of 3 years.

Annual requirements to amortize long-term obligations and related interest are as follows:

Year Ending June 30,	Principal	Interest
2024	$ 192,854	$ 9,218
2025	145,918	5,930
2026	82,509	3,999
2027	83,911	2,597
2028	68,832	1,170
Total	$ 574,024	$ 22,914

8. RESTRICTED NET POSISTION:

A portion of net position has been reserved to represent the value of assets restricted for specific purposes as listed below.

Endowments	$ 690,062
Grants	3,519,812
Scholarships	334,108
Self-Insurance	2,431,776
Student and Employee Groups	125,922
Total Restricted Net Position	$7,101,680

9. CONTINGENCIES:

Most grants and cost-reimbursable contracts specify the types of expenditures for which the grant or contract funds may be used. The expenditures made by the College under some of these grants and contracts are subject to audit. To date, the College has not been notified on any significant unallowable costs relating to its grants or contracts. In the opinion of management, adjustments for unallowable costs, if any, resulting from such audits will not be significant. The College was not involved in any pending lawsuits as of the audit report date.

10. GENERAL LIABILITY INSURANCE:

The College participates in a public entity risk pool to insure against its general liability risks. The risk of loss is transferred to this risk pool, with the pool retaining the right to raise insurance premiums in the subsequent calendar year if claims experience is unfavorable. The insurance premium for the 2022 calendar year was $436,777. Management is aware of no events or circumstances that would generate a significant increase in future insurance premiums.

11. RELATED-PARTY TRANSACTIONS AND IN-KIND CONTRIBUTIONS:

The College is affiliated with Jefferson College Foundation, Inc. (the "Foundation"). The purpose of the Foundation is to advance, encourage, assist, and support the growth and development of the College. During the year ended June 30, 2023, the College received support from the Foundation and paid in-kind contributions as follows: Scholarship and Instruction $196,412, Capital Improvements $48,634, Fundraisers $9,951, and Grants $137,987, for a total of $392,984. For the year ended June 30, 2023 the College contributed in-kind contributions to the Foundation as follows: Administrative $23,504, Salaries, $143,247, and Fringe Benefits, $45,405, for a total of $212,156.

As of June 30, 2023, the Foundation had a liability to the College for $14,579, and the College had a liability to the Foundation for $-0-.

12. OTHER POST-EMPLOYMENT BENEFITS:

Plan Description

In addition to providing the pension benefits described above, the College provides continuation of medical, dental and vision insurance coverage to employees who are eligible for retirement under a single employer plan. Retirees who elect to participate must pay the premium in effect for the current plan year or any subsequent year at the premium rates in effect at that time. Since the retirees pay the premium for each year, the College's share of any premium cost is determined on the basis of a blended rate or implicit rate subsidy calculation. A stand-alone financial report is not available for the plan.

Funding Policy

The College currently pays for the implicit rate subsidy associated with these post-employment health care benefits on a pay-as-you-go basis. The College determines contribution requirements and may be amended by the College. As of June 30, 2023, no trust fund has been established for the funding of the plan's post-employment benefit obligation, resulting in the classification of the entire liability as unfunded.

Relationship Between Valuation Date, Measurement Date, and Reporting Date

The Valuation Date is June 30, 2022. This is the date as of which the actuarial valuation is performed. The Measurement Date is June 30, 2023. This is the date as of which the total OPEB liability is determined. The Reporting Date is June 30, 2023. This is the plan's and/or employer's fiscal year ending date.

Covered Employees

The College has the following employees covered by the Plan as of June 30, 2022.

Retirees and Surviving Spouses	59
Spouses of Current Retirees	19
Active	267
Total	345

Total OPEB Liability:

The College's total OPEB liability of $3,881,020 was measured as of June 30, 2023, and was determined by an actuarial valuation date of June 30, 2022 and then projected forward to the measurement date.

