The Metropolitan Community College

Independent Auditor’s Report and Financial Statements

June 30, 2024 and 2023

The Metropolitan Community College

June 30, 2024 and 2023

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The Metropolitan Community College

June 30, 2024 and 2023

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Independent Auditor's Report

Board of Trustees
The Metropolitan Community College
Kansas City, Missouri

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities and the discretely presented component unit of The Junior College District of Metropolitan Kansas City, Missouri (d/b/a The Metropolitan Community College, the "College"), as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of the College, as of June 30, 2024 and 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). 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 audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of The Metropolitan Community College Foundation, a component unit included in the financial statements of the discretely presented component unit, were not audited in accordance with *Government Auditing Standards*.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the College's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pension, and other postemployment benefit information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our 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 audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the College's basic financial statements. The accompanying other supplementary information and the 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*, as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

The schedule of expenditures of federal awards 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 GAAS. 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.

The accompanying other supplementary information has not been subjected to the auditing procedures applied in the audits of the financial statements and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2024, on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

Forvis Mazars, LLP

Kansas City, Missouri
December 5, 2024

Introduction

This section of The Metropolitan Community College's (the College or MCC) annual financial report presents a discussion and analysis of the financial performance of the College during the fiscal year ended June 30, 2024, with comparative data for the fiscal years ended June 30, 2023 and 2022. It should be read in conjunction with the financial statements and notes that follow.

The College prepared the financial statements in accordance with Government Accounting Standards Board (GASB) Statement No. 35, *Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities*. GASB Statement No. 35 establishes standards for external financial reporting for public colleges and universities and requires that the financial statements be presented to focus on the College as a whole.

As defined by generally accepted accounting principles established by GASB, the financial reporting entity consists of the accompanying combined financial statements of the College including the accounts of The Junior College District of Metropolitan Kansas City, Missouri (the District), the Kansas City Metropolitan Community Colleges Building Corporation (the Building Corporation), as well as its discretely presented component unit, The Metropolitan Community College Foundation (the Foundation).

Using This Annual Report

One of the most important questions asked about the College's finances is whether the College, as a whole, is better off or worse off as a result of the year's activities. The Statements of Net Position; the Statements of Revenues, Expenses and Changes in Net Position; and the Statements of Cash Flows provide information on the College as a whole and present a long-term view of the College's finances. These statements present financial information in a form similar to that used by private corporations. Over time, increases or decreases in net position (the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources) is one indicator of the improvement or erosion of the College's financial health when considered with nonfinancial facts such as enrollment levels and the condition of the facilities. In addition to these three basic financial statements, this report contains notes to the financial statements, required supplementary information and other supplementary schedules as appropriate.

Financial Highlights for Fiscal Year Ended June 30, 2024

In fiscal year 2024, the College's financial position improved, with total assets and deferred outflows of resources at $345.2 million versus $325.0 million in 2023. Net position, which represents the residual interest in the College's assets and deferred outflows of resources after liabilities and deferred inflows of resources are deducted, was $182.5 million at June 30, 2024. This represents an 11.5% increase from 2023's net position of $163.7 million. The College's unrestricted net position showed an increase from $81.4 million to $93.8 million.

Financial operations were better than originally budgeted, with an overall increase in net position of $18.8 million. The positive results can be attributed to increased revenue from investment income, increased property tax revenue, lapsed salaries and continued conservative spending across the District.

Financial Highlights for Fiscal Year Ended June 30, 2023

As of June 30, 2023, the College's financial position improved with total assets and deferred outflows of resources increasing $9.5 million to $325.0 million on June 30, 2023 compared to $315.5 million as of June 30, 2022. Total liabilities and deferred inflows decreased $8.0 million to $161.3 million at June 30, 2023 from $169.3 million at June 30, 2022.

Net position, which represents the residual interest in the College's assets and deferred outflows of resources after liabilities and deferred inflows of resources are deducted, was $163.7 million at June 30, 2023. This represents a 12.0% increase from 2022's net position of $146.2 million. The College's unrestricted net position showed an increase from $72.9 million to $81.4 million or 11.7%. These results can be attributed to an increase in state appropriation, tuition and fees and a decrease in deferred inflows of resources.

Financial Highlights for Fiscal Year Ended June 30, 2022

The College's financial position improved while total assets and deferred outflows of resources remained consistent at $315.5 million on June 30, 2022 and June 30, 2021. Total liabilities and deferred inflows decreased by $22.4 million to $169.3 million at June 30, 2022 from $191.7 million at June 30, 2021.

The College's operations were better than originally budgeted resulting in the College's total net position increasing by $22.4 million, a 18.1% increase. This resulted in an increase of unrestricted net position, from $47.8 million to $72.9 million, an increase of $25.1 million. This is attributable to continued HEERF funding, state appropriations, property tax revenue, and lapsed salaries across the District.

Statements of Net Position

The Statements of Net Position presents the financial position of the College at the end of the fiscal year and includes all assets and liabilities of the College. Total assets and deferred outflows of resources less total liabilities and deferred inflows of resources – net position – is one indicator of the current financial condition of the College, while the change in net position is an indicator of whether the overall financial condition has improved or worsened during the year. Assets and liabilities are generally measured using current values or historical costs.

From the data presented, readers of the Statements of Net Position are able to determine the assets available to continue the operations of the College. They are also able to determine how much the College owes vendors and lending institutions. Finally, the Statements of Net Position provide a picture of assets available for expenditure by the College.

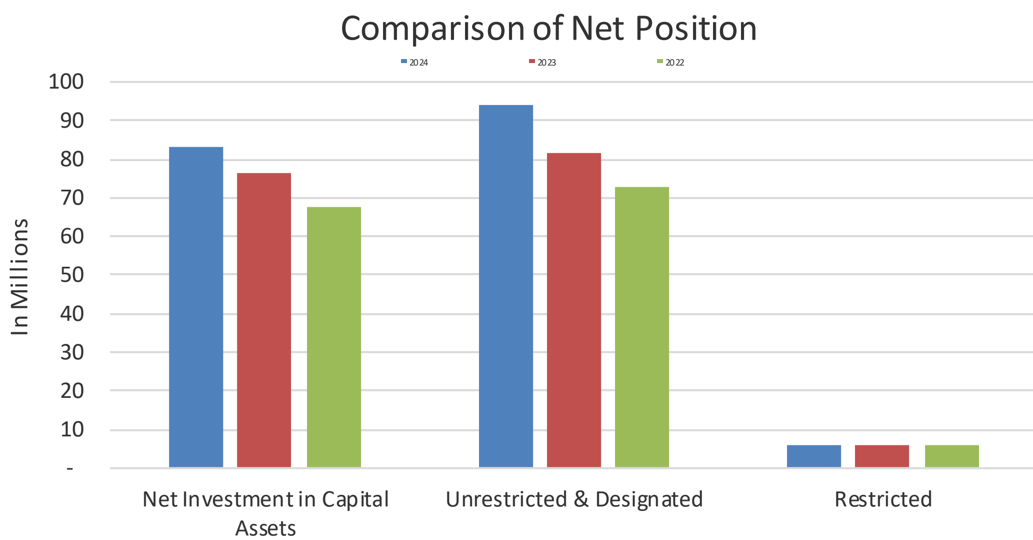
Assets and liabilities are categorized as current or noncurrent. The difference is that current assets and liabilities mature or become payable within the normal 12-month accounting cycle versus noncurrent, which mature or become payable after 12 months. For example, at June 30, 2024, the College's current assets consisted primarily of cash and cash equivalents, short-term investments, net accounts receivable and other assets. Noncurrent assets consist primarily of long-term investments and property and equipment. Property and equipment are the capital assets owned by the College and the Building Corporation.

Net position is presented in three major categories. The first category, net investment in capital assets, provides the College's/Building Corporation's equity in capital assets – the property, plant and equipment owned by the College/Building Corporation. The second category is restricted net position, which is restricted for debt retirement related to the Series 2014 and 2020 bond issuances. The third category is titled unrestricted net position, which includes amounts designated by board direction for specific purposes.

Condensed Statements of Net Position
June 30, 2024, 2023, and 2022
(Dollars in Millions)

	2024	Change from Prior Year	2023	Change from Prior Year	2022
Assets					
Current	$ 108.0	$ 37.3	$ 70.7	$ (2.7)	$ 73.4
Capital and leased	146.3	3.3	143.0	8.3	134.7
Other	67.6	(22.0)	89.6	3.8	85.8
Total assets	321.9	18.6	303.3	9.4	293.9
Deferred outflows of resources	23.3	1.6	21.7	0.1	21.6
Total assets and deferred outflows of resources	$ 345.2	$ 20.2	$ 325.0	$ 9.5	$ 315.5
Liabilities					
Current	$ 22.4	$ 6.1	$ 16.3	$ (1.4)	$ 17.7
Noncurrent	133.5	(1.6)	135.1	38.3	96.8
Total liabilities	155.9	4.5	151.4	36.9	114.5
Deferred inflows of resources	6.8	(3.1)	9.9	(44.9)	54.8
Total liabilities and deferred inflows of resources	$ 162.7	$ 1.4	$ 161.3	$ (8.0)	$ 169.3
Net Position					
Net investment in capital assets	$ 82.9	$ 6.3	$ 76.6	$ 9.0	$ 67.6
Restricted - debt service	5.9	0.1	5.8	0.1	5.7
Unrestricted	93.8	12.4	81.4	8.5	72.9
Total net position	$ 182.5	$ 18.8	$ 163.7	$ 17.5	$ 146.2

* The 2022 financial statements were not restated for the adoption of GASB 96, *Subscription-Based Information Technology Agreements*.



Significant assets consist of cash and cash equivalents, short-term and long-term investments, accounts receivable and capital assets. Significant liabilities include accounts payable and accrued liabilities, long-term bonded debt, other postemployment benefit liability, net pension liability, compensated absences and deferred revenue.

<u>Fiscal Year 2024 compared to Fiscal Year 2023</u>

As of June 30, 2024, total assets and deferred outflows of resources increased from $325.0 million to $345.2 million. The increase in assets is the result of an increase in cash and cash equivalents offset by a decrease in investments. The increase of $1.6 million in deferred outflows is due to the annual actuarial valuation of the College's pension liability and other post-employment benefits.

Total liabilities and deferred inflows of resources increased $1.4 million in fiscal year 2024. The College's current liabilities increased $6.1 million, related to accounts payable and an increase in the Fall and Summer term tuition deferrals. The GASB 68 actuarial evaluation of the College's portion of the unfunded pension liability resulted in an increase of $3.9 million in the pension liability and a decrease of $3.1 million in the deferred inflows of resources. The annual bond payments for the Series 2014 and Series 2020 bonds decreased the bonds payable by $4.8 million.

Net investment in capital assets, which represents 45% of total net position at June 30, 2024, represents the assets' historical costs, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets.

Expendable restricted net position is subject to externally imposed restrictions governing their use. This category of net position represents the debt service reserve funds as mandated by the trust indentures. The College is not required to maintain a debt service reserve with the Series 2014 or Series 2020 bonds. However, the current portion of bonds payable is invoiced in June and paid on July 1. Therefore, the current portion is shown as restricted for debt payment.

The Board of Trustees has elected to designate a portion of unrestricted net position for the purpose of deferred maintenance and information technology. Designated net position is not subject to externally imposed restrictions and therefore is not considered restricted net position.

Unrestricted net position is not subject to externally imposed stipulations and is available to the College for any legal purpose.

Fiscal Year 2023 compared to Fiscal Year 2022

In fiscal year 2023, total assets and deferred outflows of resources increased $9.5 million while total liabilities and deferred inflows of resources decreased $8.0 million; for a total net position increase of $17.5 million.

The College's total assets and deferred outflows of resources increase is due to an increase in capital assets of $8.3 million, mainly due to the continued construction from capital campaign donations and federal/state funding and an increase in investments. This is offset by a decrease in cash and cash equivalents of $2.7 million. The deferred outflows of resources as a result of the annual GASB 68 and Other Post-Employment Benefits actuarial evaluations did not significantly change.

The total liabilities and deferred inflows of resources decrease is a result of decrease of $2.3 million accounts payable and a decrease in bonds payable of $4.8 million. In addition, the net pension liability increased $42.7 million offset by deferred inflows of resources decrease of $44.5 million as a result of the annual GASB 68 actuarial evaluation.

Net investment in capital assets, which represents 46.8% of total net position at June 30, 2023, represents the assets' historical costs, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets.

The Board of Trustees has elected to designate a portion of unrestricted net position for the purpose of deferred maintenance and information technology. Designated net position is not subject to externally imposed restrictions and therefore is not considered restricted net position.

Unrestricted net position is not subject to externally imposed stipulations and is available to the College for any legal purpose.

Statements of Revenues, Expenses and Changes in Net Position

The Statements of Revenues, Expenses and Changes in Net Position disclose the College's financial results for each of the fiscal years presented. The purpose of the statements are to present the revenues earned by the College, both operating and nonoperating and the expenses incurred by the College, operating and nonoperating and any other revenues, expenses, gains and losses earned or incurred by the College. Under the accrual basis of accounting, all of the current year's revenue and expenses are considered regardless of when the cash is received or paid.

Generally speaking, operating revenues are received for providing goods and services to the students and various constituencies of the College. Operating expenses are those expenses incurred to acquire or produce the goods and services provided in return for the operating revenues, and to carry on the mission of the College. Nonoperating revenues are revenues earned for which goods and services are not provided. For example, the state appropriations, Pell grant revenue and county property tax collections are nonoperating because they represent revenue provided to the College for which no direct goods or services were provided directly by the College to the state legislature or the local taxpayers.

One of the College's strengths is its diverse streams of revenue, which allow it the flexibility to weather difficult economic times. The statements below provide an illustration of revenues by source (both operating and nonoperating), which were used to fund the College's operating activities for the years ended June 30, 2024, 2023 and 2022.

Condensed Statements of Revenues, Expenses and Changes in Net Position
Years Ended June 30, 2024, 2023, and 2022
(Dollars in Millions)

	2024	Change from Prior Year	2023	Change from Prior Year	2022
Operating revenues	$ 29.7	$ (5.0)	$ 34.7	$ 12.2	$ 22.5
Operating expenses	125.0	0.3	124.7	3.6	121.1
Operating loss	(95.3)	(5.3)	(90.0)	8.6	(98.6)
Non-operating revenues, net	114.1	6.6	107.5	(13.5)	121.0
Increase (Decrease) in net position	18.8	1.3	17.5	(4.9)	22.4
Net position, beginning of year	163.7	17.5	146.2	22.4	123.8
Net position, end of year	$ 182.5	$ 18.8	$ 163.7	$ 17.5	$ 146.2
Total revenues	$ 145.8	$ 1.2	$ 144.6	$ (5.5)	$ 150.1
Total expenses	$ 127.1	$ 0.2	$ 126.9	$ (0.8)	$ 127.7

* The 2022 financials were not restated for the adoption of GASB 96.

The following table of revenues by source (both operating and nonoperating) shows revenues used to fund the College's operating activities for the years ended June 30, 2024, 2023 and 2022.

Revenues by Source
Years Ended June 30, 2024, 2023, and 2022
(Dollars in Millions)

	2024	Change from Prior Year	2023	Change from Prior Year	2022
Operating revenues					
Student tuition and fees	$ 11.9	$ (2.2)	$ 14.1	$ 11.3	$ 2.8
Contract and grants	15.7	(2.4)	18.1	1.4	16.7
Auxiliary services	0.1	(0.3)	0.4	-	0.4
Other	2.1	(0.1)	2.2	(0.3)	2.5
Total operating revenues	29.8	(5.0)	34.8	12.4	22.4
Nonoperating revenues					
Federal grants	25.0	(0.5)	25.5	(22.8)	48.3
State appropriations	32.2	(0.9)	33.1	0.1	33.0
County property tax revenues	49.2	0.8	48.4	5.9	42.5
Investment income (loss)	7.5	6.8	0.7	4.0	(3.3)
Other nonoperating revenue	2.1	-	2.1	(5.1)	7.2
Total nonoperating revenues	116.0	6.2	109.8	(17.9)	127.7
Total revenue	$ 145.8	$ 1.2	$ 144.6	$ (5.5)	$ 150.1

* The 2022 financials were not restated for the adoption of GASB 96.

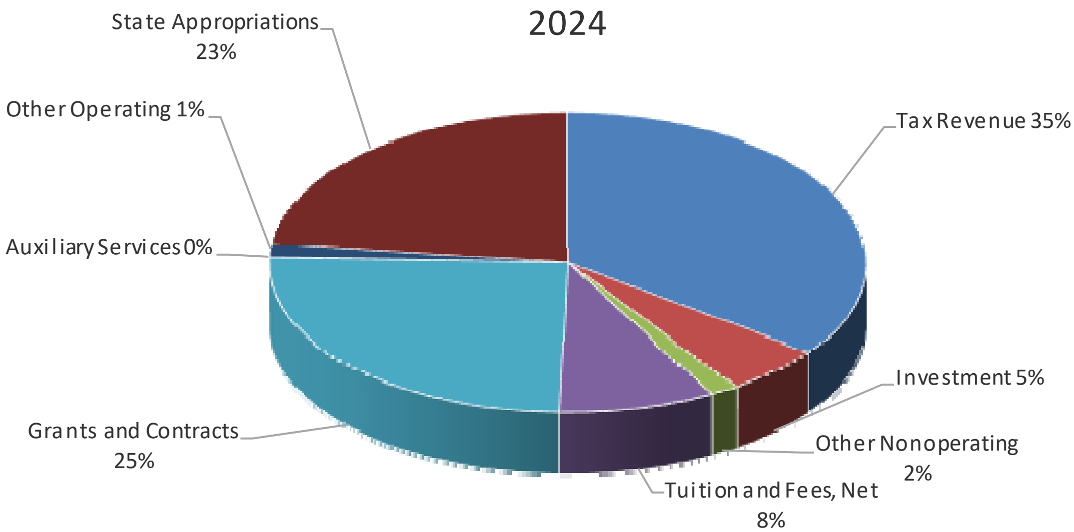
Fiscal Year 2024 compared to Fiscal Year 2023

Total revenues increased slightly from the prior year. The main drivers for this increase were investments and property tax revenue offset by operating revenues.

The tuition revenue remained consistent; however, the scholarship allowance increase resulted in a decrease of net tuition revenue.

Federal grants (including Federal Pell Grants), which comprise 14% of fiscal year 2024 total revenue, decreased by $0.5 million from the prior year in relation to the ending of HEERF funding.

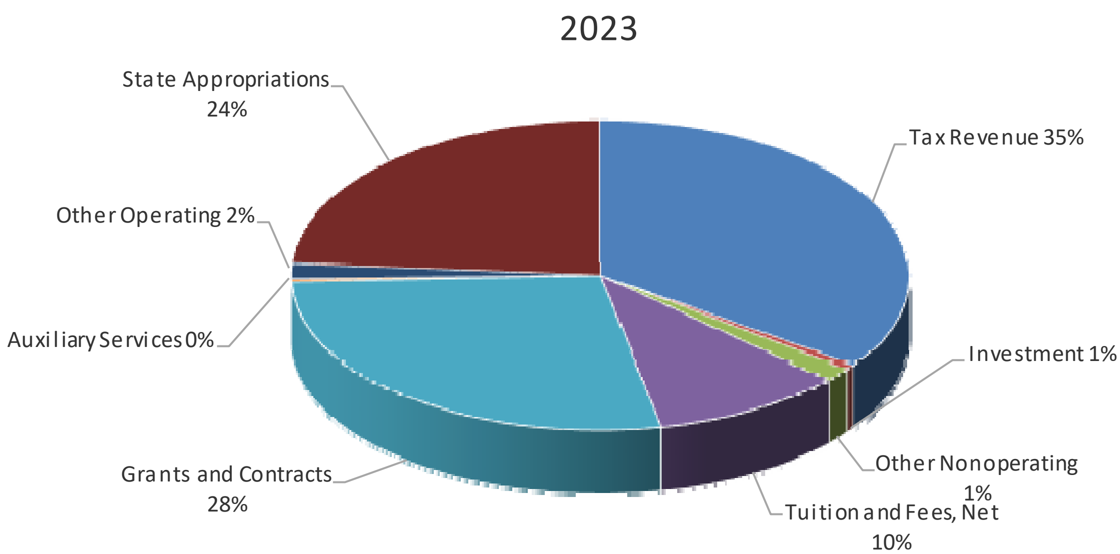
The following graphic illustrates the College's total revenues for the year ended June 30, 2024.

