

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

For the Year Ended June 30, 2024

ANNUAL FINANCIAL REPORT

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

Certified Public Accountants

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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, 2024, 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, 2024, 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 51 through 53 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*, is 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 is 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 17, 2025, 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 17, 2025

REQUIRED SUPPLEMENTARY INFORMATION

**THE COMMUNITY COLLEGE DISTRICT OF
JEFFERSON COUNTY, MISSOURI
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2024
(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, 2024 shows assets and deferred outflows at \$116.8 million, liabilities and deferred inflows at \$65.7 million, and net position at \$51.1 million. Net position represents the balance in the College’s assets after liabilities are deducted. Net position increased by \$5.4 million during fiscal year 2024. The most significant changes in net position during fiscal year 2024 were a decrease to cash and investments of \$3.3 million from increase in spending from multiple capital projects in progress; \$10.4 million increase in Construction in Progress due to multiple capital projects in progress, \$2.0 million decrease to Governmental Receivables from the loss of CARES funding, \$2.3 million increase in Net Pension Liability.

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, 2024. 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, 2024, 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.

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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:

	2024	2023
Current Assets	42,711,184	47,214,746
Non-current Assets	55,526,079	45,339,706
Deferred Outflows of Resources	18,564,139	21,561,950
Total Assets and Deferred Outflows of Resources	<u>116,801,402</u>	<u>114,116,402</u>
Current Liabilities	8,006,264	8,118,629
Non-current Liabilities	39,076,117	38,045,272
Deferred Inflows of Resources	18,638,321	22,222,398
Total Liabilities	<u>65,720,702</u>	<u>68,386,299</u>
Invested in Capital Assets - Net of Related Debt	38,125,570	26,658,255
Restricted	10,558,566	7,101,680
Unrestricted	2,396,564	11,970,168
Total Net Position	<u>51,080,700</u>	<u>45,730,103</u>

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

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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, 2024, a summarized version of the College's revenues, expenses and changes in net position are as follows:

	2024	2023
Operating Revenue	16,093,597	14,994,689
Operating Expenses	(47,946,609)	(43,536,692)
Operating Loss	(31,853,012)	(28,542,003)
Non-Operating Revenue, Net	37,203,609	31,846,597
Increase (Decrease) in Net Assets	5,350,597	3,304,594
Net Position - Beginning of Year	45,730,103	40,149,335
Restatement of Net Position - SBITA Adjustment	-0-	6,477
Prior Period Adjustment	-0-	2,269,697
Net Position - End of Year	51,080,700	45,730,103

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The College's fiscal year 2024 and 2023 revenues, both operating and non-operating, are as follows:

	2024	2023
Operating Revenues		
Tuition and Fees (Net of Scholarships)	10,098,604	9,058,127
Student Housing Revenues (Net of Scholarships)	1,196,368	789,323
Other Operating Revenues	4,798,625	5,147,239
Total	<u>16,093,597</u>	<u>14,994,689</u>
Non-Operating Revenue (Expense)		
Local Taxes	13,592,786	12,630,312
State Aid	8,905,796	8,664,993
Grants & Contracts	13,729,781	10,520,469
Interest Income	1,457,588	452,369
Interest Expense on Capital Asset Related Debt	(725,999)	(443,069)
Other	243,657	21,523
Total	<u>37,203,609</u>	<u>31,846,597</u>

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During fiscal year 2024 tuition and fees net of discounts increased due to two primary factors, first the College initiated a tiered tuition model which increased credit tuition and second the College contracted with Barnes and Noble as the College's bookstore and is earning book fee revenues from this as well. Grants and Contracts revenue increased due to increase in Pell Grants, CRF for JCI/JCA expansion, increase from MO Excels for VeTech which was offset by reduction of COVID-19 federal grants.

During fiscal year 2024 and 2023, the operating expenses for the College are as follows:

	<u>2024</u>	<u>2023</u>
Operating Expenses:		
Salaries & Benefits	29,907,535	28,480,125
Supplies, Utilities and Other Services	10,920,279	8,595,536
Depreciation and Amortization	3,407,348	3,204,183
Financial Aid and Scholarships	3,711,447	3,256,848
	<hr/>	<hr/>
Total	<u>47,946,609</u>	<u>43,536,692</u>

During fiscal year 2024 Salaries and Benefits increased due to a salary cost of living adjustment.

Supplies, Utilities and Other Services increased due to a combination of factors including the College contracting with Barnes and Noble as the College's bookstore and with Great Western as the College's food service, and has pass through expenditures for book rentals and meal plans that are offset by fee income, Series 2023 Bond Interest increased, and there were also inflationary increases to Software, Instructional Supplies and Electricity.

Financial Aid and Scholarships increased due to increase Pell Grant Disbursements.

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, 2024 and 2023, a summary of the statements of cash flows is as follows:

	<u>2024</u>	<u>2023</u>
Cash provided (used) by:		
Operating Activities	(27,461,602)	(25,873,394)
Capital and Capital Related Financing Activities	(15,739,980)	9,027,559
Noncapital Financing Activities	38,443,452	31,347,469
Investing Activities	3,694,456	(14,750,541)

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Net Increase (Decrease) in Cash	(1,063,674)	(248,907)
Cash - Beginning of the Year	22,309,486	22,558,393
Cash - End of Year	<u>21,245,812</u>	<u>22,309,486</u>

Capital and Debt Activities

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.

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Significant Budget Variances

For fiscal year 2024, the institution implemented a tiered tuition model for the first time, aligning tuition rates with course delivery and program consumables to more accurately reflect the cost of delivery. The FY24 budget remains consistent with FY23 funding levels, based on data provided by the Governor's office at the time of budget approval.

STATE AID HISTORY

	Actual FY 2022	Actual FY 2023	Actual FY 2024	Budget FY 2025
Unrestricted				
General Revenue	\$7,528,635	\$8,271,966	\$8,572,753	\$8,662,753
Budget Stabilization Funds	-	-	-	-
Total Unrestricted	<u>7,528,635</u>	<u>8,271,966</u>	<u>8,572,753</u>	<u>8,662,753</u>
Restricted				
Maintenance & Repair HB3	333,043	333,043	333,043	333,043
Maintenance & Repair HB19	1,440,016	59,984	-	-
Total Restricted	<u>1,773,059</u>	<u>393,027</u>	<u>333,043</u>	<u>333,043</u>
Total State Aid	<u>\$9,301,694</u>	<u>\$8,664,993</u>	<u>\$8,905,796</u>	<u>\$8,995,796</u>

TUITION HISTORY

	Actual FY 2022	Actual FY 2023	Actual FY 2024	Budget FY 2025
Tuition Rates				
In District	\$ 114	\$ 118	\$ 120	\$ 120
Out of District	171	177	180	180
Out of State	228	236	240	240
Technology Fee	25	25	25	25
Activity Fee	5	5	5	5

Gross Tuition and Fee Revenue:

Unrestricted Funds				
Gross Tuition and Fees	\$11,155,709	\$11,265,785	\$12,689,670	\$14,153,350

Plant Funds				
Gross Tuition and Fees	<u>616,770</u>	<u>607,665</u>	<u>613,817</u>	<u>604,200</u>

