

BRISTOL COMMUNITY COLLEGE
(an Agency of the Commonwealth of Massachusetts)
Financial Statements and
Management's Discussion and Analysis
June 30, 2024 and 2023
With Independent Auditor's Report

Bristol Community College
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June 30, 2024 and 2023

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of
Bristol Community College:

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities of Bristol Community College (an agency of the Commonwealth of Massachusetts) (the "College"), as of and for the years ended June 30, 2024 and 2023, and the discretely presented major component unit, Bristol Community College Foundation, Inc. (the "Foundation") as of and for the years ended June 30, 2024 and 2023, and the related notes to financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the College as of June 30, 2024 and 2023, and the respective changes in net position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Bristol Community College and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 2 of the financial statements, the balances have been restated as of and for the year ended June 30, 2023, due to student loans passed through from the federal government being recognized within the financial statements. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

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 generally accepted auditing standards in the United States of America and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards in the United States of America 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 and the other required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 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.

A handwritten signature in blue ink that reads 'Withum Smith + Brown, PC'.

December 16, 2024

Bristol Community College

Management's Discussion and Analysis

June 30, 2024 and 2023

Introduction

Bristol Community College (the "College") is a two-year public comprehensive community college offering career and transfer programs of study that lead to associate degrees or certificates. Bristol Community College is accredited by the New England Association of Schools and Colleges. This accreditation indicates that the institution has been carefully evaluated and been found to meet standards agreed upon by qualified educators.

As management of Bristol Community College, we offer readers of our financial statements, this narrative overview, and analysis of the financial activities of Bristol Community College for the fiscal year ended June 30, 2024, and 2023. This discussion has been prepared by management and should be read in conjunction with the College's basic financial statements and footnotes. Responsibility for the completeness and fairness of this information rests with the College.

Bristol Community College Foundation (the "Foundation") is a legally separate tax-exempt component unit of Bristol Community College. The Foundation acts primarily as a fund-raising organization to supplement the resources that are available to the College in support of its programs. The Board of the Foundation is self-perpetuating and primarily consists of graduates and friends of the College. Although the College does not control the timing or the amount of receipts from the Foundation, the majority of resources received or held by the Foundation are restricted to the activities of the College by the donors. Because these resources held by the Foundation can only be used by or are for the benefit of the College, the Foundation is considered a component unit of the College and is discretely presented in the College's financial statements.

Management's Discussion and Analysis is required to focus on the College, not its component unit.

The Financial Statements

The College's financial report includes three financial statements: The *Statement of Net Position*, the *Statement of Revenues, Expenses and Changes in Net Position*, and the *Statement of Cash Flows*. These financial statements are prepared in accordance with the Governmental Accounting Standards Board (GASB).

These financial statements focus on the financial condition, the results of operations, and the cash flows of the College as a whole.

The *Statement of Net Position* presents information on all of Bristol Community College's assets and liabilities with the difference of the two reported as *Net Position*. Changes in the College's net position are one indicator of the College's financial health.

Over time, increases or decreases in net position are an 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. The *Statement of Net Position* include all assets and liabilities. It is prepared under the accrual basis of accounting, whereby revenues and assets are recognized when the service is provided, and expenses and liabilities are recognized when others provide the service, regardless of when cash is exchanged.

The *Statement of Revenues, Expenses and Changes in Net Position* present information showing how the College's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event given rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., the accrual for compensated absences). Activities are reported as either operating or nonoperating. A Public College's dependency on state aid will result in operating deficits because the financial reporting model classifies state appropriations as nonoperating revenues. The utilization of long-lived assets, referred to as Capital Assets, is reflected in the financial statements as depreciation, which amortizes the cost of an asset over its expected useful life.

Bristol Community College

Management's Discussion and Analysis

June 30, 2024 and 2023

The *Statement of Cash Flows* is reported on the direct method. The direct method of cash flow reporting portrays net cash flow from operations as major classes of operating receipts (e.g., tuition and fees) and disbursements (e.g., cash paid to employees for service). GASB Statements Nos. 34 and 35 require this method to be used. In accordance with GASB 39, the Foundation is not required to present the statement of cash flows.

The financial statements can be found on pages 12-16 of this report.

Bristol Community College reports its activity as a business type activity using the economic resources measurement focus and accrual basis of accounting. The College is an agency of the Commonwealth of Massachusetts. Therefore, the results of the College's operations, its net position and cash flows, are also summarized in the Commonwealth's Annual Comprehensive Financial Report in its government-wide financial statements.

Notes to financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to financial statements can be found on pages 19-47 of this report.

Financial Analysis

Bristol Community College adheres to a prudent utilization of the College's financial resources including careful cost controls, conservative utilization of debt and adherence to a sound approach to maintenance of physical plant. At June 30, 2024, the assets of Bristol Community College exceeded liabilities by \$114,823,621, a \$9,453,942 or approximate 9% increase from the excess of \$105,369,679 at the close of 2023. The primary reasons for this are due to the reduction in Pension and OPEB expense, the use of CARES funds to offset some operational expenses and increase in enrollment. At June 30, 2023, the assets of Bristol Community College exceeded liabilities by \$105,369,679, a \$6,880,511 or 6.99% increase from the excess of \$98,489,168 at the close of 2022.

The largest portion of Bristol Community College's net position is its investment in capital assets (e.g., land, buildings and equipment). Bristol Community College uses these capital assets to provide services to students, faculty, and administration; consequently, these assets are not available for future spending.

Bristol Community College
Management's Discussion and Analysis
June 30, 2024 and 2023

Condensed Schedule of Net Position

	2024	(Restated) 2023	(Restated) 2022
Current and other assets	\$ 57,510,076	\$ 54,509,600	\$ 47,432,906
Capital assets, net	95,770,178	96,694,374	94,999,421
Deferred outflows of resources	1,402,765	2,650,920	4,710,196
Total assets and deferred outflows of resources	<u>154,683,019</u>	<u>153,854,894</u>	<u>147,142,523</u>
Current liabilities outstanding	13,847,509	16,127,378	11,522,607
Other liabilities	12,075,522	19,455,993	20,337,317
Deferred inflows of resources	13,936,367	12,901,844	16,793,431
Total liabilities and deferred inflows of resources	<u>39,859,398</u>	<u>48,485,215</u>	<u>48,653,355</u>
Net Position:			
Investment in capital assets, net	89,934,716	90,523,075	89,023,342
Restricted	206,047	179,615	304,628
Unrestricted	24,682,858	14,666,989	9,161,198
Total net position	<u>\$ 114,823,621</u>	<u>\$ 105,369,679</u>	<u>\$ 98,489,168</u>

Restricted net position is subject to external restrictions on how it must be used. Bristol Community College's restricted net position is for scholarships, student loans, and federal and state grants.

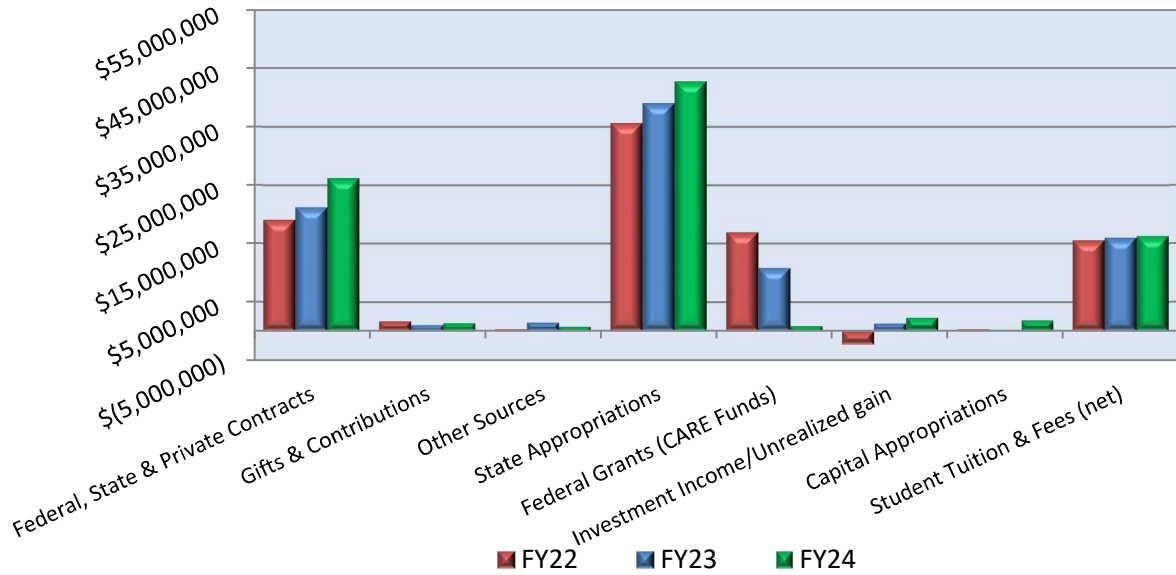
Bristol Community College
Management's Discussion and Analysis
June 30, 2024 and 2023

**Condensed Schedule of Revenues, Expenses
and Changes in Net Position**

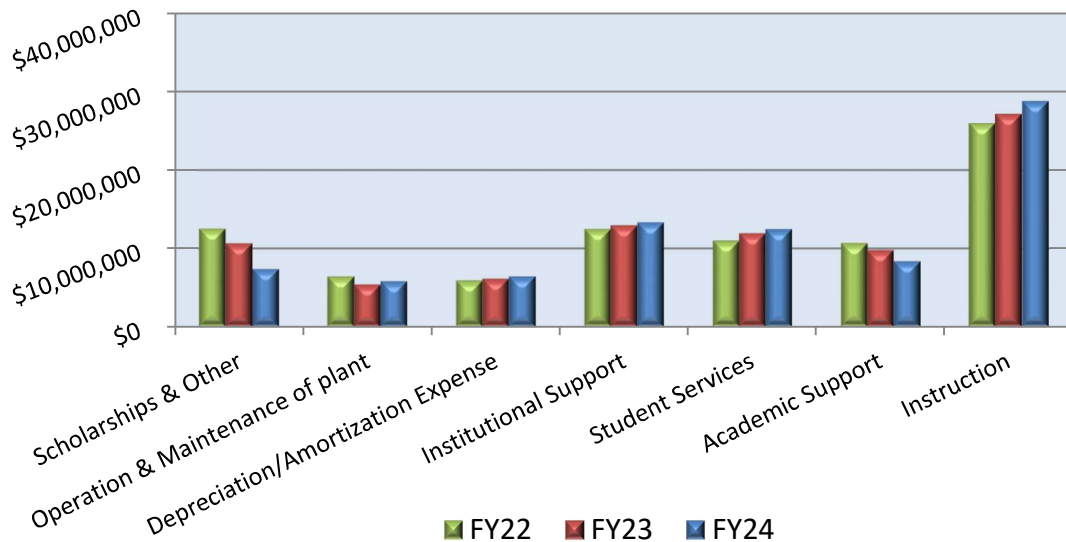
	2024	(Restated) 2023	(Restated) 2022
Operating revenues:			
Student tuition and fees	\$ 25,499,327	\$ 22,668,194	\$ 23,847,815
Less scholarship discounts and allowances	(9,253,791)	(6,691,989)	(8,329,850)
Student tuition and fees, net	16,245,536	15,976,205	15,517,965
Operating grants and contracts	26,142,783	21,196,406	19,023,058
Other sources	747,420	1,473,504	321,465
Total operating revenues	43,135,739	38,646,115	34,862,488
Operating expenses	82,292,849	83,790,586	84,653,133
Net operating loss	(39,157,110)	(45,144,471)	(49,790,645)
Non-operating revenues:			
State appropriations	42,648,014	38,932,448	35,518,829
CARES	850,676	10,823,195	16,873,091
Investment income and unrealized gains and loss	2,277,065	1,318,361	(2,330,930)
Gifts and contributions	1,353,362	1,033,470	1,700,915
Interest expense	(363,642)	(293,837)	(346,871)
Total non-operating revenues	46,765,475	51,813,637	51,415,034
Gain (loss) before other revenues, expenses, gains, or losses	7,608,365	6,669,166	1,624,389
Capital appropriations	1,845,577	211,345	315,375
Increase (decrease) in net position	9,453,942	6,880,511	1,939,764
Net position, beginning of the year	105,369,679	98,489,168	96,549,404
Net position, end of the year	\$ 114,823,621	\$ 105,369,679	\$ 98,489,168

Bristol Community College
Management's Discussion and Analysis
June 30, 2024 and 2023

FY22 - FY24
Comparison of Revenues by Source



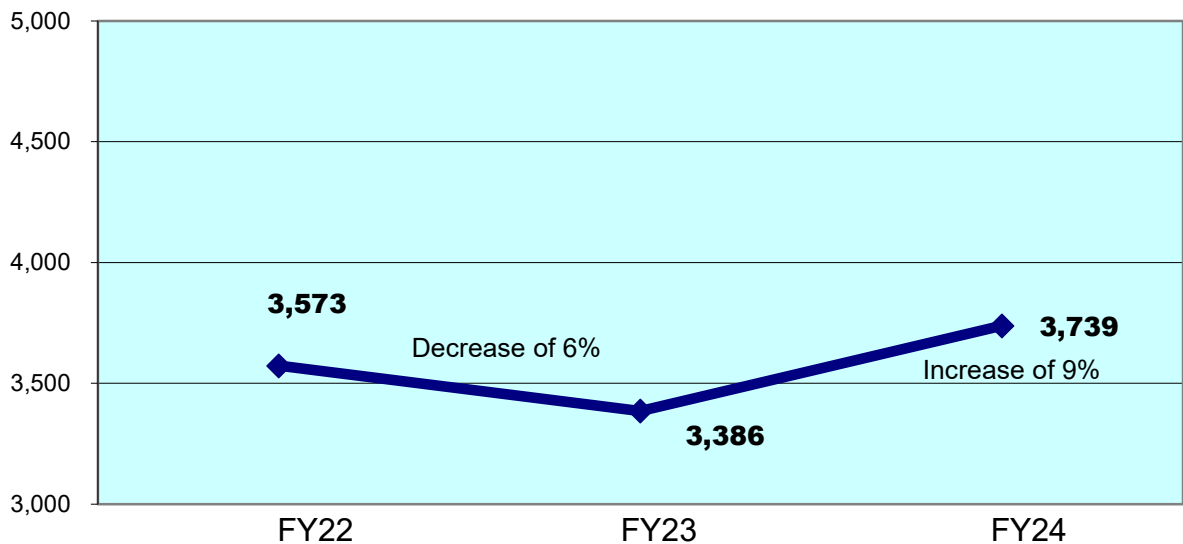
FY22 - FY24
Comparison of Operating Expenses by Function