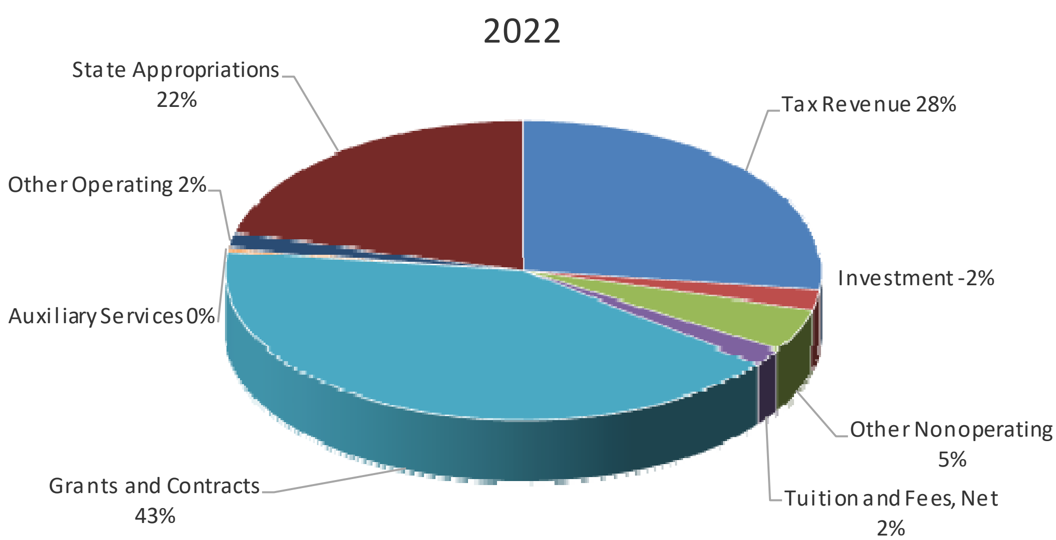


Fiscal Year 2023 compared to Fiscal Year 2022

Total revenues decreased by $10.6 million from fiscal year 2022. The major contributor to this decrease was related to the ending of the Higher Education Emergency Relief Fund of $22.8 million offset by an increase in American Rescue Plan Act (ARPA) funding of $5.0 million. This decrease was offset by increased tuition and fees of $11.3 million. The tuition and fees revenue now represent 10.1% of total revenue which is an increase from prior years. Of the three remaining main revenue streams, state appropriations remained consistent and local tax revenue increased by $5.8 million. Investment income decreased $4.0 million from the prior year.

The following graphic illustrates the College's total revenues for the years ended June 30, 2023 and June 30, 2022.





Expenses

Operating expenses can be displayed in two formats, natural (object) classification and functional classification. Both formats are presented in the following tables for the years ended June 30, 2024, 2023 and 2022.

Operating Expenses by Natural Classification
Years Ended June 30, 2024, 2023, and 2022
(Dollars in Millions)

	2024	Change from Prior Year	2023	Change from Prior Year	2022
Operating expenses					
Salaries and benefits	$ 82.6	$ 1.4	$ 81.2	$ 8.0	$ 73.2
Supplies and services	28.3	(2.4)	30.7	(2.3)	33.0
Depreciation and amortization	10.4	0.7	9.7	2.6	7.1
Scholarships and fellowships	3.7	0.6	3.1	(4.7)	7.8
Total operating expenses	$ 125.0	$ 0.3	$ 124.7	$ 3.6	$ 121.1

* The 2022 financials were not restated for the adoption of GASB 96.

Operating Expenses by Functional Classification
Years Ended June 30, 2024, 2023, and 2022
(Dollars in Millions)

	2024	Change from Prior Year	2023	Change from Prior Year	2022
Operating expenses					
Instructional	$ 49.2	$ (3.9)	$ 53.1	$ 3.7	$ 49.4
Academic support	14.1	(0.4)	14.5	0.5	14.0
Student services	13.8	(1.0)	14.8	0.4	14.4
Plant ops and maintenance	7.3	2.8	4.5	(9.0)	13.5
Institutional support	25.4	2.4	23.0	8.8	14.2
Scholarships and fellowships	3.7	0.5	3.2	(4.5)	7.7
Public service	0.8	(0.6)	1.4	0.9	0.5
Depreciation	10.4	0.7	9.7	2.6	7.1
Auxiliary enterprise	0.3	(0.2)	0.5	0.2	0.3
Total operating expenses	$ 125.0	$ 0.3	$ 124.7	$ 3.6	$ 121.1

* The 2022 financials were not restated for the adoption of GASB 96.

Nonoperating Expenses
Years Ended June 30, 2024, 2023, and 2022
(Dollars in Millions)

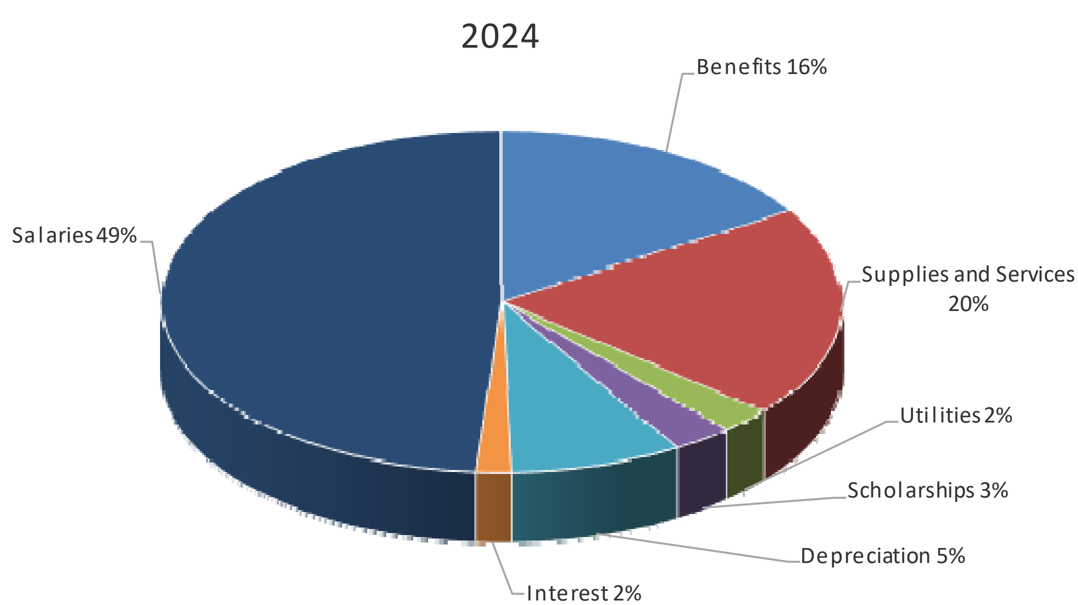
	2024	Change from Prior Year	2023	Change from Prior Year	2022
Loss on disposal of capital assets	$ -	$ -	$ -	$ (4.3)	$ 4.3
Interest on debt relating to capital assets	2.1	(0.1)	2.2	(0.1)	2.3
Total nonoperating expenses	2.1	(0.1)	2.2	(4.4)	6.6
Total expenses	$ 127.1	$ 0.2	$ 126.9	$ (0.8)	$ 127.7

* The 2022 financials were not restated for the adoption of GASB 96.

Fiscal Year 2024 compared to Fiscal Year 2023

In fiscal year 2024, total operating and nonoperating expenses minimally increased by $0.2 million from the prior year. This was mainly attributed to salaries and benefits which comprise 65.0% and 64.0% of total expenses for years ended June 30, 2024 and 2023, respectively.

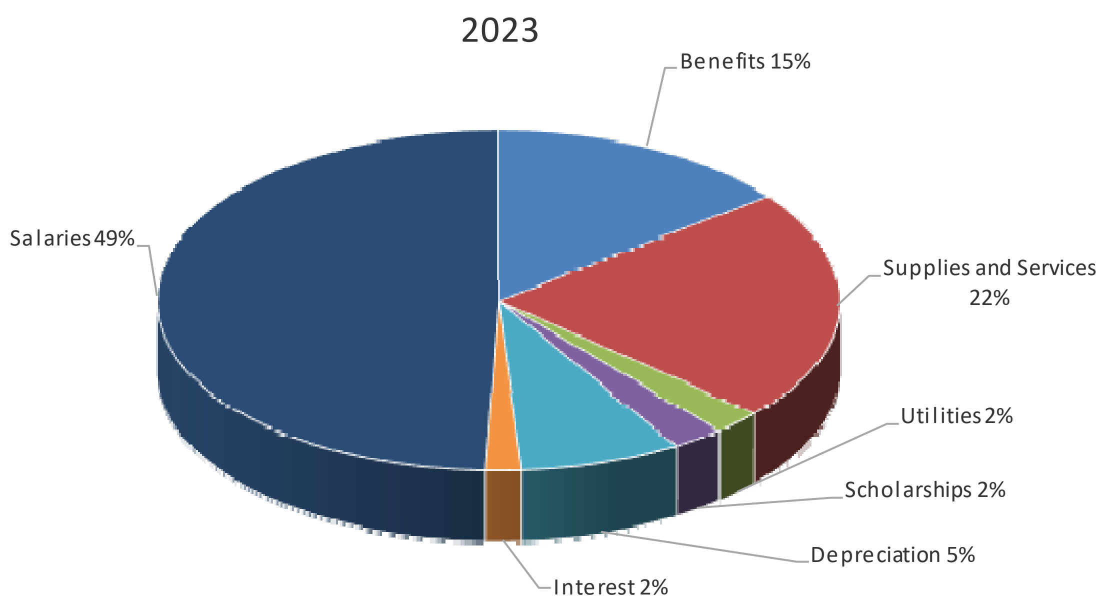
The following graphic illustrates expenses by natural (object) classification for the year ended June 30, 2024.

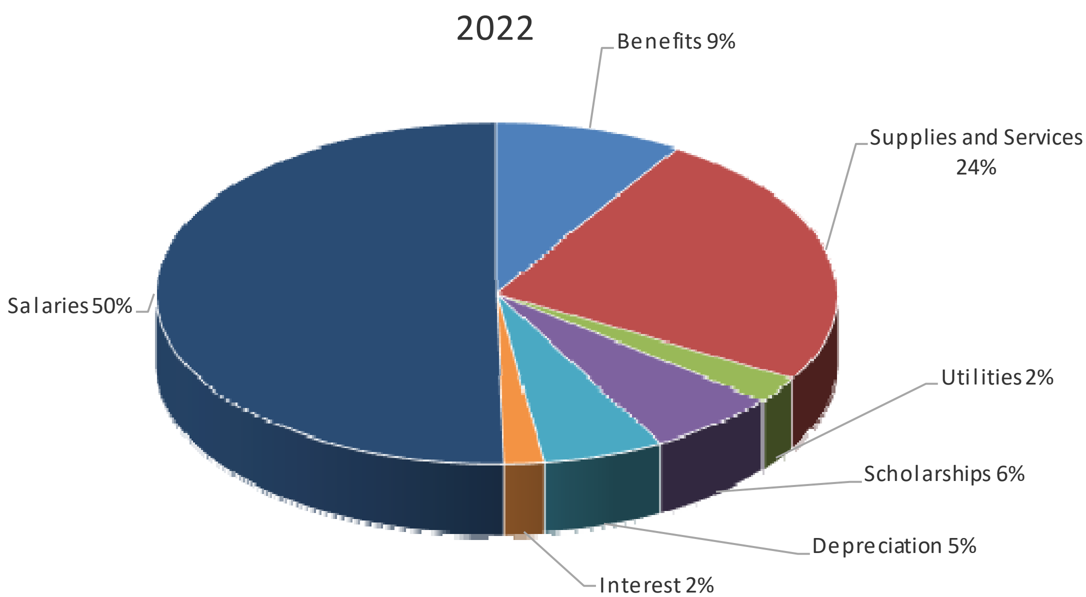


Fiscal Year 2023 compared to Fiscal Year 2022

The College's fiscal year 2023 total operating and nonoperating expenses decreased slightly by $0.8 million from the prior year. Salaries and benefits are the largest categories and comprise 65.1% for the fiscal year ended June 30, 2023. The expenses in salaries and benefits increased by $8.0 million due to the GASB 68 pension expense. The second largest category, supplies and services decreased $2.3 million or 7% from the prior year primarily due to the decrease in expenditures related to the pandemic.

The following graphic illustrates expenses by natural (object) classification for the years ended June 30, 2023 and 2022.





Statements of Cash Flows

The Statements of Cash Flows provides information about cash receipts and cash payments during the year. This statement also assists users in assessing the College's ability to generate net cash flows, its ability to meet its obligations as they come due and its need for external financing.

The Statements of Cash Flows is divided into five parts, each examining a different source of and use for cash. The first part, "Operating activities," examines the source and use of cash from ordinary operating activities. The second part, "Noncapital financing activities," reflects cash flows received and spent for nonoperating, noninvesting and noncapital financing activities. An example of this would be cash received from state appropriations and county property tax. The third section, "Capital and related financing activities," deals with cash flows from capital and related financing activities. The section reflects the cash used in the acquisition, construction and financing of capital and related items. The fourth section, "Investing activities," reveals the cash flows from investing activities and shows the purchases, proceeds and interest received from investing activities. The fifth and last section reconciles the net cash used in operating activities to the operating income or (loss) reflected on the Statements of Revenues, Expenses and Changes in Net Position.

Condensed Statements of Cash Flows
Years Ended June 30, 2024, 2023, and 2022
(Dollars in Millions)

	2024	Change from Prior Year	2023	Change from Prior Year	2022
Cash provided by (used in)					
Operating activities	$ (84.3)	$ 3.6	$ (87.9)	$ 14.2	$ (102.1)
Noncapital financing activities	108.7	-	108.7	(22.4)	131.1
Capital and related financing activities	(20.6)	3.2	(23.8)	(2.7)	(21.1)
Investing activities	23.4	28.8	(5.4)	49.4	(54.8)
Net change in cash	27.2	35.6	(8.4)	38.5	(46.9)
Cash, beginning of year	45.5	(8.4)	53.9	(46.9)	100.8
Cash, end of year	$ 72.7	$ 27.2	$ 45.5	$ (8.4)	$ 53.9

The major sources of cash included state aid, county property tax revenues, student tuition, federal contracts and grants and proceeds from maturities of investments. Significant uses of cash included payments to employees including benefits, payments to vendors and suppliers, payments for scholarships and financial aid, capital assets and purchases of investments.

Fiscal Year 2024 compared to Fiscal Year 2023

The cash position of the College increased by $27.2 million for the fiscal year ended June 30, 2024. Cash used for operating activities decreased $3.6 million, which was attributable to an increase in from student tuition. Noncapital financing activities remained consistent in fiscal year 2024. Capital and related financing activities decreased by $3.2 million which is attributable to the purchase of capital assets. Investing activities increased by $28.8 million over 2023. This is directly related to an increase of $9.0 million in investment maturities offset by a decrease of $18.4 million in investment purchases.

Fiscal Year 2023 compared to Fiscal Year 2022

The cash position of the College decreased by $8.4 million for the fiscal year ended June 30, 2023. Cash used for operating activities decreased $14.2 million, which can be attributed to a decrease in expenditures related to the COVID-19 pandemic. Cash provided by noncapital financing activities decreased by $22.5 million from the prior year related to the Department of Education Higher Education Emergency Relief funding and other nonoperating revenue offset by an increase in tax revenue. Capital and related financing activities increased slightly by $2.7 million which is attributable to the continued construction across the District. Investing activities resulted in an decrease in purchase of investments compared to 2022. This is due to less proceeds from the maturity of investments based on an increase in long-term investments from prior fiscal years. The College is continuing a laddered investment approach, looking out to three to five years.

Capital, Lease and Subscription Assets

Net Capital Assets
Years Ended June 30, 2024, 2023, and 2022
(Dollars in Millions)

Capital, Lease and Subscription Assets, net	2024	Change from Prior Year	2023	Change from Prior Year	2022
Land	$ 8.3	$ -	$ 8.3	$ -	$ 8.3
Buildings and improvements/Infrastructure	112.3	(7.2)	119.5	3.0	116.5
Equipment/Construction/Software in progress	19.3	10.2	9.1	4.7	4.4
Equipment	5.6	0.5	5.1	-	5.1
Right-to-use leased asset	0.7	(0.3)	1.0	0.6	0.4
Subscription assets	0.7	(0.2)	0.9	0.9	-
Total capital, lease and subscription assets	$ 146.9	$ 3.0	$ 143.9	$ 9.2	$ 134.7

* The 2022 financials were not restated for the adoption of GASB 96.

Additional information concerning capital, lease and subscription assets is provided in *Note 3* to the financial statements.

Fiscal Year 2024 compared to Fiscal Year 2023

As of June 30, 2024, the College had recorded $146.9 million in net capital assets, an increase of $3.0 million from the prior year. Additions to capital assets consisted of instructional equipment, construction of the Blue River Public Safety Institute and Facilities Services Institute, the Maple Woods Agricultural Annex, the Longview Automotive addition, the Advanced Technical Skill Institute and districtwide lab and infrastructure improvements. No additional debt was issued in fiscal year 2024 to finance these projects.

Fiscal Year 2023 compared to Fiscal Year 2022

As of June 30, 2023, the College had recorded $143.9 million in net capital assets, an increase of $9.2 million from the prior year. Additions to capital assets consisted of the construction/renovation related to the Blue River Public Safety Institute, Longview Automotive addition, Maple Woods Sports Training Complex, and other improvements across the District. No additional debt was issued in fiscal year 2023 to finance these projects.

Long-term Debt and Lease Liability

Long-term Liabilities
Years Ended June 30, 2024, 2023, and 2022
(Dollars in Millions)

Outstanding Debt, Lease & Subscription Liabilities	2024	Change from Prior Year	2023	Change from Prior Year	2022
Lease liability	$ 0.7	$ (0.3)	$ 1.0	$ 0.6	$ 0.4
Subscription liability	6.0	(2.0)	8.0	8.0	-
Leasehold revenue bonds	70.1	(4.8)	74.9	(4.7)	79.6
Total long-term liabilities	$ 76.8	$ (7.1)	$ 83.9	$ 3.9	$ 80.0

* The 2022 financials were not restated for the adoption of GASB 96.

The above table includes only the long-term portion of these liabilities. Additional information concerning long-term liabilities is provided in *Note 4* to the financial statements.

Economic Outlook

Missouri Economic Research & Information Center (MERIC) titled 2024 Missouri Economic and Workforce Report "a year of growth". In 2023, Missouri experienced growth in gross domestic product (GDP) of 2.2%. "Nationally, GDP increased by 2.5% over the same period." Total Personal income increased 6.3% compared to 2022 and was the largest among neighboring states. Missouri has the sixth lowest cost of living nationally. Unemployment is still below the national average. The top three industry sectors that saw the largest one-year increase in jobs were Health Care & Social Assistance, Accommodation & Food Services, and Construction. Educational service was listed among the industries that have had a 10-year positive GDP growth, realizing a compound annual growth rate of 2.1%. The June 2024 General Revenue Report for the State of Missouri's Office of Administration told that "net general revenue collections for 2024 fiscal year-to-date increased 1.3% compared to June 2023."

MCC's service area is primarily within the Kansas City Region. MERIC's Economic and Workforce Report reported that the Kansas City Region continues to hold the second highest employment in the State with nearly 612,300 employees, which is approximately 20.5% of Missouri's total employment. Kansas City's average unemployment rate in 2023 was 3.1%, slightly higher than the previous year but in line with both the State and National rates. The percentage of the Region's population over age 25 with an educational degree is 42%, close to the National rate of 43%. MERIC's occupational projections predict that, although many jobs require little to no training, experience, or education past high school, there will be an increased labor demand for jobs requiring non-degree certificates, associate degrees, and workforce training.

MCC has three main revenue streams: state appropriations, local taxes and tuition. In fiscal year 2025, MCC is estimating that approximately 29% of general fund revenue will come from MCC's state aid appropriation to Missouri Community Colleges. For this reason, MCC monitors statewide economic and political activity closely and partners with Missouri Community Colleges Association (MCCA) to advocate for continued State support. The State continues to support the Higher Education sector and has increased core funding. MCC is optimistic that future conversations will continue to be favorable in supporting the State's community colleges system.

Local tax revenue collections, making up approximately 39% of the general fund budget, are projected to remain steady for fiscal year 2025 for all school districts. Adjusted current year assessed valuation includes changes in assessed value for real estate, personal property and new construction. Calendar year 2024 was a non-reassessment year. Assessed valuations saw minimal change compared to the prior year. The total percentage decrease in adjusted valuation was -1.5%, which is within expectations for non-reassessment years. As a result, MCC's tax levy rose slightly to $0.1806. New construction continues to be strong. The last five years included new construction assessed valuations of $300.6 million, $133.3 million, $135.2 million, $415.9 million, and $105.7 million.

Revenue from tuition and fees brings in approximately 31% of the general fund budget. Early projections for student headcount predicted little to no change in enrollment compared to the prior year. However, enrollment continues to show a steady increase for the second consecutive year. MCC is cautiously optimistic that total enrollment numbers for the year will continue to beat the projections. Both tuition and tiered course fees will again remain unchanged for fiscal year 2025. The in-district per credit hour tuition and fee rate is $121, out-of-district per credit hour rate is $237, and out-of-state per credit hour rate is $320. High School and Dual Credit students are eligible to receive a 50% tuition discount on their respective tuition designation. There are four Tiers of added course fees that apply only to selected career and technical education (CTE) programs. Tier 1 course fees are $50 per course, Tier 2 course fees are $100 per course, Tier 3 course fees are $150 per course, and Tier 4 course fees are $400 per course.

Requests for Information

These financial statements and discussions are designed to provide a general overview of the College's finances for all those with an interest in the entity's finances. Questions concerning any information provided in this report should be addressed to Financial Services Department, 3200 Broadway, Kansas City, Missouri 64111.