All Funds				
Gross Tuition and Fees	<u>\$11,772,479</u>	<u>\$11,873,450</u>	<u>\$13,303,487</u>	<u>\$14,757,550</u>

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TAX RATES AND REVENUES HISTORY

Tax Rates

	Actual FY 2022	Actual FY 2023	Actual FY 2024	Budget FY 2025
Current Unrestricted	\$.2312	\$.2312	\$.2312	\$.2314
Plant	.0300	.0300	.0300	.0300
Capital Projects	.0500	.0500	.0500	.0500
Total Tax Levy	<u>\$.3112</u>	<u>\$.3112</u>	<u>\$.3112</u>	<u>\$.3114</u>

Tax Revenue

	Actual FY 2022	Actual FY 2023	Actual FY 2024	Budget FY 2025
Current Unrestricted	\$ 9,055,274	\$ 9,383,059	\$ 10,098,106	9,425,800
Plant	1,176,320	1,217,562	1,310,335	1,221,000
Capital Projects	1,960,795	2,029,691	2,184,344	2,028,000
Total Tax Revenue	<u>\$12,192,389</u>	<u>\$12,630,312</u>	<u>\$13,592,785</u>	<u>\$12,674,800</u>

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

BUDGET SUMMARY

	2022 Actuals	2023 Actuals	2024 Actuals	2025 Budget
Revenues:				
State Aid	\$9,301,694	\$ 8,664,993	\$ 8,905,796	\$8,995,796
Tuition and Fees	11,772,480	11,873,449	13,303,486	14,757,550
Local Taxes	12,192,389	12,630,312	13,592,786	12,674,800
Federal Grant Revenue	11,952,863	3,122,489	3,644,767	2,397,397
State Grant Revenue	3,279,416	4,661,219	6,455,106	5,251,720
Student Aid	6,809,885	7,282,687	8,197,154	7,543,473
Sales & Services	735,545	1,263,821	1,047,920	1,276,000
Adult Education	190,155	198,410	258,715	292,155
Student Activities	15,276	22,895	24,368	20,150
Organized Activities	29,430	38,383	34,350	38,900
Auxiliary Enterprises	1,316,086	1,448,822	1,884,307	1,975,884
Interest Income	(66,515)	452,369	1,457,586	678,117
Other	3,809,029	3,662,198	3,413,786	3,860,790
Total Revenues	\$61,337,733	\$55,322,047	\$62,220,125	\$59,762,632
Expenditures:				
Instructional	\$15,611,736	\$16,300,006	\$16,485,412	\$17,604,813
Administration & General	9,230,601	12,222,902	13,169,589	12,209,190
Plant Oper and Maint	4,274,590	4,371,698	5,176,637	18,864,862
Grants & Scholarships	13,736,984	9,876,654	10,653,225	10,309,181
Auxiliary Enterprises	1,357,473	1,490,711	3,232,646	3,783,944
Academic Support	978,121	1,160,455	1,129,597	1,275,796
Student Services	5,054,478	5,432,876	5,633,615	6,378,763
Scholarships	1,070,275	1,136,781	1,336,937	1,486,000
Public Service	21,116	25,370	51,872	20,000
Total Expenditures	\$51,335,374	\$52,017,453	\$56,869,530	\$71,932,549
Net Revenue Less Expenses	\$10,002,359	\$3,304,594	\$5,350,596	(\$12,169,917)
Transfers In/Out	-	-	-	(51,276)
Net Increase/Decrease for YTD	\$10,002,359	\$3,304,594	\$5,350,596	(\$12,221,193)
Beginning Net Position	30,146,976	40,149,335	45,730,102	51,080,698
Prior Period Adjustment	-	2,276,174	-	-
Ending Net Position	\$40,149,335	\$45,730,103	\$51,080,698	\$38,859,505

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Current Unrestricted Fund

		2022 Actuals	2023 Actuals	2024 Actuals	2025 Budget
Revenues:					
	State Aid	\$ 7,528,635	\$ 8,271,966	\$ 8,572,753	\$ 8,662,753
	Tuition and Fees	11,155,709	11,265,785	12,689,669	14,153,350
	Local Taxes	9,055,274	9,383,059	10,098,107	9,425,800
	Federal Grant Revenue	19,604	19,769	14,020	18,000
	State Grant Revenue	143,640	393,346	425,372	400,000
	Student Aid	1,642,679	1,948,888	2,081,854	2,000,000
	Sales & Services	735,545	1,263,821	1,047,920	1,276,000
	Adult Education	-	-	-	-
	Student Activities	2,340	2,990	2,520	-
	Organized Activities	24,210	32,679	31,588	33,000
	Auxiliary Enterprises	507,135	553,727	546,165	580,000
	Interest Income	32,876	238,914	798,826	300,000
	Other	451,906	482,082	248,432	385,990
Total Revenues		\$31,299,553	\$33,857,026	\$36,557,227	\$37,234,893
Expenditures:					
	Instructional	\$13,031,000	\$14,181,992	\$14,385,394	\$15,127,482
	Admin & General	2,033,813	5,172,236	6,273,096	7,003,467
	Plant Oper and Maint	3,383,558	3,748,266	4,472,155	4,253,208
	Grants & Scholarships	1,693,452	1,982,722	2,124,415	2,069,500
	Auxiliary Enterprises	586,759	675,784	1,909,829	2,431,741
	Academic Support	974,642	1,117,512	1,070,057	1,252,576
	Student Services	3,938,393	4,874,778	5,064,022	5,899,331
	Scholarships	1,070,275	1,136,781	1,336,937	1,486,000
	Public Service	21,116	25,370	51,872	20,000
Total Expenditures		\$26,733,008	\$32,915,441	\$36,687,778	\$39,543,305
	Net Revenue Less Expenses	\$4,566,545	\$941,585	(\$130,551)	(\$2,308,412)
	Transfers In/Out	451,420	(166,941)	171,077	-
	Net Increase/Decrease for YTD	\$5,017,965	\$774,643	\$40,526	(\$2,308,412)
	Beginning Net Position	(17,982,486)	(12,964,521)	(9,920,179)	(9,879,653)
	Prior Period Adjustment	-	2,269,697	-	-
	Ending Net Position	(\$12,964,521)	(\$9,920,181)	(\$9,879,653)	(\$12,188,065)

**THE COMMUNITY COLLEGE DISTRICT OF
JEFFERSON COUNTY, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2024
(UNAUDITED)**