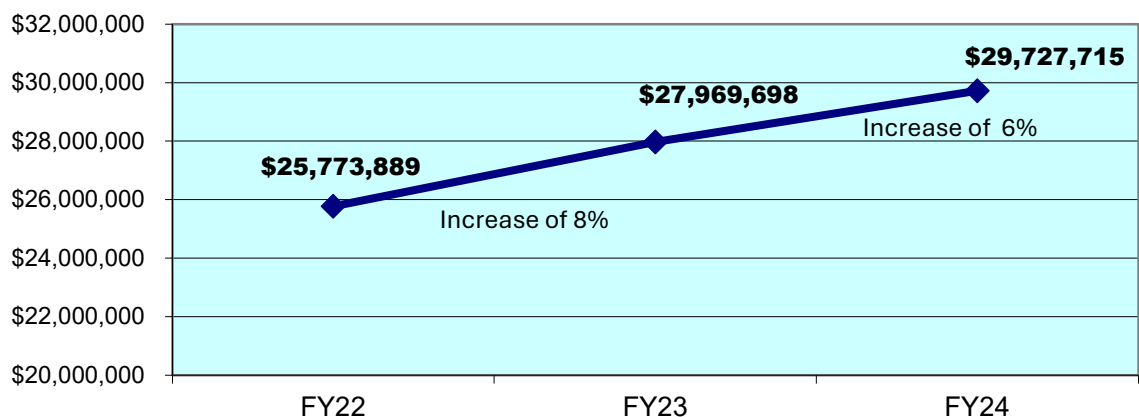
Bristol Community College
Management's Discussion and Analysis
June 30, 2024 and 2023

The College continues to examine revenue diversification and cost containment due to financial pressure from increased cost of compensation and benefits, and the need to continue investing in technology to support teaching and learning. Student tuition and fees, state appropriations, and federal financial aid remain the primary sources of funding for the College. Gross student tuition and fees in Fiscal Year 2024 increased by approximately 12.49% from Fiscal Year 2023 tuition and fees primarily due to an increase in enrollment due to the Commonwealth's implementation of the Reconnect free college program. Unrestricted State appropriations increased 9.5% in FY24 from FY23. The careful use of revenues generated by tuition and fees, and state appropriations, ensures that the mission statement of the College was followed and that students would continue to receive a high-quality education and services.

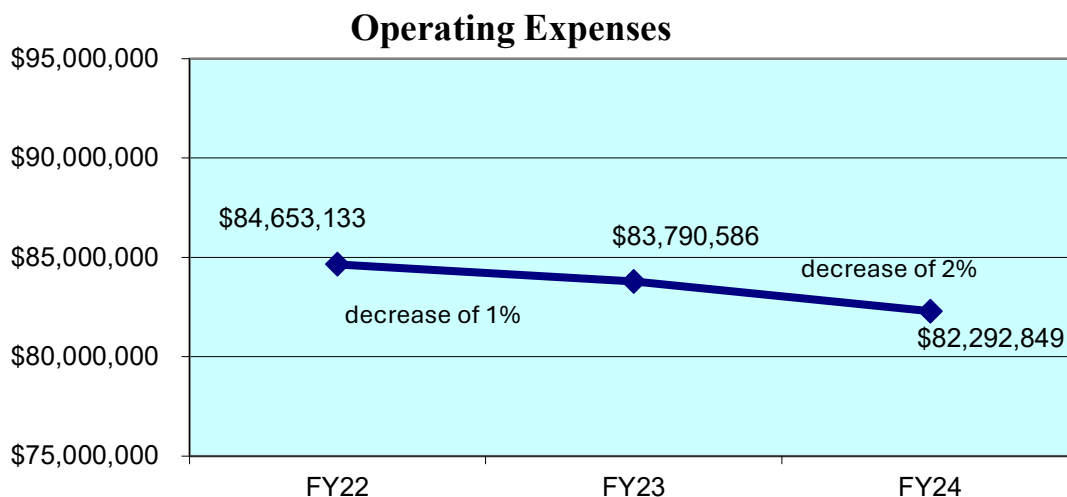
Bristol Community College
Student FTE



Unrestricted State Appropriation



Bristol Community College
Management's Discussion and Analysis
June 30, 2024 and 2023



Operating expenses decreased approximately 1.8% from FY24 to FY23. There are several reasons for this decrease, the largest being the Higher Education Emergency Relief Funds (HEERF) being significantly less in FY24 as these funds come to an end.

Loss from Operations

It is the nature of public higher education institutions to incur a loss from operations because the state appropriation is presented as non-operating income. The Commonwealth's Board of Higher Education establishes tuition charges. The College sets fees and other charges. The College, with the purpose of balancing educational and operating needs with tuition and fee revenue, approves the budgets to mitigate losses after appropriations.

State Appropriations

Unless otherwise permitted by the Massachusetts Legislature, the College is required to remit tuition to the Commonwealth. Therefore, the College collects student tuition on behalf of the Commonwealth and remits it to the Commonwealth's General Fund. There is no direct connection between the amount of tuition revenues collected by the College and the amount of state funds appropriated in any given year. The following details the Commonwealth's unrestricted appropriations received by the College for the fiscal years ended June 30, 2024, 2023, and 2022.

	2024	2023	2022
Gross Commonwealth unrestricted appropriations	29,727,715	27,969,698	25,773,889
Plus fringe benefits *	12,335,408	10,420,769	9,629,416
Less tuition remitted	(272,227)	(325,175)	(337,117)
Net Commonwealth support	41,790,896	38,065,292	35,066,188

* The Commonwealth pays the fringe benefit cost for College employees paid from Commonwealth appropriations. Therefore, such fringe benefit support is added to the "State Appropriations" financial statement line item as presented in the above table. The College pays the Commonwealth for the fringe benefit cost of employees paid from funding sources other than the State's appropriations.

Bristol Community College

Management's Discussion and Analysis

June 30, 2024 and 2023

Capital Assets and the Debts of the College

Capital Assets: Bristol Community College's investment in capital assets, net of related liabilities, as of June 30, 2024 and 2023, amounts to \$95,770,178 and \$96,694,374 respectively, net of accumulated depreciation. This investment in capital assets includes land, buildings and improvements, and furnishings and equipment. The College also implemented GASB 96 in FY2023. Capital assets decreased during the year ended June 30, 2024 by .95% or \$(924,196). Capital assets increased for the year ended June 30, 2023 by 1.8% or \$1,694,953. Additional information about Bristol Community College's capital assets can be found in note 7 on pages 29-31 of this report.

Economic Factors and Next Year's Tuition and Student Fee Rates

In Fiscal Year 2024, the College continues to be impacted by decreasing high school enrollment. However, with the implementation of MassReconnect we had increasing enrollment in the summer of 2024. With the start of MassEducate in Fall 24 we anticipate enrollment growth of about 20% in Fiscal Year 2025. Our investment portfolio improved nicely in fiscal year 2024 with impressive unrealized gains.

The enrollment for Bristol Community College and other Massachusetts public colleges had experienced a decline for several years. With the start of the MassReconnect this year and MassEducate next year that both offer free tuition, fees and supplies to students in the form of financial aid the College expects an increase in enrollment. The College approved a modest fee increase in fiscal year 2024. We anticipate another modest increase in fiscal year 2025.

The College and Foundation invested in a National Offshore Wind Institute. This operation was constructed to provide training to individuals and companies that service the offshore wind economy. Bristol County is and will be the home for many offshore wind companies and we anticipate doing a great deal of training for those companies. Most offshore wind employees are required to take annual Global Wind Organization training to be certified to work in the Industry. Fiscal year 2024 was the beginning of operations for the NOWI and we expect annual growth in training for the next several years.

Request for Information

This financial report is designed to provide a general overview of Bristol Community College's finances for all those with an interest in the College's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Comptroller, Bristol Community College, 777 Elsbree Street, Fall River, Massachusetts 02720.

Bristol Community College
(an Agency of the Commonwealth of Massachusetts)

Statements of Net Position

June 30, 2024 and 2023

Assets and Deferred Outflows of Resources

	Primary Government	
	2024 College	2023 College
Current Assets:		
Cash and equivalents (Note 3)	\$13,492,409	\$ 11,213,944
Cash held by State Treasurer (Note 4)	1,577,139	1,969,689
Investments (Note 3)	21,707,043	19,654,487
Accounts receivable, net (Note 5)	5,372,786	8,394,360
Due from Foundation (Note 15)	15,077,899	13,093,385
Other current assets	282,800	183,735
Total Current Assets	57,510,076	54,509,600
Non-Current Asset:		
Capital assets, net of accumulated depreciation (Note 7)	95,770,178	96,694,374
Total Assets	153,280,254	151,203,974
Deferred Outflows of Resources:		
Pension related, net (Note 11)	987,979	1,455,346
OPEB related, net (Note 12)	414,786	1,195,574
Total Deferred Outflows of Resources	1,402,765	2,650,920
Total Assets and Deferred Outflows of Resources	\$ 154,683,019	\$ 153,854,894

The Notes to Financial Statements are an integral part of these statements.

Bristol Community College
(an Agency of the Commonwealth of Massachusetts)

Statements of Net Position

June 30, 2024 and 2023

Liabilities, Deferred Inflows of Resources and Net Position

	Primary Government	
	2024 College	2023 College
Current Liabilities:		
Accounts payable and accrued liabilities	\$1,961,443	\$ 4,306,360
Accrued payroll	3,414,238	4,069,925
Current portion of compensated absences (Note 8)	2,685,331	2,402,094
Current portion of workers' compensation (Note 8)	80,380	67,762
Students' deposits and unearned revenues	4,214,272	3,932,133
Other liabilities	83,125	83,069
Current portion of lease liabilities (Note 9)	812,609	778,608
Current portion of SBITA liabilities (Note 10)	<u>596,111</u>	<u>487,427</u>
Total Current Liabilities	<u>13,847,509</u>	<u>16,127,378</u>
Non-Current Liabilities:		
Compensated absences, net of current portion (Note 8)	1,032,770	943,231
Workers' compensation, net of current portion (Note 8)	566,139	509,059
SBITA Liabilities, net of current portion (Note 10)	741,365	407,278
Lease Liabilities, net of current portion (Note 9)	3,685,377	4,497,986
Net pension liability (Note 11)	2,931,732	5,799,643
Net OPEB liability (Note 12)	<u>3,118,139</u>	<u>7,298,796</u>
Total Non-Current Liabilities	<u>12,075,522</u>	<u>19,455,993</u>
Total Liabilities	<u>25,923,031</u>	<u>35,583,371</u>
Deferred Inflows of Resources:		
Pension related, net (Note 11)	4,301,182	3,436,105
OPEB related, net (Note 12)	<u>9,635,185</u>	<u>9,465,739</u>
Total Deferred Inflows of Resources	<u>13,936,367</u>	<u>12,901,844</u>
Net Position:		
Net investment in capital assets	89,934,716	90,523,075
Restricted (Note 13):		
Expendable	206,047	179,615
Unrestricted (Note 14)	<u>24,682,858</u>	<u>14,666,989</u>
Total Net Position	<u>114,823,621</u>	<u>105,369,679</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 154,683,019</u>	<u>\$ 153,854,894</u>

The Notes to Financial Statements are an integral part of these statements.

Bristol Community College
(an Agency of the Commonwealth of Massachusetts)

Statements of Revenues, Expenses and Changes in Net Position

For Years Ended June 30, 2024 and 2023

	Primary Government	
	(Restated)	
	2024 College	2023 College
Operating Revenues:		
Tuition and fees	\$ 25,499,327	\$ 22,668,194
Less: scholarship allowances	<u>(9,253,791)</u>	<u>(6,691,989)</u>
Net student tuition and fees	16,245,536	15,976,205
Federal grants and contracts	15,355,686	13,909,579
State grants and contracts	9,332,989	5,582,249
Private grants and contracts	1,454,108	1,704,578
Other sources	<u>747,420</u>	<u>1,473,504</u>
Total Operating Revenues	<u>43,135,739</u>	<u>38,646,115</u>
Operating Expenses (Note 16):		
Instruction	28,709,844	27,069,115
Academic support	8,340,841	9,786,985
Student services	12,418,540	11,882,299
Scholarships and fellowships	7,342,785	10,613,613
Operation and maintenance of plant	5,776,305	5,390,576
Institutional support	13,290,153	12,911,438
Depreciation and amortization	<u>6,414,381</u>	<u>6,136,560</u>
Total Operating Expenses	<u>82,292,849</u>	<u>83,790,586</u>
Net Operating Loss	<u>(39,157,110)</u>	<u>(45,144,471)</u>
Non-Operating Revenues (Expenses):		
Federal grants	850,676	10,823,195
State appropriations, net (Note 18)	42,648,014	38,932,448
Contributions to College	1,353,362	1,033,470
Net investment income	2,277,065	1,318,361
Interest expense	<u>(363,642)</u>	<u>(293,837)</u>
Total Net Non-Operating Revenues	<u>46,765,475</u>	<u>51,813,637</u>
Changes in Net Position Before Other Revenues	7,608,365	6,669,166
Other Revenues:		
Capital appropriations (Note 18)	<u>1,845,577</u>	<u>211,345</u>
Changes in Net Position	9,453,942	6,880,511
Net Position, Beginning of Year	<u>105,369,679</u>	<u>98,489,168</u>
Net Position, End of Year	<u>\$ 114,823,621</u>	<u>\$ 105,369,679</u>

The Notes to Financial Statements are an integral part of these statements.