The Metropolitan Community College

Statements of Net Position

June 30, 2024 and 2023

	2024	2023
Assets		
Current Assets		
Cash and cash equivalents - unrestricted	$ 61,556,192	$ 29,853,171
Cash and cash equivalents - restricted	11,068,297	15,529,528
Short-term investments	18,387,163	12,699,930
Accounts receivable, net of allowance; 2024 – $538,045 2023 – $259,875	9,081,045	8,801,456
Taxes receivable, net of allowance; 2024 – $561,552 2023 – $565,563	3,166,677	2,321,723
Other assets	4,759,630	1,447,684
Total current assets	108,019,004	70,653,492
Noncurrent Assets		
Long-term investments	66,881,856	88,431,782
Capital assets		
Nondepreciable	27,711,030	17,469,718
Depreciable, net	117,930,614	124,558,789
Lease receivable	59,859	333,709
Right-to-use lease asset, net	653,515	965,195
Subscription assets, net	698,936	880,989
Total noncurrent assets	213,935,810	232,640,182
Total assets	321,954,814	303,293,674
Deferred Outflows of Resources		
Loss on debt refundings	406,750	636,569
Pensions	22,397,433	20,443,058
Other postemployment benefits	508,345	603,234
	23,312,528	21,682,861
Total	$ 345,267,342	$ 324,976,535

The Metropolitan Community College

Statements of Net Position (Continued)

June 30, 2024 and 2023

	2024	2023
Liabilities		
Current Liabilities		
Accounts payable, accrued and other liabilities	$ 8,695,189	$ 6,336,857
Current portion of compensated absences	2,032,463	2,024,023
Current portion of long-term debt	4,955,000	4,805,000
Current portion of lease liability	285,199	338,472
Current portion of subscription liabilities	258,406	279,700
Unearned revenue	6,148,438	2,485,393
Unearned revenue - contracts	50,000	50,000
Total current liabilities	22,424,695	16,319,445
Noncurrent Liabilities		
Bond payable	65,162,394	70,129,776
Lease liability, net of current portion	400,509	685,708
Subscription liabilities, net of current portion	365,885	530,804
Compensated absences, net of current portion	1,428,061	1,330,165
Other postemployment benefit liability	3,729,118	3,882,046
Net pension liability	62,439,608	58,495,716
Unearned revenue - contracts	-	50,000
Total noncurrent liabilities	133,525,575	135,104,215
Total liabilities	155,950,270	151,423,660
Deferred Inflows of Resources		
Pensions	3,678,169	5,901,122
Other postemployment benefits	3,052,987	3,667,380
Leases	56,263	289,232
	6,787,419	9,857,734
Net Position		
Net investment in capital assets	82,891,210	76,560,152
Restricted - debt service	5,854,861	5,778,377
Unrestricted	93,783,582	81,356,612
Total net position	$ 182,529,653	$ 163,695,141

The Metropolitan Community College

Statements of Revenues, Expenses and Changes in Net Position

Years Ended June 30, 2024 and 2023

	2024	2023
Operating Revenues		
Tuition and fees	$ 37,436,052	$ 37,587,949
Less scholarship allowance	25,542,934	23,527,732
Student tuition and fees, net	11,893,118	14,060,217
Federal grants and contracts	3,786,632	3,614,292
State and local grants and contracts	11,908,632	14,469,714
Auxiliary services revenues	91,623	389,569
Other	2,064,494	2,193,740
Total operating revenues	29,744,499	34,727,532
Operating Expenses		
Salaries and wages	62,052,099	62,687,291
Fringe benefits	20,586,352	18,527,154
Supplies and other services	25,154,777	27,752,061
Utilities	3,155,423	2,918,131
Scholarships and fellowships	3,650,609	3,161,302
Depreciation and amortization	10,433,907	9,667,880
Total operating expenses	125,033,167	124,713,819
Operating Loss	(95,288,668)	(89,986,287)
Nonoperating Revenues (Expenses)		
Federal Pell Grant revenue	19,593,988	16,877,741
Federal HEERF Grant revenue	-	3,537,037
ARPA Grant revenue	5,428,944	5,076,307
State appropriations	32,225,501	33,126,241
County property tax revenue	49,250,734	48,368,231
Investment income	7,540,590	749,654
Other nonoperating revenues	2,128,931	2,072,537
Gain/(loss) on disposal of capital assets	41,480	(94,217)
Interest on debt related to capital, leased and SBITA assets	(2,086,988)	(2,239,597)
Net nonoperating revenues	114,123,180	107,473,934
Increase in Net Position	18,834,512	17,487,647
Net Position, Beginning of Year	163,695,141	146,207,494
Net Position, End of Year	$ 182,529,653	$ 163,695,141

The Metropolitan Community College

Statements of Cash Flows

Years Ended June 30, 2024 and 2023

	2024	2023
Operating Activities		
Student tuitions and fees	$ 15,899,684	$ 13,944,278
Payments to suppliers	(26,497,659)	(30,899,122)
Payments to utilities	(3,155,423)	(2,918,131)
Payments to employees	(61,962,627)	(73,416,915)
Payments for benefits	(21,789,423)	(11,257,501)
Payments for financial aid and scholarships	(3,650,609)	(3,161,302)
Auxiliary enterprise charges, bookstore and vending	91,623	389,569
Contracts and grants	14,678,930	18,749,072
Other operating receipts	2,064,494	640,596
Net cash used in operating activities	(84,321,010)	(87,929,456)
Noncapital Financing Activities		
Federal Pell Grant revenue	19,593,988	16,877,741
Federal HEERF Grant revenue	-	3,537,037
ARPA Grant revenue	5,428,944	5,076,307
State aid and grants appropriations	32,225,501	33,126,241
County property tax	49,250,734	48,368,231
Other nonoperating revenue	2,202,611	1,600,240
Net cash provided by noncapital financing activities	108,701,778	108,585,797
Capital and Related Financing Activities		
Purchases of capital assets	(13,370,103)	(16,793,803)
Gain (loss) on disposal of capital assets	(41,480)	94,217
Principal paid on capital debt, leases and SBITA payable	(5,514,703)	(5,313,741)
Interest paid on debt related to capital, leased & SBITA assets	(1,899,775)	(2,121,135)
Principal payments received on lease receivables	273,850	297,646
Net cash used in capital and related financing activities	(20,552,211)	(23,836,816)
Investing Activities		
Proceeds from sales and maturities of investments	18,928,000	9,924,000
Interest on investments	4,730,232	3,424,020
Purchases of investments	(244,999)	(18,727,000)
Net cash provided by (used in) investing activities	23,413,233	(5,378,980)
Increase (Decrease) in Cash and Cash Equivalents	27,241,790	(8,559,455)
Cash and Cash Equivalents, Beginning of Year	45,382,699	53,942,154
Cash and Cash Equivalents, End of Year	$ 72,624,489	$ 45,382,699

The Metropolitan Community College
Statements of Cash Flows (Continued)
Years Ended June 30, 2024 and 2023

	2024	2023
Reconciliation of Cash and Cash Equivalents to the Statements of Net Position		
Restricted	$ 11,068,297	$ 15,529,528
Unrestricted	61,556,192	29,853,171
	$ 72,624,489	$ 45,382,699
Reconciliation of Operating Loss to Net Cash Used in Operating Activities		
Operating loss	$ (95,288,668)	$ (89,986,287)
Depreciation and amortization	10,433,907	9,667,880
Changes in operating assets and liabilities:		
Accounts receivable	(1,216,693)	(1,382,770)
Other assets	(3,311,946)	(1,230,052)
Deferred outflows of resources	(1,859,487)	(317,977)
Accounts payable, accrued and other liabilities	2,538,183	(2,144,232)
Unearned revenue	3,663,045	226,836
Other postretirement benefits liability	(152,928)	(542,543)
Net pension liability	3,943,892	42,726,087
Deferred inflows of resources	(3,070,315)	(44,946,398)
Net cash used in operating activities	$ (84,321,010)	$ (87,929,456)
Noncash Activities		
Increase (decrease) in fair value of investments	$ 2,820,308	$ (2,667,423)
Capital assets acquisitions included in accounts payable	3,250,677	-
Lease obligation incurred for lease assets	-	831,924
Subscription obligation incurred for subscription assets	141,728	966,763

The Metropolitan Community College Foundation
(Discretely Presented Component Unit)
Statements of Financial Position
June 30, 2024 and 2023

	2024	2023
Assets		
Cash and cash equivalents	$ 8,731,043	$ 3,334,198
Investments	17,311,370	15,153,964
Contributions receivable, net 2024 - $2,083, 2023 - $1,218	506,134	396,045
Accrued interest receivable	54,631	29,751
Prepaid expense	-	27,500
Total assets	$ 26,603,178	$ 18,941,458
Liabilities and Net Assets		
Liabilities		
Due to The Metropolitan Community College	$ 1,892,696	$ 658,656
Accrued liabilities	447,924	493,274
Deferred revenues	150,000	131,588
Total liabilities	2,490,620	1,283,518
Net Assets		
Without donor restrictions	5,675,934	4,924,694
With donor restrictions	18,436,624	12,733,246
Total net assets	24,112,558	17,657,940
Total liabilities and net assets	$ 26,603,178	$ 18,941,458

The Metropolitan Community College Foundation
(Discretely Presented Component Unit)
Statement of Activities
Year Ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Gains and Other Support			
Contributions of cash and other financial assets	$ 6,771	$ 6,727,774	$ 6,734,545
Contributions of nonfinancial assets	650,124	-	650,124
Investment return, net	998,134	1,109,139	2,107,273
Net assets released from restrictions	2,133,535	(2,133,535)	-
Total revenues, gains and other support	3,788,564	5,703,378	9,491,942
Expenses and Losses			
Scholarships and grants	1,011,728	-	1,011,728
Foundation projects	1,375,472	-	1,375,472
Management and general	260,050	-	260,050
Fundraising	390,074	-	390,074
Total expenses and losses	3,037,324	-	3,037,324
Change in Net Assets	751,240	5,703,378	6,454,618
Net Assets, Beginning of Year	4,924,694	12,733,246	17,657,940
Net Assets, End of Year	$ 5,675,934	$ 18,436,624	$ 24,112,558

The Metropolitan Community College Foundation
(Discretely Presented Component Unit)
Statement of Activities
Year Ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Gains and Other Support			
Contributions of cash and other financial assets	$ 10,417	$ 2,497,248	$ 2,507,665
Contributions of nonfinancial assets	478,385	-	478,385
Investment return, net	552,420	882,247	1,434,667
Net assets released from restrictions	2,230,605	(2,230,605)	-
Total revenues, gains and other support	3,271,827	1,148,890	4,420,717
Expenses and Losses			
Scholarships and grants	962,932	-	962,932
Foundation projects	1,443,172	-	1,443,172
Management and general	191,354	-	191,354
Fundraising	287,031	-	287,031
Total expenses and losses	2,884,489	-	2,884,489
Change in Net Assets	387,338	1,148,890	1,536,228
Net Assets, Beginning of Year	4,537,356	11,584,356	16,121,712
Net Assets, End of Year	$ 4,924,694	$ 12,733,246	$ 17,657,940

The Metropolitan Community College

Notes to Financial Statements

June 30, 2024 and 2023

Note 1: Summary of Significant Accounting Policies

Organization

The Junior College District of Metropolitan Kansas City, Missouri (the District) was created in May 1964 by the voters of seven suburban school districts and the Kansas City School District to provide comprehensive higher educational programs through its area colleges. The District also offers courses, which meet the needs of persons who desire enrichment or retraining in the areas of liberal arts, occupational education, continuing education and community services. The District is now comprised of twelve school districts: Belton, Center, Grandview, Hickman Mills, Lee's Summit, North Kansas City, Raytown, Kansas City, Blue Springs, Independence, Fort Osage and Park Hill. Five primary colleges have been established to serve the patrons of the District: Blue River, Longview, Maple Woods, Penn Valley and the Business & Technology College.

The financial statements of The Metropolitan Community College (the College) for the years presented, include the combined accounts and operations of the District and the Kansas City Metropolitan Community Colleges Building Corporation (the Building Corporation), which is a blended component unit. This summary of significant accounting policies of the College is presented to assist in understanding the College's financial statements. The financial statements and notes are representations of the College's management, who are responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States as applicable to governmental colleges and universities and have been consistently applied in the preparation of the financial statements. The following is a summary of the more significant policies.

Reporting Entity

The College is governed by a six-member board of trustees. As required by accounting principles generally accepted in the United States, the College's financial statements present the District (the primary government), its blended component unit (the Building Corporation) and its discretely presented component unit, The Metropolitan Community College Foundation (the Foundation). The component units are included in the College's reporting entity because of the significance of their operations and financial relationships with the College.

Blended Component Unit

The Building Corporation is a not-for-profit corporation formed in 1984, which is governed by a four-member board. Although it is legally separate from the District, the Building Corporation is reported as if it were part of the primary government because its sole purpose is to provide for the construction and financing of educational facilities used by the College. The Building Corporation has the authority to issue Leasehold Development Bonds for the purposes of refunding previous bond issues or constructing new facilities. The buildings are owned by the Building Corporation, which, in turn, leases the buildings to the District under annually renewable lease agreements. The lease payments are equal to the principal and interest debt service payments required to service the related bond issuances. As the Building Corporation is a blended component unit, all balances and transactions between the District and Building Corporation have been eliminated. The Building Corporation has a June 30 fiscal year end.

Discretely Presented Component Unit

The Foundation is a non-profit corporation and is considered to be a related party to the District. The Foundation reports under Financial Accounting Standards Board (FASB) standards, including ASC Topic 958, *Financial Reporting for Not-for-Profit Organizations*. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the Foundation's statements in the College's financial reporting entity for those differences. The District's board of trustees approves nominations to the Foundation's board of directors, but the District's accountability does not extend beyond approval of board members. The District is not financially accountable for the Foundation. Although the District does not control the timing or amount of receipts from the Foundation, the majority of resources or income thereon, which the Foundation holds and invests, is restricted to the activities of the District by the donors. As these restricted resources can only be used by, or for the benefit of, the District, the Foundation is considered a component unit of the College and is discretely presented in the College's financial statements. During the years ended June 30, 2024 and 2023, direct contributions received from the Foundation were not material. The Foundation has a June 30 fiscal year end.

Separate financial statements for the Foundation can be obtained at The Metropolitan Community College, 3200 Broadway, Kansas City, Missouri 64111. The Foundation is presented on the accrual basis of accounting.

Basis of Accounting

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

Cash Equivalents

Cash includes deposits held at banks and all highly liquid instruments purchased with an original maturity of three months or less. Cash equivalents represent excess operating cash swept into an overnight repurchase agreement account, which are readily converted back to cash, on a daily basis, as operating funds are needed.

Investments

The College's policy is to invest in obligations of the U.S. Treasury, repurchase agreements, bank certificates of deposit and agencies of the federal government and instrumentalities and top-rated commercial paper, which are permissible under Missouri statutes. The Building Corporation is allowed to invest in "permitted investments" as defined by applicable bond indentures. Investments are reported at fair value, except for investments in nonnegotiable certificates of deposit, which are carried at amortized cost.

In addition to the investment tools available to the College, the Foundation's marketable securities consist of equity securities, mutual fund shares, corporate bonds and government notes reported at fair value. The fair value of alternative investments, such as private equity are recorded at net asset value (NAV). The Foundation compares this carrying value to the June 30 investment statements provided by the external investment managers and believes the carrying value of these financial instruments is a reasonable estimate of fair value.

Accounts Receivable

Accounts receivable consists of tuition and fee charges to students and charges for auxiliary enterprise services provided to students, faculty and staff. Accounts receivable is recorded net of estimated uncollectible amounts. Accounts receivable also includes amounts due from the federal government, state and local governments or private sources, in connection with reimbursement of allowable expenditures made pursuant to the College's grants and contracts.

Capital Assets

Land, construction in progress, buildings and improvements, software and equipment are recorded at cost for assets purchased and at acquisition value at date of grant for items acquired by donation.

Capital assets are defined by the College as assets with an initial, individual cost in excess of $5,000 (equipment) or $50,000 (building and improvements; infrastructure and software) estimated useful lives in excess of one year. Interest costs on construction in progress are capitalized when amounts are significant.

Buildings and improvements and equipment are being depreciated on the straight-line basis over their estimated useful lives as follows: buildings - 40 years, improvements - 15 years, software - 3 years and equipment - 3 to 10 years. The College's investment in infrastructure assets, which is not material to the total of capital assets, is recorded at cost and included in the costs of the related property.

Leased Assets

Lease assets are initially recorded at the initial measurement of the lease liability, plus lease payments made at or before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease, plus initial direct costs that are ancillary to place the asset into service. Lease assets are amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

Subscription Assets

Subscription assets are initially recorded at the initial measurement of the subscription liability, plus subscription payments made at or before the commencement of the subscription-based information technology arrangement (SBITA) term, less any SBITA vendor incentives received from the SBITA vendor at or before the commencement of the SBITA term, plus capitalizable initial implementation costs. Subscription assets are amortized on a straight-line basis over the shorter of the SBITA term or the useful life of the underlying IT asset.

Capital, Lease, and Subscription Asset Impairment

The College evaluates capital, lease, and subscription assets for impairment whenever events or circumstances indicate a significant, unexpected decline in the service utility of a capital and lease asset has occurred. If a capital, lease, or subscription asset is tested for impairment and the magnitude of the decline in service utility is significant and unexpected, the capital asset historical cost and related accumulated depreciation are decreased proportionately such that the net decrease equals the impairment loss.

No asset impairment was recognized during the years ended June 30, 2024 and 2023.

Deferred Outflows of Resources

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

Deferred Inflows of Resources

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

Loss on Refunding of Bonds

Losses incurred on the refunding of bond issues have been deferred and are being amortized over the life of the bonds and are included in deferred outflows of resources. The net amount as of June 30, 2024 and 2023 was $406,750 and $636,569, respectively.

Compensated Absences

College employees accumulate a limited amount of earned but unused vacation and sick leave for subsequent use. Earned, but unused vacation is paid to the employee upon termination, or retirement. Earned, but unused sick leave is paid to an active employee's beneficiary upon death if occurring during active employment.

Unearned Revenue

Half of the summer school tuition revenue and all tuition for school sessions starting after June 30 have been deferred to the next fiscal year.

Unearned Revenue – Contracts

Unearned revenue – contracts consists of unearned revenue on a bookstore vending contract.

Defined Benefit Other Postemployment Benefit Plan

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

Classification of Revenues

The College has classified 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 (1) student tuition and fees, net of scholarship discounts and allowances, (2) sales and services of auxiliary enterprises and (3) federal, state and local grants and contracts.

Nonoperating Revenues

Nonoperating revenues include activities that have the characteristics of non-exchange transactions, such as 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, investment income and county property taxes.

Tuition and Fees

Tuition and fees revenues are reported net of scholarship allowances, while stipends and other payments made directly to students are presented as scholarship expenses.

County Property Tax Revenues

The four counties in which the District lies bill the residents for real and personal property taxes due the District. Bills are sent in November and are delinquent after December 31. The taxes are collected by the counties primarily from November through the end of January. Substantially all amounts are received by the end of March. Taxes are remitted to the District throughout the collection period net of a 1.6% charge for the years ended June 30, 2024 and 2023, for assessment and collection services on an as-collected basis.

State Appropriations

State appropriations earned for general operating purposes are determined on a fiscal year basis ending June 30 based upon the state aid funding formula. Using this formula, fiscal year 1991–92 is a base year and following years are adjusted for inflation or any major state-approved additions to programs.

Income Tax Status

The College is exempt from income tax as a local governmental unit. The Building Corporation and the Foundation have qualified for exemption from income tax under Section 501(c)(3) of the Internal Revenue Code. However, the College is subject to federal income tax on any unrelated business taxable income.

Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net position is presented in three major categories. The first is net investment in capital assets, which represents the College's equity in property, plant and equipment. The second is restricted. The third is unrestricted, including amounts designated by the board.

Net investment in capital assets consists of capital, lease and subscription assets, net of accumulated depreciation and amortization, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use through enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The College first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted assets are available.

Use of Estimates

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

Scholarship Allowances and Student Aid

Financial aid to students is reported in the financial statements, as prescribed by the National Association of College and University Business Officers (NACUBO). Certain aid (loans, funds provided to students as awarded by third parties and Federal Direct Lending) is accounted for as third-party payments (credited to the student's account as if the student made the payment). All other aid is reflected in the financial statements as operating expenses or scholarship allowances, which reduce revenue. The amount reported as operating expenses represents the portion of aid that was provided to the student in the form of cash. Scholarship allowances represent the portion of aid provided to the student in the form of reduced tuition.