Actuarial Assumptions and Other Inputs

Inflation	2.30%
Salary Increases	3.00%
Discount Rate	3.65%
Mortality	Pub-2010 Teachers Mortality for Employees and Health Annuitants, with generational projection per Scale MP-2021.
Actuarial Cost Method	Entry Age Normal
Valuation Timing	Actuarial valuations are performed biennially as of June 30 for accounting purposes only. The most recent valuation was performed as of June 30, 2022.
Healthcare Cost Trend Rates	Medical cost trend rate of 5.3% for 2022, gradually decreasing to an ultimate rate of 3.8% for 2073 and beyond.

The discount rate was based on 20 Year Bond GO Index.

The plan has not had a formal actuarial experience study performed.

Sensitivity of Net OPEB Liability to Changes in the Single Discount Rate

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

Sensitivity of Net OPEB Liablility as of June 30, 2023, to the Current Single Discount Rate Assumption			
	1% Decrease	Current Single Discount Rate Assumption	1% Increase
Net OPEB liability	$ 4,295,511	$ 3,881,020	$ 3,521,698

Sensitivity of Net OPEB Liability to Changes in the Healthcare Cost Trend Rate

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

Sensitivity of Net OPEB Liablility as of June 2023 to the Healthcare Cost Trend Rate Assumption			
	1% Decrease	Healthcare Cost Trend Rates Rate Assumption	1% Increase
Net OPEB liability	$ 3,401,240	$ 3,881,020	$ 4,466,672

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB:

For the year ended June 30, 2023, the College recognized OPEB expense of $219,296. At June 30, 2023, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows Resources
Differences between expected and actual experience	$ -0-	$ 985,710
Changes of assumptions or other inputs	449,346	390,974
Total	$ 449,346	$1,376,684

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the College's OPEB expense as follows:

Year Ended June 30:	
2024	$(172,126)
2025	(172,126)
2026	(156,182)
2027	(175,779)
2028	(138,973)
Thereafter	(112,152)
Total	$ (927,338)

13. SELF INSURANCE:

The College has a self-insurance plan which covers substantially all employees' (and their dependents) medical and dental expenses. The College has purchased excess loss insurance coverage to protect it from any excessive liabilities. The College has a $125,000 per insured specific deductible and a total of $2,430,177 in aggregate.

14. TAX ABATEMENTS:

The College is involved, through Jefferson County, in a tax abatement agreement with local businesses under a Tax Increment Finance District or (TIF). Missouri Revised Statute 99.845 gives municipalities the right to create TIFs for a defined area of land that is deemed blighted by the municipality. In short, after a TIF is established by ordinance, bonds are issued to cover the costs of demolition/environmental cleanup/utilities/roadways, and the assessed values of the parcels within the TIF are statutorily frozen by the Assessor's office, using the certified values for the year the ordinance was passed to form a base value for the TIF.

For the year ended June 30, 2023, the College abated property taxes totaling $52,686 under this program, including the following tax abatements.

The City of Arnold authorized the following tax abatement through Chapter 100 bonds during December 2012 and December 2015, in the amounts of $88,000,000 and $150,000,000 for the purpose of supporting the local industry which is Metal Container Corporation, a subsidiary of A-B InBev. The abatement was to provide financing to support two expansions of the can plant operated by Metal Container Corporation. As the assessment of value of this abatement is not within the scope of Jefferson County Assessor's office, it is undetermined the amount which is abated through this issuance.

15. COMMITMENTS:

The College has entered into contracts for various projects around the College including the Arnold Expansion, Vet Tech Expansion, and the Viking Woods Expansion which are expected to cost $4,415,000, $3,100,000, and $4,520,000, respectively. As of June 30, 2023, the College was committed to $3,669,140, $2,966,587, and $4,338,188, respectively, of remaining costs. The College was also committed to several other smaller projects.