Bristol Community College
(an Agency of the Commonwealth of Massachusetts)

Statements of Cash Flows

For Years Ended June 30, 2024 and 2023

	Primary Government	
	2024	(Restated) 2023
Cash Flows from Operating Activities:		
Tuition and student fees	\$ 15,488,131	\$ 17,330,508
Grants and contracts	27,659,584	4,723,303
Payments to suppliers	(17,252,365)	(12,987,927)
Payments to employees	(45,811,192)	(43,552,360)
Payments to students	(7,342,785)	(10,613,613)
Income from other sources	747,476	1,474,025
Net Cash Applied to Operating Activities	<u>(26,511,151)</u>	<u>(43,626,064)</u>
Cash Flows from Non-Capital Financing Activities:		
State appropriations	30,584,833	28,836,854
Federal grants	850,676	10,823,195
Tuition remitted to state	(272,227)	(325,175)
Contributions from Foundation	1,353,362	1,033,470
Net Cash Provided by Non-Capital Financing Activities	<u>32,516,644</u>	<u>40,368,344</u>
Cash Flows from Capital and Related Financing Activities:		
Capital appropriations	1,845,577	211,345
Principal payments on note payable	-	(60,519)
Principal payments on lease and SBITA liabilities	(1,300,406)	(1,264,920)
Interest paid on note payable and lease liabilities	(363,642)	(293,837)
Purchases of capital assets	(4,525,616)	(6,310,855)
Net Cash Applied to Capital and Related Financing Activities	<u>(4,344,087)</u>	<u>(7,718,786)</u>
Cash Flows from Investing Activities:		
Purchase of investments	(162,000)	(2,263,577)
Proceeds from sales and maturities of investments	37,570	2,212,201
Interest on investments	348,939	127,903
Net Cash Provided by Investing Activities	<u>224,509</u>	<u>76,527</u>
Net Increase (Decrease) in Cash and Equivalents	1,885,915	(10,899,979)
Cash and Equivalents, Beginning of Year	<u>13,183,633</u>	<u>24,083,612</u>
Cash and Equivalents, End of Year	\$ 15,069,548	\$ 13,183,633

The Notes to Financial Statements are an integral part of these statements.

Bristol Community College
(an Agency of the Commonwealth of Massachusetts)

Statements of Cash Flows - Continued

For Years Ended June 30, 2024 and 2023

	Primary Government	
	<u>2024</u>	<u>2023</u>
Reconciliation of Net Operating Loss to Net Cash		
Applied to Operating Activities:		
Net operating loss	\$ (39,157,110)	\$ (45,144,471)
Adjustments to reconcile net operating loss to net cash applied to operating activities:		
Depreciation	6,414,381	6,136,560
Fringe benefits provided by the State	12,335,408	10,420,769
Bad debts	559,803	165,040
Changes in assets and liabilities:		
Accounts receivable	477,257	(16,879,300)
Other current assets	(99,065)	(20,578)
Accounts payable, accrued liabilities and accrued payroll	(3,000,604)	3,188,195
Compensated absences and workers' compensation	442,474	(284,943)
Students' deposits and unearned revenues	282,139	1,760,501
Other liabilities	56	521
Net pension activity	(1,535,467)	(778,471)
Net OPEB activity	(3,230,423)	(2,189,887)
Net Cash Applied to Operating Activities	<u>\$ (26,511,151)</u>	<u>\$ (43,626,064)</u>
Summary of Cash and Equivalents, End of Year:		
Cash and equivalents	\$ 13,492,409	\$ 11,213,944
Cash held by State Treasurer	<u>1,577,139</u>	<u>1,969,689</u>
Total	<u>\$ 15,069,548</u>	<u>\$ 13,183,633</u>
Non-Cash Transactions:		
Fringe benefits provided by the State	<u>\$ 12,335,408</u>	<u>\$ 10,420,769</u>
Recognition of new SBITAs	<u>\$ 964,569</u>	<u>\$ 180,441</u>
Recognition of new leases	<u>\$ -</u>	<u>\$ 1,340,218</u>

The Notes to Financial Statements are an integral part of these statements.

Bristol Community College
(an Agency of the Commonwealth of Massachusetts)

Statements of Net Assets

June 30, 2024 and 2023

	Component Unit	
	2024	2023
Assets:		
Current Assets:		
Cash and equivalents	\$ 3,017,647	\$ 1,633,192
Accounts receivable, net (Note 5)	37,474	2,525,864
Prepaid expenses	6,439	12,431
Contributions receivable, current portion (Note 6)	525,247	625,100
Total Current Assets	3,586,807	4,796,587
Property and Equipment, net (Note 7)	19,206,888	17,141,581
Other Assets		
Investments (Note 3)	16,482,361	13,793,681
Right-of-use assets - operating, net	4,964,582	5,741,319
Total Non-Current Assets	21,446,943	19,535,000
Total Assets	\$ 44,240,638	\$ 41,473,168
Liabilities and Net Assets:		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 4,520	\$ 2,370,449
Deferred revenue	86,456	95,326
Lease liability - operating, current portion	774,024	700,806
Due to college	15,077,899	13,093,385
Current portion of mortgage payable (Note 15)	167,476	1,651,513
Total Current Liabilities	16,110,375	17,911,479
Long-Term Liability		
Lease liability - operating, net of current portion	4,309,302	5,083,325
Mortgage payable, net of current portion (Note 15)	1,690,563	404,709
Total Long-Term Liabilities	5,999,865	5,488,034
Total Liabilities	22,110,240	23,399,513
Net Assets:		
Without donor restrictions	4,328,420	4,138,694
With donor restrictions	17,801,978	13,934,961
Total Net Assets	22,130,398	18,073,655
Total Liabilities and Net Assets	\$ 44,240,638	\$ 41,473,168

The Notes to Financial Statements are an integral part of these statements.

Bristol Community College
(an Agency of the Commonwealth of Massachusetts)

Statements of Revenues, Expenses, and Change in Net Assets

June 30, 2024 and 2023

Component Unit

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Totals	Without Donor Restrictions	With Donor Restrictions	Totals
Revenue and Support:						
Contributions and gifts of cash and other financial assets	\$ 59,131	\$ 3,377,095	\$ 3,436,226	\$ 71,971	\$ 1,598,017	\$ 1,669,988
Special events	-	79,124	79,124	-	57,056	57,056
Contributions and gifts of nonfinancial assets	89,839	-	89,839	79,412	-	79,412
Lease and other income	1,650,664	-	1,650,664	1,575,278	-	1,575,278
Net assets released from restrictions	1,594,036	(1,594,036)	-	1,544,168	(1,544,168)	-
Total Revenue and Support	3,393,670	1,862,183	5,255,853	3,270,829	110,905	3,381,734
Expenses:						
Program services	3,064,195	-	3,064,195	2,763,245	-	2,763,245
General and administrative	77,880	-	77,880	104,215	-	104,215
Fundraising	206,100	-	206,100	133,879	-	133,879
Total Expenses	3,348,175	-	3,348,175	3,001,339	-	3,001,339
Changes in Net Assets from Operating Activities	45,495	1,862,183	1,907,678	269,490	110,905	380,395
Non-Operating Activities						
Investment return, net	144,231	2,004,834	2,149,065	59,214	1,244,263	1,303,477
Changes in Net Assets	189,726	3,867,017	4,056,743	328,704	1,355,168	1,683,872
Net Assets, Beginning of Year	4,138,694	13,934,961	18,073,655	3,809,990	12,579,793	16,389,783
Net Assets, End of Year	\$ 4,328,420	\$ 17,801,978	\$ 22,130,398	\$ 4,138,694	\$ 13,934,961	\$ 18,073,655

The Notes to Financial Statements are an integral part of these statements.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Bristol Community College (the "College") is a state-supported comprehensive two-year college that offers a quality education leading to associate degrees in the arts and sciences, as well as one-year certificate programs. With campuses located in Fall River, Massachusetts and New Bedford, Massachusetts, along with other satellite campuses, the College provides instruction and training in a variety of liberal arts, allied health, engineering technologies, and business fields of study. The College's mission is to provide educational, occupational, and cultural opportunities for an academically, economically, and culturally diverse population. The College also offers, through the Center for Business and Industry, noncredit courses, as well as community service programs. The College is accredited by the New England Commission of Higher Education.

Operations

In response to the pandemic, the Federal government provided to the College Higher Education Emergency Relief Funds ("HEERF") and funds for the Strengthening Institution Program ("SIP") under the Coronavirus Aid, Relief, and Economic Security ("CARES") Act, Coronavirus Response and Relief Supplemental Appropriations Act ("CRRSAA"), and American Rescue Plan Act ("ARPA"). The HEERF consisted of the student aid award and the institutional award. Each Act requires a minimum amount to be spent on student aid.

The student aid award is required to be distributed to students as emergency grants for their expenses related to the disruption of campus operations due to coronavirus. The institutional award and the SIP can be used to cover any costs associated with significant changes to the delivery of instruction due to the coronavirus. Unless an extension is approved by the Department of Education, the student aid award and the institutional award must be spent by May 2022, while the SIP funding must be spent by August 2022. In April 2022, the Department of Education extended all HEERF funds deadlines to be spent by June 2023. The College was granted an additional extension by the Department of Education to spend on the remaining student and institutional awards. The extended deadline to spend the funds is June 30, 2024.

The College has been awarded the following funds as non-operating Federal grants:

	Student Aid Award	Institutional Award	Strengthening Institution Program	Supplemental Support SSARP	Total
CARES	\$ 2,343,251	\$ 2,343,251	\$ 231,063	\$ -	\$ 4,917,565
CRRSAA	2,343,251	7,754,095	415,947	-	10,513,293
ARPA	11,535,379	8,513,511	751,049	1,703,891	22,503,830
Total	\$ 16,221,881	\$ 18,610,857	\$ 1,398,059	\$ 1,703,891	\$ 37,934,688

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

The College has recognized the following as non-operating Federal grants for the year ended June 30, 2024 and 2023:

For the Year Ended June 30, 2024					
	Student Aid Award	Institutional Award	Strengthening Institution Program	Supplemental Support SSARP	Total
CARES	\$ -	\$ -	\$ -		-
CRRSAA	-	-	-		-
ARPA	-	850,676	-	-	850,676
Total	\$ -	\$ 850,676	\$ -	\$ -	\$ 850,676

For the Year Ended June 30, 2023					
	Student Aid Award	Institutional Award	Strengthening Institution Program	Supplemental Support SSARP	Total
CARES	\$ -	\$ -	\$ -	\$ -	-
CRRSAA	-	-	-	-	-
ARPA	4,698,374	4,475,214	-	1,649,607	10,823,195
Total	\$ 4,698,374	\$ 4,475,214	\$ -	\$ -	\$ 10,823,195

As of June 30, 2024, the University has spent all awarded HEERF, SIP and SSARP funds.

Basis of Presentation

The accompanying financial statements have been prepared in accordance with United States generally accepted accounting principles ("GAAP") as prescribed by the Governmental Accounting Standards Board ("GASB") using the economic resources measurement focus and the accrual basis of accounting. Bristol Community College Foundation's (the "Foundation") financial statements are prepared in accordance with accounting and reporting requirements prescribed by the Financial Accounting Standards Board ("FASB"). As such, certain revenue recognition and lease criteria and presentation features are different from GASB revenue recognition and lease criteria and presentation features. No modifications have been made to the Foundation's financial information in the College's financial reporting entity for these differences.

The College's policy is to define operating activities in the statements of revenues, expenses, and changes in net position as those that generally result from exchange transactions such as the payment received for services and payment made for the purchase of goods and services. Certain other transactions are reported as non-operating activities. These non-operating activities include the College's operating and capital appropriations from the Commonwealth of Massachusetts (the "Commonwealth").

Bristol Community College Foundation (the "Foundation") is a legally separate, tax-exempt component unit of the College. The Foundation acts primarily as a fund-raising organization to supplement the resources that are available to the College in support of its programs. The board of the Foundation is self-perpetuating and primarily consists of graduates and friends of the College. Although the College does not control the timing or the amount of receipts from the Foundation, the majority of resources received or held by the Foundation are restricted to the activities of the College by the donors.

Because these resources held by the Foundation can only be used by, or are for the benefit of, the College, the Foundation is considered a component unit of the College and is discretely presented in the College's financial statements.

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

Separate statements of financial position and activities are presented in this report for the College's discretely presented component unit. The financial statements for the Foundation are presented in accordance with FASB.

During the years ended June 30, 2024 and 2023, the Foundation provided \$1,353,362 and \$1,033,470 respectively, to the College for both restricted and unrestricted purposes.

The complete financial statements for the Foundation can be obtained from Bristol Community College Foundation, 777 Elsbree Street, Fall River, MA 02720.

Net Position

Resources are classified for accounting purposes into the following four net position categories:

Net investment in capital assets: Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction, repair, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.

Restricted - nonexpendable: Net position subject to externally imposed conditions or by law that the College must maintain in perpetuity.

Restricted - expendable: Net position whose use is subject to externally imposed conditions or by law that can be fulfilled by the actions of the College or by the passage of time.

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

The College has adopted a policy of generally utilizing restricted - expendable funds, when available, prior to unrestricted funds.

Trust Funds

In accordance with the requirements of the Commonwealth of Massachusetts, the College's operations are accounted for in several trust funds. All of these trust funds have been consolidated and are included in these financial statements.

Cash and Equivalents

The College considers all highly liquid debt instruments purchased with an original maturity date of three months or less, and cash and deposits held by agencies of the state on behalf of the College to be cash equivalents.

The Foundation considers all highly liquid debt instruments purchased with a maturity date of three months or less when purchased to be cash and equivalents. Money market accounts held with investment portfolios are cash equivalents. Cash and equivalents are reported as current or non-current assets depending on the current restrictions and designations of funds.

Investments

Investments in marketable securities are stated at fair value. The College has no donor-restricted endowments.