Current Restricted Fund

		2022 Actuals	2023 Actuals	2024 Actuals	2025 Budget
Revenues:					
	State Aid	\$ 1,773,059	\$393,027	\$333,043	\$ 333,043
	Tuition and Fees	-	-	-	-
	Local Taxes	-	-	-	-
	Federal Grant Revenue	11,933,259	3,102,720	3,630,746	2,379,297
	State Grant Revenue	3,135,776	4,267,873	6,029,734	4,851,720
	Student Aid	5,167,206	5,333,799	6,115,301	5,543,473
	Sales & Services	-	-	-	-
	Adult Education	190,155	198,410	258,715	292,155
	Student Activities	12,936	19,905	21,848	20,150
	Organized Activities	5,220	5,704	2,762	5,900
	Auxiliary Enterprises	808,951	895,095	1,338,142	1,395,884
	Interest Income	20,141	36,584	112,764	95,250
	Other	3,204,491	3,148,304	3,151,451	3,254,800
Total Revenues		\$26,251,194	\$17,401,421	\$20,994,504	\$18,171,672
Expenditures:					
	Instructional	\$ 2,489,402	\$ 1,830,430	\$ 1,940,112	\$ 2,307,331
	Admin & General	2,800,703	2,838,780	2,618,877	2,944,701
	Plant Oper and Maint	710,568	324,665	158,908	3,667,316
	Grants & Scholarships	12,043,532	7,893,932	8,528,810	8,239,681
	Auxiliary Enterprises	723,096	772,766	1,224,926	1,219,203
	Academic Support	3,479	14,472	24,219	23,220
	Student Services	1,092,029	515,230	479,619	451,432
	Scholarships	-	-	-	-
	Public Service	-	-	-	-
Total Expenditures		\$19,862,809	\$14,190,275	\$14,975,471	\$18,852,884
	Net Revenue Less Expenses	\$6,388,385	\$3,211,146	\$6,019,034	(\$681,212)
	Transfers In/Out	(4,651,741)	(2,189,715)	(1,755,459)	(26,276)
	Net Increase/Decrease for YTD	\$1,736,644	\$1,021,431	\$223,642	(\$707,488)
	Beginning Net Position	2,935,029	4,671,673	5,693,104	5,916,746
	Ending Net Position	\$4,671,673	\$5,693,104	\$5,916,746	\$5,209,258

**THE COMMUNITY COLLEGE DISTRICT OF
JEFFERSON COUNTY, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2024
(UNAUDITED)**

Plant Funds

		2022 Actuals	2023 Actuals	2024 Actuals	2025 Budget
Revenues:					
	State Aid	\$ -	\$ -	\$ -	\$ -
	Tuition and Fees	616,771	607,665	613,817	604,200
	Local Taxes	3,137,115	3,247,253	3,494,679	3,249,000
	Federal Grant Revenue	-	-	-	-
	State Grant Revenue	-	-	-	-
	Student Aid	-	-	-	-
	Sales & Services	-	-	-	-
	Adult Education	-	-	-	-
	Student Activities	-	-	-	-
	Organized Activities	-	-	-	-
	Auxiliary Enterprises	-	-	-	-
	Interest Income	641	196,334	542,856	255,667
	Other	152,632	31,812	13,903	220,000
Total Revenues		\$3,907,159	\$4,083,064	\$4,665,255	\$4,328,867
Expenditures:					
	Instructional	\$ 91,334	\$ 287,584	\$ 159,906	\$ 170,000
	Admin & General	399,172	4,213,047	4,277,615	2,236,022
	Plant Oper and Maint	180,464	297,606	545,573	10,944,338
	Grants & Scholarships	-	-	-	-
	Auxiliary Enterprises	47,618	42,161	97,890	133,000
	Academic Support	-	28,471	35,321	-
	Student Services	24,056	42,868	89,974	28,000
	Scholarships	-	-	-	-
	Public Service	-	-	-	-
Total Expenditures		\$742,644	\$4,911,737	\$5,206,279	\$13,391,660
	Net Revenue Less Expenses	<u>\$3,164,515</u>	<u>(\$828,673)</u>	<u>(541,024)</u>	<u>(\$9,062,793)</u>
	Transfers In/Out	(2,468,826)	2,335,185	1,585,343	-
	Net Increase/Decrease for YTD	<u>\$ 695,689</u>	<u>\$1,506,512</u>	<u>\$1,044,319</u>	<u>(\$9,062,793)</u>
	Beginning Net Position	8,786,423	9,482,112	10,988,624	12,032,943
	Ending Net Position	<u>\$9,482,112</u>	<u>\$10,988,624</u>	<u>\$12,032,943</u>	<u>\$2,970,150</u>

**THE COMMUNITY COLLEGE DISTRICT OF
JEFFERSON COUNTY, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2024
(UNAUDITED)**

Other Funds

		2022 Actuals	2023 Actuals	2024 Actuals	2025 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	(120,173)	(19,463)	3,139	27,200
	Other	-	-	-	-
Total Revenues		(\$120,173)	(\$19,463)	3,139	\$27,200
Expenditures:					
	Instructional	\$ -	\$ -	\$ -	\$ -
	Admin & General	-	-	-	25,000
	Plant Oper and Maint	-	-	-	-
	Grants & Scholarships	-	-	-	-
	Auxiliary Enterprises	-	-	-	-
	Academic Support	-	-	-	-
	Student Services	-	-	-	-
	Scholarships	-	-	-	-
	Public Service	-	-	-	-
Total Expenditures		\$ -	\$ -	\$ -	\$ 25,000
	Net Revenue Less Expenses	<u>(\$120,173)</u>	<u>(\$19,463)</u>	<u>\$3,139</u>	<u>\$ 2,200</u>
	Transfers In/Out	122,627	21,471	(961)	(\$25,000)
	Net Increase/Decrease for YTD	<u>\$2,454</u>	<u>\$2,008</u>	<u>\$ 2,178</u>	<u>\$ (22,800)</u>
	Beginning Net Position	707,071	709,525	711,533	688,808
	Ending Net Position	<u>\$709,525</u>	<u>\$711,533</u>	<u>\$713,711</u>	<u>\$666,008</u>

**THE COMMUNITY COLLEGE DISTRICT OF
JEFFERSON COUNTY, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2024
(UNAUDITED)**

Economic Outlook

State appropriations for FY25 remain consistent with recent years, and feature a modest 1% increase to core funding, adding \$90,000 to the year's budget. No reductions in state funding are anticipated for FY26. However, the transition to a new governor and significant legislative turnover following the 2024 election could introduce potential changes to statewide funding strategies for the higher education model at the legislative level in the fiscal year ahead.

Property tax revenue has consistently increased each year. However, the passage of SB190, which provides real estate tax relief for senior citizens, introduced uncertainty in calculating tax revenues for FY25. To address the potential negative impact of this legislation alongside the typical annual revenue growth, the College administration has opted to project tax revenues as remaining flat for FY25.

The College anticipated an approximate 1% enrollment decline for fiscal year 2024. Fall semester enrollment matched the previous year's levels with a 0.28% increase in credit hours in comparison to fall 2023. Projections for the spring semester suggest that enrollment will align more closely with the anticipated 1% decline.

