

**BRISTOL COMMUNITY COLLEGE**  
**(an Agency of the Commonwealth of Massachusetts)**  
**Financial Statements and**  
**Management's Discussion and Analysis**  
**June 30, 2025 and 2024**  
**With Independent Auditor's Reports**

**Bristol Community College****Table of Contents****June 30, 2025 and 2024**

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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, 2025 and 2024, and the discretely presented major component unit, Bristol Community College Foundation, Inc. (the "Foundation") as of and for the years ended June 30, 2025 and 2024, 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, 2025 and 2024, 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.

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

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

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

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

## Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis 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 audits 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 18 2025, on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

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

December 18, 2025

**Bristol Community College**  
**Management's Discussion and Analysis**  
**June 30, 2025 and 2023**

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**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 years ended June 30, 2025 and 2024. 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* includes 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* presents 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, 2025 and 2024**

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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 of the College 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 19-46 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, 2025, the assets of Bristol Community College exceeded liabilities by \$126,897,802 a \$12,074,181 or approximate 10.5% increase from the excess of \$114,823,621 at the close of 2024. The primary reasons for this are a large increase in student enrollment due to the Commonwealth's Free College Initiative for Massachusetts students, the reduction in Pension and OPEB expense, and good returns on the College's investments. At June 30, 2024, the assets of Bristol Community College exceeded liabilities by \$114,823,621 a \$9,453,942 or approximately 9% increase from the excess of \$105,369,679 at the close of 2023.

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, 2025 and 2024

**Condensed Schedule of Net Position**

	<b>2025</b>	<b>2024</b>	<b>2023</b>
Current and other assets	\$ <b>71,160,816</b>	\$ <b>57,510,078</b>	\$ 54,509,600
Non-current assets	-	-	-
Capital assets, net	<b>92,638,700</b>	<b>95,770,176</b>	96,694,374
Deferred outflows of resources	<b>908,843</b>	<b>1,402,765</b>	2,650,920
 Total assets and deferred outflows of resources	 <b>164,708,359</b>	 <b>154,683,019</b>	 153,854,894
 Current liabilities outstanding	 <b>17,571,515</b>	 <b>13,847,509</b>	 16,127,378
Other liabilities	<b>11,012,108</b>	<b>12,075,522</b>	19,455,993
Deferred inflows of resources	<b>9,226,934</b>	<b>13,936,367</b>	12,901,844
 Total liabilities and deferred inflows of resources	 <b>37,810,557</b>	 <b>39,859,398</b>	 48,485,215
 Net Position:			
Investment in capital assets, net	<b>87,863,829</b>	<b>89,934,714</b>	90,523,075
Restricted	<b>251,401</b>	<b>206,047</b>	179,615
Unrestricted	<b>38,782,572</b>	<b>24,682,860</b>	14,666,989
 Total net position	 <b>\$ 126,897,802</b>	 <b>\$ 114,823,621</b>	 \$ 105,369,679

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, 2025 and 2024

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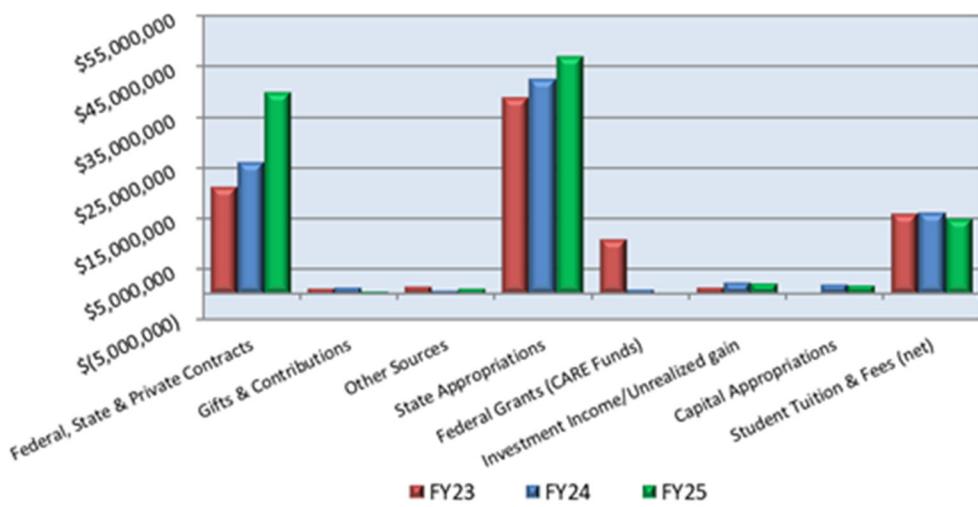
**Condensed Schedule of Revenues, Expenses  
 and Changes in Net Position**