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

Capital Assets

Real estate assets, including improvements, are generally stated at cost at date of acquisition. Furnishings, equipment, and art collection items are stated at cost at date of acquisition or, in the case of gifts, at fair value at date of donation. In accordance with the state's capitalization policy, only those items with a unit cost of more than \$50,000 are capitalized. Interest costs on debt related to capital assets are expensed during the construction period. College capital assets, with the exception of land, art sculptures and construction in progress, are depreciated on a straight-line basis over their estimated useful lives, which range from 3 to 40 years. Leased and subscription-based information technology arrangement assets are amortized over the shorter of the lease/subscription term or useful life of the underlying asset. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend assets lives are not capitalized.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Massachusetts State Employees' Retirement System plan ("SERS") and the additions to/deductions from SERS' fiduciary net position have been determined on the same basis as they are reported by SERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Postemployment Benefits Other Than Pensions ("OPEB")

For purposes of measuring the College's net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the State Retiree's Benefit Trust ("SRBT") and additions to/deductions from SRBT's fiduciary net position have been determined on the same basis as they are reported by SRBT. For this purpose, SRBT recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

Other Fringe Benefits

The College participates in the Commonwealth's Fringe Benefit programs, including health insurance, unemployment, pension, workers' compensation, and certain postretirement benefits. Health insurance, unemployment, and pension costs are billed through a fringe benefit rate charged to the College.

Compensated Absences

Employees earn the right to be compensated during absences for vacation and sick leave. Accrued vacation is the amount earned by all eligible employees through June 30, 2024 and 2023. The accrued sick leave balance represents 20% of amounts earned by those employees with 10 or more years of state service at June 30, 2024 and 2023. Upon retirement, these employees are entitled to receive payment for this accrued balance.

Allowance for Doubtful Accounts

Accounts receivable are periodically evaluated for collectability based on past history with students. Provisions for losses on receivables are determined on the basis of loss experience, known and inherent risks and current economic conditions.

Workers' Compensation

The Commonwealth provides workers' compensation coverage to its employers on a self-insured basis. The Commonwealth requires the College to record its portion of the workers' compensation in its records. Workers' compensation costs are actuarially determined based on the College's actual experience.

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

Students' Deposits and Unearned Revenue

Deposits and advance payments received for tuition and fees related to certain summer programs and tuition received for the following academic year are deferred and recorded as revenues when earned. Grants for which funds have been spent but have not yet met appropriate spending requirements are recorded as unearned revenues.

Student Tuition and Fees

Student tuition and fees are presented net of scholarships and fellowships applied to students' accounts. Certain other scholarship amounts are paid directly to, or refunded to, students and are generally reflected as expenses.

Tax Status

The College is an agency of the Commonwealth of Massachusetts and is therefore generally exempt from income taxes under Section 115 of the Internal Revenue Code.

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 about future events. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, as well as reported amounts of revenues and expenses during the reporting period. Management evaluates the revenues and expenses on an ongoing basis using historical experience and other factors that management believes to be reasonable under the circumstances. Adjustments to estimates and assumptions are made as facts and circumstances require.

As future events and their effects cannot be determined with certainty, actual results may differ from the estimates used in preparing the accompanying financial statements. Significant estimates and assumptions include estimating allowance for doubtful accounts, net pension and OPEB liabilities, lease and SBITA discount rate, the accrual for employee compensated absences, the accrual for workers' compensation liability.

Future Governmental Accounting Pronouncements

GASB Statement 101 – *Compensated Absences* is effective for reporting periods beginning after December 15, 2023. The objective of this statement is to update the recognition and measurement for compensated absences.

GASB Statement 102 – *Certain Risk Disclosures* is effective for reporting periods beginning after June 15, 2024. The objective of this statement is to update the required disclosures for risks that could negatively impact state and local governments.

GASB Statement 103 – *Financial Reporting Model Improvements* is effective for reporting periods beginning after June 15, 2025. The objective of this statement is to improve the financial reporting model to enhance decision making by the organization and assessing a government's accountability.

Management has not completed its review of the requirements of these standards and their applicability.

Implementation of Newly Effective Accounting Standard

As of July 1, 2022, the College implemented GASB Statement 100 – *Accounting Changes and Error Corrections*, an amendment of GASB 62. The objective of this statement is to provide consistency for changes in accounting principles, accounting estimates, and the reporting entity and corrections of errors. The adoption of this statement did not have a material impact to the financial statements.

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

Reclassification

Certain amounts in the 2023 financial statements have been reclassified to conform to the 2024 presentation. Balances reported as Due from Foundation were updated to reflect amounts receivable to the Foundation previously presented as Accounts Receivable on the Statement of Net Position as of June 30, 2023.

2. CORRECTION OF ERROR

The College has determined that it had improperly recognized student loans within the June 30, 2023 financial statements. Students' loans are pass through loans and as such should not be recognized under generally accepted accounting principles in the United States of America as prescribed by GASB within revenues and expenses nor cash disbursements and cash receipts. There was no effect on net position as of June 30, 2023 and July 1, 2022.

The following presents the effects of the correction of the error.

	Previously Reported	Adjustment	Restated
Year Ended June 30, 2023:			
Statement of Revenues, Expenses and Changes in Net Position			
Scholarships and allowances	\$ (12,544,930)	\$ 5,852,941	\$ (6,691,989)
Federal grants and contracts	\$ 22,987,774	\$ (9,078,195)	\$ 13,909,579
Scholarships and fellowships	\$ (13,838,867)	\$ 3,225,254	\$ (10,613,613)
Statement of Cash Flows			
Tuition and student fees	\$ 11,477,567	\$ 5,852,941	\$ 17,330,508
Grants and contracts	\$ 13,801,498	\$ (9,078,195)	\$ 4,723,303
Payments to students	\$ (13,838,867)	\$ 3,225,254	\$ (10,613,613)

3. CASH AND INVESTMENTS

Overall Deposits and Investments Descriptions

Deposits and investments consist of the following at June 30 2024 and 2023:

	2024	2023
Cash in banks	<u>\$ 13,492,409</u>	<u>\$ 11,213,944</u>
Investments:		
Certificates of deposit	3,075,211	2,948,116
Bond mutual funds	8,118,640	7,705,105
Stock mutual funds	10,325,081	8,556,652
Money market funds	188,111	444,614
Total investments	<u>21,707,043</u>	<u>19,654,487</u>
Total cash in banks and investments	<u>\$ 35,199,452</u>	<u>\$ 30,868,431</u>

Custodial Risk

Total cash deposited with one financial institution, including sweep, and checking accounts, aggregates approximately \$10,377,000 and \$5,502,000, or 74% and 43%, at June 30, 2024 and 2023, respectively, of total cash and equivalents. These deposits are secured by an irrevocable stand-by letter of credit issued by the Federal Home Loan Bank of Pittsburgh up to an aggregate amount of \$16,000,000, providing a scope of coverage substantially the same as that provided by federal deposit insurance and thus not exposed to custodial credit risk.

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

Custodial credit risk is the risk that, in the event of a bank failure, the College's deposits might not be recovered. Deposits are made in domestic banks that are federally insured with supplemental insurance for those accounts exceeding the federally insured limits. The College's bank balances at other banks at June 30, 2024 and 2023 were approximately \$3,721,537 and \$7,341,210, respectively, and were exposed to custodial credit risk as uninsured and uncollateralized.

Concentration of Credit Risk

There was no concentration of credit risk at June 30, 2024. Certificates of deposit are made in domestic banks that are federally insured with supplemental insurance for those accounts exceeding the federally insured limits.

Investment Policy

In accordance with Chapter 15A of the Massachusetts General Laws, the Board of Trustees has adopted an investment policy that applies to locally held funds that are not appropriated by the state legislature or derived from federal allocations. The principal objectives of the investment policy are: (1) preservation of capital and safety of principal, (2) minimizing price volatility, (3) liquidity, (4) return on investment, and (5) diversification. Permissible deposits and investments are as follows:

Cash: Domestic banks, federal savings and loan institutions, and credit unions that are federally insured and Massachusetts banks with supplemental insurance for those accounts exceeding the federally insured limits to a maximum of \$1,000,000. Accounts are allowed to go slightly above insured rates for accrued interest.

Investments: Obligations issued or guaranteed as to principal and interest by the U.S. Government, its agencies or instrumentalities, corporate obligations that are rated A or better by Standard & Poor's Corporation, or A or better by Moody's Investors Services; commercial paper rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record, or guaranteed through a letter of credit arrangement with a major financial institution, repurchase agreements, mutual funds and equity securities.

Deposits, Investments and Maturities

The College's investments and maturities inferring risk at June 30, 2024 and 2023, consist of:

		2024 Investments			
Investment type	Fair value	Investment maturities (in years)			
		Less than 1	1 to 5	6 to 10	More than 10
Debt securities:					
Certificates of deposit	\$ 3,075,211	\$ 3,075,211	\$ -	\$ -	\$ -
Bond mutual funds	8,118,640	-	-	8,118,640	-
	11,193,851	<u>\$ 3,075,211</u>	<u>\$ -</u>	<u>\$ 8,118,640</u>	<u>\$ -</u>
Other investments:					
Cash in bank	13,492,409				
Stock mutual funds	10,325,081				
Money market funds	<u>188,111</u>				
Total	\$ 35,199,452				

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

Investment type	Fair value	2023 Investments			
		Investment maturities (in years)			
		Less than 1	1 to 5	6 to 10	More than 10
Debt securities:					
Certificates of deposit	\$ 2,948,115	\$ 2,948,116	\$ -	\$ -	\$ -
Bond mutual funds	7,705,105	-	-	7,705,105	-
	10,653,221	<u>\$ 2,948,116</u>	<u>\$ -</u>	<u>\$ 7,705,105</u>	<u>\$ -</u>
Other investments:					
Cash in bank	11,213,944				
Stock mutual funds	8,556,652				
Money market funds	444,614				
Total	<u>\$ 30,868,431</u>				

The bond mutual funds are unrated as they represent funds placed with a private investment company.

Fair Value Hierarchy

The College investments have been categorized based upon the fair value hierarchy in accordance with GASB 72 below:

Level 1 - Observable market prices (unadjusted) in active markets for identical assets or liabilities that the College can access at measurement date.

Level 2 - Observable market-based inputs or unobservable inputs that are corroborated by market data.

Level 3 - Unobservable inputs that are not corroborated by observable market data.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in methodologies used at June 30, 2024.

Registered Investment Companies: Mutual funds are valued at the daily closing price as reported by the fund. Mutual funds held by the Board of Trustees are open-end mutual funds that are registered with the Securities and Exchange Commission. The mutual funds held by the Board of Trustees are deemed to be actively traded, and are therefore, classified as Level 1.

Certificates of Deposit: Valued at the initial investment cost plus accrued interest.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the College believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

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

The following tables set forth, by level, the College's investments:

	June 30, 2024			
	Level 1	Level 2	Level 3	Total
Registered investment companies	\$ 18,631,832	\$ -	\$ -	\$ 18,631,832
Certificates of deposit	-	3,075,211	-	3,075,211
Total marketable securities at fair value	<u>\$ 18,631,832</u>	<u>\$ 3,075,211</u>	<u>\$ -</u>	<u>\$ 21,707,043</u>

	June 30, 2023			
	Level 1	Level 2	Level 3	Total
Registered investment companies	\$ 16,706,371	\$ -	\$ -	\$ 16,706,371
Certificates of deposit	-	2,948,116	-	2,948,116
Total marketable securities at fair value	<u>\$ 16,706,371</u>	<u>\$ 2,948,116</u>	<u>\$ -</u>	<u>\$ 19,654,487</u>

Other Matters

The College does not have foreign currency investments, securities lending transactions, or derivative investments.

Foundation Investment Policy

The investment objectives for the Foundation's endowment and quasi-endowment assets are to provide income to support current operations and to achieve growth of principal and income over time to preserve or increase purchasing power. Based upon historical evidence, equity investments have produced substantially greater returns net of inflation. As a long-term guideline, equity investments will constitute approximately 65% of endowment assets, with an acceptable range of 55% to 65%, and up to 25% of which may be invested in international stocks. Fixed-income investments may include short-term money market securities, which have historically produced the lowest return of inflation. Such investments, however, shall be kept at the minimum levels that the Finance Committee considers necessary to meet foreseeable short-term liquidity requirements. The largest percentage of fixed-income investments shall be invested in portfolios of high-quality corporate bonds and U.S. Treasury securities. These investments may be made through a number of separately managed portfolios offered by professional managers.

The majority of the Foundation's endowed funds are invested together in the Foundation's master investment accounts. Total investment return for the year is allocated annually to each fund based upon its weighted average value as a percentage of total fund balance.

The Foundation has a policy of appropriating for distribution to meet current financial needs without expending more than 4% of the 3-year average market value of all endowments. Certain other endowed funds may be subject to other restrictions including those directed by the donor.

The Foundation's endowment net assets are those funds, that either by donor restriction or Board designation, are intended to be invested long-term in order to earn income and to fund programs and awards over a long period or in perpetuity.

Bristol Community College
Notes to Financial Statements
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Investments of the Foundation

The Foundation's investments consist of the following at June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Beneficial interest in trusts	\$ 1,144,062	\$ 780,437
Common stocks	8,068,280	7,024,051
Mutual funds	3,638,451	2,310,139
Corporate bonds	2,988,474	3,040,340
U.S. Government obligations	<u>643,094</u>	<u>638,714</u>
Total investments	<u>\$ 16,482,361</u>	<u>\$ 13,793,681</u>

Promulgations of the Financial Accounting Standards Board have established a framework for measuring fair value of the investments, which provides a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value.

4. CASH HELD BY STATE TREASURER

Accounts payable and accrued salaries to be funded from state-appropriated funds totaled approximately \$1,577,000 and \$1,970,000 at June 30, 2024 and 2023, respectively. The College has recorded a comparable dollar amount of cash held by the State Treasurer for the benefit of the College, which was subsequently used to pay for such liabilities.