16. CHANGE IN ACCOUNTING PRINCIPLES AND RESTATEMENT:

For 2023, the College implemented Governmental Accounting Standards Board (GASB) Statement No. 96, Subscription-Based Information Technology Arrangements. GASB Statement No. 96 enhances the relevance and consistency of information of the government's subscription activities. It establishes requirements for subscription accounting based on the principles that subscription-based information technology are financings of the right to use an underlying asset. The College is required to recognize a right-to-use subscription asset and a corresponding subscription liability. These changes were incorporated in the College's 2023 financial statements and had an effect on the beginning net position. The College recognized $770,121 in net book value for the intangible right to use asset and lease liabilities of $763,644.

Net Position June 30, 2022	$ 40,149,335
Adjustments:	
Net Book Value SBITA Asset	770,121
SBITA Liability	(763,644)
Restated Net Position June 30, 2023	$ 40,155,812

17. PRIOR PERIOD ADJUSTMENT:

Adjustments to Deferred Outflows Related to Pensions for employer contributions subsequent to the measurement date were not made as of June 30, 2022. Due to this, Deferred Outflows Related to Pensions and Net Position were understated by $2,269,697. The financials were restated to reflect the increase in Deferred Outflows Related to Pensions and Net Position.

REQUIRED SUPPLEMENTARY INFORMATION

COMMUNITY COLLEGE DISTRICT OF JEFFERSON COUNTY, MISSOURI
Hillsboro, Missouri

SCHEDULES OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND RELATED RATIOS

For the Year Ended June 30, 2023

Public School Retirement System of Missouri

Year Ended*	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Actual Covered Member Payroll	Net Pension Liability (Asset) as a Percentage of Covered Payroll	Fiduciary Net Position as a Percentage of Total Pension Liability
6/30/2014	0.2622%	$ 10,756,953	$ 11,807,138	91.11%	89.34%
6/30/2015	0.2596%	14,986,345	11,919,649	125.73%	85.78%
6/30/2016	0.2646%	19,687,957	12,361,572	159.27%	82.18%
6/30/2017	0.2618%	18,905,953	12,490,959	151.36%	83.77%
6/30/2018	0.2516%	18,725,220	12,226,742	153.15%	84.06%
6/30/2019	0.2391%	17,645,748	11,842,022	149.01%	84.62%
6/30/2020	0.2404%	21,469,442	12,105,665	177.35%	82.01%
6/30/2021	0.2249%	4,978,786	11,649,296	42.74%	95.81%
6/30/2022	0.2317%	17,920,154	12,260,163	146.17%	86.04%

Public Education Employee Retirement System of Missouri

Year Ended*	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Actual Covered Member Payroll	Net Pension Liability (Asset) as a Percentage of Covered Payroll	Fiduciary Net Position as a Percentage of Total Pension Liability
6/30/2014	0.4269%	$ 1,558,893	$ 6,225,586	25.04%	91.33%
6/30/2015	0.4225%	2,234,629	6,335,539	35.27%	88.28%
6/30/2016	0.4414%	3,541,508	6,816,773	51.95%	83.32%
6/30/2017	0.3994%	3,047,226	6,417,940	47.48%	85.35%
6/30/2018	0.3698%	2,857,490	6,152,508	46.44%	86.06%
6/30/2019	0.3712%	2,936,048	6,237,442	47.07%	86.38%
6/30/2020	0.3677%	3,568,739	6,616,547	53.94%	84.06%
6/30/2021	0.3658%	393,939	6,703,168	5.88%	98.36%
6/30/2022	0.3737%	3,158,205	7,294,382	43.30%	87.92%

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 District's fiscal year.*

See accompanying notes to the basic financial statements.