Pensions

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

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

Note 2: Deposits and Investments

Missouri statutes require depository banks to pledge securities as collateral for public funds on deposit, except funds covered by federal depository insurance. Missouri statutes do not extend to the Building Corporation regarding collateralization of funds not covered by federal depository insurance. The College deposits were not exposed to custodial credit risk as of June 30, 2024 and 2023. The College has the following deposits and investments:

Deposits

	2024	2023
Carrying value		
Cash	$ 24,441	$ 18,164
Certificates of deposit	13,003,829	18,324,731
	$ 13,028,270	$ 18,342,895

The Metropolitan Community College
Notes to Financial Statements
June 30, 2024 and 2023

Investments Maturities in Years

	Cost or Fair Value	Less Than 1	1 - 5
Year Ended June 30, 2024			
District			
Repurchase agreement	$ 61,922,535	$ 61,922,535	$ -
Federal Farm Credit Bank	11,634,120	1,947,750	9,686,370
Federal National Mortgage Association	7,832,085	490,215	7,341,870
Federal Home Loan Bank	49,571,385	9,397,390	40,173,995
Treasury Bills	2,836,816	968,066	1,868,750
Money market mutual funds	5,710,370	5,710,370	-
Total District	139,507,311	80,436,326	59,070,985
Building Corporation			
Money market mutual funds	5,357,927	5,357,927	-
Total Building Corporation	5,357,927	5,357,927	-
Total investments	$ 144,865,238	$ 85,794,253	$ 59,070,985

	Cost or Fair Value	Less Than 1	1 - 5
Year Ended June 30, 2023			
District			
Repurchase agreement	$ 30,073,902	$ 30,073,902	$ -
Federal Farm Credit Bank	15,162,100	3,956,840	11,205,260
Federal National Mortgage Association	7,230,245	-	7,230,245
Federal Home Loan Bank	57,445,018	2,925,480	54,519,538
Treasury Bills	2,730,723	-	2,730,723
Money market mutual funds	10,248,085	10,248,085	-
Total District	122,890,073	47,204,307	75,685,766
Building Corporation			
Money market mutual funds	5,281,443	5,281,443	-
Total Building Corporation	5,281,443	5,281,443	-
Total investments	$ 128,171,516	$ 52,485,750	$ 75,685,766

A summary of carrying values of investments and deposits at June 30 were as follows:

	2024	2023
Deposits	$ 13,028,270	$ 18,342,895
Investments	144,865,238	128,171,516
	$ 157,893,508	$ 146,514,411

The investments and deposits at June 30 are shown on the statements of net position as follows:

	2024	2023
Cash and cash equivalents - unrestricted	$ 61,556,192	$ 29,853,171
Cash and cash equivalents - restricted	11,068,297	15,529,528
Short-term investments	18,387,163	12,699,930
Long-term investments	66,881,856	88,431,782
Total	$ 157,893,508	$ 146,514,411

State law limits investments in government and municipal bonds and top-rated commercial paper as recognized by national rating organizations. The College has no investment policy that would further limit its investment choices. As of June 30, 2024, the College's repurchase agreement is invested in government agencies that are all rated Aaa, AA+ and AAA by Moody's Investors Services, Standard & Poor's and Fitch's ratings, respectively. The District's and Building Corporation's investments in money market mutual funds are invested in Treasury Obligations which are rated Aaa, AA+ and AAA by Moody's Investors Services, Standard & Poor's and Fitch's ratings, respectively. All other investments held by the District and the Building Corporation are rated Aaa, AA+ and AAA by Moody's Investors Services, Standard & Poor's and Fitch's ratings, respectively.

The College places no limit on the amount the College may invest in any one issuer. In fiscal year 2024, more than 5% of the College's investments were invested in government agencies. These investments were 75% of total investments.

The College's deposit and investment balances were not exposed to custodial credit risk as of June 30, 2024 and 2023.

The Metropolitan Community College

Notes to Financial Statements

June 30, 2024 and 2023

Note 3: Capital, Lease and Subscription Assets

Capital, lease and subscription assets consist of the following categories:

	2024				
	Beginning Reported	Additions	Disposals	Transfers	Ending Balance
Capital assets not being depreciated					
Land	$ 8,340,187	$ -	$ -	$ -	$ 8,340,187
Art	56,000	-	-	-	56,000
Construction in progress	8,168,635	11,959,113	-	(812,905)	19,314,843
Equipment in progress	904,896	1,494,990	-	(2,399,886)	-
Total assets not being depreciated	17,469,718	13,454,103	-	(3,212,791)	27,711,030
Assets being depreciated and amortized					
Building and improvements	246,535,449	-	(36,500)	341,164	246,840,113
Infrastructure	9,373,414	-	-	422,176	9,795,590
Equipment	19,722,237	-	(997,403)	2,449,451	21,174,285
Software	1,150,891	-	-	-	1,150,891
Right-to-use asset	1,405,912	-	-	-	1,405,912
Subscription IT asset	1,268,526	141,728	-	-	1,410,254
Total assets being depreciated and amortized	279,456,429	141,728	(1,033,903)	3,212,791	281,777,045
Less accumulated depreciation and amortization					
Building and improvements	130,595,536	7,439,244	(36,500)	-	137,998,280
Infrastructure	5,818,853	475,703	-	-	6,294,556
Equipment	14,657,922	1,924,101	(995,485)	-	15,586,538
Software	1,150,891	-	-	-	1,150,891
Right-to-use asset	440,717	311,680	-	-	752,397
Subscription IT asset	387,537	323,781	-	-	711,318
	153,051,456	10,474,509	(1,031,985)	-	162,493,980
Net capital, lease and subscription assets	$ 143,874,691	$ 3,121,322	$ (1,918)	$ -	$ 146,994,095

The Metropolitan Community College

Notes to Financial Statements

June 30, 2024 and 2023

	2023				
	Beginning Reported	Additions	Disposals	Transfers	Ending Balance
Capital assets not being depreciated					
Land	$ 8,340,187	$ -	$ -	$ -	$ 8,340,187
Art	56,000	-	-	-	56,000
Construction in progress	4,227,753	14,443,912	-	(10,503,030)	8,168,635
Equipment in progress	106,520	2,349,892	-	(1,551,516)	904,896
Total assets not being depreciated	12,730,460	16,793,804	-	(12,054,546)	17,469,718
Assets being depreciated and amortized					
Building and improvements	236,187,421	-	-	10,348,028	246,535,449
Infrastructure	9,218,414	-	-	155,000	9,373,414
Equipment	20,417,944	-	(2,247,225)	1,551,518	19,722,237
Software	1,150,891	-	-	-	1,150,891
Right-to-use asset	573,988	831,924	-	-	1,405,912
Subscription IT asset	271,763	996,763	-	-	1,268,526
Total assets being depreciated and amortized	267,820,421	1,828,687	(2,247,225)	12,054,546	279,456,429
Less accumulated depreciation and amortization					
Building and improvements	123,547,162	7,048,374	-	-	130,595,536
Infrastructure	5,355,353	463,500	-	-	5,818,853
Equipment	15,284,814	1,526,114	(2,153,006)	-	14,657,922
Software	1,150,891	-	-	-	1,150,891
Right-to-use asset	198,364	242,353	-	-	440,717
Subscription IT asset	75,947	311,590	-	-	387,537
	145,612,531	9,591,931	(2,153,006)	-	153,051,456
Net capital, lease and subscription assets	$ 134,938,350	$ 9,030,560	$ (94,219)	$ -	$ 143,874,691

The College elected not to capitalize their collection of historical books and literature. This collection adheres to the College's policy to (a) maintain them for public exhibition, education or research; (b) protect, keep unencumbered, care for, and preserve them; and (c) require proceeds from their sale to be used to acquire other collection items. Generally accepted accounting principles permit collections maintained in this manner to be charged to operations at the time of purchase rather than be capitalized.

Note 4: Long-term Liabilities

Long-term liability activity for the District and the Building Corporation were as follows:

	2024				
	Beginning Balance	Additions	Deductions	Ending Balance	Current Portion
District					
Compensated absences	$ 3,354,188	$ 2,197,788	$ 2,091,452	$ 3,460,524	$ 2,032,463
Unearned revenue - contracts	100,000	-	50,000	50,000	50,000
Certificates of participation, Series 2020					
Principal	43,510,000	-	-	43,510,000	-
Bond Premium	284,776	-	12,382	272,394	-
Lease liabilities	1,024,180	-	338,472	685,708	285,199
Subscription liabilities	810,504	141,728	327,941	624,291	258,406
Building Corporation					
Certificates of participation, Series 2014A					
Principal	31,140,000	-	4,805,000	26,335,000	4,955,000
Total long-term liabilities	$ 80,223,648	$ 2,339,516	$ 7,625,247	$ 74,937,917	$ 7,581,068

	2023				
	Beginning Balance	Additions	Deductions	Ending Balance	Current Portion
District					
Compensated absences	$ 3,286,771	$ 2,277,424	$ 2,210,007	$ 3,354,188	$ 2,024,023
Unearned revenue - contracts	150,000	-	50,000	100,000	50,000
Certificates of participation, Series 2020					
Principal	43,510,000	-	-	43,510,000	-
Bond Premium	297,158	-	12,382	284,776	-
Lease liabilities	410,575	831,924	218,319	1,024,180	338,472
Subscription liabilities	189,456	996,763	375,715	810,504	279,700
Building Corporation					
Certificates of participation, Series 2014A					
Principal	35,805,000	-	4,665,000	31,140,000	4,805,000
Total long-term liabilities	$ 83,648,960	$ 4,106,111	$ 7,531,423	$ 80,223,648	$ 7,497,195

Insurance replacement cost for buildings subject to lien under the Building Corporation's and the District's debt agreements are $145,863,802. The Building Corporation constructs the educational facilities for the College and leases them to the College on annually renewable leases. The College has agreed to appropriate the amount required by the individual bond principal and interest requirements. This is subject to annual appropriation from the College's budget. The Building Corporation's Series 2014A and Series 2014B fall under these arrangements. Total principal and interest payments remaining on this debt was $28,398,283 and $34,082,651 as of June 30, 2024 and 2023, respectively, with final payment in fiscal 2029. Interest paid during the years ended June 30, 2024 and 2023 was $879,368 and $1,024,528, respectively.

Building Corporation Series 2014

On September 25, 2014, the Building Corporation issued Certificates of Participation (COP) Refunding Series 2014A, $37,895,000 non-taxable and Series 2014B, $27,450,000 taxable bond issuance, with an interest rate of 3.06% for Series 2014A and 2.2545% for Series 2014B. The COPs were issued for the purpose of the advance refunding and legal defeasance of the balances of the COP Series 2006 of $58,460,000 and COP Series 2008 of $29,535,000.

At June 30, 2024 and 2023, the current outstanding balance of these defeased bonds was $17,335,000 and $20,720,000, respectively. In accordance with accounting principles generally accepted in the United States of America, the outstanding balances of the defeased bonds Series 2006 and Series 2008 bonds are not reflected on the statements of net position of the Building Corporation.

As provided in the bond indenture and the certificates, the Series 2014A and Series 2014B shall be subject to the redemption and payment prior to the stated maturity, upon instructions from the District, due to certain conditions or events affecting title, as a whole or in part on any date, at par (100%), plus accrued interest (if any) to the redemption date. During the years ended June 30, 2024 and 2023, $4,805,000 and $4,665,000 of the Series 2014A was retired, respectively. The Series 2014B was fully retired during 2022.

Series 2014A

Year Ending	Total to be Paid	Principal Maturities	Interest Expense
2025	$ 5,685,040	$ 4,955,000	$ 730,040
2026	5,681,122	5,105,000	576,122
2027	5,677,537	5,260,000	417,537
2028	5,679,057	5,425,000	254,057
2029	5,675,527	5,590,000	85,527
	$ 28,398,283	$ 26,335,000	$ 2,063,283

District Series 2020

On September 24, 2020, the College issued Certificates of Participation, Series 2020, in the amount of $43,510,000 with a weighted average interest rate of 2.22%. The COPs were issued for the purpose of funding capital projects for the College's campuses. The bonds bear interest payable semi-annually at 2.00% to 3.00%. Principal maturity begins July 1, 2029 and continues annually until July 1, 2045.

As provided in the bond indenture and the certificates, the Series 2020 shall be subject to the redemption and payment prior to the stated maturity, upon instructions from the District, due to certain conditions or events affecting title, as a whole or in part on any date, at par (100%), plus accrued interest (if any) to the redemption date. During the years ended June 30, 2024 and 2023, the Series 2020 was not retired.

Year Ending	Total to be Paid	Principal Maturities	Interest Expense
2025	$ 993,869	$ -	$ 993,869
2026	993,869	-	993,869
2027	993,869	-	993,869
2028	993,869	-	993,869
2029	993,869	-	993,869
2030-2046	52,456,460	43,510,000	8,946,460
	57,425,805	43,510,000	13,915,805
Bond Premium	-	272,394	-
	$ 57,425,805	$ 43,782,394	$ 13,915,805

Unearned Revenue - Contracts

Unearned revenue – contracts can be summarized as follows:

	2024	2023
Follett agreement unearned revenue (A)	$ 50,000	$ 100,000
Less current maturities	(50,000)	(50,000)
	$ -	$ 50,000

(A) On July 1, 2015, the College entered into a 10-year agreement with Follett Higher Education Group, Inc. ("Follett") to outsource bookstores for the College on five campuses terminating in 2025. The agreement required Follett to provide a one-time payment of $500,000, which was received by the College during 2016. If the agreement is terminated before expiration, the College is to return the unamortized value of the one-time payment. As of June 30, 2024 and 2023, the unamortized value of the payment was $50,000 and $100,000, respectively.

Note 5: Leases

The College leases, as lessor, a portion of its space and parking spaces to various third parties, the terms of which expire in 2024. During the year ended June 30, 2024, the College recognized revenue of $334,411 of which $4,091 of this revenue was recognized as interest on the lease receivable.

The College leases, as lessee, classroom space, the terms of which expire in various years through 2028. The following is a schedule by year of payments under the leases as of June 30, 2024:

Year Ending	Total to be Paid	Principal	Interest
2025	$ 314,642	$ 285,199	$ 29,443
2026	189,937	171,487	18,450
2027	170,847	162,018	8,829
2028	67,972	67,004	968
	$ 743,398	$ 685,708	$ 57,690

Note 6: Subscription Liabilities

The College has various subscription-based information technology arrangements (SBITAs), the terms of which expire in various years through 2028. Variable payments of certain subscriptions are based upon the Consumer Price Index (Index). The subscriptions were measured based upon the Index at commencement of the SBITA term. Variable payments based upon the use of the underlying asset are not included in the subscription liability because they are not fixed in substance.

During the year ended June 30, 2024, the College did not recognize any subscription expense for variable payments not previously included in the measurement of the subscription liability.

As of June 30, 2024, the College has outstanding commitments under SBITAs not yet commenced of $6,800,874. As of June 30, 2024, the College had expended $4,759,630, related to these same commitments recorded as prepaid assets within other assets on the statement of net position.

The following is a schedule by year of payments under the SBITAs as of June 30, 2024:

Year Ending June 30	Total to Be Paid	Principal	Interest
2025	$ 283,225	$ 258,406	$ 24,819
2026	216,363	203,741	12,622
2027	162,793	162,144	649
	$ 662,381	$ 624,291	$ 38,090

Note 7: Public-Private Partnership

During 2015 and amended during 2017, the College entered into a public-private partnership arrangement that meets the definition of a service concession with Follett Higher Education Group, Inc. to operate five campus bookstores as well as the College's official bookstore website through June 30, 2025. For the years ended June 30, 2024 and 2023, the College recognized revenues of approximately $78,000 and $377,000 for variable payments not previously included in the measurement of a receivable, respectively. These variable payments were based off of a revenue sharing agreement where the College receives a commission off of net revenues.

Note 8: Other Postemployment Benefits

Plan Description

The College sponsors a single-employer defined benefit other postemployment benefit (OPEB) plan that provides life insurance, medical, vision and dental benefits to all qualifying retirees and their dependents. Under the College's plan, an employee who meets the retirement criteria must have opted to retire before July 1, 2013 to receive these benefits. The criteria for retirement is the active employee must either be at least age 55 with 10 years of consecutive full-time service, or have 30 years of full-time service. Eligible retirees and their dependents receive coverage through a fully-insured plan, the same plans that are available for active employees. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Benefits Provided

The life insurance benefit is two times final salary at retirement. The retiree pays no premiums on this coverage until age 65. If the retiree elects to continue this coverage from age 65 to age 70, they must pay the full premium. After age 70, this benefit is no longer available. The retiree is eligible to continue coverage of other benefits upon retirement by paying no premium until age 65 and the COBRA premium from age 65 onward. The employee can choose which benefits, medical, vision and/or dental they will continue to receive.

The employees covered by the OPEB Plan at June 30 are:

	2024	2023
Inactive employees or beneficiaries currently receiving benefit payments	435	435
Active employees	714	714
	1,149	1,149

Total OPEB Liability

The College's total OPEB liability of $3,729,118 and $3,882,046 was measured as of June 30, 2024 and 2023, respectively, and was determined by an actuarial valuation as of July 1, 2022 and 2020, respectively, rolled forward to June 30, 2024 and 2023, respectively.

The total OPEB liability in the July 1, 2022 and 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	2024	2023
Discount rate	4.10% per annum (end of period) 4.00% per annum (beginning of period)	4.00% per annum (end of period) 3.90% per annum (beginning of period)
Salary increases	2.0% per year	2.0% per year
Medical cost trend rates	6.8% for 2024, and decreasing 0.20% per year for eight years ending at 4.6%	7.5% for 2023, decreasing 0.50% in 2024 and 0.20% per year for eight years ending at 4.6%
Dental cost trend rate	3.0% per year	3.0% per year
Vision cost trend rate	2.0% per year	2.0% per year
H.S.A. and F.S.A. contribution trend rate	2.0% per year	2.0% per year

The discount rate used for the plan was the 20-year, tax-exempt general obligation municipal bond rate with an average rating of AA/Aa or higher as there are no assets in the Plan. Management utilized the average of the published yields from the S&P Municipal Bond 20 year High Grade and the Fidelity GO AA-20 Years Indexes to comprise the discount rate.

Mortality rates for June 30, 2024 and 2023, were based on the Society of Actuaries Pub-2010 Public Retirement Plus Headcount-weighted General mortality Tables using Scale MP-2021 Full Generational Improvement.

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study from 2020.

Changes in Total OPEB Liability

Changes in total OPEB liability are:

	2024	2023
Service cost	$ 172,794	$ 159,815
Interest	151,270	165,536
Changes in assumptions or other inputs	69,209	(188,092)
Benefit payments	(546,201)	(679,802)
Net change in OPEB	(152,928)	(542,543)
Total OPEB liability, beginning of year	3,882,046	4,424,589
Total OPEB liability, end of year	$ 3,729,118	$ 3,882,046

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate and Health Care Cost Trend Rates

The total OPEB liability of the College has been calculated using a discount rate of 4.10% (4.00% in prior year). The following presents the total OPEB liability using a discount rate 1% higher and 1% lower than the current discount rate.

	1% Decrease	Current Discount Rate	1% Increase
College's total OPEB liability - 2024	$ 3,962,718	$ 3,729,118	$ 3,516,100
College's total OPEB liability - 2023	4,115,503	3,882,046	3,668,623

The total OPEB liability of the College has been calculated using health care cost trend rates of 6.80% decreasing to 4.60%. The following presents the total OPEB liability using health care cost trend rates 1% higher and 1% lower than the current health care cost trend rates.

	1% Decrease	Health Care Cost Trend Rate	1% Increase
College's total OPEB liability - 2024	$ 3,404,742	$ 3,729,118	$ 4,105,122
College's total OPEB liability - 2023	3,593,503	3,882,046	4,211,210

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

For the years ended June 30, 2024 and 2023, the College recognized OPEB expense of $(126,231) and $(131,865), respectively. At June 30, 2024 and 2023, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2024		2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 134,909	$ 996,996	$ 84,462	$ 1,167,651
Changes of assumptions	373,436	2,055,991	518,772	2,499,729
Total	$ 508,345	$ 3,052,987	$ 603,234	$ 3,667,380

Amounts reported as deferred outflows of resources and deferred inflows of resources at June 30, 2024, related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending	Amount
2025	$ (450,063)
2026	(497,325)
2027	(527,195)
2028	(527,195)
2029	(441,919)
Thereafter	(100,945)
	$ (2,544,642)

Note 9: Retirement Plan and Net Pension Liability

General Information about the Pension Plan

All full-time and certain part-time employees of the College participate either in the Public School Retirement System ("PSRS") or the Public Education Employee Retirement System ("PEERS"), both of which are cost-sharing multiple-employer public employee retirement systems, as required by the retirement law set forth in Chapter 169, *Revised Statutes of Missouri*.

PEERS Plan Description. 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. An Annual Comprehensive Financial Report ("ACFR") can be obtained at www.psrs-peers.org.

PSRS 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 PSRS, 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 "2/3s 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. An ACFR can be obtained at www.psrs-peers.org.

PEERS Benefits Provided. 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 of service, (b) have 30 years of service or (c) qualify for benefits under the "Rule of 80" (service and age total at least 80) are entitled to a monthly benefit for life, which is calculated using a 1.61% benefit factor. Members qualifying for "Rule of 80" or "30-and-out" are entitled to an additional temporary 0.8% benefit multiplier until reaching minimum Social Security age (currently age 62). Actuarially age-reduced retirement benefits are available with five years of service at age 55. Members who are younger than age 55 and who do not qualify under the "Rule of 80" but have between 25 and 29.9 years of service may retire with a lesser benefit factor. Members that are three years beyond normal retirement can elect to have their lifetime monthly benefits actuarially reduced in exchange for the right to also receive a one-time partial lump sum (PLSO) payment at retirement equal to 12, 24 or 36 times the Single Life benefit amount. A Summary Plan Description detailing the provisions of the plan can be found on PSRS' website at www.psrs-peers.org.