5. ACCOUNTS RECEIVABLE

Accounts receivable include the following at June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Student accounts receivable	\$ 3,525,637	\$ 2,097,991
Grants receivable	1,909,885	5,582,377
Other receivables	<u>661,884</u>	<u>1,042,377</u>
	6,097,406	8,722,745
Less: allowance for doubtful accounts	<u>(724,620)</u>	<u>(328,385)</u>
	<u>\$ 5,372,786</u>	<u>\$ 8,394,360</u>

Bristol Community College
Notes to Financial Statements
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6. CONTRIBUTIONS RECEIVABLE

Contributions receivable of the Foundation are all considered collectable and are as follows at June 30, 2024 and 2023:

	2024	2023
Due in one year or less	\$ 525,247	\$ 625,100
Due in one to five years	-	-
Total	525,247	625,100
Less: discount to net present value	-	-
Present value of receivable	525,247	625,100
Less: allowance for contributions receivable	-	-
Less: current portion	525,247	625,100
Contributions receivable, net of current portion	\$ -	\$ -

As of June 30, 2024, and 2023, the Foundation considers discounts on contributions receivable due in one to five years to be immaterial. As of June 30, 2024 and 2023, approximately 44% and 56%, respectively, of the contribution's receivable are from one donor.

7. CAPITAL ASSETS

Capital assets of the College consist of the following at June 30, 2024 and 2023:

		2024				
	Estimated lives (in years)	Beginning balance	Additions	Retirements	Reclassifications	Ending balance
Non-depreciable:						
Land		\$ 35,825	\$ -	\$ -	\$ -	\$ 35,825
Art sculpture		98,200	-	-	-	98,200
Construction in progress		3,845,340	1,173,256	-	(3,845,340)	1,173,256
Total non-depreciable		3,979,365	1,173,256	-	(3,845,340)	1,307,281
Depreciable:						
Land improvements	20	3,564,712	157,942	-	-	3,722,654
Building, including improvements	20-40	136,652,921	2,911,386	-	2,838,218	142,402,525
Furnishings and equipment	3-10	4,410,286	283,032	-	1,007,122	5,700,440
Software subscriptions	2-5	1,698,532	964,569	(540,112)	-	2,122,989
Leasehold improvements	5	2,926,185	-	-	-	2,926,185
Leased equipment	4	74,207	-	-	-	74,207
Leased buildings	5-10	7,285,155	-	-	-	7,285,155
Total depreciable		156,611,998	4,316,929	(540,112)	3,845,340	164,234,155
Less: accumulated depreciation:						
Land improvements		(2,238,580)	(131,583)	-	-	(2,370,163)
Building, including improvements		(53,956,208)	(4,261,015)	-	-	(58,217,223)
Furnishings and equipment		(3,500,595)	(367,629)	-	-	(3,868,224)
Leasehold improvements		(908,773)	(223,017)	-	-	(1,131,790)
Software subscriptions		(842,142)	(539,398)	540,112	-	(841,428)
Leased equipment		(11,898)	(49,461)	-	-	(61,359)
Leased buildings		(2,438,793)	(842,278)	-	-	(3,281,071)
Total accumulated depreciation		(63,896,989)	(6,414,381)	540,112	-	(69,771,258)
Capital assets, net		\$ 96,694,374	\$ (924,196)	\$ -	\$ -	\$ 95,770,178

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

2023						
	Estimated lives (in years)	Beginning balance	Additions	Retirements	Reclassifications	Ending balance
Non-depreciable:						
Land		\$ 35,825	\$ -	\$ -	\$ -	\$ 35,825
Art sculpture		98,200	-	-	-	98,200
Construction in progress		674,223	3,656,171	-	(485,054)	3,845,340
Total non-depreciable		808,248	3,656,171	-	(485,054)	3,979,365
Depreciable:						
Land improvements	20	3,442,571	122,141	-	-	3,564,712
Building, including improvements	20-40	134,707,964	1,707,128	-	237,829	136,652,921
Furnishings and equipment	3-10	3,826,021	584,265	-	-	4,410,286
Software subscriptions	2-5	1,518,091	180,441	-	-	1,698,532
Leasehold improvements	5	2,437,811	241,149	-	247,225	2,926,185
Leased equipment	4	97,862	74,207	(97,862)	-	74,207
Leased buildings	5-10	6,019,144	1,266,011	-	-	7,285,155
Total depreciable		152,049,464	4,175,342	(97,862)	485,054	\$156,611,998
Less: accumulated depreciation:						
Land improvements		(2,113,604)	(124,976)	-	-	(2,238,580)
Building, including improvements		(49,832,162)	(4,124,046)	-	-	(53,956,208)
Furnishings and equipment		(3,172,511)	(328,084)	-	-	(3,500,595)
Software subscriptions		(707,505)	(201,268)	-	-	(908,773)
Leasehold improvements		(400,699)	(441,443)	-	-	(842,142)
Leased equipment		(78,290)	(31,470)	97,862	-	(11,898)
Leased buildings		(1,553,520)	(885,273)	-	-	(2,438,793)
Total accumulated depreciation		(57,858,291)	(6,136,560)	97,862	-	(63,896,989)
Capital assets, net		\$ 94,999,421	\$ 1,694,953	\$ -	\$ -	\$ 96,694,374

Capital assets of the Foundation consist of the following at June 30, 2024 and 2023:

2024					
	Estimated lives (in years)	Beginning balance	Additions	Reclassifications	Ending balance
Non-depreciable:					
Land		\$ 1,449,053	\$ -	\$ -	\$ 1,449,053
Construction in progress		12,840,583	-	(12,840,583)	-
Art sculpture		18,000	-	-	18,000
Total non-depreciable		14,307,636	-	(12,840,583)	1,467,053
Depreciable:					
Land improvements	20	14,813	-	-	14,813
Furnishings and equipment	3-10	151,498	-	90,993	242,491
Building, including improvements	20-40	5,403,347	2,426,835	12,749,590	20,579,772
Total depreciable		5,569,658	2,426,835	12,840,583	20,837,076
Less: accumulated depreciation:					
Land improvements		(10,369)	(741)	-	(11,110)
Furnishings and equipment		(37,905)	(18,183)	-	(56,088)
Building, including improvements		(2,687,439)	(342,604)	-	(3,030,043)
Total accumulated depreciation		(2,735,713)	(361,528)	-	(3,097,241)
Capital assets, net		\$ 17,141,581	\$ 2,065,307	\$ -	\$ 19,206,888

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

		2023			
	Estimated lives (in years)	Beginning balance	Additions	Reclassifications	Ending balance
Non-depreciable:					
Land		\$ 1,449,053	\$ -	\$ -	\$ 1,449,053
Construction in progress		2,020,977	10,819,606	-	12,840,583
Art sculpture		18,000	-	-	18,000
Total non-depreciable		3,488,030	10,819,606	-	14,307,636
Depreciable:					
Land improvements	20	14,813	-	-	14,813
Furnishings and equipment	3-10	151,498	-	-	151,498
Building, including improvements	20-40	5,403,347	-	-	5,403,347
Total depreciable		5,569,658	-	-	5,569,658
Less: accumulated depreciation:					
Land improvements		(9,628)	(741)	-	(10,369)
Furnishings and equipment		(22,755)	(15,150)	-	(37,905)
Building, including improvements		(2,471,306)	(216,133)	-	(2,687,439)
Total accumulated depreciation		(2,503,689)	(232,024)	-	(2,735,713)
Capital assets, net		\$ 6,553,999	\$ 10,587,582	\$ -	\$ 17,141,581

8. LONG-TERM LIABILITIES

Long-term liabilities at June 30, 2024 and 2023, consist of the following:

2024					
	Beginning balance	Additions	Reductions	Ending balance	Current portion
Lease liabilities	\$ 5,276,594	\$ -	\$ (778,608)	\$ 4,497,986	\$ 812,609
SBITA liabilities	894,705	964,569	(521,798)	1,337,476	596,111
	6,171,299	964,569	(1,300,406)	5,835,462	1,408,720
Other long-term liabilities					
Compensated absences	3,345,325	372,776	-	3,718,101	2,685,331
Workers' compensation	576,821	69,698	-	646,519	80,380
Net pension liability	5,799,643	-	(2,867,911)	2,931,732	-
Net OPEB liability	7,298,796	-	(4,180,657)	3,118,139	-
	17,020,585	442,474	(7,048,568)	10,414,491	2,765,711
Total long-term liabilities	\$ 23,191,884	\$ 1,407,043	\$ (8,348,974)	\$ 16,249,953	\$ 4,174,431

2023					
	Beginning balance	Additions	Reductions	Ending balance	Current portion
Lease liabilities	\$ 4,766,522	\$ 1,340,218	\$ (830,146)	\$ 5,276,594	\$ 778,608
SBITA liabilities	1,149,038	180,441	(434,774)	894,705	487,427
Notes payable	60,519	-	(60,519)	-	-
	5,976,079	1,520,659	(1,325,439)	6,171,299	1,266,035
Other long-term liabilities					
Compensated absences	3,599,222	-	(253,897)	3,345,325	2,402,094
Workers' compensation	607,867	-	(31,046)	576,821	67,762
Net pension liability	5,165,343	634,300	-	5,799,643	-
Net OPEB liability	9,069,143	-	(1,770,347)	7,298,796	-
	18,441,575	634,300	(2,055,290)	17,020,585	2,469,856
Total long-term liabilities	\$ 24,417,654	\$ 2,154,959	\$ (3,380,729)	\$ 23,191,884	\$ 3,735,891

Bristol Community College
Notes to Financial Statements
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Notes Payable

The College had a financing purchase agreement for LED lights maturing in March 2023. The College entered into a contract with Ascentium Capital and KS Bank in March 2018 to finance the project which was completed in five phases providing new lighting for ten buildings. The agreement was fully paid as of June 30, 2023.

9. LEASES

A summary of the College's leases at June 30, 2024 and 2023, are as follows:

Description	Date	Terms in Months	Payment Amount	Interest Rates	June 30, 2024 Lease Liability	June 30, 2023 Lease Liability
Equipment	4/1/2023	18	\$ 4,305	6.17%	\$ 12,848	\$ 62,309
Building	11/1/2016	120	\$ 54,603	5.31%	1,484,232	2,050,722
Building	5/1/2021	60	\$ 14,500	5.03%	329,462	485,495
Building	6/30/2023	240	\$ 17,115	7.43%	2,671,444	2,678,068
					<u>\$ 4,497,986</u>	<u>\$ 5,276,594</u>

On November 1, 2016, the College entered into a ten-year lease agreement for classroom space with the Foundation. Payments of \$54,603 are due monthly. The lease does not contain an option to purchase the building, however, there is an option to renew for four additional terms for five years each at the end of the initial term. The College's incremental borrowing rate for a transaction with similar attributes was used to discount the lease payments to recognize the intangible right to use this asset and the associated lease liability.

On May 1, 2021, the College entered into a five-year lease agreement for classroom space with the Foundation. Payments of \$14,500 are due monthly. The lease does not contain an option to purchase the building or renew the agreement. The College's incremental borrowing rate for a transaction with similar attributes was used to discount the lease payments to recognize the intangible right to use this asset and the associated lease liability.

On January 1, 2021, the College entered into a ten-year lease agreement for classroom space with the Foundation. Payments of \$16,664 are due monthly, escalating annually, as of June 30, 2023 monthly payments were \$17,115. There is no option to purchase the building, however, there is an option to renew for two additional terms of five years each at the end of the initial term. The College's incremental borrowing rate for a transaction with similar attributes was used to discount the lease payments to recognize the intangible right to use this asset and the associated lease liability. On June 30, 2023, the College and Foundation amended the lease and extended the terms to 20 years from the date of modification.

Related party lease payments to the Foundation were \$1,313,639 and \$1,315,178 for the years ended June 30, 2024 and 2023, respectively.

On April 1, 2023 the College entered in an 18 month agreement for copiers. Payments of \$4,305 are due monthly. The lease does not contain an option to purchase or renew the equipment. The College's incremental borrowing rate for a transaction with similar attributes was used to discount the lease payments to recognize the intangible right to use this asset and the associated lease liability.

The College did not make payments for the leases other than the monthly payments for the years ended June 30, 2024 and 2023.

At June 30, 2024 and 2023 the total amount of right of use assets for leases was \$7,359,362 and accumulated amortization for leases was \$3,342,430 and \$2,450,691, respectively.

Bristol Community College
Notes to Financial Statements
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Annual requirements to amortize the lease liability and related interest subsequent to June 30, 2024, are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 812,609	\$ 274,790	\$ 1,087,399
2026	823,666	231,154	1,054,820
2027	256,172	197,329	453,501
2028	39,364	192,269	231,633
2029	49,780	188,994	238,774
2030-2034	439,809	865,223	1,305,032
2035-2039	887,259	626,118	1,513,377
2040-4043	1,189,327	192,903	1,382,230
	<u>\$ 4,497,986</u>	<u>\$ 2,768,780</u>	<u>\$ 7,266,766</u>

10. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

The College entered into subscription-based information technology arrangements ("SBITAs") involving its enterprise resource planning system, learning management system, network systems, security systems, and scheduling software.

The College has entered into subscription-based information technology arrangements ("SBITAs") for various software products which were initiated in fiscal years ranging from June 30, 2021 to 2024. These agreements have expiration dates ranging from April 2024 to July 2028 and have annual payments ranging from \$1,802 to \$125,654. An IBR between 3% and 6.17% was used to discount all SBITA arrangement payments to recognize the intangible right to use this asset and the associated SBITA liability. There were no payments for additional services not included in the annual SBITA payments. The College has no options to renew these agreements and there is no option to purchase the software products.

At June 30, 2024 and 2023 the total amount of SBITA right of use assets and accumulated amortization for SBITAs were \$2,122,989 and \$1,698,532, respectively, and \$841,428 and \$842,142, respectively.

Annual requirements to amortize SBITA liability and related interest subsequent to June 30, 2024, are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 596,111	\$ 45,800	\$ 641,911
2026	412,946	20,213	433,159
2027	205,519	8,939	214,458
2028	122,900	2,332	125,232
	<u>\$ 1,337,476</u>	<u>\$ 77,284</u>	<u>\$ 1,414,760</u>

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

11. PENSIONS

Defined Benefit Plan Description

Certain employees of the College participate in a cost-sharing, multiple-employer, defined benefit pension plan – the Massachusetts State Employees’ Retirement System – administered by the Massachusetts State Board of Retirement (the “Board”), which is a public employee retirement system (“PERS”). Under a cost-sharing plan, pension obligations for employees of all employers are pooled and plan assets are available to pay the benefits through the plan, regardless of the status of the employers’ payment of its pension obligations to the plan. The plan provides retirement and disability benefits, and death benefits to plan members and beneficiaries.