COMMUNITY COLLEGE DISTRICT OF JEFFERSON COUNTY, MISSOURI
Hillsboro, Missouri

SCHEDULES OF EMPLOYER CONTRIBUTIONS

For the Year Ended June 30, 2023

Public School Retirement System of Missouri

Year Ending	Statutorily Required Contribution	Actual Employer Contribution	Contribution Excess/(Deficiency)	Actual Covered Member Payroll	Contributions as a Percentage of Covered Payroll
6/30/2013	$ 1,639,729	$ 1,639,729	$ -	$ 11,457,614	14.31%
6/30/2014	1,688,596	1,688,596	-	11,807,138	14.30%
6/30/2015	1,704,191	1,704,191	-	11,919,649	14.30%
6/30/2016	1,772,351	1,772,351	-	12,361,572	14.34%
6/30/2017	1,791,021	1,791,021	-	12,490,959	14.34%
6/30/2018	1,754,249	1,754,249	-	12,226,742	14.35%
6/30/2019	1,701,859	1,701,859	-	11,842,022	14.37%
6/30/2020	1,740,132	1,740,132	-	12,105,665	14.37%
6/30/2021	1,674,836	1,674,836	-	11,649,296	14.38%
6/30/2022	1,769,446	1,769,446	-	12,260,163	14.43%

Public Education Employee Retirement System of Missouri

Year Ending	Statutorily Required Contribution	Actual Employer Contribution	Contribution Excess/(Deficiency)	Actual Covered Member Payroll	Contributions as a Percentage of Covered Payroll
6/30/2013	$ 392,291	$ 392,291	$ -	$ 5,718,535	6.86%
6/30/2014	427,075	427,075	-	6,225,586	6.86%
6/30/2015	434,618	434,618	-	6,335,539	6.86%
6/30/2016	467,630	467,630	-	6,816,773	6.86%
6/30/2017	440,271	440,271	-	6,417,940	6.86%
6/30/2018	422,062	422,062	-	6,152,508	6.86%
6/30/2019	442,074	442,074	-	6,237,442	7.09%
6/30/2020	453,895	453,895	-	6,616,547	6.86%
6/30/2021	459,838	459,838	-	6,703,168	6.86%
6/30/2022	500,395	500,395	-	7,294,382	6.86%

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

See accompanying notes to the basic financial statements.

SCHEDULE 3

COMMUNITY COLLEGE DISTRICT OF JEFFERSON COUNTY, MISSOURI
Hillsboro, Missouri

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN THE COLLEGE'S TOTAL OPEB LIABILITY AND RELATED RATIOS

June 30, 2023

Calendar Year Ended June 30,	2023	2022	2021
Total OPEB Liability			
Service Costs	$ 258,661	$ 324,811	$ 242,140
Interest on Total OPEB Liability	132,761	102,103	98,196
Effect of Plan Changes	-	-	-
Effect of Economic/Demographic Gains or Losses	-	(699,700)	-
Effect of Assumptions Changes or Inputs	83,991	(475,446)	25,462
Benefit Payments	(170,547)	(154,721)	(174,758)
Net Change in Total OPEB Liability	304,866	(902,953)	191,040
Total OPEB Liability - Beginning	3,576,154	4,479,107	4,288,067
Total OPEB Liability - Ending	$ 3,881,020	$ 3,576,154	$ 4,479,107
Covered Employee Payroll	16,914,576	15,744,777	15,002,402
Total OPEB Liability as a Percentage of Covered Employee Payroll	22.94%	22.71%	29.86%

Notes to the Schedule:
This schedule is presented to illustrate the requirement to show information for 10 years. However, recalculations of prior years are not required, and if prior years are not reported in accordance with the current GASB standards, they should not be reported.

See accompanying notes to the basic financial statemens.

FEDERAL COMPLIANCE SECTION

BEUSSINK, HEY, ROE & STRODER, L.L.C.

Certified Public Accountants

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

Board of Trustees
Community College District of
Jefferson County Missouri
Hillsboro, 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 Community College District of Jefferson County, Missouri, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Community College District of Jefferson County, Missouri's basic financial statements, and have issued our report thereon, dated January 11, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Community College District of Jefferson County, Missouri'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 Community College District of Jefferson County, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of Community College District of Jefferson County, Missouri'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 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, and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2023-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Community College District of Jefferson County, Missouri'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.*

Community College District of Jefferson County, Missouri's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Community College District of Jefferson County, Missouri's response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. Community College District of Jefferson County, Missouri's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.