PSRS Benefits Provided. PSRS is a defined benefit plan providing retirement, disability and death/survivor benefits. Members are vested for service retirement benefits after accruing five years of service. Individuals who (a) are at least age 60 and have a minimum of five years of service, (b) have 30 years of service or (c) qualify for benefits under the "Rule of 80" (service and age total at least 80) are entitled to a monthly benefit for life, which is calculated using a 2.5% benefit factor. Beginning July 1, 2001, and ending July 1, 2014, a 2.55% benefit factor is used to calculate benefits for members who have 31 or more years of service. Actuarially age-reduced benefits are available for members with five to 24.9 years of service at age 55. Members who are younger than age 55 and who do not qualify under the "Rule of 80" but have between 25 and 29.9 years of service may retire with a lesser benefit factor. Members that are three years beyond normal retirement can elect to have their lifetime monthly benefits actuarially reduced in exchange for the right to also receive a one-time PLSO payment at retirement equal to 12, 24 or 36 times the Single Life benefit amount. A Summary Plan Description detailing the provisions of the plan can be found on PSRS' website at www.psrs-peers.org. Since the prior valuation date, the benefit provisions were amended to make permanent an early retirement benefit allowing members to retire at any age after 25 years of service.

PEERS Cost-of-Living Adjustments (COLA). The PEERS board has established a policy of providing a 0.00% COLA for years in which the CPI increases between 0.00% and 2.00%, a 2.00% COLA for years in which CPI increases between 2.00% and 5.00%, and a COLA of 5.00% if the CPI increase is greater than 5.00%. If the CPI decreases, no COLA is provided. In the case of the CPI being less than 2.0% for one or more consecutive one-year periods, a COLA of 2.0% will be granted when the cumulative increase is equal to or greater than 2.0%. For any member, 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.

PSRS Cost-of-Living Adjustments (COLA). The PSRS board has established a policy of providing a 0.00% COLA for years in which the CPI increases between 0.00% and 2.00%, a 2.00% COLA for years in which CPI increases between 2.00% and 5.00%, and a COLA of 5.00% if the CPI increase is greater than 5.00%. If the CPI decreases, no COLA is provided. In the case of the CPI being less than 2.0% for one or more consecutive one-year periods, a COLA of 2.0% will be granted when the cumulative increase is equal to or greater than 2.0%. For any 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.

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

PSRS Contributions. PSRS members were required to contribute 14.5% of their annual covered salary and employer cost of medical, dental and vision premiums during fiscal years 2024 and 2023. Employers were required to match the contributions made by employees. The contribution rate is set each year by the PSRS board of trustees upon the recommendation of the independent actuary within the contribution restrictions set in Section 169.030 RSMo. The annual statutory increase in the total contribution rate may not exceed 1% of pay. Contributions for employees of the State of Missouri were made by the state in accordance with the actuarially determined contribution rate needed to fund current costs and prior service costs of state employees as authorized in Section 104.342.8 RSMo.

Contributions. The College's contributions to PEERS were $1,954,198 and $1,937,802 and to PSRS were $4,637,353 and $4,568,751 for the years ended June 30, 2024 and 2023, respectively.

Pension Liabilities, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2024 and 2023, the College recorded a liability of $13,363,338 and $12,229,700 for PEERS and $49,076,270 and $46,266,016, respectively, for PSRS for its proportionate share of the net pension liability. The net pension liability for the plans in total was measured as of June 30, 2023 and 2022 and determined by an actuarial valuation as of that date. At June 30, 2024 and 2023, the College's proportionate share was 0.5870% and 0.5982%, respectively, for PSRS and 1.3378% and 1.4471%, respectively, for PEERS.

For the years ended June 30, 2024 and 2023, the College recognized a pension expense of $1,761,340 and $1,951,204 for PEERS and $8,053,492 and $8,288,282 for PSRS, respectively, in proportionate share of the total pension expense.

At June 30, 2024, the College reported deferred outflows of resources and deferred inflows of resources from the following sources related to PEERS and PSRS pension benefits:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Balance of deferred outflows and inflows due to:		
Differences between expected and actual experience - PEERS	$ 1,761,340	$ -
Differences between expected and actual experience - PSRS	8,053,492	320,220
Changes in assumptions - PEERS	70,439	-
Changes in assumptions - PSRS	1,667,871	-
Net difference between projected and actual earnings on pension plan investments - PEERS	932,732	-
Net difference between projected and actual earnings on pension plan investments - PSRS	2,994,470	-
Changes in proportion and differences between employer contributions and proportionate share of contributions - PEERS	-	958,179
Changes in proportion and differences between employer contributions and proportionate share of contributions - PSRS	347,191	2,399,770
Employer contributions subsequent to the measurement date - PEERS	2,160,193	-
Employer contributions subsequent to the measurement date - PSRS	4,409,706	-
Total	$ 22,397,434	$ 3,678,169

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Balance of deferred outflows and inflows due to:		
Differences between expected and actual experience - PEERS	$ 1,951,204	$ 12,975
Differences between expected and actual experience - PSRS	8,288,282	681,036
Changes in assumptions - PEERS	457,167	-
Changes in assumptions - PSRS	3,019,278	-
Net difference between projected and actual earnings on pension plan investments - PEERS	-	304,359
Net difference between projected and actual earnings on pension plan investments - PSRS	-	1,334,111
Changes in proportion and differences between employer contributions and proportionate share of contributions - PEERS	-	1,077,023
Changes in proportion and differences between employer contributions and proportionate share of contributions - PSRS	546,746	2,491,618
Employer contributions subsequent to the measurement date - PEERS	2,098,481	-
Employer contributions subsequent to the measurement date - PSRS	4,081,900	-
Total	$ 20,443,058	$ 5,901,122

Contributions subsequent to the measurement date of June 30, 2023 and 2022 of $6,569,899 and $6,180,381, respectively, were reported as deferred outflows of resources related to pensions and will be recognized as a reduction to the net pension liability in the years ending June 30, 2024 and 2023, respectively. Other amounts reported as collective deferred (inflows)/outflows of resources are to be recognized in pension expense as follows:

Year Ending June 30	
2025	$ 1,176,891
2026	(1,179,675)
2027	10,484,877
2028	1,496,654
2029	170,618
	$ 12,149,365

Actuarial Assumptions. Actuarial valuations of PEERS and PSRS involves estimates of the reported amount and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and future salary increases. Amounts determined regarding the total pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The actuarial assumptions used in the June 30, 2024 and 2023 valuation was based on the results of an actuarial experience study for the period 2015 to 2020 for both PEERS and PSRS dated June 2020.

The total pension liability as of June 30, 2024 was determined based on an actuarial valuation prepared as of June 30, 2023 rolled forward one year, using the following actuarial assumptions:

Expected Return on Investments	7.30%, net of investment expenses and including 2.00% inflation.
Inflation	2.00%
Total Payroll Growth	PEERS: 2.50% per annum, consisting of 2.00% inflation, 0.25% additional inflation due to the inclusion of health care costs in pension earnings and 0.25% of real wage growth due to productivity. PSRS: 2.25% per annum, consisting of 2.00% inflation, 0.125% additional inflation due to the inclusion of health care costs in pension earnings and 0.125% of real wage growth due to productivity.
Future Salary Increases	PEERS: 3.25% - 9.75%, depending on service and including 2.00% inflation, 0.25% additional inflation due to the inclusion of health care costs in pension earnings and 0.25% of real wage growth due to productivity, and real wage growth for merit. PSRS: 2.625% - 8.875%, depending on service and including 2.00% inflation, 0.125% additional inflation due to the inclusion of health care costs in pension earnings and 0.125% of real wage growth due to productivity, and real wage growth for merit.
Cost-of-Living Increases	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% for one or more consecutive one year periods, a cost-of-living increase of 2% will be granted when the cumulative increase is equal to or greater than 2%, at which point the cumulative increase in the CPI-U will be reset to zero. For the following year, the starting CPI-U will be based on the June value immediately preceding the January 1 at which the 2% cost-of-living increase is granted. If the June to June change in the CPI-U is greater than or equal to 2%, but less than 5%, a cost-of-living increase of 2% will be granted. If the June to June change in the CPI-U is greater than or equal to 5%, a cost-of-living increase of 5% will be granted. If the CPI decreases, no COLA is provided. The COLA applies to service retirements and beneficiary annuities. The COLA does not apply to the benefits for in-service death payable to spouses (where the spouse is over age 60), and does not apply to the spouse with children pre-retirement death benefit, the dependent children pre-retirement death benefit, or the dependent parent death benefit. The total lifetime COLA cannot exceed 80% of the original benefit. PSRS members receive a COLA on the second January after retirement, while PEERS members receive a COLA on the fourth January after retirement.
Mortality Assumption	
Actives:	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. 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.
Non-Disabled Retirees, Beneficiaries and Survivors:	PEERS: Mortality rates for non-disabled retirees and beneficiaries are based on the Pub-2010 General (Below-Median Income) Mortality Table for Healthy Retirees and the Pub-2010 General (Below-Median Income) Mortality Table for Contingent Survivors, respectively. The tables are projected generationally using the MP-2020 improvement scale and multiplied by the experience-based adjustment factors shown in the tables below at all ages for both males and females. Non-Disabled Males, 1.13, Non-Disabled Females 0.94. Contingent Survivor Males 1.01 and Contingent Survivor Females 1.07. 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. Non-Disabled Males, 1.10, Non-Disabled Females 1.04. Contingent Survivor Males 1.18 and Contingent Survivor Females 1.07.

Disabled Retirees:	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. 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.
Changes in Actuarial Assumptions and Methods	PSRS and PEERS: For PSRS, the retirement rates assumption was updated for the June 30, 2023 valuation due to the passage of Senate Bill 75 (HCS/SS/SB 75), which added the 2.55% benefit formula multiplier for members that retire with 32 or more years of service. There have been no other changes to the actuarial assumptions and methods for PSRS or PEERS since 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	PEERS and PSRS issue a publicly available financial report that can be obtained at www.psrs-peers.org.
Long-term 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 Rate of Return
U.S. public equity	23.0%	4.81%
Hedged assets	6.0%	2.39%
Non-U.S. public equity	16.0%	6.88%
U.S. Treasuries	15.0%	-0.02%
U.S. TIPS	0.0%	0.29%
Private credit	8.0%	5.61%
Private equity	21.0%	10.90%
Private real estate	11.0%	7.47%
Total	100%	

The total pension liability as of June 30, 2023 was determined based on an actuarial valuation prepared as of June 30, 2022 rolled forward one year, using the following actuarial assumptions:

Expected Return on Investments	7.30%, net of investment expenses and including 2.00% inflation.
Inflation	2.00%
Total Payroll Growth	PEERS: 2.50% per annum, consisting of 2.00% inflation, 0.25% additional inflation due to the inclusion of health care costs in pension earnings and 0.25% of real wage growth due to productivity. PSRS: 2.25% per annum, consisting of 2.00% inflation, 0.125% additional inflation due to the inclusion of health care costs in pension earnings and 0.125% of real wage growth due to productivity.
Future Salary Increases	PEERS: 3.25% - 9.75%, depending on service and including 2.00% inflation, 0.25% additional inflation due to the inclusion of health care costs in pension earnings and 0.25% of real wage growth due to productivity, and real wage growth for merit. PSRS: 2.625% - 8.875%, depending on service and including 2.00% inflation, 0.125% additional inflation due to the inclusion of health care costs in pension earnings and 0.125% of real wage growth due to productivity, and real wage growth for merit.
Cost-of-Living Increases	Given that the actual increase in the CPI-U index from June 2021 to June 2022 was 9.06%, the Board approved an actual cost-of-living adjustment (COLA) as of January 1, 2023 of 5.00%, in accordance with the Board's funding policy and Missouri statutes, compared to an assumed COLA of 2.00%. Future COLAs assumed in the valuation are 2.00% as of January 1, 2024 and 1.35% each January 1 thereafter. This COLA assumption is based on the 20-year stochastic analysis of inflation performed in the 2021 experience study, the application of the Board's COLA policy, and the short-term expectations of COLA due to recent CPI activity. It is also based on the current policy of the Board to grant a COLA on each January 1 as follows: If the June to June change in the CPI-U is less than 2% for one or more consecutive one year periods, a cost-of-living increase of 2% will be granted when the cumulative increase is equal to or greater than 2%, at which point the cumulative increase in the CPI-U will be reset to zero. For the following year, the starting CPI-U will be based on the June value immediately preceding the January 1 at which the 2% cost-of-living increase is granted. If the June to June change in the CPI-U is greater than or equal to 2%, but less than 5%, a cost-of-living increase of 2% will be granted. If the June to June change in the CPI-U is greater than or equal to 5%, a cost-of-living increase of 5% will be granted. If the CPI decreases, no COLA is provided. The COLA applies to service retirements and beneficiary annuities. The COLA does not apply to the benefits for in-service death payable to spouses (where the spouse is over age 60), and does not apply to the spouse with children pre-retirement death benefit, the dependent children pre-retirement death benefit, or the dependent parent death benefit. The total lifetime COLA cannot exceed 80% of the original benefit. PSRS members receive a COLA on the second January after retirement, while PEERS members receive a COLA on the fourth January after retirement.
Mortality Assumption	
Actives:	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. 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.

Expected Return on Investments	7.30%, net of investment expenses and including 2.00% inflation.
Inflation	2.00%
Total Payroll Growth	PEERS: 2.50% per annum, consisting of 2.00% inflation, 0.25% additional inflation due to the inclusion of health care costs in pension earnings and 0.25% of real wage growth due to productivity. PSRS: 2.25% per annum, consisting of 2.00% inflation, 0.125% additional inflation due to the inclusion of health care costs in pension earnings and 0.125% of real wage growth due to productivity.
Future Salary Increases	PEERS: 3.25% - 9.75%, depending on service and including 2.00% inflation, 0.25% additional inflation due to the inclusion of health care costs in pension earnings and 0.25% of real wage growth due to productivity, and real wage growth for merit. PSRS: 2.625% - 8.875%, depending on service and including 2.00% inflation, 0.125% additional inflation due to the inclusion of health care costs in pension earnings and 0.125% of real wage growth due to productivity, and real wage growth for merit.
Cost-of-Living Increases	Given that the actual increase in the CPI-U index from June 2021 to June 2022 was 9.06%, the Board approved an actual cost-of-living adjustment (COLA) as of January 1, 2023 of 5.00%, in accordance with the Board's funding policy and Missouri statutes, compared to an assumed COLA of 2.00%. Future COLAs assumed in the valuation are 2.00% as of January 1, 2024 and 1.35% each January 1 thereafter. This COLA assumption is based on the 20-year stochastic analysis of inflation performed in the 2021 experience study, the application of the Board's COLA policy, and the short-term expectations of COLA due to recent CPI activity. It is also based on the current policy of the Board to grant a COLA on each January 1 as follows: If the June to June change in the CPI-U is less than 2% for one or more consecutive one year periods, a cost-of-living increase of 2% will be granted when the cumulative increase is equal to or greater than 2%, at which point the cumulative increase in the CPI-U will be reset to zero. For the following year, the starting CPI-U will be based on the June value immediately preceding the January 1 at which the 2% cost-of-living increase is granted. If the June to June change in the CPI-U is greater than or equal to 2%, but less than 5%, a cost-of-living increase of 2% will be granted. If the June to June change in the CPI-U is greater than or equal to 5%, a cost-of-living increase of 5% will be granted. If the CPI decreases, no COLA is provided. The COLA applies to service retirements and beneficiary annuities. The COLA does not apply to the benefits for in-service death payable to spouses (where the spouse is over age 60), and does not apply to the spouse with children pre-retirement death benefit, the dependent children pre-retirement death benefit, or the dependent parent death benefit. The total lifetime COLA cannot exceed 80% of the original benefit. PSRS members receive a COLA on the second January after retirement, while PEERS members receive a COLA on the fourth January after retirement.
Mortality Assumption	
Actives:	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. 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.

Asset Class	Target Asset Allocation	Long-term Expected Real Rate of Return
U.S. public equity	23.0%	4.81%
Public credit	0.0%	0.80%
Hedged assets	6.0%	2.39%
Non-U.S. public equity	16.0%	6.88%
U.S. Treasuries	15.0%	-0.02%
U.S. TIPS	0.0%	0.29%
Private credit	8.0%	5.61%
Private equity	21.0%	10.90%
Private real estate	11.0%	7.47%
Total	100%	

Discount Rate

The discount rate used to measure the total pension liability was 7.30% as of June 30, 2024 and 2023, and is consistent with the long-term expected geometric return on plan investments. The actuarial assumed rate of return of 7.3% is consistent with the June 30, 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.

Sensitivity of the College's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

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

Proportionate Share of the Net Pension Liability (Asset)	1% Decrease	Current Rate	1% Increase
As of June 30, 2024:	**(6.30%)**	**(7.30%)**	**(8.30%)**
PEERS	$ 25,369,949	$ 13,363,338	$ 3,347,818
PSRS	91,331,945	49,076,270	14,086,294
As of June 30, 2023:	**(6.30%)**	**(7.30%)**	**(8.30%)**
PEERS	$ 24,526,391	$ 12,229,700	$ 1,966,285
PSRS	87,908,104	46,266,016	11,772,532

The plans are multi-employer defined benefit plans. Both systems issue a publicly available financial report that includes financial statements and required supplementary information. Those reports may be obtained by writing to either system at: P.O. Box 268, Jefferson City, Missouri 65102 or by calling 1.800.392.6848. The reports are also available https://www.psrs-peers.org/PSRS/Resources/Publications.

Note 10: Missouri United School Insurance Council

The Missouri United School Insurance Council (MUSIC) is a not-for-profit self-insurance association, which is designed to provide uniform property and casualty coverage under one comprehensive plan for participating school districts in Missouri. The College purchases insurance coverage for property, general liability, workers' compensation and medical malpractice (for allied health students).

Members pay annual premiums, which are retained to pay losses, fund an administrative budget, buy risk management services and purchase reinsurance for excessive losses.

Because MUSIC is a pooling arrangement comprised of member districts, the members are owners of the loss fund. In the event that the loss fund and related reserves are unable to cover claims, the members would be assessed additional premiums by MUSIC to cover the deficit. The College is not aware of any deficit situation in the MUSIC loss fund, which would require the accrual of a liability as of June 30, 2024 and 2023.

The College's self-insurance for losses occurring below the amount of the MUSIC coverage stop-loss, were $454,393 and $396,738 for fiscal years 2024 and 2023, respectively. As of June 30, 2024 and 2023, an accrual of $364,847 and $377,879, respectively, has been made to cover the estimated exposure to claims the College would have to pay under its self-insurance agreement, including an estimate for claims incurred but not reported, and is included on the statements of net position as other liabilities. This claims liability is based on estimates of the ultimate cost of claims including inflation factors and historical trend data. Other non-incremental costs are not included in the basis of estimating the liability. The following table presents the changes in the liability for the years ended June 30, 2024 and 2023:

	2024	2023
Claims and changes in estimates	$ 145,299	$ 340,500
Claim payments	(158,331)	(332,879)
Net change in MUSIC liability	(13,032)	7,621
MUSIC liability, beginning of year	377,879	370,258
MUSIC liability, end of year	$ 364,847	$ 377,879

Note 11: Designations of Unrestricted Net Position

Unrestricted net position can be designated for specific purposes by action of the board or management. Designations for the use of unrestricted net position as of June 30, 2024 and 2023 are as follows:

	2024	2023
Designated for deferred maintenance	$ 1,038,596	$ 709,456
Designated for information technology	-	1,859,822
Unrestricted	92,744,986	78,787,334
Total	$ 93,783,582	$ 81,356,612

Note 12: Employee Benefit Plans

Defined Contribution Plan

The College has a 403(b) defined contribution retirement plan covering all employees except for employees regularly attending classes at the College. The College matches contributions 66.67% per dollar, with an annual maximum limit of $1,000. The participant is fully vested in amounts attributable to the plan contributions when such plan contributions are made. The College's expense under the plan was approximately $471,000 and $492,000 for the years ended June 30, 2024 and 2023, respectively.

Deferred Compensation Plan

The College also sponsors a 457(b) deferred compensation plan for all employees of the College. The plan includes an employer discretionary contribution on behalf of the participants and participant contributions based on a chosen deferral amount. During the years ended June 30, 2024 and 2023, the College did not make a discretionary contribution to the 457(b) plan.

Note 13: Federal Assistance

The College has received significant financial assistance from various federal agencies in the form of grants and entitlements. These programs are subject to audit by agents of the granting authority, or by independent public accountants under the *Single Audit Act*, the purpose of which is to ensure compliance with terms and conditions specified in these agreements. The College does not believe that liabilities for reimbursement, if any, will have a materially adverse effect upon the financial condition of the College.