The Massachusetts State Employees’ Retirement System does not issue stand-alone financial statements. Additional information regarding the plan is contained in the Commonwealth’s financial statements, which is available online from the Office of State Comptroller’s website.

Benefit Provisions

SERS provides retirement, disability, survivor and death benefits to members and their beneficiaries. Massachusetts General Laws (“MGL”) establishes uniform benefit and contribution requirements for all contributory PERS. These requirements provide for superannuation retirement allowance benefits up to a maximum of 80% of a member’s highest three-year average annual rate of regular compensation. For employees hired after April 1, 2012, retirement allowances are calculated based on the last five years or any five consecutive years, whichever is greater in terms of compensation. Benefit payments are based upon a member’s age, length of creditable service, group creditable service, and group classification. The authority for amending these provisions rests with the Massachusetts State Legislature (the “Legislature”).

Members become vested after ten years of creditable service. A superannuation retirement allowance may be received upon the completion of twenty years of service or upon reaching the age of 55 with ten years of service. Normal retirement for most employees occurs at age 65; for certain hazardous duty and public safety positions, normal retirement is at age 55. Most employees who joined the system after April 1, 2012 are not eligible to retire prior to age 60.

Contributions

The SERS’ funding policies have been established by Chapter 32 of the MGL. The Legislature has the authority to amend these policies. The annuity portion of the SERS retirement allowance is funded by employees, who contribute a percentage of their regular compensation. Costs of administering the plan are funded out of plan assets. Member contributions for SERS vary depending on the most recent date of membership:

Hire Date	% of Compensation
Prior to 1975.....	5% of regular compensation
1975 - 1983.....	7% of regular compensation
1984 to 6/30/1996.....	8% of regular compensation
7/1/1996 to present.....	9% of regular compensation except for State Police, which is 12% of regular compensation
7/1/2001 to present	11% of regular compensation (for teacher hired after 7/1/01 and those accepting provisions of Chapter 114 of the Acts of 2000)
1979 to present.....	An additional 2% of regular compensation in excess of \$30,000 except for teachers subject to Chapter 114 of the Acts of 2000

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

The Commonwealth does not require the College to contribute funding from its local trust funds for employees paid by state appropriations. Pension funding for employees paid from state appropriations are made through a benefit charge assessed by the Commonwealth. Such pension contributions amounted to approximately \$4,765,699, \$4,406,000, and \$4,141,000 for the years ended June 30, 2024, 2023 and 2022, respectively.

For employees covered by SERS but not paid from state appropriations, the College is required to contribute at an actuarially determined rate. The rate was 16.69%, 16.70% and 16.11% of annual covered payroll for the fiscal years ended June 30, 2024, 2023 and 2022, respectively. The College contributed \$299,506, \$295,117, and \$586,844 for the fiscal years ended June 30, 2024, 2023 and 2022, respectively, equal to 100% of the required contributions for each year. Annual covered payroll was approximately 71%, 71% and 78% of total related payroll for fiscal years end 2024, 2023 and 2022, respectively.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources

At June 30, 2024 and 2023, the College reported a liability of \$2,931,732 and \$5,799,643 respectively, for its proportionate share of the net pension liability related to its participation in SERS. The net pension liability as of June 30, 2024, the reporting date, was measured as of June 30, 2023, the measurement date, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2023 rolled forward to June 30, 2023. The net pension liability as of June 30, 2023, the reporting date, was measured as of June 30, 2022, the measurement date, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2022 rolled forward to June 30, 2022.

The College's proportion of the net pension liability was based on its share of the Commonwealth of Massachusetts' collective pension amounts allocated on the basis of actual fringe benefit charges assessed to the College for fiscal years 2023 and 2022. The Commonwealth's proportionate share was based on actual employer contributions to the SERS for fiscal years 2024 and 2023 relative to total contributions of all participating employers for the fiscal year. At June 30, 2023 and 2022, the College's proportion was 0.020% and 0.042%, respectively.

For the years ended June 30, 2024 and 2023, the College recognized pension benefit of \$1,235,961 and \$483,353, respectively.

Bristol Community College
Notes to Financial Statements
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The College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources at June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
<u>Deferred Outflows of Resources Related to Pension</u>		
Contributions subsequent to the measurement date	\$ 299,506	\$ 295,117
Differences between expected and actual experience	104,144	144,268
Changes in proportions from Commonwealth	24	397
Differences between projected and actual earnings on pension plan investments	78,902	-
Changes in plan actuarial assumptions	49,273	159,674
Changes in proportions due to internal allocations	<u>456,130</u>	<u>855,890</u>
Total	<u>\$ 987,979</u>	<u>\$ 1,455,346</u>
<u>Deferred Inflows of Resources Related to Pension</u>		
Differences between expected and actual experience	\$ 72,443	\$ 226,362
Differences between projected and actual earnings on pension plan investments	-	30,918
Changes in proportions from Commonwealth	22,397	15,688
Changes in proportions due to internal allocations	<u>4,206,342</u>	<u>3,163,137</u>
Total	<u>\$ 4,301,182</u>	<u>\$ 3,436,105</u>

The College's contributions of \$299,506 and \$295,117 made during the fiscal years ending 2024 and 2023, respectively, subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the succeeding year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as increases (decreases) in pension expense as follows:

Years Ending
June 30,

2025	\$ (173,216)
2026	1,804,039
2027	(4,448,790)
2028	<u>(794,742)</u>
	<u>\$ (3,612,709)</u>

Bristol Community College
Notes to Financial Statements
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Actuarial Assumptions

The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Measurement date	June 30, 2023	June 30, 2022
Inflation on the first \$13,000 of allowance	2.50%	3.00%
Inflation rate	2.50%	2.50%
Salary increases	4.00% to 9.00%	4.00% to 9.00%
Investment rate of return	7.00%	7.00%
Investment rate credited to annuity savings fund	3.50%	3.50%

For measurement dates June 30, 2023 and 2022, mortality rates were based on:

- Pre-retirement - reflects RP-2014 Blue Collar Employees table projected generationally with Scale MP-2021 set forward 1 year for females.
- Post-retirement - reflects RP-2014 Blue Collar Healthy Annuitant table projected generationally with Scale MP-2021 set forward 1 year for females.
- Disability - the mortality rate reflects the post-retirement mortality described above, set forward 1 year.

The 2024 pension liability for the June 30, 2023, measurement date was determined by an actuarial valuation as of January 1, 2023 and rolled forward to June 30, 2023. The 2023 pension liability for the June 30, 2022, measurement date was determined by an actuarial valuation as of January 2022 and rolled forward to June 30, 2022.

Investment assets of SERS are with the Pension Reserves Investment Trust ("PRIT") Fund. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future rates of return 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 rates of return by the target asset allocation percentage. Best estimates of geometric rates of return for each major asset class included in the PRIT Fund's target asset allocation as of June 30, are summarized in the following table:

Asset Class	2024		2023	
	Target Allocation	Long-term expected real rate of return	Target Allocation	Long-term expected real rate of return
Global Equity	37.0%	4.9%	38.0%	4.8%
Core Fixed Income	15.0%	1.9%	15.0%	0.3%
Private Equity	16.0%	7.4%	15.0%	7.8%
Portfolio Completion Strategies	10.0%	3.8%	10.0%	2.9%
Real Estate	10.0%	3.0%	10.0%	3.7%
Value Added Fixed Income	8.0%	5.1%	8.0%	3.9%
Timber/Natural Resources	4.0%	4.3%	4.0%	4.3%
	<u>100.0%</u>		<u>100.0%</u>	

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

Discount Rate

The discount rate used to measure the total pension liability was 7.00% at June 30, 2024 and 2023. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rates and the Commonwealth's contributions will be made at rates equal to the difference between actuarially determined contributions rates and the member rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following table illustrates the sensitivity of the net pension liability calculated using the discount rate as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

<u>June 30, 2024</u>		
1.00% Decrease (6.00%)	Current Discount Rate (7.00%)	1.00% Increase (8.00%)
\$ 4,029,270	\$ 2,931,732	\$ 2,002,926
<u>June 30, 2023</u>		
1.00% Decrease (6.00%)	Current Discount Rate (7.00%)	1.00% Increase (8.00%)
\$ 7,999,028	\$ 5,799,643	\$ 3,938,644

12. OTHER POST-EMPLOYMENT BENEFITS ("OPEB")

Plan Description

As an agency of the Commonwealth, certain employees of the College participate in the Commonwealth's single-employer defined benefit-OPEB plan – the State Retirees' Benefit Trust ("SRBT"). Benefits are managed by the Group Insurance Commission ("GIC") and investments are managed by the Pension Reserves Investment Management ("PRIM") Board. The GIC has representation on the Board of Trustees of the State Retirees' Benefits Trust ("Trustees").

The SRBT is set up solely to pay for OPEB benefits and the cost to administer those benefits. It can only be revoked when all such health care and other non-pension benefits, current and future, have been paid or deceased. The GIC administers benefit payments, while the Trustees are responsible for investment decisions.

Management of the SRBT is vested with the Trustees, which consists of seven members, including the Secretary of Administration and Finance (or their designee), the Executive Director of the GIC (or their designee), the Executive Director of PERAC (or their designee), the State Treasurer (or their designee), the Comptroller (or a designee), one person appointed by the Governor and one person appointed by the State Treasurer. These members elect one person to serve as chair of the board.

The SRBT does not issue stand-alone audited financial statements but is reflected as a fiduciary fund in the Commonwealth's audited financial statements.

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

Benefits Provided

Under Chapter 32A of the Massachusetts General Laws, the Commonwealth is required to provide certain health care and life insurance benefits for retired employees of the Commonwealth, housing authorities, redevelopment authorities, and certain other governmental agencies. Substantially all of the Commonwealth's employees may become eligible for these benefits if they reach retirement age while working for the Commonwealth. Eligible retirees are required to contribute a specified percentage of the health care / benefit costs, which are comparable to contributions required from employees. Dental and vision coverage may be purchased by these groups with no subsidy from the Commonwealth.

Contributions

Employer and employee contribution rates are set by MGL. The Commonwealth recognizes its share of the costs on an actuarial basis. As of June 30, 2023, and as of the valuation date (January 1, 2023), participants contributed 10% to 20% of premium costs, depending on the date of hire and whether the participant's status is active, retired, or survivor. As part of the fiscal year 2010 General Appropriation Act, all active employees pay an additional 5% of premium costs.

The Massachusetts General Laws governing employer contributions to SRBT determine whether entities are billed for OPEB costs. Consequently, SRBT developed an effective contribution methodology which allocates total actual contributions amongst the employers in a consistent manner (based on an employer's share of total covered payroll). The College is required to contribute based on Massachusetts General Laws; the rate was 7.83% and 7.28% of annual covered payroll for the fiscal years ended June 30, 2024 and 2023, respectively. The College contributed \$140,502 and \$128,609 for the fiscal years ended June 30, 2024 and 2023, respectively, equal to 100% of the required contribution for the year.

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

At June 30, 2024 and 2023, the College reported a liability of \$3,118,139 and \$7,298,796, respectively, for its proportionate share of the net OPEB liability related to its participation in SRBT. The net OPEB liability was measured as of June 30, 2023 and 2022, respectively, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2023 and 2022, respectively. The College's proportion of the net OPEB liability was based on its share of the Commonwealth's collective OPEB amounts allocated on the basis of an effective contribution methodology which allocates total actual contributions amongst the employers in a consistent manner based on the College's share of total covered payroll for the fiscal years 2023 and 2022. The College's proportionate share was based on the actual employer contributions to the SRBT for fiscal years 2023 and 2022 relative to total contributions of all participating employers for the fiscal year. At June 30, 2024 and 2023, the College's proportion was 0.022% and 0.055%, respectively.

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

For the years ended June 30, 2024 and 2023, the College recognized OPEB benefit of \$3,089,917 and \$1,974,331, respectively. The College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources at June 30, 2024 and 2023:

<u>Deferred Outflows of Resources Related to OPEB</u>	<u>2024</u>	<u>2023</u>
Contributions subsequent to the measurement date	\$ 140,502	\$ 128,609
Differences between expected and actual experience	126,824	134,361
Changes in OPEB plan actuarial assumptions	136,982	537,580
Differences between projected and actual earnings on pension plan investments	10,192	11,095
Changes in proportion from Commonwealth	286	3,353
Changes in proportion due to internal allocation	-	380,576
Total deferred outflows related to OPEB	<u>\$ 414,786</u>	<u>\$ 1,195,574</u>

Deferred Inflows of Resources Related to OPEB

Net differences between projected and actual earnings on OPEB plan investments	\$ -	\$ -
Differences between expected and actual experience	350,244	1,208,395
Changes in proportion due to internal allocation	8,450,824	5,579,710
Changes in proportion from Commonwealth	29,837	36,045
Changes in OPEB plan actuarial assumptions	<u>804,280</u>	<u>2,641,589</u>
Total deferred inflows related to OPEB	<u>\$ 9,635,185</u>	<u>\$ 9,465,739</u>

The College's contributions of \$140,502 and \$128,609 made during the fiscal years 2024 and 2023, respectively, subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability each of the succeeding years.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years Ending
June 30,

2025	\$ (2,261,192)
2026	(2,244,277)
2027	(2,224,520)
2028	(2,049,249)
2029	<u>(581,663)</u>
	<u>\$ (9,360,901)</u>

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

Actuarial Assumptions

The total OPEB liability was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Measurement date	June 30, 2023	June 30, 2022
Inflation	2.50%	2.50%
Salary increases	Rates vary by years of service and group classification, consistent with SERS	Rates vary by years of service and group classification, consistent with SERS
Investment rate of return	7.00%, net of OPEB plan investment expense, including inflation	7.00%, net of OPEB plan investment expense, including inflation
Health care cost trend rates	Developed based on the most recent published SOA-Getzen trend rate model, version 2023_1f. Medicare and non-Medicare benefits range from 3.94% to 8.59%	Developed based on the most recent published GAO-Getzen trend rate model, version 2022_b. Medicare and non-Medicare benefits range from 3.94% to 9.11%

The mortality rate was in accordance with the RP-2014 Blue Collar Mortality Table projected with scale MP-2021 from the central year, with females set forward one year for both measurement dates June 30, 2023 and 2022.