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, 2024

	2024
<u>CURRENT ASSETS:</u>	
Cash	\$ 21,245,812
Investments	13,139,452
Receivables:	
Student Fees, Net of Allowance of \$301,273	5,668,886
Government Program	1,284,633
Taxes, Net of Allowance of \$27,090	583,451
Other	212,443
Inventory	43,618
Prepaid Expenses	532,889
Total Current Assets	<u>\$ 42,711,184</u>
<u>NONCURRENT ASSETS:</u>	
Restricted Deposits	\$ 13
Restricted Investments	668,291
Land	1,374,911
Construction in Progress	11,525,114
Capital Assets, Net	41,957,750
Total Noncurrent Assets	<u>\$ 55,526,079</u>
TOTAL ASSETS	<u>\$ 98,237,263</u>
<u>DEFERRED OUTFLOWS OF RESOURCES:</u>	
Deferred Amounts Related to Pensions	\$ 18,222,232
Deferred Amounts Related to OPEB	<u>341,907</u>
TOTAL DEFFERED OUTFLOWS OF RESOURCES	<u>\$ 18,564,139</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 116,801,402</u>

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, 2024

	<u>2024</u>
<u>CURRENT LIABILITIES:</u>	
Accounts Payable	\$ 1,915,953
Security Deposits	51,500
Payroll Liabilities Payable	3,922,063
Accrued Payroll Expenses	140,724
Accrued Interest Payable	168,567
Bonds Payable, Current Portion	541,222
COPS, Current Portion	290,000
Direct Borrowings, Current Portion	204,172
Compensated Absences	<u>772,063</u>
Total Current liabilities	<u>\$ 8,006,264</u>
 <u>NONCURRENT LIABILITIES:</u>	
COPS	\$ 15,165,000
Direct Borrowings	92,299
Early Retirement Liability	15,609
Net Pension Liability	23,363,697
Lease Liability	<u>439,512</u>
Total Noncurrent liabilities	<u>\$ 39,076,117</u>
 TOTAL LIABILITIES	 <u>\$ 47,082,381</u>
 <u>DEFERRED INFLOWS OF RESOURCES:</u>	
Deferred Amounts Related to Pensions	\$ 10,219,512
Deferred Amounts Related to OPEB	2,181,188
Deferred Aid and Tuition	<u>6,237,621</u>
 TOTAL DEFERRED INFLOWS OF RESOURCES	 <u>\$ 18,638,321</u>
 Net Investment in Capital Assets	\$ 38,125,570
Restricted	10,558,566
Unrestricted	<u>2,396,564</u>
 TOTAL NET POSITION	 <u>\$ 51,080,700</u>
 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	 <u><u>\$ 116,801,402</u></u>

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

STATEMENT 2

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, 2024

	<u>2024</u>
<u>OPERATING REVENUES:</u>	
Tuition and Fees, Net of Scholarships of \$3,025,412	\$ 10,098,604
Student Housing Revenues	1,196,368
Other Operating Revenues	<u>4,798,625</u>
TOTAL OPERATING REVENUES	<u>\$ 16,093,597</u>
<u>OPERATING EXPENSES:</u>	
Salaries	\$ 20,948,294
Benefits	8,959,241
Financial Aid and Scholarships	3,711,447
Utilities	1,314,870
Supplies and Other Services	9,605,409
Depreciation	3,187,490
Amortization	<u>219,858</u>
TOTAL OPERATING EXPENSES	<u>\$ 47,946,609</u>
NET OPERATING INCOME (LOSS)	<u>\$ (31,853,012)</u>
<u>NONOPERATING REVENUES (EXPENSES):</u>	
Regular State Aid	\$ 8,905,796
Local Taxes	13,592,786
Grants and Contracts, Net of Scholarships of \$4,825,962	13,729,781
Investment Income	1,457,588
Interest Expense	(725,999)
Gain (Loss) on sale of assets	(17,112)
Other Nonoperating Revenues	<u>260,769</u>
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>\$ 37,203,609</u>
CHANGE IN NET POSITION	\$ 5,350,597
TOTAL NET POSITION, July 1, 2023	<u>45,730,103</u>
TOTAL NET POSITION, June 30, 2024	<u><u>\$ 51,080,700</u></u>

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, 2024

	<u>2024</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>	
Tuition and Fees	\$ 10,118,249
Student Housing Revenue	1,196,368
Receipts (Refunds) of Deposits	(4,000)
Payments to Suppliers	(10,095,806)
Payments to Employees	(29,763,591)
Financial Aid and Scholarships	(3,711,447)
Other Receipts or Expenses - Net	<u>4,798,625</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ (27,461,602)</u>
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</u>	
Local Taxes	\$ 13,516,578
State Aid	8,905,796
Grants and Contracts	15,760,309
Miscellaneous Noncapital Receipts	<u>260,769</u>
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>\$ 38,443,452</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u>	
Debt Service - Principle Payments	\$ (1,062,691)
Debt Service - Interest Payments	(727,058)
Lease Payments	(219,212)
Proceeds from Sale of Assets	7,194
Acquisition of Capital Assets	<u>(13,738,213)</u>
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>\$ (15,739,980)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>	
Maturities of Certificates of Deposit	\$ 2,236,868
Interest on Investments	<u>1,457,588</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>\$ 3,694,456</u>
NET CHANGE IN CASH	<u>\$ (1,063,674)</u>
CASH, July 1,	<u>22,309,486</u>
CASH, June 30,	<u>\$ 21,245,812</u>
<u>RECONCILIATION OF NET OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</u>	
Operating Income (loss)	\$ (31,853,012)
Adjustments to Reconcile Operating Income to Net Cash Provided from Operating Activities:	
Depreciation	3,187,490
Amortization	219,858
Bad Debt	60,093
Changes in assets and liabilities:	
Accounts Receivable	(634,184)
Inventory, Prepaid Expenses, and Other Assets	(57,023)
Deferred Outflows	2,997,811
Accounts Payable	821,403
Payroll Liabilities	(902,653)
Compensated Absences	1,354
Security Deposits	(4,000)
Deferred Revenue	653,829
Deferred Inflows	(4,237,906)
Net Pension Liability	<u>2,285,338</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ (27,461,602)</u>

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, 2024

ASSETS

<u>CURRENT ASSETS:</u>	2024
Cash	\$ 109,751
Investments	5,378,465
Pledges Receivable - Current	98,920
Other Receivables	4,451
Prepaid Expenses	14,560
Total Current Assets	<u>\$ 5,606,147</u>
 <u>NONCURRENT ASSETS:</u>	
Pledges Receivable - Noncurrent	\$ 114,060
Total Noncurrent Assets	<u>\$ 114,060</u>
 TOTAL ASSETS	 <u><u>\$ 5,720,207</u></u>

LIABILITIES AND NET ASSETS

<u>CURRENT LIABILITIES:</u>	
Accounts Payable	\$ 13,410
Credit Card Payable	382
Total Current Liabilities	<u>\$ 13,792</u>
 TOTAL LIABILITIES	 <u>\$ 13,792</u>
 <u>NET ASSETS:</u>	
Net Assets with Donor Restrictions	\$ 3,727,299
Net Assets without Donor Restrictions	1,979,116
Total Net Assets	<u>\$ 5,706,415</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u><u>\$ 5,720,207</u></u>