Note 14: Contingencies

The College is named as a defendant in various legal actions arising in the normal course of operations. The College's management believes the resolution of those actions will not have a material effect on the College's financial statements.

Note 15: Disclosure About Fair Value of Assets

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

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

Level 2 Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities

Level 3 Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities

Recurring Measurements

The following tables present the fair value measurements of assets recognized in the accompanying financial statements measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at June 30, 2024 and 2023:

Description	Total	Level 1	Level 2	Level 3
2024				
Federal Farm Credit Bank	$ 11,634,120	$ -	$ 11,634,120	$ -
Federal Home Loan Bank	49,571,385	-	49,571,385	-
Federal National Mortgage Association	7,832,085	-	7,832,085	-
Treasury Bills	2,836,816	-	2,836,816	-
Money market mutual funds	11,068,296	11,068,296	-	-
Total investments measured at fair value	$ 82,942,702	$ 11,068,296	$ 71,874,406	$ -

Description	Total	Level 1	Level 2	Level 3
2023				
Federal Farm Credit Bank	$ 15,162,100	$ -	$ 15,162,100	$ -
Federal Home Loan Bank	57,445,018	-	57,445,018	-
Federal National Mortgage Association	7,230,245	-	7,230,245	-
Treasury Bills	2,730,723	-	2,730,723	-
Money market mutual funds	15,529,528	15,529,528	-	-
Total investments measured at fair value	$ 98,097,614	$ 15,529,528	$ 82,568,086	$ -

Federal government agencies classified as Level 2 of the fair value hierarchy are valued using third-party pricing services based on market observable information such as market quotes for similar assets, as well as normal market pricing considerations such as duration, interest rates and prepayment assumptions.

Note 16: Tax Abatements

For the fiscal years ended June 30, 2024 and 2023, the College's property tax revenue was reduced through abatements and diversions through various incentive granting agencies and entities with an impact to the College totaling an estimated $6,388,727 and $6,027,424, respectively, under the following programs:

Tax Abatement Program	Amount of Taxes Abated during 2024	Amount of Taxes Abated during 2023
Tax Increment Financing	$ 1,793,096	$ 1,854,580
Chapter 353 Abatement	833,621	730,146
Chapter 100 Bonds	456,643	422,930
Chapter 99 Abatement	132,439	101,943
EEZ	142,344	89,629
Multi-Abatement	3,030,584	2,828,196
	$ 6,388,727	$ 6,027,424

The College is subject to tax abatements and diversions granted or entered into by other government entities through various incentive granting agencies and entities as outlined below:

Tax Increment Financing – Grants tax diversion to promote new investment, infrastructure improvements and job growth by providing financial assistance and incentive to redevelopers. Created pursuant to Section 99.800 of the Revised Statutes of Missouri.

Chapter 353 Abatement – Grants tax abatement to encourage investment and assist in the removal of blight and blighting conditions within urban redevelopment areas. Created pursuant to Sections 353.010 to 353.190 RSMo and City Ordinance 140306.

Chapter 100 Bonds – The City of Kansas City can issue taxable bonds to assist with construction or rehabilitation of eligible commercial facilities. The City takes formal ownerships of the business assets and, therefore, provides property (real and personal) abatement for up to 10 years. Created pursuant to Sections 100.010 to 100.200 RSMo.

Chapter 99 Abatement – Grants abatement through several programs to encourage investment and assist in redevelopment of designated real property resulting in real property tax abatement for certain projects. Created pursuant to Section 99 of the Revised Statutes of Missouri.

EEZ – Grants property tax abatement to encourage job creation and investment by providing tax credits and property tax abatement to new or expanding businesses located in an Enhance Enterprise Zone (EEZ). Created pursuant to Sections 135.950 to 135.973 RSMo and City Ordinances 051411, 051412 and 051413.

Note 17: Foundation

The following disclosures pertain to the discretely presented component unit.

Summary of Significant Accounting Policies

Use of Estimates

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

Cash and Cash Equivalents

The Foundation considers all liquid investments with original maturities of three months or less to be cash equivalents. Uninvested cash and cash equivalents included in investment accounts, including endowment accounts, are not considered to be cash and cash equivalents. At June 30, 2024 and 2023, cash equivalents consisted primarily of investments in money market mutual funds. At June 30, 2024, the Foundation's cash accounts exceeded insured limits by approximately $7,127,000.

Investments and Net Investment Return

The Foundation measures securities at fair value. The fair value of alternative investments, such as the private equities are recorded at net asset value (NAV), as a practical expedient based on the most recent valuations provided by external investment managers, adjusted for cash receipts and disbursements through June 30. The Foundation compares this carrying value to the June 30 investment statements provided by the external investment managers and believes the carrying value of these financial instruments is a reasonable estimate of fair value.

Investment return includes dividend, interest and other investment income; realized and unrealized gains and losses on investments carried at fair value; and realized gains and losses on other investments, less external and direct internal investment expenses. Gains and losses on the sale of securities are recorded on the trade date and are determined using the specific identification method.

Investment return that is initially restricted by donor stipulation and for which the restriction will be satisfied in the same year is included in net assets with donor restrictions and then released from restriction. Other investment return is reflected in the statements of activities with or without donor restrictions based upon the existence and nature of any donor or legally imposed restrictions.

The Foundation maintains pooled investment accounts for its endowments. Investment income and realized and unrealized gains and losses from securities in the pooled investment accounts are allocated annually to the individual endowments based on the relationship of the fair value of the interest of each endowment to the total fair value of the pooled investment accounts, as adjusted for additions to or deductions from those accounts.

Deferred Revenue

Revenue from conditional grants for the Foundation is deferred and recognized in the periods the related condition is met.

Net Assets

Net assets, revenues, gains and losses are classified based on the existence or absence of donor restrictions. Net assets without donor restrictions are available for use in general operations and not subject to donor restrictions. The governing board has designated, from net assets without donor restrictions, net assets for a board-designated endowment.

Net assets with donor restrictions are subject to donor restrictions. Some restrictions are temporary in nature, such as those that will be met by the passage of time or other events stipulated by the donor. Other restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Contributions

Contributions are provided to the Foundation either with or without restrictions placed on the gift by the donor. Revenues and net assets are separately reported to reflect the nature of those gifts – with or without donor restrictions. The value recorded for each contribution is recognized as follows:

Nature of the Gift	**Value Recognized**
Conditional gifts, with or without restrictions	
Gifts that depend on the Foundation overcoming a donor-imposed barrier to be entitled to the funds	Not recognized until the gift becomes unconditional, *i.e.*, the donor-imposed barrier is met
Unconditional gifts, with or without restrictions	
Received at date of gift – cash and other assets	Fair value
Received at date of gift – property, equipment and long-lived assets	Estimated fair value
Expected to be collected within one year	Net realizable value
Collected in future years	Initially reported at fair value determined using the discounted present value of estimated future cash flows technique

In addition to the amount initially recognized, revenue for unconditional gifts to be collected in future years is also recognized each year as the present-value discount is amortized using the level-yield method.

When a donor stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Absent explicit donor stipulations for the period of time that long-lived assets must be held, expirations of restrictions for gifts of land, buildings, equipment and other long-lived assets are reported when those assets are placed in service.

Gifts and investment income that are originally restricted by the donor and for which the restriction is met in the same time period the gift is received are recorded as revenue with donor restrictions and then released from restriction.

Conditional contributions having donor stipulations which are satisfied in the period the gift is received are recorded as revenue with donor restrictions and then released from restriction.

Income Taxes

The Foundation is exempt from income taxes under Section 501 of the Internal Revenue Code and a similar provision of state law. However, the Foundation is subject to federal income tax on any unrelated business taxable income. The Foundation files tax returns in the U.S. federal jurisdiction.

Functional Allocation of Expenses

The costs of supporting the various programs and other activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses within the notes present the natural classification detail of expenses by function. Certain costs have been allocated among the program and support services based on time estimates and other methods.

Investments, Fair Value Measurements and Disclosures

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

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

Level 2 Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities

Level 3 Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities

Recurring Measurements

The following tables present the fair value measurements of assets recognized in the accompanying statements of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at June 30, 2024 and 2023:

		Fair Value Measurements Using			
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Investments Measured at NAV
June 30, 2024					
Equity securities	$ 844,440	$ 844,440	$ -	$ -	$ -
Equity mutual funds					
Columbia Contrarian Core	1,009,864	1,009,864	-	-	-
Other Mutual funds	1,611,649	1,611,649	-	-	-
U.S. Treasury notes	1,391,769	1,391,769	-	-	-
Corporate bonds	1,267,031	-	1,267,031	-	-
Fixed income mutual funds	671,798	671,798	-	-	-
Exchange traded funds (ETF)					
Vanguard Growth ETF	1,726,056	1,726,056	-	-	-
Vanguard S&P 500 ETF	1,127,793	1,127,793	-	-	-
Vanguard Small-Cap ETF	1,182,867	1,182,867	-	-	-
Vanguard FTSE Developed Markets ETF	1,690,658	1,690,658	-	-	-
Vanguard Value ETF	2,005,125	2,005,125	-	-	-
Vanguard Mid-Cap ETF	933,296	933,296	-	-	-
Agency bonds	1,529,893	-	1,529,893	-	-
Private equity	319,131	-	-	-	319,131
	$ 17,311,370	$ 14,195,315	$ 2,796,924	$ -	$ 319,131

The Metropolitan Community College Foundation

Notes to Financial Statements

June 30, 2024 and 2023

	Fair Value	Fair Value Measurements Using: Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
June 30, 2023				
Equity securities	$ 655,494	$ 655,494	$ -	$ -
Equity mutual funds	2,288,845	2,288,845	-	-
U.S. Treasury notes	1,305,790	1,305,790	-	-
Corporate bonds	1,246,961	-	1,246,961	-
Fixed income mutual funds	639,216	639,216	-	-
Exchange traded funds (ETF)				
Vanguard Growth ETF	1,305,860	1,305,860	-	-
Vanguard S&P 500 ETF	918,416	918,416	-	-
Vanguard Small-Cap ETF	1,078,978	1,078,978	-	-
Vanguard FTSE Developed Markets ETF	1,579,818	1,579,818	-	-
Vanguard Value ETF	1,776,250	1,776,250	-	-
Vanguard Mid-Cap ETF	848,718	848,718	-	-
Agency bonds	1,509,618	-	1,509,618	-
	$ 15,153,964	$ 12,397,385	$ 2,756,579	$ -

Following is a description of the valuation methodologies and inputs used for assets and liabilities measured at fair value on a recurring basis and recognized in the accompanying statements of financial position, as well as the general classification of such assets and liabilities pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the years ended June 30, 2024 and 2023.

Investments

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the valuation hierarchy.

Investments at Net Asset Value (NAV)

Investments in certain entities measured at fair value using the net asset value per share as a practical expedient consist of the following:

	Net Asset Value		Unfunded Commitments		Frequency	Notice Period
	2024	2023	2024	2023	Redemption	Redemption
Private equity funds (A)	$ 319,131	$ -	$ -	$ -	Nonredeemable	None

(A) This Private equity fund includes private fund of funds that invest primarily in private capital investment vehicles, each of which may invest in public or private securities. Fair value has been estimated using the net asset value per share of the investment. Each fund operates in accordance with the terms of a limited partnership agreement and continues to operate year to year, unless dissolved in accordance with the agreements. There are significant restrictions on transfer and assignment of these limited partnership interests. The nature of the investments in this category is that distributions are received periodically when the fund incurs short- or long-term gains, return of capital, royalties, rents or other ordinary income.

Contributions Receivable

Contributions receivable at June 30, 2024 and 2023 consisted of the following unconditional promises to give, discounted using the discount rate for the year the receivable was originally pledged at 2.59%:

	2024	2023
Due within one year	$ 455,532	$ 276,400
Due in one to five years	55,500	124,500
Less		
Allowance for uncollectible contributions	2,083	1,218
Unamortized discount	2,815	3,637
	$ 506,134	$ 396,045

All contributions receivable at June 30, 2024 and 2023 were recorded as contributions receivable with donor restrictions.

Conditional Promises

The Foundation has received a conditional promise during the year to support a scholarship program through the year ending June 30, 2028. The Foundation must match 40% of the scholarship funds received which is measured each College semester. At June 30, 2024 and 2023, total conditional promises to give that are not recognized in the financial statements totaled $890,000 and $0, respectively.

Net Assets

Net Assets With Donor Restrictions

Net assets with donor restrictions at June 30, 2024 and 2023 are restricted for the following purposes or periods:

	2024	2023
Subject to expenditure for specified purpose		
Scholarships	$ 806,361	$ 733,400
Foundation Projects		
Capital Campaign	6,680,092	1,428,883
Kite Festival	83,912	78,633
Bloch Academic Coaching	63,978	56,515
Storytelling	9,254	9,254
Book & Student Emergency Fund	16,101	11,469
Burns & McDonnell Design Lab	30,092	30,092
MLK Event	121,958	71,505
Visual Arts & I.T. Bldg	29,548	29,548
KC Construction Careers Academy	9,021	9,021
Other	155,213	639,746
Promises to give, the proceeds from which have been restricted by donors for		
Capital Campaign - Scholarships	75,000	201,941
Capital Campaign - Capital	280,000	44,000
Capital Campaign - General	29,000	62,000
Scholarships	2,032	102,500
Other	125,000	-
	8,516,562	3,508,507

The Metropolitan Community College Foundation

Notes to Financial Statements

June 30, 2024 and 2023

	2024	2023
Endowments		
Subject to endowment spending policy and appropriation		
Endowment funds restricted in perpetuity		
Scholarships	$ 4,105,242	$ 4,044,297
Foundation Projects		
Buchanan Fund	25,000	25,000
Pat Danner Endowment Student Emergency Fund	25,000	25,000
Polsky Business Development	116,179	116,179
Neeland J&A Student Assistance	1,531,856	1,531,856
Other	196,174	196,174
	5,999,451	5,938,506
Accumulated gains		
Scholarships	798,571	714,723
Investment Income Payout Stabilization Fund	2,502,918	1,949,776
Foundation Projects		
Buchanan Fund	2,455	2,195
Pat Danner Endowment Student Emergency Fund	25,292	23,542
Polsky Business Development	184,262	151,077
Neeland J&A Student Assistance	250,648	300,836
Other	156,465	144,084
	3,920,611	3,286,233
	$ 18,436,624	$ 12,733,246

Net Assets Released from Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors.

	2024	2023
Satisfaction of purpose restrictions		
Scholarships	$ 361,845	$ 408,025
Capital Campaign - Capital	227,791	194,000
MLK Event	289,802	299,386
Other	1,254,097	1,329,194
	$ 2,133,535	$ 2,230,605

Net Assets Without Donor Restrictions

Net assets without donor restrictions at June 30, 2024 and 2023 have been designated for the following purposes:

	2024	2023
Board-designated quasi-endowment	$ 334,002	$ 317,022
Undesignated	5,341,932	4,607,672
	$ 5,675,934	$ 4,924,694

Endowment

The Foundation's governing body is subject to the *Uniform Prudent Management of Institutional Funds Act* (UPMIFA). As a result, the Foundation classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions because those net assets are time restricted until the governing body appropriates such amounts for expenditures. Most of those net assets also are subject to purpose restrictions that must be met before being reclassified as net assets without donor restrictions.

Additionally, in accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. Duration and preservation of the fund
2. Purposes of the Foundation and the fund
3. General economic conditions
4. Possible effect of inflation and deflation
5. Expected total return from investment income and appreciation or depreciation of investments

6. Other resources of the Foundation
7. Investment policies of the Foundation

The Foundation's endowment consists of approximately 150 individual funds established for a variety of purposes. The endowment includes both donor-restricted endowment funds and funds designated by the governing body to function as endowments (board-designated endowment funds). As required by accounting principles generally accepted in the United States of America (GAAP), net assets associated with endowment funds, including board-designated endowment funds, are classified and reported based on the existence or absence of donor-imposed restrictions. The composition of net assets by type of endowment fund at June 30, 2024 and 2023 was:

	Without Donor Restrictions	With Donor Restrictions	Total
June 30, 2024			
Board-designated	$ 334,002	$ -	$ 334,002
Donor-restricted			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-	5,999,451	5,999,451
Accumulated investment gains	-	3,920,611	3,920,611
Total endowment funds	$ 334,002	$ 9,920,062	$ 10,254,064
June 30, 2023			
Board-designated	$ 317,022	$ -	$ 317,022
Donor-restricted			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-	5,938,506	5,938,506
Accumulated investment gains	-	3,286,233	3,286,233
Total endowment funds	$ 317,022	$ 9,224,739	$ 9,541,761

Changes in endowment net assets for the years ended June 30, 2024 and 2023 were:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, June 30, 2022	$ 283,360	$ 8,675,536	$ 8,958,896
Investment return, net	45,411	840,929	886,340
Contributions	-	153,356	153,356
Transfer in Foundation	-	41,335	41,335
Appropriation of endowment assets for expenditures	(11,749)	(486,417)	(498,166)
Endowment net assets, June 30, 2023	317,022	9,224,739	9,541,761
Investment return, net	22,998	996,044	1,019,042
Contributions	-	38,420	38,420
Transfer in Foundation	-	22,725	22,725
Appropriation of endowment assets for expenditures	(6,018)	(361,866)	(367,884)
Endowment net assets, June 30, 2024	$ 334,002	$ 9,920,062	$ 10,254,064

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level the Foundation is required to retain as a fund of perpetual duration pursuant to donor stipulation or UPMIFA. In accordance with GAAP, there were no deficiencies of this nature reported at June 30, 2024 and 2023.

The Foundation has adopted investment and spending policies for its endowment fund. The objective of these policies is to provide the Foundation a predictable funding stream for its programs while protecting the purchasing power of the endowment fund. In accordance with the Foundation's investment policy, the endowment fund shall be invested to provide for total return. Endowment assets include those assets of donor-restricted endowment funds the Foundation must hold in perpetuity or for donor-specified periods, as well as those of board-designated endowment funds. Under the Foundation's policies, the endowment fund shall be invested in a diversified portfolio, consisting of common stocks, bonds, cash equivalents and other investments, which may reflect varying rates of returns. The overall rate of return objective of the portfolio is a reasonable "real" rate, consistent with the risk levels established by the endowment and Investment Committee of the board of directors.

The Foundation recognizes the need for spendable income by the beneficiaries of the endowment and long-term institutional funds under their custodianship. The spending policy reflects an objective to distribute as much total return as is consistent with overall investment objectives defined above while protecting the real value of the endowment fund principal. The board approved spending percentage, based on the average collected fund balance, was 5% for the fiscal years ended June 30, 2024 and 2023.

Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of June 30, 2024 and 2023 comprise the following:

	2024	2023
Financial Assets		
Cash and cash equivalents	$ 8,731,043	$ 3,334,198
Marketable securities, less private equity funds with redemption restrictions	16,992,239	15,153,964
Contributions receivable	506,134	396,045
Accrued interest receivable	54,631	29,751
Financial Assets, at year-end	26,284,047	18,913,958
Less those unavailable for general expenditures within one year, due to		
Contractual or donor-imposed restrictions	18,436,624	12,733,246
Board designations	334,002	317,022
	18,770,626	13,050,268
Financial assets available to meet cash needs for general expenditures within one year	$ 7,513,421	$ 5,863,690

The Foundation recognizes contributed services from The Metropolitan Community College in support of management and general and fundraising activities. Due to this support, the Foundation's operating expenditures primarily consist of scholarships and donor-restricted project expenditures.

The Foundation's accumulated investment earnings related to endowment are reviewed annually for expenditure. Each year the board of directors approves a scholarship allocation for endowed scholarships and projects. Consideration is given to retain enough earnings to offset future negative market fluctuations and provide a payout for individual scholarships in those future periods when smaller/negative investment returns occur. As of June 30, 2024 and 2023, the accumulated investment earnings in the endowment were $3,920,611 and $3,286,233, respectively, and are available for the scholarship allocation. The Foundation has determined that any donor restrictions are not considered available for general expenditure.

Within the net assets without donor restrictions, the Foundation's board of directors has reserved $334,002 and $317,022 for board-designated projects as of June 30, 2024 and 2023, respectively. These funds can be reallocated should the need arise.

Related Party Transactions

The College provides the Foundation with office space and furniture and equipment without charge. The Executive Director and staff of the Foundation are employed by the College without compensation from the Foundation and the Financial Services Department of the College also provides accounting processing services to the Foundation. In connection with the personnel and services provided by the College, the Foundation recognized contributed services revenue and related offsetting expense in the amount of $650,124 and $478,385 for the years ended June 30, 2024 and 2023, respectively. Included in these amounts are payments to outside vendors/contractors for advisory services and other expenses supporting the Foundation.

Contributions of services are recognized as revenue at their estimated fair value only when the services received create or enhance nonfinancial assets or require specialized skills possessed by the individuals providing the service and the service would typically need to be purchased if not donated. The services are valued by calculating the direct personnel costs incurred by the College in providing the contributed services. No amounts have been reflected in the financial statements for donated services, which do not create or enhance nonfinancial assets or which do not require specialized skills; however, time and resources have been contributed by volunteers in furtherance of the Foundation's mission.