The participation rates are actuarially assumed as below:

- 100% of all retirees who currently have health care coverage will continue to have the same coverage, except that retirees under age 65 with POS/PPO coverage switch to Indemnity at age 65 and those over 65 with POS/PPO coverage switch to HMO.
- All current retirees, other than those indicated on the census data as not being eligible by Medicare, have Medicare coverage upon attainment of age 65, as do their spouses. All future retirees are assumed to have Medicare coverage upon attainment of age 65.
- 35% of employees currently opting out of active employee health coverage are assumed to elect to enroll in retiree coverage for measurement date June 30, 2023.
- 85% of current and future contingent eligible participants will elect health care benefits at age 55, or current age if later for measurement date June 30, 2023.
- Retirees who currently elect to waive their coverage are assumed to remain uncovered in the future.
- Actives, upon retirement, take coverage, and are assumed to have the following coverage:

	Retirement Age		Retirement Age	
	2024		2023	
	Under 65	Age 65+	Under 65	Age 65+
Indemnity	27.0%	96.0%	28.0%	96.0%
POS/PPO	63.0%	0.0%	62.0%	0.0%
HMO	10.0%	4.0%	10.0%	4.0%

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

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future rates of return 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 rates of return by the target asset allocation percentage. The SRBT is required to invest in the PRIT Fund. Consequently, information about SRBT's target asset allocation and long-term expected real rate of return as of June 30, 2024 and 2023 are the same as discussed in the pension footnote, and are summarized as follows:

Asset Class	2024		2023	
	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	37.0%	4.9%	38.0%	4.2%
Core Fixed Income	15.0%	1.9%	15.0%	0.5%
Private Equity	16.0%	7.4%	15.0%	7.3%
Portfolio Completion Strategies	10.0%	3.8%	10.0%	2.7%
Real Estate	10.0%	3.0%	10.0%	3.3%
Value Added Fixed Income	8.0%	5.1%	8.0%	3.7%
Timberland/Natural Resources	4.0%	4.3%	4.0%	3.9%
	<u>100.0%</u>		<u>100.0%</u>	

Discount Rate

The discount rate used to measure the total OPEB liability for 2024 and 2023 was 4.34% and 4.30%, respectively. These rates were based on a blend of the Bond Buyer Index rate (3.65% and 3.54%) as of the measurement date and the expected rate of return. The OPEB plan's fiduciary net position was not projected to be available to make all projected future benefit payments for current plan members. The projected "depletion date" when projected benefits are not covered by projected assets is 2042 and 2041 for the fiscal years 2024 and 2023, respectively. Therefore, the long-term expected rate of return on OPEB plan investments of 7.00%, respectively per annum, was not applied to all periods of projected benefit payments to determine the total OPEB liability.

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

Sensitivity of the College's proportionate share of the net OPEB liability to changes in the discount rate

The following presents the College's proportionate share of the net OPEB liability, as well as what the College's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	<u>2024</u>		
	1.00% Decrease 3.34%	Current Discount Rate 4.34%	1.00% Increase 5.34%
Net OPEB Liability	\$ 3,643,238	\$ 3,118,139	\$ 2,687,263
	<u>2023</u>		
	1.00% Decrease 3.30%	Current Discount Rate 4.30%	1.00% Increase 5.30%
Net OPEB Liability	\$ 8,514,833	\$ 7,298,796	\$ 6,299,910

Sensitivity of the College's Proportionate Share of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the College's proportionate share of the net OPEB liability, as well as what the College's proportionate share of the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	<u>2024</u>		
	1.00% Decrease (B)	Current Healthcare Cost Trend Rate (A)	1.00% Increase (C)
\$	2,612,763	\$ 3,118,139	\$ 3,757,406
	<u>2023</u>		
	1.00% Decrease (B)	Current Healthcare Cost Trend Rate (A)	1.00% Increase (C)
\$	6,118,480	\$ 7,298,796	\$ 8,792,934

(A) - Current healthcare cost trend rate, as disclosed in the actuarial assumptions

(B) - 1-percentage decrease in current healthcare cost trend rate,
as disclosed in the actuarial assumption

(C) - 1-percentage increase in current healthcare cost trend rate,
as disclosed in the actuarial assumption

13. RESTRICTED NET POSITION

The College is the recipient of funds that are subject to various external constraints upon their use, either as to purpose or time. All restricted-expendable funds are to be used for academic programs.

The Foundation's restricted - nonexpendable and expendable net assets consist of investments to be utilized for various scholarships and program support.

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

14. NET ASSETS WITHOUT RESTRICTION

The College's net position without restriction is composed of the following at June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Unrestricted net position designated by the College's Board of Trustees for the following purposes:		
Capital projects	\$ 9,132,658	\$ 5,426,786
Academic and other programs	8,145,344	4,840,106
Technology improvements	<u>7,404,856</u>	<u>4,400,097</u>
Total unrestricted net position	<u>\$ 24,682,858</u>	<u>\$ 14,666,989</u>

The Foundation's net assets without restriction are composed of the following at June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Net assets without restriction designated by the Foundation's Board of Directors for the following purposes:		
Margaret Jackson Art Center and Visual Arts Fund	\$ 66,115	\$ 478,097
President's Merit Scholarship	146,042	133,216
Undesignated	<u>4,116,263</u>	<u>3,527,381</u>
Total net assets without restriction	<u>\$ 4,328,420</u>	<u>\$ 4,138,694</u>

15. COMMITMENTS AND CONTINGENCIES

Related Party Transactions

On March 30, 2007, the College entered into a revocable license agreement with the Foundation for use of a building and related premises located in Attleboro, Massachusetts, to be used for additional classroom and instructional space and such other related purposes consistent with that of a community college. The license, which expired on March 30, 2016, is automatically renewed for one year unless notice is given by either party not less than thirty days prior to the then current-scheduled expiration date. Total costs under this license agreement were approximately \$328,000 and \$283,000 for the years ended June 30, 2024 and 2023, respectively. The Foundation has a mortgage payable on this property of \$1,890,000 and \$2,060,000 as of June 30, 2024 and 2023, respectively. The College does not believe this license agreement meets the criteria to qualify as a lease under GASB 87, as it is a one-year license that can be renewed annually and the lease is similar to a non-related party relationship.

During fiscal years 2024 and 2023, the College paid the Foundation \$2,403,045 and \$12,749,428, respectively, for construction of a Nation Offshore Wind Institute ("NOWI") facility. The project was completed during the fiscal year 2024. There are no formal repayment terms and College has recognized a due from Foundation and began receiving payments during fiscal year 2024 of \$1,000,000.

Total related party payments from the College to the Foundation for leases and the revocable license agreement totaled approximately \$1,480,000 and \$1,346,000 for the years ended June 30, 2024 and 2023, respectively.

Litigation

There are various lawsuits pending or threatened against the College that arose from the ordinary course of operations. In the opinion of management, no litigation is now pending or threatened, which would materially affect the College's financial position.

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

Federal, State, and Private Grants and Contracts

The College receives significant financial assistance from federal and state agencies in the form of grants. Expenditures of funds under these programs require compliance with the grant agreements and are subject to audit. Any disallowed expenditures resulting from such audits become a liability of the College. In the opinion of management, such adjustments, if any, are not expected to materially affect the financial condition of the College.

The College participates in the Massachusetts College Savings Prepaid Tuition Program (the "Program"). This Program allows individuals to pay in advance for future tuition at the cost of tuition at the time of election to participate, increased by changes in the Consumer Price Index plus 2%. The College is obligated to accept as payment of tuition the amount determined by this Program without regard to the standard tuition rate in effect at the time of the individual's enrollment at the College. The effect of this Program cannot be determined as it is contingent on future tuition increases and the Program participants who attend the College.

Risk Management

The College participates in the various programs administered by the Commonwealth for property, general liability, automobile liability, and workers' compensation. The Commonwealth is self-insured for employees' workers' compensation, casualty, theft, tort claims, and other losses. Such losses, including estimates of amounts incurred but not reported, are obligations of the Commonwealth. For workers' compensation, the Commonwealth assumes the full risk of claims filed under a program managed by the Human Resources Division. For personal injury or property damages, Massachusetts General Laws limit the risk assumed by the Commonwealth to \$100,000 per occurrence, in most circumstances.

16. OPERATING EXPENSES

The College's operating expenses, on a natural classification basis, are composed of the following for the years ended June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Compensation and benefits	\$ 53,167,497	\$ 52,024,481
Supplies and services	15,368,186	15,015,932
Depreciation	6,414,381	6,136,560
Scholarships and fellowships	7,342,785	10,613,613
	<u>\$ 82,292,849</u>	<u>\$ 83,790,586</u>

17. OTHER FRINGE BENEFITS

The College participates in the Commonwealth's Fringe Benefit programs, including active employee and postemployment health insurance, unemployment, pension, and workers' compensation benefits. Health insurance for active employees and retirees is paid through a fringe benefit rate charged to the College by the Commonwealth.

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

Group Insurance Commission

The Commonwealth's Group Insurance Commission ("GIC") was established by the Legislature in 1955 to provide and administer health insurance and other benefits to the Commonwealth's employees and retirees, and their dependents and survivors. The GIC also covers housing and redevelopment authorities' personnel, certain authorities, and other offline agencies, retired municipal teachers from certain cities and towns, and a small number of municipalities as an agent multiple-employer program, accounted for as an agency fund activity of the Commonwealth, not the College. The GIC is a quasi-independent state agency governed by a seventeen-member body (the "Commission") appointed by the Governor. The GIC is located administratively within the Executive Office of Administration and Finance, and it is responsible for providing health insurance and other benefits to the Commonwealth's employees and retirees and their survivors and dependents. During the fiscal years ended June 30, 2024 and 2023, the GIC provided health insurance for its members through indemnity, PPO, and HMO plans.

The GIC also administers carve-outs for pharmacy, mental health, and substance abuse benefits for certain health plans. In addition to health insurance, the GIC sponsors life insurance, long-term disability insurance (for active employees only), dental and vision coverage (for employees not covered by collective bargaining), retiree discount vision and dental plans, and a pretax health care spending account and dependent care assistance program (for active employees only).

Other Retirement Plans

The employees of the College can elect to participate in two defined contribution plans offered and administered by the Massachusetts Department of Higher Education – an IRC 403(b) Tax-Deferred Annuity Plan and an IRC 457 Deferred Compensation SMART Plan. Employees can contribute by payroll deduction a portion of before-tax salary into these plans up to certain limits. The College has no obligation to contribute to these plans and no obligation for any future pay-out.

18. STATE APPROPRIATIONS

	<u>2024</u>	<u>2023</u>
Direct unrestricted appropriations:	\$ 29,727,715	\$ 27,969,698
Add: fringe benefits for benefited employees on the state payroll	12,335,408	10,420,769
Less: day school tuition remitted to the state and included in tuition and fee revenue	(272,227)	(325,175)
Total unrestricted appropriations	41,790,896	38,065,292
Restricted appropriations	857,118	867,156
Capital appropriations	1,845,577	211,345
Total appropriations	<u>\$ 44,493,591</u>	<u>\$ 39,143,793</u>

19. MASSACHUSETTS MANAGEMENT ACCOUNTING AND REPORTING SYSTEM

Section 15C of Chapter 15A of the Massachusetts General Laws requires Commonwealth colleges and universities to report activities of campus-based funds to the Comptroller of the Commonwealth on the Commonwealth's Statewide Accounting System, Massachusetts Management Accounting and Reporting System ("MMARS") on the statutory basis of accounting. The statutory basis of accounting is a modified accrual basis of accounting and differs from the information included in these financial statements. Management believes the amounts reported on MMARS meet the guidelines of the Comptroller's *Guide for Higher Education Audited Financial Statements*.

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

A reconciliation between the College and MMARS as of June 30, 2024 and 2023, is as follows (unaudited):

	<u>2024</u>	<u>2023</u>
Revenue per MMARS	\$ 33,550,779	\$ 26,851,163
Revenue per College	<u>32,987,549</u>	<u>28,339,357</u>
Difference	<u>\$ 563,230</u>	<u>\$ (1,488,194)</u>

The difference for the year ended June 30, 2024, relates to a combination of factors including funding by the state for tuition waivers and deferred payroll totaling approximately \$563,000.