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

STATEMENT 5

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, 2024

Changes in Net Assets without Donor Restrictions	2024
Revenues	
Contributions	\$ 305,133
Fundraising Events	167,979
Miscellaneous	388
Investment Income	37,663
Gain (Loss) on Sale of Assets	99,666
Investment Gain (Loss)	381,373
Net Assets Released from Restrictions	504,125
Total Revenue without Donor Restrictions	<u>\$ 1,496,327</u>
Expenses	
Program Services	\$ 546,940
General and Administrative	315,628
Fundraising	124,565
Total Expenses	<u>\$ 987,133</u>
Increase (Decrease) in Net Assets without Donor Restrictions	<u>\$ 509,194</u>
Changes in Net Assets with Donor Restrictions	
Contributions	\$ 781,333
Grant Income	110,490
Investment Income	82,949
Fundraising Events	131,266
Net Assets Released from Restrictions	<u>(504,125)</u>
Increase (Decrease) in Net Assets with Donor Restrictions	<u>\$ 601,913</u>
CHANGE IN NET ASSETS	\$ 1,111,107
NET ASSETS, July 1, 2023	<u>4,595,308</u>
NET ASSETS, June 30, 2024	<u><u>\$ 5,706,415</u></u>

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, 2024

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 2023 for the purposes of local taxation was \$3,973,324,972, respectively on which taxes were levied during fiscal year 2024, respectively. The tax levy per \$100 of the assessed valuation of tangible property for the calendar year 2023 was set at \$0.3112, 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 2024-2025 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 is made. Investments are reported at fair value. The fiduciary net position is reflected in the measurement of the College's net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense. An Annual Comprehensive Financial Report ("ACFR") can be obtained at www.psrs-peers.org.

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, 2024 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 17, 2025, which is the date that the financial statements were available to be issued.

2. CASH AND INVESTMENTS:

As of June 30, 2024, the College had deposits and investments as follows:

<u>Type</u>	<u>2024 Maturities</u>	<u>2024 Cost</u>
Unrestricted Deposits:		
Petty Cash and Postage Machines	N/A	6,328
Demand Deposits	N/A	19,032,201
Restricted Deposits:		
Endowment Demand Deposits	N/A	13
Self-Insurance	N/A	2,207,283
Total Deposits		<u>21,245,825</u>
Unrestricted Investments:		
ICS Demand	N/A	13,139,452
Restricted Investments:		
Money Market	N/A	198,970
Endowment Bonds	07/15/2033	62,433
Endowment Bonds	09/01/2033	83,574
Endowment Bonds	06/15/2035	99,828
Endowment Bonds	06/08/2037	20,599
Endowment Bonds	09/15/2039	120,519
Endowment Bonds	12/15/2042	82,368
Total Investments		<u>13,807,743</u>
Total Deposits and Investments -		35,053,568

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

Cash	\$ 21,245,812
Investments	13,139,452
Restricted Deposits	13
Restricted Investments	<u>668,291</u>
Total	<u>\$ 35,053,568</u>

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, 2024, the College's deposits bank balance was insured or collateralized as follows: The College had a total of \$34,570,578 in cash and investment (bank balance) with a total of \$804,419 in FDIC coverage and the remaining \$33,766,159 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.

At year-end, the Jefferson College Foundation's cash is made up of bank deposits. The carrying amount of bank deposits was \$109,751, and the bank balance was \$174,840.

The Jefferson College Foundation, as the managing organization for the community's charitable donated funds, has a responsibility to invest all unexpected funds for the purpose of generating additional income to serve the mission of the organization. It is the intent of the Foundation to keep such unexpected funds invested at all times in a prudent manner. A primary objective of the Foundation is the security of the principal invested. Investment decisions will not always be made to yield the highest return available.

The Foundation holds its investments in various mutual fund companies. These investments are held and managed by Comerica Bank and Trust, N.A. Investments are stated at fair value and consist of the following at June 30:

	<u>2024</u>
Mutual Funds	\$5,378,254
Short Term Investments	<u>211</u>
Total	<u>\$5,378,465</u>

The Foundation categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an assets' fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The investments of the Foundation are valued at fair market value measured at Level 1. The Foundation does not have any investments using Level 2 or Level 3 inputs.

3. CAPITAL ASSETS:

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

	June 30, 2023	Addition	Retirement	June 30, 2024
Capital Assets Not Being Depreciated				
Land	\$ 1,081,985	\$ 292,926	\$ -	\$ 1,374,911
Construction in Progress	<u>1,092,200</u>	<u>10,453,574</u>	<u>(20,660)</u>	<u>11,525,114</u>
Total Capital Assets Not Being Depreciated	\$ 2,174,185	\$ 10,746,500	(20,660)	\$ 12,900,025
Capital Assets Being Depreciated				
Land Improvements	\$ 16,755,270	\$ 191,521	\$ -	\$ 16,946,791
Buildings	68,591,897	2,040,123	(81,931)	70,550,089
Furniture and Equipment	9,112,334	608,463	(413,396)	9,307,401
Library Books	2,553,736	51,115	-	2,604,851
Software	673,576	-	(21,883)	651,693
Capital Leases	131,503	-	-	131,503
Subscription Based Assets	<u>985,676</u>	<u>-</u>	<u>(214,140)</u>	<u>771,536</u>
Total Capital Assets Being Depreciated	\$ 98,803,992	\$ 2,891,222	\$ (731,350)	\$ 100,963,864
Less - Accumulated Depreciation	(56,305,814)	(3,420,743)	720,443	(59,006,114)
Total Capital Assets Being Depreciated - Net	<u>\$ 42,498,178</u>	<u>\$ (529,521)</u>	<u>\$ (10,907)</u>	<u>\$ 41,957,750</u>
Total Capital Assets - Net	<u>\$ 44,672,363</u>	<u>\$ 10,216,979</u>	<u>\$ (31,567)</u>	<u>\$ 54,857,775</u>

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. Due to the passage of Senate Bill 75 (HCS/SS/SB75), effective August 28, 2023, members who retire with 32 or more years of service will have their benefit calculated using a 2.55 percent 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.psr-s-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 2022, 2023 and 2024. Employers were required to match the contributions made by employees. The contribution rate is set each year by the PSRS Board of Trustees upon the recommendation of the independent actuary within the contribution restrictions set in Section 169.030 RSMo. The annual statutory increase in the total contribution rate may not exceed 1% of pay.

PEERS members were required to contribute 6.86% of their annual covered salary during fiscal years 2022, 2023 and 2024. Employers were required to match the contributions made by employees. The contribution rate is set each year by the PSRS Board of Trustees upon the recommendation of the independent actuary within the contribution restrictions set in Section 169.030 RSMo. The annual statutory increase in the total contribution rate may not exceed 0.5% of pay.

The College's contributions to PSRS and PEERS were \$1,892,581 and \$545,116, respectively, for the year ended June 30, 2024.

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

At June 30, 2024, the College recorded a liability of \$19,772,637 for its proportionate share of PSRS' net pension liability and \$3,591,060 for its proportionate share of PEERS' net pension liability. In total, the College recorded net pension liabilities of \$23,363,697. The net pension liability for the plans in total was measured as of June 30, 2023, and determined by an actuarial valuation as of that date. The College's proportionate share of the total net pension liability was

based on the ratio of its actual contributions paid to PSRS and PEERS of \$1,868,642 and \$525,082, respectively, for the year ended June 30, 2023, relative to the total contributions of \$790,025,521 for PSRS and \$146,077,918 for PEERS from all participating employers. At June 30, 2023, the College's proportionate share was 0.2365% for PSRS and 0.3595% for PEERS.