BEUSSINK, HEY, ROE & STRODER, L.L.C.

Beussink, Hey, Roe & Stroder, L.L.C.

Cape Girardeau, Missouri
January 11, 2024

BEUSSINK, HEY, ROE & STRODER, L.L.C.

Certified Public Accountants

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

Board of Trustees
Community College District of
Jefferson County, Missouri
Hillsboro, Missouri

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Community College District of Jefferson County, Missouri's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Community College District of Jefferson County, Missouri's major federal programs for the year ended June 30, 2023. Community College District of Jefferson County, Missouri's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, Community College District of Jefferson County, Missouri complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Community College District of Jefferson County, Missouri's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Community College District of Jefferson County, Missouri's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Community College District of Jefferson County, Missouri's internal control over compliance. Accordingly, no such opinion is expressed.

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

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance, and which is described in the accompanying Schedule of Findings and Questioned Costs as item 2023-002. Our opinion on each major federal program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on Community College District of Jefferson County, Missouri's response to the noncompliance finding identified in our compliance audit described in the accompanying Schedule of Findings and Questioned Costs. Community College District of Jefferson County, Missouri's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

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

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 2023-002 to be a significant deficiency.

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

Government Auditing Standards requires the auditor to perform limited procedures on Community College District of Jefferson County, Missouri's response to the internal control over compliance finding identified in our audit described in the accompanying Schedule of Findings and Questioned Costs. Community College District of Jefferson County, Missouri's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

BEUSSINK, HEY, ROE & STRODER, L.L.C.

Beussink, Hey, Roe & Stroder, L.L.C.

Cape Girardeau, Missouri
January 11, 2024

COMMUNITY COLLEGE DISTRICT OF JEFFERSON COUNTY, MISSOURI
Hillsboro, Missouri

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2023

Federal Grantor/Pass Through Grantor/Program Title	Federal AL Number	Program Number	Provided to Subrecipients	Disbursements	
U.S. DEPARTMENT OF AGRICULTURE					
Passed-Through Missouri Department of					
Social Services -					
SNAP Cluster:					
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	CS160897001	$ -	$ 59,844	
Total SNAP Cluster			$ -		$ 59,844
Passed-Through Missouri Department of					
Health -					
Child and Adult Care Food Program	10.558	ERS46111072	$ -		$ 13,084
TOTAL U.S. DEPARTMENT OF AGRICULTURE			$ -		$ 72,928
U.S. DEPARTMENT OF JUSTICE					
Grants to Reduce Domestic Violence, Dating Violence, Sexual Assault, and Stalking on Campus	16.525	N/A	$ -		$ 36,859
TOTAL U.S. DEPARTMENT OF JUSTICE			$ -		$ 36,859
U.S. DEPARTMENT OF LABOR					
Passed-Through Missouri Department of Higher Education					
and Workforce Development -					
WIOA Cluster:					
WIOA Adult Program	17.258	AA-36329-21-55-A-29	$ -	$ 22,452	
WIOA Youth Activities	17.259	AA-36329-21-55-A-29	-	10,456	
WIOA Dislocated Worker Formula Grants	17.278	AA-36329-21-55-A-29	-	10,506	
Total WIA Cluster			$ -		$ 43,414
Passed-Through St. Louis Community College					
H-1B Job Training Grant	17.268	HG-33040-19-60-A-29	$ -		$ 90,581
TOTAL U.S. DEPARTMENT OF LABOR			$ -		$ 133,995

See Independent Auditors' Report.