Substantially all program expenses included in the statements of activities are reimbursed to the College as the result of College payments on behalf of the Foundation. Accordingly, the balances "Due to The Metropolitan Community College" on the statements of financial position of $1,892,696 and $658,656 at June 30, 2024 and 2023, respectively, represent amounts due to the College not yet reimbursed at year-end.

Significant Estimates and Concentrations

Accounting principles generally accepted in the United States of America require disclosure of certain significant estimates and current vulnerabilities due to certain concentrations. Those matters include the following:

Contributions Receivable

Approximately 78% of all contributions receivable were from two donors in 2024.

Contributions

Approximately 76% of all contributions were received from one donor in 2024. Approximately 40% of all contributions were received from three donors in 2023.

Investments

The Foundation invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the accompanying statements of financial position.

Functional Allocation of Expenses

The costs of supporting the various programs and other activities have been summarized on a functional basis. The allocation of functional expenses presents the natural classification detail of expenses by function. Certain costs have been allocated among the program, management and general and fundraising categories based on the time estimates and other methods. Allocation of functional expense as of June 30, 2024 and 2023 were as follows:

	2024						
	Program Services			Support Services			
	Scholarships and Grants	Foundation Projects	Total Program Services	Management & General	Fundraising	Total Support Services	Total
Scholarships	$ 1,011,728	$ -	$ 1,011,728	$ -	$ -	$ -	$ 1,011,728
Contributed services	-	-	-	247,888	341,433	589,321	589,321
Contracted service	-	650,221	650,221	-	-	-	650,221
Capital campaign construction	-	361,384	361,384	2,623	10,490	13,113	374,497
Supplies	-	111,380	111,380	3,469	13,874	17,343	128,723
Events and other activity	-	174,002	174,002	2,504	10,014	12,518	186,520
Equipment and software	-	18,720	18,720	-	-	-	18,720
Professional development	-	11,625	11,625	2,888	11,550	14,438	26,063
Office expense	-	23,264	23,264	678	2,713	3,391	26,655
Other	-	24,876	24,876	-	-	-	24,876
	$ 1,011,728	$ 1,375,472	$ 2,387,200	$ 260,050	$ 390,074	$ 650,124	$ 3,037,324

The Metropolitan Community College

Notes to Financial Statements

June 30, 2024 and 2023

	2023						
	Program Services			Support Services			
	Scholarships and Grants	Foundation Projects	Total Program Services	Management & General	Fundraising	Total Support Services	Total
Scholarships	$ 962,932	$ -	$ 962,932	$ -	$ -	$ -	$ 962,932
Contributed services	-	-	-	185,090	245,039	430,129	430,129
Contracted service	-	393,025	393,025	-	-	-	393,025
Capital campaign construction	-	756,889	756,889	1,984	13,278	15,262	772,151
Supplies	-	82,281	82,281	1,161	7,838	8,999	91,280
Events and other activity	-	61,028	61,028	1,093	7,313	8,406	69,434
Equipment and software	-	108,676	108,676	-	-	-	108,676
Professional development	-	5,861	5,861	1,199	8,027	9,226	15,087
Office expense	-	17,316	17,316	827	5,536	6,363	23,679
Other	-	18,096	18,096	-	-	-	18,096
	$ 962,932	$ 1,443,172	$ 2,406,104	$ 191,354	$ 287,031	$ 478,385	$ 2,884,489

Note 18: COVID-19 Pandemic-Related Grants

On March 27, 2020, the President signed into law the *Coronavirus Aid, Relief, and Economic Security Act* (CARES). The CARES Act created a Higher Education Emergency Relief Fund (HEERF) specifically for emergency aid grants to students for expenses related to the disruption of campus operations due to COVID-19 and also direct aid to institutions to cover costs associated with the significant changes to the delivery of instruction due to COVID-19.

During fiscal year 2021, the College was awarded funding as authorized by the *Coronavirus Response and Relief Supplemental Appropriations Act* (CRRSAA) which was signed into law on December 27, 2020. Commonly known as HEERF II, the College was awarded a student share of $4,354,525 and an institutional share of $14,484,930, that totaled $18,839,455. Additionally, under what is commonly known as HEERF III, the College was awarded a student share of $16,808,209 and an institutional share of $16,237,507 that totaled $33,045,716. HEERF III was authorized by the American Rescue Plan (ARP) and was signed into law on March 11, 2021.

As of June 30, 2023, the College expended cumulative expenditures for all of these funds for the student share and institutional share.

Note 19: Condensed Combining Information

Condensed combining information for the College as of and for the fiscal year ended June 30 is as follows:

	2024			
	District	Building Corporation	Eliminations	Total
Condensed Statements of Net Position				
Assets				
Current assets	$ 100,519,188	$ 7,499,816	$ -	$ 108,019,004
Noncurrent assets	166,015,137	47,920,673	-	213,935,810
Total assets	266,534,325	55,420,489	-	321,954,814
Deferred outflows	22,905,778	406,750	-	23,312,528
Liabilities				
Current liabilities	17,066,769	5,357,926	-	22,424,695
Noncurrent liabilities	112,145,575	21,380,000	-	133,525,575
Total liabilities	129,212,344	26,737,926	-	155,950,270
Deferred inflows	6,787,419	-	-	6,787,419
Net position				
Net investment in capital assets	55,943,787	26,947,423	-	82,891,210
Restricted - debt service	5,854,861	-	-	5,854,861
Unrestricted	91,641,692	2,141,890	-	93,783,582
Total net position	$ 153,440,340	$ 29,089,313	$ -	$ 182,529,653

The Metropolitan Community College
Notes to Financial Statements
June 30, 2024 and 2023

	2023			
	District	Building Corporation	Eliminations	Total
Condensed Statements of Net Position				
Assets				
Current assets	$ 62,961,251	$ 7,692,241	$ -	$ 70,653,492
Noncurrent assets	181,730,476	50,909,706	-	232,640,182
Total assets	244,691,727	58,601,947	-	303,293,674
Deferred outflows	21,046,292	636,569	-	21,682,861
Liabilities				
Current liabilities	11,038,003	5,281,442	-	16,319,445
Noncurrent liabilities	108,769,215	26,335,000	-	135,104,215
Total liabilities	119,807,218	31,616,442	-	151,423,660
Deferred inflows	9,857,734	-	-	9,857,734
Net position				
Net investment in capital assets	56,153,877	20,406,275	-	76,560,152
Restricted - debt service	5,778,377	-	-	5,778,377
Unrestricted	74,140,813	7,215,799	-	81,356,612
Total net position	$ 136,073,067	$ 27,622,074	$ -	$ 163,695,141

	2024			
	District	Building Corporation	Eliminations	Total
Condensed Statements of Revenues, Expenses and Changes in Net Position				
Operating revenues (expenses)				
Operating revenues	$ 29,744,499	$ -	$ -	$ 29,744,499
Depreciation and amortization expense	(7,175,964)	(3,257,943)	-	(10,433,907)
Other operating expenses	(120,357,943)	-	5,758,683	(114,599,260)
Operating loss	(97,789,408)	(3,257,943)	5,758,683	(95,288,668)
Nonoperating revenues (expenses)				
Nonoperating revenues	116,207,998	5,760,853	(5,758,683)	116,210,168
Interest on debt related to capital, leased and SBITA assets	(1,051,317)	(1,035,671)	-	(2,086,988)
Total nonoperating revenues, net	115,156,681	4,725,182	(5,758,683)	114,123,180
Change in net position	17,367,273	1,467,239	-	18,834,512
Net position, beginning of year	136,073,067	27,622,074	-	163,695,141
Net position, end of year	$ 153,440,340	$ 29,089,313	$ -	$ 182,529,653

The Metropolitan Community College

Notes to Financial Statements

June 30, 2024 and 2023

	2023			
	District	Building Corporation	Eliminations	Total
Condensed Statements of Revenues, Expenses and Changes in Net Position				
Operating revenues (expenses)				
Operating revenue	$ 34,727,532	$ -	$ -	$ 34,727,532
Depreciation and amortization expense	(6,382,972)	(3,284,908)	-	(9,667,880)
Other operating expenses	(120,803,511)	-	5,757,572	(115,045,939)
Operating loss	(92,458,951)	(3,284,908)	5,757,572	(89,986,287)
Nonoperating revenues (expenses)				
Nonoperating revenues	109,713,219	5,757,884	(5,757,572)	109,713,531
Interest on debt related to capital assets	(1,056,893)	(1,182,704)	-	(2,239,597)
Total nonoperating revenues, net	108,656,326	4,575,180	(5,757,572)	107,473,934
Change in net position	16,197,375	1,290,272	-	17,487,647
Net position, beginning of year	119,875,692	26,331,802	-	146,207,494
Net position, end of year	$ 136,073,067	$ 27,622,074	$ -	$ 163,695,141

	2024			
	District	Building Corporation	Eliminations	Total
Condensed Statements of Cash Flows				
Net cash used in operating activities	$ (84,321,010)	$ -	$ -	$ (84,321,010)
Net cash provided by noncapital financing activities	105,010,098	3,691,680	-	108,701,778
Net cash used in capital and related financing activities	(16,939,185)	(3,613,026)	-	(20,552,211)
Net cash provided by (used in) investing activities	23,415,403	(2,170)	-	23,413,233
	27,165,306	76,484	-	27,241,790
Cash and cash equivalents, beginning of year	31,630,756	13,751,943	-	45,382,699
Cash and cash equivalents, end of year	$ 58,796,062	$ 13,828,427	$ -	$ 72,624,489

	2023			
	District	Building Corporation	Eliminations	Total
Condensed Statements of Cash Flows				
Net cash used in operating activities	$ (87,929,456)	$ -	$ -	$ (87,929,456)
Net cash provided by noncapital financing activities	102,828,225	5,757,572	-	108,585,797
Net cash used in capital and related financing activities	(18,147,557)	(5,689,259)	-	(23,836,816)
Net cash provided by (used in) investing activities	(5,379,292)	312	-	(5,378,980)
	(8,628,080)	68,625	-	(8,559,455)
Cash and cash equivalents, beginning of year	40,258,836	13,683,318	-	53,942,154
Cash and cash equivalents, end of year	$ 31,630,756	$ 13,751,943	$ -	$ 45,382,699

Required Supplementary Information

The Metropolitan Community College
Schedule of Changes in the College's Total OPEB Liability and Related Ratios
June 30, 2024

	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability							
Service cost	$ 172,794	$ 159,815	$ 205,946	$ 445,575	$ 367,851	$ 364,448	$ 258,494
Interest	151,270	165,536	110,512	261,298	328,073	335,517	365,040
Changes in assumptions or other inputs	69,209	(188,092)	(781,469)	(3,752,207)	381,308	452,287	(374,914)
Benefit payments	(546,201)	(679,802)	(860,156)	(1,165,134)	(1,026,398)	(1,110,909)	(2,049,000)
Net change in Total OPEB Liability	(152,928)	(542,543)	(1,325,167)	(4,210,468)	50,834	41,343	(1,800,380)
Total OPEB liability, beginning of year	3,882,046	4,424,589	5,749,756	9,960,224	9,909,390	9,868,047	11,668,427
Total OPEB liability, end of year	$ 3,729,118	$ 3,882,046	$ 4,424,589	$ 5,749,756	$ 9,960,224	$ 9,909,390	$ 9,868,047
Covered-Employee Payroll	$ 45,681,848	$ 45,681,848	$ 48,928,383	$ 47,969,449	$ 48,428,339	$ 44,296,752	$ 46,346,868
Total OPEB Liability as a Percentage of Covered-Employee Payroll	8.16%	8.50%	9.04%	11.99%	20.57%	22.37%	21.29%

Notes to Schedule:

Benefit Changes

- There were no changes to benefit terms for the years ended June 30, 2024, 2023, 2022, 2021, and 2020.

Changes of Assumptions

- 2024 – The discount rate was updated to 4.10%.
- 2023 – The discount rate was updated to 4.00%.
- 2022 – The discount rate was updated to 3.90%.
- 2021 – There was a change in the discount rate which had a net impact of ($3,752,207) for the year ended June 30, 2021.
- 2020 – There was a change in the discount rate which had a net impact of $381,308 for the year ended June 30, 2020.

The Metropolitan Community College
Schedule of the College's Proportionate Share of the Net Pension Liability and College Contributions
June 30, 2024

Schedule of the College's Proportionate Share of Net Pension Liability

Year Ended *	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of Total Pension Liability
6/30/2024 PEERS	1.3378%	$ 13,363,338	$ 28,486,848	46.91%	86.50%
6/30/2024 PSRS	0.5870%	49,076,270	32,577,742	150.64%	85.38%
6/30/2023 PEERS	1.4471%	12,229,700	28,247,850	43.29%	87.92%
6/30/2023 PSRS	0.5982%	46,266,016	31,997,373	144.59%	86.04%
6/30/2022 PEERS	1.6104%	1,734,278	29,510,364	5.88%	98.36%
6/30/2022 PSRS	0.6340%	14,035,351	33,079,963	42.43%	95.81%
6/30/2021 PEERS	1.6870%	16,373,302	30,356,461	53.94%	84.06%
6/30/2021 PSRS	0.6426%	57,388,783	32,609,875	175.99%	82.01%
6/30/2020 PEERS	1.7416%	13,775,378	29,277,577	47.05%	86.38%
6/30/2020 PSRS	0.6262%	46,214,001	31,335,436	147.48%	84.62%
6/30/2019 PEERS	1.8187%	14,053,319	30,260,202	46.44%	86.06%
6/30/2019 PSRS	0.6336%	47,155,404	31,107,639	151.59%	84.06%
6/30/2018 PEERS	1.9030%	14,518,955	30,582,111	47.48%	85.35%
6/30/2018 PSRS	0.6400%	46,217,761	30,878,787	149.67%	83.77%
6/30/2017 PEERS	1.9260%	15,452,978	29,741,780	51.96%	83.32%
6/30/2017 PSRS	0.6334%	47,129,070	29,987,632	157.16%	82.18%
6/30/2016 PEERS	2.0643%	10,918,210	30,953,507	35.27%	88.28%
6/30/2016 PSRS	0.6335%	36,571,069	29,482,161	124.04%	85.78%
6/30/2015 PEERS	2.0233%	7,388,403	29,505,189	25.04%	91.33%
6/30/2015 PSRS	0.6214%	25,493,403	28,345,963	89.94%	89.34%

* The data provided in the schedule is based as of the measurement date of PSRS' and PEERS' net pension liability, which is as of the end of the College's prior fiscal year.

The Metropolitan Community College
Schedule of the College's Proportionate Share of the Net Pension Liability and College Contributions (Continued)
June 30, 2024

Schedule of College's Contributions

Year Ended	Contractually Required Contribution	Actual Employer Contributions	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
6/30/2015 PEERS	$ 2,123,411	$ 2,214,010	$ (90,599)	$ 30,953,507	7.15%
6/30/2015 PSRS	3,927,796	4,158,868	(231,072)	29,482,161	14.11%
6/30/2016 PEERS	2,123,413	2,123,413	-	29,741,780	7.14%
6/30/2016 PSRS	4,159,289	4,159,289	-	27,807,649	14.96%
6/30/2017 PEERS	2,040,287	2,040,287	-	29,741,780	6.86%
6/30/2017 PSRS	4,242,915	4,242,915	-	29,987,632	14.15%
6/30/2018 PEERS	2,097,934	2,097,934	-	30,582,111	6.86%
6/30/2018 PSRS	4,377,884	4,377,884	-	30,878,787	14.18%
6/30/2019 PEERS	2,075,850	2,075,850	-	30,260,202	6.86%
6/30/2019 PSRS	4,417,861	4,417,861	-	31,107,639	14.20%
6/30/2020 PEERS	2,073,906	2,073,906	-	29,277,577	7.08%
6/30/2020 PSRS	4,457,300	4,457,300	-	31,335,436	14.22%
6/30/2021 PEERS	2,082,456	2,082,456	-	30,356,460	6.86%
6/30/2021 PSRS	4,652,093	4,652,093	-	32,609,875	14.27%
6/30/2022 PEERS	2,024,412	2,024,412	-	29,510,364	6.86%
6/30/2022 PSRS	4,721,345	4,721,345	-	33,079,963	14.27%
6/30/2023 PEERS	1,937,802	1,937,802	-	28,247,850	6.86%
6/30/2023 PSRS	4,568,751	4,568,751	-	31,997,373	14.28%
6/30/2024 PEERS	1,954,198	1,954,198	-	28,486,848	6.86%
6/30/2024 PSRS	4,637,353	4,637,353	-	32,577,742	14.23%

Other Supplementary Information

The Metropolitan Community College
Combining Schedule of Net Position
June 30, 2024

	District	Building Corporation	Eliminations	Total
Assets				
Current Assets				
Cash and cash equivalents - unrestricted	$ 53,085,692	$ 8,470,500	$ -	$ 61,556,192
Cash and cash equivalents - restricted	5,710,370	5,357,927	-	11,068,297
Short-term investments	18,387,163	-	-	18,387,163
Accounts receivable, net of allowance; $538,045	15,409,656	(6,328,611)	-	9,081,045
Taxes receivable, net of allowance	3,166,677	-	-	3,166,677
Other assets	4,759,630	-	-	4,759,630
Total current assets	100,519,188	7,499,816	-	108,019,004
Noncurrent Assets				
Long-term investments	66,881,856	-	-	66,881,856
Capital assets				
Nondepreciable	26,904,935	806,095	-	27,711,030
Depreciable, net	70,816,036	47,114,578	-	117,930,614
Lease receivable	59,859	-	-	59,859
Right-to-use lease asset, net	653,515	-	-	653,515
Subscription assets, net	698,936	-	-	698,936
Total noncurrent assets	166,015,137	47,920,673	-	213,935,810
Total assets	266,534,325	55,420,489	-	321,954,814
Deferred Outflows of Resources	22,905,778	406,750	-	23,312,528
Total assets and deferred outflows of resources	$ 289,440,103	$ 55,827,239	$ -	$ 345,267,342
Liabilities				
Current Liabilities				
Accounts payable, accrued and other liabilities	$ 8,292,263	$ 402,926	$ -	$ 8,695,189
Compensated absences	2,032,463	-	-	2,032,463
Current portion of long-term debt	-	4,955,000	-	4,955,000
Current portion of lease liability	285,199	-	-	285,199
Current portion of subscription liabilities	258,406	-	-	258,406
Unearned revenue	6,148,438	-	-	6,148,438
Unearned revenue - contracts	50,000	-	-	50,000
Total current liabilities	17,066,769	5,357,926	-	22,424,695
Noncurrent Liabilities				
Bond payable	43,782,394	21,380,000	-	65,162,394
Lease liability, net of current portion	400,509	-	-	400,509
Subscription liabilities, net of current portion	365,885	-	-	365,885
Compensated absences	1,428,061	-	-	1,428,061
Other postemployment benefit liability	3,729,118	-	-	3,729,118
Net pension liability	62,439,608	-	-	62,439,608
Total noncurrent liabilities	112,145,575	21,380,000	-	133,525,575
Total liabilities	129,212,344	26,737,926	-	155,950,270
Deferred Inflows of Resources	6,787,419	-	-	6,787,419
Total liabilities and deferred inflows of resources	135,999,763	26,737,926	-	162,737,689
Net Position				
Net investment in capital assets	55,943,787	26,947,423	-	82,891,210
Restricted - debt service	5,854,861	-	-	5,854,861
Unrestricted	91,641,692	2,141,890	-	93,783,582
Total net position	$ 153,440,340	$ 29,089,313	$ -	$ 182,529,653

The Metropolitan Community College

Combining Schedule of Revenues, Expenses and Changes in Net Position

Year Ended June 30, 2024

	District	Building Corporation	Eliminations	Total
Operating Revenues				
Tuition and fees	$ 37,436,052	$ -	$ -	$ 37,436,052
Less scholarship allowance	25,542,934	-	-	25,542,934
Student tuition and fees, net	11,893,118	-	-	11,893,118
Federal grants and contracts	3,786,632	-	-	3,786,632
State and local grants and contracts	11,908,632	-	-	11,908,632
Auxiliary services revenues	91,623	-	-	91,623
Other	2,064,494	-	-	2,064,494
Total operating revenues	29,744,499	-	-	29,744,499
Operating Expenses				
Salaries and wages	62,052,099	-	-	62,052,099
Fringe benefits	20,586,352	-	-	20,586,352
Supplies and other services	30,913,460	-	(5,758,683)	25,154,777
Utilities	3,155,423	-	-	3,155,423
Scholarships and fellowships	3,650,609	-	-	3,650,609
Depreciation and amortization	7,175,964	3,257,943	-	10,433,907
Total operating expenses	127,533,907	3,257,943	(5,758,683)	125,033,167
Operating Loss	(97,789,408)	(3,257,943)	5,758,683	(95,288,668)
Nonoperating Revenues (Expenses)				
Federal Pell Grant revenue	19,593,988	-	-	19,593,988
ARPA Grant revenue	5,428,944	-	-	5,428,944
State appropriations	32,225,501	-	-	32,225,501
County property tax revenue	49,250,734	-	-	49,250,734
Investment income	7,538,420	2,170	-	7,540,590
Other nonoperating revenues	2,128,931	5,758,683	(5,758,683)	2,128,931
Loss on disposal of capital assets	41,480	-	-	41,480
Interest on debt related to capital, leased & SBITA assets	(1,051,317)	(1,035,671)	-	(2,086,988)
Total nonoperating revenues, net	115,156,681	4,725,182	(5,758,683)	114,123,180
Change in Net Position	17,367,273	1,467,239	-	18,834,512
Net Position, Beginning of Year	136,073,067	27,622,074	-	163,695,141
Net Position, End of Year	$ 153,440,340	$ 29,089,313	$ -	$ 182,529,653