For the year ended June 30, 2024, the College recognized a pension expense (income) of \$1,739,180 for PSRS and \$831,800 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, 2024, the College reported deferred outflows of resources and deferred inflows of resources from the following sources related to PSRS and PEERS pension benefits:

	<u>PSRS:</u>	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Balance of Deferred Outflows and Inflows Due to:		
Differences between expected and actual experience	\$ 3,244,720	\$ 129,015
Changes of assumptions	671,979	-
Net difference between projected and actual earnings on pension plan investments	9,047,779	7,841,318
Changes in proportion and differences between employer contributions and proportionate share of contributions	547,076	671,218
Employer contributions subsequent to the measurement date	1,892,581	-
Total	<u>\$ 15,404,135</u>	<u>\$ 8,641,551</u>

PEERS:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Balance of Deferred Outflows and Inflows Due to:		
Differences between expected and actual experience	\$ 473,316	\$ -
Changes of assumptions	18,929	-
Net difference between projected and actual earnings on pension plan investments	1,761,113	1,510,465
Changes in proportion and differences between employer contributions and proportionate share of contributions	19,623	67,496
Employer contributions subsequent to the measurement date	<u>545,116</u>	<u>-</u>
Total	<u>\$ 2,818,097</u>	<u>\$ 1,577,961</u>

COLLEGE TOTAL:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Balance of Deferred Outflows and Inflows Due to:		
Differences between expected and actual experience	\$ 3,718,036	\$ 129,015
Changes of assumptions	690,908	-
Net difference between projected and actual earnings on pension plan investments	10,808,892	9,351,783
Changes in proportion and differences between employer contributions and proportionate share of contributions	566,699	738,714
Employer contributions subsequent to the measurement date	<u>2,437,697</u>	<u>-</u>
Total	<u>\$ 18,222,232</u>	<u>\$ 10,219,512</u>

Amounts reported as deferred outflows of resources resulting from contribution subsequent to the measurement date of June 30, 2023, will be recognized as a reduction to the net pension liability in the year ended June 30, 2025. Other amounts reported as collective deferred (inflows)/outflows of resources are to be recognized in pension expense as follows:

Year Ended June 30:

	<u>PSRS</u>	<u>PEERS</u>	<u>College Total</u>
2025	\$ 2,291,101	\$ 782,430	\$ 3,073,531
2026	(94,392)	(118,807)	(213,199)
2027	3,673,090	524,836	4,197,926
2028	766,977	51,677	818,654
2029	125,808	-0-	125,808
Thereafter	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
	<u>\$ 6,762,584</u>	<u>\$1,240,136</u>	<u>\$ 8,002,720</u>

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 certain assumptions were updated, where appropriate, based on the results of the studies and effective with the June 30, 2021 valuations. For PSRS, the retirement rates assumption was updated for the June 30, 2023 valuation due to the passage of Senate Bill 75 (HCS/SS/SB75), which added the 2.55% Formula Factor Benefit Factor for members that retire with 32 or more years of service. Significant actuarial assumption and methods are detailed below. For additional information, please refer to the Systems' Annual Comprehensive Financial Report (ACFR). The next experience studies are scheduled for 2026.

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

Measurement Date	June 30, 2023
Valuation Date	June 30, 2023
Expected Return on Investments	7.30 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 2022 to June 2023 was 2.97%, the Board approved an actual cost-of-living adjustment (COLA) as of January 1, 2024 of 2.00%, in accordance with the Board's funding policy and Missouri statutes, compared to an assumed COLA of 2.00%. Future COLAs assumed in the valuation are 1.35% each January 1. This COLA assumption is based on the 20-year stochastic analysis of inflation performed in the 2021 experience study, and application of the Board's funding policy to those expectations. The current policy of the Board to grant a COLA on each January 1 is 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.

	<u>Males</u>	<u>Females</u>
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.

	<u>Males</u>	<u>Females</u>
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

For PSRS, the retirement rates assumption was updated for the June 30, 2023 valuation due to the passage of Senate Bill 75 (HCS/SS/SB75), which added the 2.55% benefit formula multiplier for members that retire with 32 or more years of service. There have been no other changes to the actuarial assumptions and methods for PSRS or PEERS since the June 30, 2021 valuations, which included various assumption updates pursuant to the 2021 experience study. The next experience studies are scheduled for 2026.

Fiduciary Net Position

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

Expected Rate of Return

The long-term expected rate of return on investments was determined in accordance with Actuarial Standard of Practice (ASOP) No. 27, *Selection of Economic Assumptions for Measuring Pension Obligations*. ASOP No. 27 provides guidance on the selection of an appropriate assumed rate of return. The long-term expected rate of return on the Systems' investments was determined using a building-block method in which best-estimate ranges of expected future real rates of returns (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Systems' target allocation as of June 30, 2023 are summarized below.

Asset Class	Target Asset Allocation	Long-term Expected
		Real Return Arithmetic Basis
U.S Public Equity	23.0%	4.81%
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%
Public Credit	0.0%	0.80%
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, 2023, 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, 2022 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	<u>1% Decrease (6.30%)</u>	<u>Current Rate (7.30%)</u>	<u>1% Increase (8.30%)</u>
PSRS	Proportionate share of the Net Pension Liability/(Asset)	\$ 36,797,283	\$ 19,772,637	\$ 5,675,313
PEERS	Proportionate share of the Net Pension Liability/(Asset)	\$ 6,817,534	\$ 3,591,060	\$ 899,642

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, 2024, was as follows:

	<u>2024</u>
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	<u>15,609</u>

5. LONG-TERM DEBT:

BONDS PAYABLE

Bonds payable by series of issuance for the year ended June 30, 2024, consisted of the following:

	Beginning Balance July 1, 2023	Issued	Payment	Ending Balance June 30, 2024	Amounts Due Within One Year
Series 2005 Leasehold Bonds	<u>\$ 1,110,667</u>	<u>\$ -</u>	<u>\$ (569,455)</u>	<u>\$ 541,222</u>	<u>\$ 541,222</u>
Total	<u>\$ 1,110,667</u>	<u>\$ -</u>	<u>\$ (569,455)</u>	<u>\$ 541,222</u>	<u>\$ 541,222</u>

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.