COMMUNITY COLLEGE DISTRICT OF JEFFERSON COUNTY, MISSOURI
Hillsboro, Missouri

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2023

U.S. DEPARTMENT OF EDUCATION					
Passed-Through Missouri Department of Elementary and Secondary Education -					
Adult Education - Basic Grants to States	84.002	V002A210026	$ -		$ 198,410
Student Financial Assistance Cluster:					
Federal Supplemental Educational Opportunity Grants	84.007	P007A212325	$ -	$ 106,811	
Federal Work-Study Program	84.033	P033A212325	-	90,520	
Federal Pell Grant Program	84.063	P063P211738	-	4,800,534	
		P063Q211738	-	670	
Federal Direct Student Loans	84.268	P268K221738	-	1,912,340	
Total Student Financial Assistance Cluster			$ -		6,910,875
TRIO Cluster:					
TRIO Student Support Services	84.042	P042A150106-19	$ -	$ 326,546	
Total TRIO Cluster			-		326,546
Passed-Through Missouri Department of Higher Education and Workforce Development -					
Career and Technical Education - Basic Grants to States (1)	84.048	V048A210025	$ -		794,719
Child Care Access Means Parents in School	84.335A	P335A210040	-		67,821
Passed-Through Missouri Department of Higher Education and Workforce Development -					
COVID-19 Education Stabilization Fund (1)	84.425C	S425C210016	$ -	$ 69,151	
COVID-19 Education Stabilization Fund (1)	84.425F	P425F201485	-	1,357,447	
Total Education Stabilization Fund			-		1,426,598
TOTAL U.S. DEPARTMENT OF EDUCATION			$ -		$ 9,724,969
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Passed-Through Missouri Department of Social Services -					
TANF Cluster:					
Temporary Assistance for Needy Families	93.558	M00592	$ -	$ 7,328	
Total TANF Cluster			$ -		$ 7,328
Passed-Through Missouri Department of Elementary and Secondary Education -					
CCDF Cluster:					
Child Care and Development Block Grant	93.575	N/A	-	$ 85,200	
Total CCDF Cluster			$ -		85,200
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			$ -		$ 92,528
TOTAL FEDERAL AWARDS			$ -		$ 10,061,279

(1) Identified Major Programs

See Independent Auditors' Report.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A. Purpose of Schedule and Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards has been prepared to comply with the Uniform Guidance. This circular requires a Schedule of Expenditures of Federal Awards showing total expenditures for each federal financial assistance program as identified on the Assistance Listing and identification of programs that have not been assigned an Assistance Listing Number as "Other Federal Assistance." The Schedule includes all expenditures of federal awards administered by the College.

B. Basis of Presentation

The Schedule is presented in accordance with the Uniform Guidance, which defines federal awards as "…assistance that non-federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursement for services rendered to individuals." Accordingly, the Schedule includes nonmonetary as well as monetary assistance.

C. Basis of Accounting

Except as noted below, the Schedule is presented on the accrual basis of accounting, which recognizes revenues when earned and expenses when an obligation has been incurred.

D. Federal Assurances

Community College District of Jefferson County, Missouri did not have federal insurance in effect during the year or have federal loans or loan guarantees outstanding at year end which are required to be reported in accordance with the Uniform Guidance.

E. Indirect Cost Rate

The College has elected to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

F. Subrecipients

The College had no subrecipients for federal awards for the year ending June 30, 2023.

COMMUNITY COLLEGE DISTRICT OF JEFFERSON COUNTY, MISSOURI
Hillsboro, Missouri

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2023

1. SUMMARY OF AUDITORS' RESULTS:

Financial Statements

Type of report the auditor issued on whether the financial statement audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

- Material weaknesses identified? __X__ yes _____ no
- Significant deficiencies identified? _____ yes __X__ none reported

Noncompliance material to financial statements noted? _____ yes __X__ no

Federal Awards

Internal control over major programs:

- Material weaknesses identified? _____ yes __X__ no
- Significant deficiencies identified? __X__ yes _____ none reported

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? __X__ yes _____ no

Identification of major programs.