The Metropolitan Community College

Schedule of Revenues, Expenses and Changes in Fund Balances

Year Ended June 30, 2024

	Student Fund	General Fund	Special Projects Fund	Designated Fund	WED Fund	Auxiliary Enterprises Fund	Student Aid Fund	Restricted Fund	Unexpended Plant Fund	Bond - Plant Fund	Invested in Plant Fund	Debt Services Plant Fund	Total
Revenues													
Student tuition and fees, net	$ -	$ 35,886,225	$ -	$ -	$ 1,549,827	$ -	$ (25,542,934)	$ -	$ -	$ -	$ -	$ -	$ 11,893,118
State aid	-	32,225,501	-	-	-	-	-	-	-	-	-	-	32,225,501
Government grants and contracts	-	898,065	-	-	482,687	-	27,382,476	11,954,968	-	-	-	-	40,718,196
State and county taxes	-	49,250,734	-	-	-	-	-	-	-	-	-	-	49,250,734
Investment income	-	7,209,767	-	-	-	-	-	-	-	328,152	-	501	7,538,420
Other income (loss)	92,029	445,899	-	-	1,046,399	597,453	444,244	430,842	1,228,182	-	41,480	-	4,326,528
Total revenues	92,029	125,916,191	-	-	3,078,913	597,453	2,283,786	12,385,810	1,228,182	328,152	41,480	501	145,952,497
Expenses													
Instructional	20,329	39,792,689	-	-	1,659,345	-	-	7,542,465	194,868	-	-	-	49,209,696
Academic support	-	13,477,391	-	-	507,901	-	-	116,467	-	-	-	-	14,101,759
Student services	652,631	12,022,722	-	-	1,623	-	371,949	728,314	64,832	-	-	-	13,842,071
Plant operation and maintenance	-	12,184,553	-	-	-	-	-	3,119,350	6,668,467	4,242,082	-	-	26,214,452
Depreciation	-	635,460	-	-	-	-	-	-	-	-	6,540,504	-	7,175,964
Institutional support	3,661	20,795,933	-	-	1,813,455	100,842	-	1,990	2,659,512	-	-	-	25,375,393
Scholarships and fellowships	5,060	1,500,808	-	-	1,997	-	1,911,837	230,907	-	-	-	-	3,650,609
Public service	-	-	-	-	17,927	-	-	765,449	-	-	-	-	783,376
Interest expense	-	69,831	-	-	-	-	-	-	-	-	-	981,486	1,051,317
Auxiliary expenses	-	-	-	-	-	335,303	-	-	-	-	-	-	335,303
Total expenses	681,681	100,479,387	-	-	4,002,248	436,145	2,283,786	12,504,942	9,587,679	4,242,082	6,540,504	981,486	141,739,940
Revenues Over (Under) Expenses	(589,652)	25,436,804	-	-	(923,335)	161,308	-	(119,132)	(8,359,497)	(3,913,930)	(6,499,024)	(980,985)	4,212,557
Add: Capitalized expenses	-	117,223	-	-	-	-	-	9,394,215	575,596	3,067,682	-	-	13,154,716
Total before fund transfers	(589,652)	25,554,027	-	-	(923,335)	161,308	-	9,275,083	(7,783,901)	(846,248)	(6,499,024)	(980,985)	17,367,273
Total fund transfers	504,963	(25,554,027)	-	-	923,335	(161,308)	-	(9,275,083)	18,580,171	846,248	13,154,716	980,985	-
Increase (Decrease) in Fund Balance	(84,689)	-	-	-	-	-	-	-	10,796,270	-	6,655,692	-	17,367,273
Fund Balance, Beginning of Year	318,431	20,058,750	-	-	-	-	-	-	17,131,055	-	98,564,831	-	136,073,067
Fund Balance, End of Year	$ 233,742	$ 20,058,750	$ -	$ -	$ -	$ -	$ -	$ -	$ 27,927,325	$ -	$ 105,220,523	$ -	$ 153,440,340

The Metropolitan Community College

Schedule of Revenues, Expenses and Changes in Fund Balances (Continued)

Year Ended June 30, 2024

	2024			
	District	Building Corporation	Eliminations	Total
Revenues				
Student tuition and fees	$ 37,436,052	$ -	$ -	$ 37,436,052
Less scholarship allowance	25,542,934	-	-	25,542,934
Student tuition and fees, net	11,893,118	-	-	11,893,118
State aid	32,225,501	-	-	32,225,501
Government grants and contracts	40,718,196	-	-	40,718,196
State and county taxes	49,250,734	-	-	49,250,734
Investment income	7,538,420	2,170	-	7,540,590
Other income	4,326,528	5,758,683	(5,757,572)	4,327,639
Total revenues	145,952,497	5,760,853	(5,757,572)	145,955,778
Operating Expenses				
Instructional	49,209,696	-	-	49,209,696
Academic support	14,101,759	-	-	14,101,759
Student services	13,842,071	-	-	13,842,071
Plant operation and maintenance	26,214,452	-	(5,757,572)	20,456,880
Depreciation	7,175,964	3,257,943	-	10,433,907
Institutional support	25,375,393	-	-	25,375,393
Scholarships and fellowships	3,650,609	-	-	3,650,609
Public service	783,376	-	-	783,376
Interest expense	1,051,317	1,035,671	-	2,086,988
Auxiliary expenses	335,303	-	-	335,303
Total operating expenses	141,739,940	4,293,614	(5,757,572)	140,275,982
Revenues over expenditures	4,212,557	1,467,239	-	5,679,796
Add: Capitalized expenses	13,154,716	-	-	13,154,716
Change in Fund Balance	17,367,273	1,467,239	-	18,834,512
Fund Balance, Beginning of Year	136,073,067	27,622,074	-	163,695,141
Fund Balance, End of Year	$ 153,440,340	$ 29,089,313	$ -	$ 182,529,653

The Metropolitan Community College

Schedule of Expenses by Functional and Natural Classification

Year Ended June 30, 2024

Functional Expense Classification

	Natural Expense Classification							
	Salaries and Wages	Fringe Benefits	Supplies and Other Services	Utilities	Scholarships and Fellowships	Depreciation	Interest Expense	Total Expenses by Functional Classification (Fund Report)
Type of expense								
Instructional	30,228,902	8,597,290	10,383,506					49,209,698
Academic support	7,542,270	2,776,837	3,371,241	411,410				14,101,758
Student services	9,030,518	3,412,528	1,399,022					13,842,068
Plant operation and maintenance	2,175,619	919,150	14,616,985	2,744,013				20,455,767
Institutional support	12,583,622	4,674,181	8,118,705					25,376,508
Public service	305,094	115,083	363,199					783,376
Auxiliary expenses	186,074	91,283	57,946					335,303
Scholarships and fellowships					3,650,609			3,650,609
Depreciation						10,433,907		10,433,907
Interest expense							2,086,988	2,086,988
Total expenses	62,052,099	20,586,352	38,310,604	3,155,423	3,650,609	10,433,907	2,086,988	140,275,982
Less: Capitalized expenses			(13,155,827)					(13,155,827)
Total expenses by natural classification (GASB Report)	$ 62,052,099	$ 20,586,352	$ 25,154,777	$ 3,155,423	$ 3,650,609	$ 10,433,907	$ 2,086,988	$ 127,120,155

The Metropolitan Community College

Schedule of Fund Transfers From/(To)

Year Ended June 30, 2024

	Operational						Restricted Funds		Plant Funds				
	General	Special Projects	Designated	WED	Student Fund	Auxiliary	Student Aid	Restricted	Unexpended Plant	Plant Bond Fund	Invested in Plant	Debt Services	Total
Fund Transfers													
Transfer for capitalized equipment	$ 117,223	$ -	$ -	$ -	$ -	$ -	$ -	$ 9,394,215	$ 575,596	$ 3,067,682	$ (13,154,716)	$ -	$ -
Transfer to cover net bond payment	5,758,683	-	-	-	-	-	-	-	(5,758,683)	-	-	-	-
Transfer for designated maintenance projects	500,000	-	-	-	-	-	-	-	(500,000)	-	-	-	-
Transfer for designated IT projects	3,287,274	-	-	-	-	-	-	-	(3,287,274)	-	-	-	-
Transfer annual fund close-out	5,776,074	-	-	(923,335)	-	161,308	-	(119,132)	-	(3,913,930)	-	(980,985)	-
Transfer to match financial plan	9,609,810	-	-	-	-	-	-	-	(9,609,810)	-	-	-	-
Transfer for student fund	504,963	-	-	-	(504,963)	-	-	-	-	-	-	-	-
Net fund transfers	$ 25,554,027	$ -	$ -	$ (923,335)	$ (504,963)	$ 161,308	$ -	$ 9,275,083	$ (18,580,171)	$ (846,248)	$ (13,154,716)	$ (980,985)	$ -

Funds statements are still used to manage the College and for external reporting to various agencies and have been included in the "Other Supplementary Information" section of the accompanying report for informational purposes. The main difference between the College's primary audited financial statements and the funds statement presentations is the treatment of scholarship aid used for tuition and fees. The primary statements per GASB 35 require such aid to be offset against tuition and fees, whereas the funds statements reflect gross tuition and fees and scholarship aid.

Fund accounting is the procedure by which resources are classified for accounting and reporting purposes into funds that are maintained in accordance with activities or specific objectives. Separate accounts are maintained for each fund. Funds that have similar characteristics have been combined into fund groups. Accordingly, all financial transactions have been recorded and reported by fund groups.

The assets, liabilities and fund balances of the College are reported in two self-balancing fund groups as follows:

Current Funds include two separate fund groups, unrestricted and restricted, both of which are currently expendable for purposes of meeting the primary objectives of the College, *i.e.*, instruction, public service and related supporting services. The unrestricted funds group, over which the College's governing board retains full control to use in achieving any of its institutional purposes, includes the operational (general, business/continuing education and special projects), auxiliary enterprise and agency funds. The general fund is used for all operational-type charges that are not covered by the following two categories. The business/continuing education fund is utilized to account for contracted instructional activities with the business community and most other noncredit instruction. The special projects fund is used to account for programs, which have been internally designated by the College's governing board as pilot projects or require special accountability. Resources restricted by donors or other outside agencies for specific current operating purposes are accounted for in the restricted funds group, which includes the restricted and student aid funds.

Plant Funds include resources available for future plant acquisitions, renewals and replacements, resources restricted for the retirement of indebtedness and funds which have been invested in the plant. These funds are broken into two separate sections: **Plant Funds** and **Building Corporation** plant funds.

Compliance

The Metropolitan Community College
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity or Other Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
Student Financial Assistance Cluster				
U.S. Department of Education/Federal Supplemental Educational Opportunity Grants	84.007	N/A	$ -	$ 531,371
U.S. Department of Education/Federal Direct Student Loans	84.268	N/A	-	4,151,344
U.S. Department of Education/Federal Work Study Program	84.033	N/A	-	389,319
U.S. Department of Education/Federal Pell Grant Program	84.063	N/A	-	19,617,615
Total Student Financial Assistance Cluster			-	24,689,649
TRIO Cluster				
U.S. Department of Education/TRIO - Education Opportunity Centers	84.066	N/A	-	564,785
U.S. Department of Education/TRIO - Student Support Services	84.042A	N/A	-	524,140
Total TRIO Cluster			-	1,088,925
WIOA Cluster				
U.S. Department of Labor/Missouri Office of Workforce Development - Department of Higher Education and Workforce Development/WIOA Dislocated Worker Formula Grants	17.278	10-37-37-22	-	81,136
Total WIOA Cluster			-	81,136
SNAP Cluster				
U.S. Department of Agriculture/Missouri Department of Social Services & Missouri Community College Assn./State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	CS200911001	-	126,472
Total SNAP Cluster			-	126,472
Research and Development Cluster				
National Science Foundation/University of Missouri-Kansas City STEM Education	47.076	0099422	-	14,909
National Science Foundation/University of Missouri-Kansas City STEM Education	47.076	00117841/00075902	-	2,393
Total Research and Development Cluster			-	17,302

The Metropolitan Community College
Schedule of Expenditures of Federal Awards (Continued)
Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity or Other Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Treasury/Jackson County/COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	SLFRP3406	$ -	$ 428,877
U.S. Department of the Treasury/Missouri Department of Higher Ed and Workforce Development/COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	-	4,988,738
U.S. Department of Treasury/Missouri Workforce Development/ COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	-	11,329
Total Federal Assistance Listing Number 21.027			-	5,428,944
U.S. Department of Education/COVID-19 American Rescue Plan Elementary and Secondary Schools Emergency Relief Fund	84.425U	N/A	-	6,620
U.S. Department of Education/ Career and Technical Education - Basic Grants to States (Carl D. Perkins Vocational Educational)	84.048A	N/A	-	1,106,467
U.S. Department of Labor/St. Louis Community College/H-1B Job Training Grants (Missouri Apprenticeships in Manufacturing Program)	17.268	HG-33040-19-MCC	-	189,495
National Aeronautics & Space Administration/Missouri University of Science and Technology/Science (Missouri Space Grant Consortium)	43.001	0050027	-	15,000
U.S. Department of Health and Human Services/Missouri Department of Health and Senior Services/The National Cardiovascular Health Program	93.426	AOC19380190	-	32,000
U.S. Department of Health and Human Services (HHS)/Missouri Department of Elementary & Secondary Education/UMKC/Preschool Development Grant	93.434	2021028679	-	14,744
U.S. Department of Health and Human Services/Missouri Department of Social Services & Missouri Community College Association/ Temporary Assistance for Needy Families (SkillUP Initiative)	93.558	N/A	-	113,220
U.S. Department of Health and Human Services (HHS)/Community Project Funding/Congressional Directives (Construction)	93.493	N/A	-	40,356
Total			$ -	$ 32,950,330

The Metropolitan Community College

Notes to the Schedule of Expenditures of Federal Awards

Year Ended June 30, 2024

Note 1: Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of The Metropolitan Community College (College) under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the 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). Because the Schedule presents only a selected portion of the operations of the College, it is not intended to and does not present the financial position, changes in net position or cash flows of the College.

Note 2: Summary of Accounting policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, or other applicable regulatory guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Note 3: Indirect Cost Rate

The Metropolitan Community College has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

Note 4: Subrecipients

The College provided no federal awards to subrecipients.

Note 5: Federal Loan Programs

The College has certain federal student loan funds not subject to continuing compliance requirements, such as the Federal Direct Student Loans. Since the College does not administer the program, the outstanding loan balances have not been included in the Schedule. New loans made during the year under this program are included in the Schedule.

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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*

Independent Auditor's Report

Board of Trustees
The Metropolitan Community College
Kansas City, Missouri

We have audited, 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 *(Government Auditing Standards)*, the financial statements of the business-type activities and the discretely presented component unit of The Junior College District of Metropolitan Kansas City, Missouri (d/b/a The Metropolitan Community College, 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 and have issued our report thereon dated December 5, 2024. The financial statements of The Metropolitan Community College Foundation, a component unit included in the financial statements of the aggregate discretely presented component units, were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with The Metropolitan Community College Foundation.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the College's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, we do not express an opinion on the effectiveness of the College's internal control.

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Forvis Mazars, LLP

Kansas City, Missouri
December 5, 2024

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Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance

Independent Auditor's Report

Board of Trustees
The Metropolitan Community College
Kansas City, Missouri

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited The Junior College District of Metropolitan Kansas City, Missouri's (d/b/a The Metropolitan Community College, the "College") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the College's major federal programs for the year ended June 30, 2024. The College's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the College complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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 "Auditor's Responsibilities for the Audit of Compliance" section of our report.

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

Responsibilities of Management for Compliance

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

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

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

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

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2024-001. Our opinion on each major federal program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on the College's response to the noncompliance finding identified in our audit described in the accompanying schedule of findings and questioned costs. The College's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response. The College is responsible for preparing a corrective action plan to address each audit finding included in our auditor's report. The College's corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

Report on Internal Control Over Compliance

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

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2024-001, to be a significant deficiency.

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

Government Auditing Standards requires the auditor to perform limited procedures on the College's response to the internal control over compliance finding identified in our audit described in the accompanying schedule of findings and questioned costs. The College's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response. The College is responsible for preparing a corrective action plan to address each audit finding included in our auditor's report. The College's corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

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.

Forvis Mazars, LLP

Kansas City, Missouri
December 5, 2024

The Metropolitan Community College
Schedule of Findings and Questioned Costs
Year Ended June 30, 2024

Section I – Summary of Auditor's Results

Financial Statements

1. Type of report the auditor issued on whether the financial statements audited were prepared in accordance with (GAAP):

   ☒ Unmodified ☐ Qualified ☐ Adverse ☐ Disclaimer

2. Internal control over financial reporting:

Significant deficiency(ies) identified?	☐ Yes	☒ None reported
Material weakness(es) identified?	☐ Yes	☒ No

3. Noncompliance material to the financial statements noted? ☐ Yes ☒ No

Federal Awards

4. Internal control over major federal awards programs:

Significant deficiency(ies) identified?	☒ Yes	☐ None reported
Material weakness(es) identified?	☐ Yes	☒ No

5. Type of auditor's report issued on compliance for major federal programs:

   ☒ Unmodified ☐ Qualified ☐ Adverse ☐ Disclaimer

6. The audit disclosed findings required to be reported by 2 CFR 200.516(a)? ☒ Yes ☐ No

The Metropolitan Community College

Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2024

7. Identification of major federal programs:

Name of Federal Program or Cluster	Federal Assistance Listing Number
Student Financial Assistance Cluster	
Federal Supplemental Educational Opportunity Grants	84.007
Federal Direct Student Loans	84.268
Federal Work Study Program	84.033
Federal Pell Grant Program	84.063
TRIO Cluster	
U.S. Department of Education/TRIO -Education Opportunity Center	84.066
U.S. Department of Education/TRIO - Student Support Services	84.042A
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027

8. Dollar threshold used to distinguish between Type A and Type B programs: $988,510.

9. Auditee qualified as a low-risk auditee? ☒ Yes ☐ No

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Awards Findings and Questioned Costs

Reference Number	Findings
2024-001	**Student Financial Assistance Cluster** **U.S. Department of Education** **84.268 - Federal Direct Student Loans - Award Year 2023/2024** **84.063 - Federal Pell Grant Program - Award Year 2023/2024**

Criteria or Specific Requirement – Special Tests & Provisions: Enrollment Reporting Pell 34 CFR Section 690.83(b)(2); FDL, 34 CFR Section 685.309. Federal regulations state that enrollment information must be reported to the NSLDS website within 30 days of whenever attendance changes for students, unless a complete roster will be submitted within 60 days. These changes include reductions or increases in attendance levels, withdrawals, graduations or approved leave of absence. Institutions are responsible for timely reporting, whether they report directly or via a third-party servicer.

Condition – Enrollment information was not submitted within the required timeframe by the College.

Questioned Costs – None noted.

Context – Out of a population of 398 student enrollment status changes, a sample of 40 student status changes was selected for testing. Out of the 40 selected for testing, two students that had status changes were not communicated to NSLDS on a timely basis. The sample was not, and was not intended to be, a statistically valid sample.

Effect – Notification of student changes was not reported in a timely manner.

Cause – Oversight by management.

Identification as a Repeat Finding – No

Recommendation – The College should improve monitoring policies and procedures to ensure student status changes are reported timely to NSLDS.

Views of Responsible Officials and Planned Corrective Actions – Management agrees with the stated finding and has implemented a corrective action plan.

The Metropolitan Community College

Summary Schedule of Prior Audit Findings

Year Ended June 30, 2024

Reference Number	Summary of Finding	Status
	No matters are reportable.	

METROPOLITAN COMMUNITY COLLEGE

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Reference Number	Corrective Action Plan
2024-001	Enrollment information was not submitted within the required timeframe by the University.

Personnel Responsible for Corrective Action: Dena Norris, Associate Vice Chancellor of Student Financial Services, and Tara Dettmer, Director of Financial Aid – Fiscal Operations

Anticipated Completion Date: Corrective action plan will be implemented by June 30, 2025.

Views of Responsible Officials and Planned Corrective Action Plan: Metropolitan Community College (MCC) will begin a new monitoring process for enrollment reporting to ensure compliance and timely reporting of all students. Enrollment status changes are reported every month to the National Student Clearinghouse (NSC), MCC will make a random selection of 10-15 students each month to verify data was correctly transmitted to NSC. A secondary check of these students will be done to ensure the data is also transmitted to the National Student Loan Data System (NSLDS). MCC will also ensure error reports and other data issues are resolved in a timely manner to ensure reporting of students is completed within the regulatory timeframe.

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