The debt service requirements for the next five years, and thereafter, as of June 30, 2024, are as follows:

<u>Year Ending</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total to</u> <u>be Paid</u>
2025	<u>\$ 541,222</u>	<u>\$ 10,283</u>	<u>\$ 551,505</u>
Total	<u>\$ 541,222</u>	<u>\$ 10,283</u>	<u>\$ 551,505</u>

CERTIFICATES OF PARTICIPATION

Certificates of Participation by series of issuance for the year ended June 30, 2024, consisted of the following:

	Beginning Balance July 1, 2023	Issued	Payment	Ending Balance June 30, 2024	Amounts Due Within One Year
Certificates of Participation:					
Series 2010 COPS	\$ 550,000	\$ -	\$ (270,000)	\$ 280,000	\$ 280,000
Series 2023 COPS	15,185,000	-	(10,000)	15,175,000	10,000
Total	<u>\$ 15,735,000</u>	<u>\$ -</u>	<u>\$ (280,000)</u>	<u>\$ 15,455,000</u>	<u>\$ 290,000</u>

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, 2024, 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
2025	\$ 290,000	\$ 662,981	\$ 952,981
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	655,000	568,923	1,223,923
2030-2034	3,710,000	2,402,427	6,112,427
2035-2039	4,575,000	1,541,481	6,116,481
2040-2043	<u>4,415,000</u>	<u>480,102</u>	<u>4,895,102</u>
Total	<u>\$ 15,455,000</u>	<u>\$7,519,025</u>	<u>\$22,974,025</u>

DIRECT BORROWINGS

Direct borrowing by issuance for the year ended June 30, 2024, consisted of the following:

	Beginning Balance July 1, 2023	Issued	Payments	Ending Balance June 30, 2024	Amounts Due Within One Year
FS Leasing LLC Video Display	\$ 10,707	\$ -	\$ (10,707)	\$ -	\$ -
First Community Bank Fiber	272,115	-	(89,087)	183,028	90,729
Extreme Networks, Inc. Equipment	226,885	-	(113,442)	113,443	113,443
Total	<u>\$ 509,707</u>	<u>\$ -</u>	<u>\$ (213,236)</u>	<u>\$ 296,471</u>	<u>\$ 204,172</u>

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. The lease was paid off during the year ended June 30, 2024.

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
2025	\$ 204,172	\$ 3,163	\$ 207,335
2026	92,299	1,592	93,891
	<u>\$ 296,471</u>	<u>\$ 4,755</u>	<u>\$ 301,226</u>

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, 2024
GFI Digital, Inc.	9/10/2021	5 Years	\$ 1,570	1.70%	\$ 90,246	\$ 41,419
Pitney Bowes	5/9/2021	5 Years	2,156	1.70%	41,257	16,924
Total Lease Payments						<u>\$ 58,343</u>

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
2025	\$ 26,665	\$ 799
2026	27,121	343
2027	<u>4,557</u>	<u>13</u>
Total	<u>\$ 58,343</u>	<u>\$ 1,155</u>

7. SUBSCRIPTION BASED SOFTWARE AGREEMENTS:

Lease agreements are summarized as follows:

Description	Date	Terms	Amount	Interest Rate	Total Liability	Balance June 30, 2024
Oracle Database	5/31/2020	5 Years	\$ 44,284	1.70%	\$ 214,140	\$ -0-
Ellucian	7/1/2021	8 Years	86,508	1.70%	568,988	316,381
Spectrum	6/20/2023	3 Years	5,940	1.70%	208,335	<u>64,788</u>
Total Subscription Payments						<u>\$ 381,169</u>

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. The lease was paid off during the year ended June 30, 2024.

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		
<u>June 30,</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 145,918	\$ 5,930
2026	82,509	3,999
2027	83,911	2,597
2028	<u>68,831</u>	<u>1,170</u>
Total	<u>\$ 381,169</u>	<u>\$ 13,696</u>

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	\$ 714,672
Grants	6,345,918
Scholarships	334,462
Self-Insurance	3,059,203
Student and Employee Groups	<u>104,311</u>
Total Restricted Net Position	<u>\$ 10,558,566</u>

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 2023 calendar year was \$527,680. 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, 2024, the College received support from the Foundation and paid in-kind contributions as follows: Scholarship and Instruction \$332,434, Capital Improvements \$25,045, Fundraisers \$19,092, and Grants \$143,540, for a total of \$520,111. For the year ended June 30, 2024 the College contributed in-kind contributions to the Foundation as follows: Administrative \$20,996 and Salaries and Benefits \$223,259, for a total of \$244,255.

As of June 30, 2024, the Foundation had a liability to the College for \$5,750, 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, 2024, 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, 2024. This is the date as of which the actuarial valuation is performed. The Measurement Date is June 30, 2024. This is the date as of which the total OPEB

liability is determined. The Reporting Date is June 30, 2024. 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, 2024.

Retirees and Surviving Spouses	55
Spouses of Current Retirees	18
Active	<u>275</u>
Total	348

Total OPEB Liability:

The College's total OPEB liability of \$2,973,056 was measured as of June 30, 2024, and was determined by an actuarial valuation date of June 30, 2024 and then projected forward to the measurement date.

Actuarial Assumptions and Other Inputs

Inflation	2.30%
Salary Increases	3.00%
Discount Rate	3.93%
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, 2024.
Healthcare Cost Trend Rates	Medical cost trend rate of 6.4% for 2024, gradually decreasing to an ultimate rate of 3.7% for 2072 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 3.93%, 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 (4.93%) or lower (2.93%) than the current rate:

Sensitivity of Net OPEB Liability as of June 30, 2024,
to the Current Single Discount Rate Assumption

	Current Single Discount		
	1% Decrease	Rate Assumption	1% Increase
Net OPEB liability	\$ 3,266,306	\$ 2,793,056	\$ 2,716,405

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 Liability as of June 2024
to the Healthcare Cost Trend Rate Assumption

	Healthcare Cost Trend Rates		
	1% Decrease	Rate Assumption	1% Increase
Net OPEB liability	\$ 2,643,326	\$ 2,973,056	\$ 3,371,075

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

For the year ended June 30, 2024, the College recognized OPEB expense of \$117,387. At June 30, 2024, 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-	\$1,164,511
Changes of assumptions or other inputs	341,907	1,016,677
Total	<u>\$ 341,907</u>	<u>\$2,181,188</u>

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:	
2025	\$ (331,548)
2026	(315,604)
2027	(335,201)
2028	(298,395)
2029	(281,050)
Thereafter	<u>(277,483)</u>
Total	<u>\$ (1,839,281)</u>

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.

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, 2024, 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 \$5,029,000, \$3,100,000, and \$4,520,000, respectively. As of June 30, 2024, the College was committed to \$299,052, \$1,606,679, and \$501,647, respectively, of remaining costs. The College was also committed to several other smaller projects.

16. SUBSEQUENT EVENT:

In July 2024, the College awarded a bid to a local contractor in the amount of \$6,461,900 for the Fine Arts Building Addition and Renovation Project.

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, 2024

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%
6/30/2023	0.2365%	19,772,637	12,971,651	152.43%	85.38%

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%
6/30/2023	35.9500%	3,591,060	7,654,251	46.92%	86.50%

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, 2024

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%
6/30/2023	1,868,642	1,868,642	-	12,961,651	14.41%

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%
6/30/2023	525,082	525,082	-	7,654,251	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.

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, 2024

Calendar Year Ended June 30,	2024	2023	2022	2021
Total OPEB Liability				
Service Costs	\$ 298,436	\$ 258,661	\$ 324,811	\$ 242,140
Interest on Total OPEB Liability	150,499	132,761	102,103	98,196
Effect of Plan Changes	-	-	-	-
Effect of Economic/Demographic Gains or Losses	(436,774)	-	(699,700)	-
Effect of Assumptions Changes or Inputs	(806,717)	83,991	(475,446)	25,462
Benefit Payments	(113,408)	(170,547)	(154,721)	(174,758)
Net Change in Total OPEB Liability	(907,964)	304,866	(902,953)	191,040
Total OPEB Liability - Beginning	3,881,020	3,576,154	4,479,107	4,288,067
Total OPEB Liability - Ending	<u>\$ 2,973,056</u>	<u>\$ 3,881,020</u>	<u>\$ 3,576,154</u>	<u>\$ 4,479,107</u>
 Covered Employee Payroll	 17,464,541	 16,914,576	 15,744,777	 15,002,402
 Total OPEB Liability as a Percentage of Covered Employee Payroll	 17.02%	 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 statements.