20. PASS-THROUGH GRANTS

The College distributed \$10,132,350 and \$9,078,195 for the years ended June 30, 2024 and 2023, respectively, for student loans through the U.S. Department of Education Federal Direct Lending Program. These distributions and related funding sources are not included as expenses and revenues or as cash disbursements and cash receipts in the accompanying financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

Bristol Community College
(an Agency of the Commonwealth of Massachusetts)

Schedules of Proportionate Share of Net Pension Liability (Unaudited)

Year ended Measurement date Valuation date	June 30, 2024 June 30, 2023 January 1, 2023	June 30, 2023 June 30, 2022 January 1, 2022	June 30, 2022 June 30, 2021 January 1, 2021	June 30, 2024 and 2023 June 30, 2021 June 30, 2020 January 1, 2019		June 30, 2020 June 30, 2019 January 1, 2019	June 30, 2019 June 30, 2018 January 1, 2018	June 30, 2018 June 30, 2017 January 1, 2017	June 30, 2017 June 30, 2016 January 1, 2016	June 30, 2016 June 30, 2015 January 1, 2015	June 30, 2015 June 30, 2014 January 1, 2014
Proportion of the collective net pension liability	0.020%	0.042%	0.049%	0.068%	0.053%	0.077%	0.074%	0.077%	0.104%	0.087%	
Proportionate share of the collective net pension liability	\$ 2,931,732	\$ 5,799,643	\$ 5,165,339	\$ 11,638,615	\$ 7,813,926	\$ 10,140,807	\$ 9,438,049	\$ 10,561,888	\$ 11,807,041	\$ 6,491,611	
College's covered-employee payroll	\$ 1,767,168	\$ 3,642,728	\$ 4,016,152	\$ 5,206,240	\$ 4,408,928	\$ 5,950,229	\$ 5,782,451	\$ 5,818,335	\$ 6,250,090	\$ 6,846,015	
College's proportionate share of the net pension liability as a percentage of its covered-employee payroll	165.90%	159.21%	128.61%	223.55%	177.23%	170.43%	163.22%	181.53%	188.91%	94.82%	
Plan fiduciary net position as a percentage of the total pension liability	70.71%	71.05%	77.54%	62.48%	66.28%	67.91%	67.21%	63.48%	67.87%	76.32%	

Bristol Community College
(an Agency of the Commonwealth of Massachusetts)

Schedules of Contributions - Pension (Unaudited)

June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 299,506	\$ 295,117	\$ 586,844	\$ 588,768	\$ 733,040	\$ 531,717	\$ 700,937	\$ 575,354	\$ 550,021	\$ 649,384
Contributions in relation to the contractually required contribution	<u>299,506</u>	<u>295,117</u>	<u>586,844</u>	<u>588,768</u>	<u>733,040</u>	<u>531,717</u>	<u>700,937</u>	<u>575,354</u>	<u>550,021</u>	<u>649,384</u>
Contribution excess	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 1,794,524	\$ 1,767,168	\$ 3,642,731	\$ 4,016,152	\$ 5,206,240	\$ 4,408,928	\$ 5,950,229	\$ 5,782,451	\$ 5,818,335	\$ 6,250,090
Contribution as a percentage of covered-employee payroll	16.69%	16.70%	16.11%	14.66%	14.08%	12.06%	11.78%	9.95%	9.45%	10.39%

Notes:

Employers participating in the Massachusetts State Employees' Retirement System are required by MA General Laws, Section 32, to contribute an actuarially determined contribution rate each year.

Bristol Community College
Notes to Required Supplementary Information – Pension (Unaudited)
June 30, 2024 and 2023

1. CHANGE IN ACTUARIAL ASSUMPTIONS

Measurement date – June 30, 2023

The inflation rate changed from 3.00% to 2.50%.

Measurement date – June 30, 2022

The mortality rates were changed as follows:

- Pre-retirement - reflects RP-2014 Blue Collar Employees table projected generationally with Scale MP-2021 set forward 1 year for females.
- Post-retirement - reflects RP-2014 Blue Collar Healthy Annuitant table projected generationally with Scale MP-2021 set forward 1 year for females.
- Disability - the mortality rate reflects the post-retirement mortality described above, set forward 1 year.

Measurement Date – June 30, 2021

The investment rate of return changed from 7.15% to 7.00%. In conjunction with the investment rate of return changing, the discount rate was also changed to mirror the new investment rate of return.

The mortality rates were changed as follows:

- Pre-retirement mortality reflects RP-2014 Blue Collar Employees table projected generationally with Scale MP-2020, set forward 1 year for females.
- Post-retirement mortality reflects RP-2014 Blue Collar Healthy Annuitant table projected generationally with Scale MP-2020, set forward 1 year for females.
- For disabled retirees, mortality reflects the post-retirement mortality described above, set forward 1 year.

Measurement date – June 30, 2020

The investment rate of return changed from 7.25% to 7.15%. In conjunction with the investment rate of return changing, the discount rate was also changed to mirror the new investment rate of return.

Measurement date – June 30, 2019

The investment rate of return changed from 7.35% to 7.25%. In conjunction with the investment rate of return changing, the discount rate was also changed to mirror the new investment rate of return.

Measurement date – June 30, 2018

The investment rate of return changed from 7.50% to 7.35%. In conjunction with the investment rate of return changing, the discount rate was also changed to mirror the new investment rate of return.

The mortality rate assumptions were changed as follows:

- Disabled members – the amount reflects the same assumptions as for superannuation retirees, but with an age set forward of one year.

Measurement date – June 30, 2017

The mortality rates were changed as follows:

- Pre-retirement – was changed from RP-2000 Employees table projected generationally with Scale BB and a base year of 2009 (gender distinct) to RP-2014 Blue Collar Employees Table projected generationally with Scale MP-2016 and set forward 1 year for females.

Bristol Community College
Notes to Required Supplementary Information – Pension (Unaudited)
June 30, 2024 and 2023

- Post-retirement – was changed from RP-2000 Healthy Annuitant table projected generationally with Scale BB and a base year of 2009 (gender distinct) to RP-2014 Blue Collar Healthy Annuitant Table projected generationally with Scale MP-2016 and set forward 1 year for females.
- Disability – did not change

Measurement date – June 30, 2016

The assumption for salary increases changed from a range of 3.5% to 9.0% depending on group and length of service to a range of 4.0% to 9.0% depending on group and length of service. Chapter 176 of the Acts of 2011 created a one-time election for eligible members of the Option Retirement Plan ("OPR") to transfer to the SERS and purchase service for the period while members of the ORP. As a result, the total pension liability of SERS increased by approximately \$400 million as of June 30, 2016.

Measurement date – June 30, 2015

The discount rate to calculate the pension liability decreased from 8.0% to 7.5%.

In May 2015, Chapter 19 of the Acts of 2015 created an Early Retirement Incentive ("ERI") for certain members of SERS, who upon election of the ERI, retired effective June 30, 2015. As a result, the total pension liability of SERS increased by approximately \$230 million as of June 30, 2015.

The mortality rates were changed as follows:

- Pre-retirement – was changed from RP-2000 Employees table projected 20 years with Scale AA (gender distinct) to RP-2000 Employees table projected generationally with Scale BB and a base year of 2009 (gender distinct).
- Post-retirement – was changed from RP-2000 Healthy Annuitant table projected 15 years with Scale AA (gender distinct) to RP-2000 Healthy Annuitant table projected generationally with Scale BB and a base year of 2009 (gender distinct).
- Disability – was changed from RP-2000 table projected 5 years with Scale AA (gender distinct) set forward three years for males to RP-2000 Healthy Annuitant table projected generationally with Scale BB and a base year of 2015 (gender distinct).

Bristol Community College
(an Agency of the Commonwealth of Massachusetts)

Schedules of Proportionate Share of Net OPEB Liability (Unaudited)

	June 30, 2024 and 2023						
Year ended	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Measurement date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Valuation date	January 1, 2023	January 1, 2022	January 1, 2021	January 1, 2020	January 1, 2019	January 1, 2018	January 1, 2017
Proportion of the collective net OPEB liability	0.022%	0.055%	0.057%	0.072%	0.084%	0.119%	0.105%
Proportionate share of the collective net OPEB liability	\$ 3,118,139	\$ 7,298,796	\$ 9,069,143	\$ 14,976,170	\$ 14,730,564	\$ 22,190,029	\$ 18,357,051
College's covered payroll	\$ 1,767,168	\$ 3,642,728	\$ 4,016,152	\$ 5,206,240	\$ 4,408,928	\$ 5,950,229	\$ 5,782,451
College's proportionate share of the net OPEB liability as a percentage of its covered payroll	176.45%	200.37%	225.80%	287.66%	334.11%	372.93%	317.46%
Plan fiduciary net position as a percentage of the total OPEB liability	13.80%	13.00%	10.70%	6.40%	6.96%	6.01%	5.39%

Notes:

The GASB pronouncement requiring the presentation of the information on this schedule became effective for years beginning after June 15, 2017 and is intended to provide data for the most recent ten years.

Bristol Community College
(an Agency of the Commonwealth of Massachusetts)

Schedules of Contributions - OPEB (Unaudited)

June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Statutorily required contribution	\$ 140,502	\$ 128,609	\$ 278,699	\$ 309,169	\$ 379,733	\$ 387,725	\$ 530,693
Contributions in relation to the statutorily required contribution	<u>(140,502)</u>	<u>(128,609)</u>	<u>(278,699)</u>	<u>(309,169)</u>	<u>(379,733)</u>	<u>(387,725)</u>	<u>(530,693)</u>
Contribution (excess)/deficit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
College's covered payroll	\$ 1,794,524	\$ 1,767,168	\$ 3,642,731	\$ 4,016,152	\$ 5,206,240	\$ 4,408,928	\$ 5,950,229
Contribution as a percentage of covered payroll	7.83%	7.28%	7.65%	7.70%	7.29%	8.79%	8.92%

Notes:

Employers participating in the Massachusetts State Retirees' Benefit Trust are required by MA General Laws, Section 32, to contribute an actuarially determined contribution rate each year.

The GASB pronouncement requiring the presentation of the information on this schedule became effective for years beginning after June 15, 2017 and is intended to provide data for the most recent ten years.

See accompanying notes to required supplementary information.

Bristol Community College
Notes to Required Supplementary Information - OPEB (Unaudited)
June 30, 2024 and 2023

1. CHANGE IN PLAN ASSUMPTIONS

Measurement Date June 30, 2023

Assumptions:

Change in Per Capita Claims Costs

Per capita claims costs were updated based on the changes in the underlying claims and benefit provisions.

Change in Medical Trend Rates

The medical trend rates were updated based on the SOA-Getzen trend rate model version 2023_1f. The healthcare trend rates were updated to reflect short-term expectations based on a review of the Commonwealth's historical trend rates.

Change in Discount Rate

The discount rate was increased to 4.34% (based upon a blend of the Bond Buyer Index rate (3.65%) as of the measurement date as required by GASB Statement 74.

Measurement Date June 30, 2022

Assumptions:

Change in Per Capita Claims Costs

Per capita claims costs were updated based on the changes in the underlying claims and benefit provisions.

Change in Medical Trend Rates

The medical trend rates were updated based on the SOA-Getzen trend rate model version 2022_f4. The healthcare trend rates were updated to reflect short-term expectations based on a review of the Commonwealth's historical trend rates.

Change in Discount Rate

The discount rate was increased to 4.00% (based upon a blend of the Bond Buyer Index rate (3.54%) as of the measurement date as required by GASB Statement 74.

Measurement Date June 30, 2021

Assumptions:

Change in Per Capita Claims Costs

Per capita claims costs were updated reflect lower-than-expected FY22 rates, driven primarily by an increase in expected Pharmacy Benefits Manager rebates.

Change in Medical Trend Rates

The medical trend rates were updated based on the SOA-Getzen trend rate model version 2021_b. The healthcare trend rates were updated to reflect short-term expectations based on a review of the Commonwealth's historical trend rates.

Change in Investment Rate

The investment rate of return decreased from 7.15% to 7.00%.

Change in Mortality Rates

The mortality projection scale was updated from MP-2016 to MP-2020.

Change in Discount Rate

The discount rate was increased to 2.77% (based upon a blend of the Bond Buyer Index rate (2.16%) as of the measurement date as required by GASB Statement 74.

Bristol Community College
Notes to Required Supplementary Information - OPEB (Unaudited)
June 30, 2024 and 2023

Measurement Date June 30, 2020

Assumptions:

Change in Per Capita Claims Costs

Per capita claims costs were updated based on the changes in the underlying claims and benefit provisions.

Change in Medical Trend Rates

The medical trend rates were updated based on the SOA-Getzen trend rate model version 2090_b, the impact of the discontinuation of the ACA Health Insurer Fee and Excise Tax.

Change in Investment Rate

The investment rate of return decreased from 7.25% to 7.15%

Change in Salary Scale

The salary scale assumption was updated from the constant 4% assumption to rates that vary by years of service and group classification, consistent with SERS.

Change in Discount Rate

The discount rate was decreased to 2.28% (based upon a blend of the Bond Buyer Index rate (2.21%) as of the measurement date as required by GASB Statement 74.

Measurement Date June 30, 2019

Assumptions:

Change in Inflation

The inflation rate decreased from 3.0% to 2.5%.

Change in Salary Assumptions

Salary decreased from 4.5% to 4.0%

Change in Trend on Future Costs

The original healthcare trend rate decreased from 8.0% to 7.5%, which affects the high-cost excise tax.

Change in Discount Rate

The discount rate was decreased to 3.63% (based upon a blend of the Bond Buyer Index rate (3.51%) as of the measurement date as required by GASB Statement 74.

Measurement Date June 30, 2018

Assumptions:

Change in Trend of Future Costs

The healthcare trend rate decreased from 8.5% to 8.0% which affects the high-cost excise tax.

Change in Mortality Rates

The following mortality assumption changes were made in the January 1, 2018 Actuarial Valuation.

- Disabled members - would reflect the same assumptions as for superannuation retirees, but with an age set forward of one year.

Change in Discount Rate

The discount rate was increased to 3.95% (based upon a blend of the Bond Buyer Index rate (3.87%) as of the measurement date as required by GASB Statement 74.

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

To the Board of Trustees of
Bristol Community College:

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, the financial statements of the business-type activities of Bristol Community College (the "College"), and its discretely presented major component unit, 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 16, 2024.

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 College's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a deficiency in internal control, described in the accompanying schedule of finding and recommendation as Finding 2024-001 that we consider to be a material weakness.

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*.

Bristol Community College's Response to Finding

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College'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 College's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in blue ink that reads 'Withum Smith & Brown, PC'.

December 16, 2024

FINDING AND RECOMMENDATION

FINDING 2024-001

Criteria:

Internal controls should be in place to prevent student loans passed through from the federal government from being recognized within the financial statements.

Condition:

Student loans are pass through loans and as such should not be recognized under generally accepted accounting principles in the United States of America as prescribed by GASB within revenues and expenses.

Cause:

The College's management did not implement proper controls surrounding the recording of student loans passed through from the federal government within the financial statements.

Effect:

It was determined that the College had improperly recognized student loans within the financial statements for the year ended June 30, 2023.

Recommendation:

We recommend management implement procedures to ensure that this error does not occur in the future.

Management's Response:

Management agrees with finding 2024-001. Management will not include student loans in the financial statements other than in required disclosures.