CFDA Number	Name of Federal Program
84.048	Career and Technical Education – Basic Grants to States
	Education Stabilization Fund:
84.425C	COVID-19 Governor's Emergency Education Relief
84.425F	COVID-19 HEERF Institutional Portion

Dollar threshold used to distinguish between type A and type B programs: $750,000

Auditee qualified as low-risk auditee: __X__ yes ____ no

2. FINANCIAL STATEMENT FINDINGS:

2023-001 Significant Audit Adjustment

Criteria:	For year-end financial reporting to be relevant and reliable, all transactions should be recorded correctly in accordance with generally accepted accounting principles.
Condition:	Deferred Outflows Related to Pensions were not adjusted by employer contributions after the measurement date for both 2022 and 2023. This led to the beginning balance of Deferred Outflows Related to Pensions and Net Position being understated by $2,269,697. Ending Deferred Outflows Related to Pensions were understated by $2,393,740.
Cause:	Oversight by Management.
Effect:	Financial reporting to Missouri Department of Elementary and Secondary Education was inaccurate.
Recommendation:	Internal controls need to be put in places to ensure all transactions are properly recorded in the College's financial statements.

Views of Responsible Officials and Planned Corrective Actions:	We agree with the recommendation and will implement internal controls to ensure accurate reporting.

3 FEDERAL AWARD FINDINGS AND QUESTIONED COSTS:

2023-002 Reporting

Federal Program:	U.S. Department of Education: COVID-19 Education Stabilization Fund (84.425C, and 84.425F).
Criteria:	Quarterly public reports must be conspicuously posted on the institution's primary website no later than 10 days after the end of each calendar quarter.
Condition:	The College did not post two out of four of the quarterly reports to the institution's primary website timely. One was posted 174 days late, and the other was posted 87 days late.
Cause:	When posting the 2nd quarter of 2023 report, the College realized the prior two quarterly reports had not been posted.
Effect:	The College did not comply with the federal compliance requirements.
Questioned Costs:	None.
Context:	Total COVID-19 Education Stabilization Funds are $1,426,598.
Repeat Finding:	No.
Recommendation:	We recommend the College post the quarterly reports to the institution's primary website within 10 days of the end of the calendar quarter.
Views of Responsible Officials:	The College will ensure that all reports are posted timely going forward.

EXHIBIT 3

COMMUNITY COLLEGE DISTRICT OF JEFFERSON COUNTY, MISSOURI
Hillsboro, Missouri

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the Year Ended June 30, 2023

1. FINANCIAL STATEMENT FINDINGS:

   No findings were noted that were required to be reported.

2. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS:

   No federal findings were noted that were required to be reported.

Jefferson College

Jefferson College serves our community by delivering quality learning opportunities that empower individuals to achieve their goals.

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EXHIBIT 4

COMMUNITY COLLEGE DISTRICT OF JEFFERSON COUNTY, MISSOURI
Hillsboro, Missouri

CORRECTIVE ACTION PLAN

For the Year Ended June 30, 2023

Community College District of Jefferson County, Missouri respectfully submits the following corrective action plan for each finding in the Schedule of Finding and Questioned Costs.

Finding: 2023-001 Significant Audit Adjustments

Name of Contact Person:	Leslie Hoff, Controller
Recommendation:	We recommend the District put in place internal controls to ensure all transactions are properly recorded in the District's financial statements.
Corrective Action:	We will timely and properly record all transactions and reimbursements to ensure complete and accurate financial statements.
Proposed Completion Date:	Immediately

Finding: 2023-002 Reporting

Name of Contact Person:	Leslie Hoff, Controller
Recommendation:	We recommend the College post the quarterly reports to the institution's primary website within 10 days of the end of the calendar quarter.
Corrective Action:	We will ensure that all required public reports are publicly posted timely going forward.
Proposed Completion Date:	Immediately