FEDERAL COMPLIANCE SECTION

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

Certified Public Accountants

DEBRA BEUSSINK EUDY, CPA

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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, 2024, 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 17, 2025.

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 2024-001 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 17, 2025

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

Certified Public Accountants

DEBRA BEUSSINK EUDY, CPA

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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 Community College District of Jefferson County, Missouri's major federal program for the year ended June 30, 2024. Community College District of Jefferson County, Missouri's major federal program is 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 its major federal program for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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.

Report on Internal Control Over Compliance

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.

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. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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.

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 17, 2025

COMMUNITY COLLEGE DISTRICT OF JEFFERSON COUNTY, MISSOURI
Hillsboro, Missouri

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2024

<u>Federal Grantor/Pass Through Grantor/Program Title</u>	<u>Federal AL Number</u>	<u>Program Number</u>	<u>Provided to Subrecipients</u>	<u>Disbursements</u>
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Passed-Through Missouri Department of Social Services - SNAP Cluster: State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	CS160897001	\$ -	\$ 38,737
Total SNAP Cluster			\$ -	\$ 38,737
 Passed-Through Missouri Department of Health - Child and Adult Care Food Program	 10.558	 ERS46111072	 \$ -	 14,020
TOTAL U.S. DEPARTMENT OF AGRICULTURE			\$ -	\$ 52,757
<u>U.S. DEPARTMENT OF LABOR</u>				
Passed-Through Missouri Department of Higher Education and Workforce Development - WIOA Cluster: WIOA Adult Program	17.258	AA-36329-21-55-A-29	\$ -	\$ 8,503
WIOA Youth Activities	17.259	AA-36329-21-55-A-29	-	11,003
WIOA Dislocated Worker Formula Grants	17.278	AA-36329-21-55-A-29	-	7,526
Total WIA Cluster			\$ -	\$ 27,032
TOTAL U.S. DEPARTMENT OF LABOR			\$ -	\$ 27,032
<u>NATIONAL SCIENCE FOUNDATION</u>				
STEM Education	47.076		\$ -	\$ 3,000
NSF Technology, Innovation, and Partnerships	47.084		\$ -	70,932
TOTAL NATIONAL SCIENCE FOUNDATION			\$ -	\$ 73,932

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, 2024

U.S. DEPARTMENT OF EDUCATION

Passed-Through Missouri Department of Elementary and Secondary Education - Adult Education - Basic Grants to States	84.002	V002A210026	\$ -	\$ 258,715
Student Financial Assistance Cluster (1):				
Federal Supplemental Educational Opportunity Grants	84.007	P007A212325	\$ -	\$ 105,526
Federal Work-Study Program	84.033	P033A212325	-	97,947
Federal Pell Grant Program	84.063	P063P211738	-	5,429,805
Federal Direct Student Loans	84.268	P268K221738	-	1,767,379
Total Student Financial Assistance Cluster			\$ -	7,400,657
TRIO Cluster:				
TRIO Student Support Services	84.042	P042A150106-19	\$ -	\$ 306,283
Total TRIO Cluster			-	306,283
Passed-Through Missouri Department of Higher Education and Workforce Development - Career and Technical Education - Basic Grants to States	84.048	V048A210025	\$ -	801,534
Child Care Access Means Parents in School	84.335A	P335A210040	-	41,712
Passed-Through Missouri Department of Higher Education and Workforce Development - COVID-19 Education Stabilization Fund	84.425C	S425C210016	\$ -	16,727
TOTAL U.S. DEPARTMENT OF EDUCATION			\$ -	\$ 8,825,628
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
Passed-Through Missouri Department of Social Services - TANF Cluster:				
Temporary Assistance for Needy Families	93.558	M00592	\$ -	\$ 42,308
Total TANF Cluster			\$ -	\$ 42,308
Passed-Through Missouri Department of Elementary and Secondary Education - Injury Prevention and Control Research and State and Community Based Programs	93.136	N/A	\$ -	9,900
CCDF Cluster:				
Child Care and Development Block Grant	93.575	N/A	-	\$ 80,300
Total CCDF Cluster			\$ -	80,300
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			\$ -	\$ 132,508
TOTAL FEDERAL AWARDS			\$ -	\$ 9,111,857

(1) Identified Major Programs

See Independent Auditors' Report.

COMMUNITY COLLEGE DISTRICT OF JEFFERSON COUNTY, MISSOURI
Hillsboro, Missouri

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2024

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, 2024.

COMMUNITY COLLEGE DISTRICT OF JEFFERSON COUNTY, MISSOURI
Hillsboro, Missouri

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2024

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? yes X 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)? yes X no

Identification of major programs.

<u>CFDA Number</u>	<u>Name of Federal Program</u>
	Student Financial Assistance Cluster:
84.007	Federal Supplemental Education Opportunity Grants
84.033	Federal Work-Study Program
84.063	Federal Pell Grant Program
84.268	Federal Direct Student Loans

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

Auditee qualified as low-risk auditee: _____ yes X no

2. FINANCIAL STATEMENT FINDINGS:

2024-001 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:	At the beginning of the audit, several accounts had not been adjusted from the cash basis of accounting to the accrual basis of accounting as part of the year end closing process. Adjustments that were detected as a result of audit procedures totaled \$27,844,179. The net effect of these adjustments to the Change in Net Position for the year was \$1,158,992. These adjustments have been reflected in the accompanying financial statements.
Cause:	Inadequate oversight to accurately adjust accrual accounts to reflect timing differences between cash and accrual activity.
Effect:	Total assets and liabilities were overstated by \$2,871,660 and \$3,815,774.
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 enhance oversight and implement stronger internal controls and management process to ensure accurate reporting.

3 FEDERAL AWARD FINDINGS AND QUESTIONED COSTS:

No Federal Findings were noted that are required to be reported.

COMMUNITY COLLEGE DISTRICT OF JEFFERSON COUNTY, MISSOURI
Hillsboro, Missouri

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the Year Ended June 30, 2024

1. FINANCIAL STATEMENT FINDINGS:

Finding:	2023-001	Significant Audit Adjustments
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.	
Recommendation:	Internal controls need to be put in places to ensure all transactions are properly recorded in the College's financial statements.	
Status:	Not implemented.	

2. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS:

Finding:	2023-002	Reporting
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.	
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.	
Status:	Implemented.	

EXHIBIT 4

COMMUNITY COLLEGE DISTRICT OF JEFFERSON COUNTY, MISSOURI Hillsboro, Missouri

CORRECTIVE ACTION PLAN

For the Year Ended June 30, 2024

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:	2024-001	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	