	<u>2025</u>	<u>2024</u>	<u>2023</u>
<b>Operating revenues:</b>			
Student tuition and fees	\$ 34,194,670	\$ 25,499,327	\$ 22,668,194
Less scholarship discounts and allowances	<u>(19,270,128)</u>	<u>(9,253,791)</u>	<u>(6,691,989)</u>
Student tuition and fees, net	14,924,542	16,245,536	15,976,205
Operating grants and contracts	<b>40,047,430</b>	<b>26,142,783</b>	21,196,406
Other sources	<u>1,128,422</u>	<u>747,420</u>	<u>1,473,504</u>
Total operating revenues	<b>56,100,394</b>	<b>43,135,739</b>	38,646,115
Operating expenses	<b>95,589,926</b>	<b>82,292,849</b>	83,790,586
Net operating loss	<b>(39,489,532)</b>	<b>(39,157,110)</b>	(45,144,471)
<b>Non-operating revenues:</b>			
State appropriations	47,187,532	42,648,014	38,932,448
CARES	-	850,676	10,823,195
Investment income and unrealized gains and los	<b>2,431,610</b>	<b>2,277,065</b>	1,318,361
Gifts and contributions	<b>505,454</b>	<b>1,353,362</b>	1,033,470
Interest expense	<u>(329,592)</u>	<u>(363,642)</u>	<u>(293,837)</u>
Total non-operating revenues	<b>49,795,004</b>	<b>46,765,475</b>	<b>51,813,637</b>
Gain (loss) before other revenues, expenses, gains, or losses	<b>10,305,472</b>	<b>7,608,365</b>	6,669,166
Capital appropriations	<b>1,768,709</b>	<b>1,845,577</b>	211,345
Increase (decrease) in net position	<b>12,074,181</b>	<b>9,453,942</b>	6,880,511
Net position, beginning of the year	<b>114,823,621</b>	<b>105,369,679</b>	98,489,168
Net position, end of the year	<b>\$ 126,897,802</b>	<b>\$ 114,823,621</b>	<b>\$ 105,369,679</b>

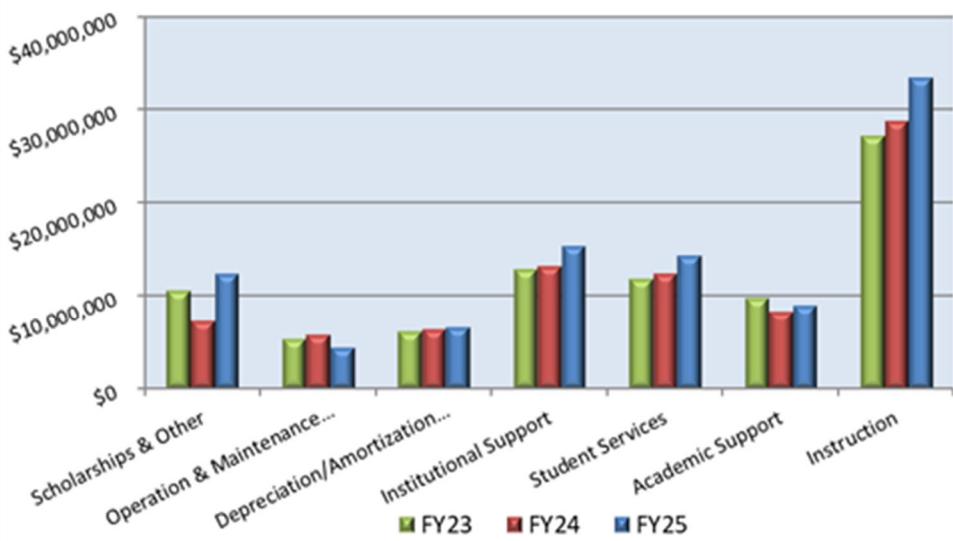
**Bristol Community College**  
**Management's Discussion and Analysis**  
**June 30, 2025 and 2024**

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**FY23 - FY25**  
**Comparison of Revenues by Source**



**FY23 - FY25**  
**Comparison of Operating Expenses by Function**



**Bristol Community College**  
**Management's Discussion and Analysis**  
**June 30, 2025 and 2024**

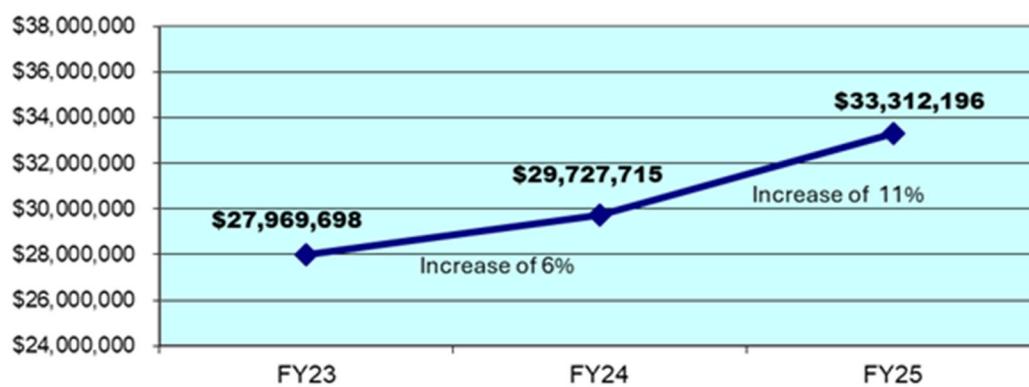
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The College continues to examine revenue diversification and cost containment due to financial pressure from increased cost of compensation and benefits, and the need to continue investing in technology to support teaching and learning. Student tuition 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 2025 increased by approximately 34% from Fiscal Year 2025 tuition and fees primarily due to a large increase in enrollment due to the Commonwealth's implementation of the Mass Educate and Reconnect free college program and a modest increase in tuition and fees. Unrestricted State appropriations increased 10.8% in FY25 from FY24. 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**

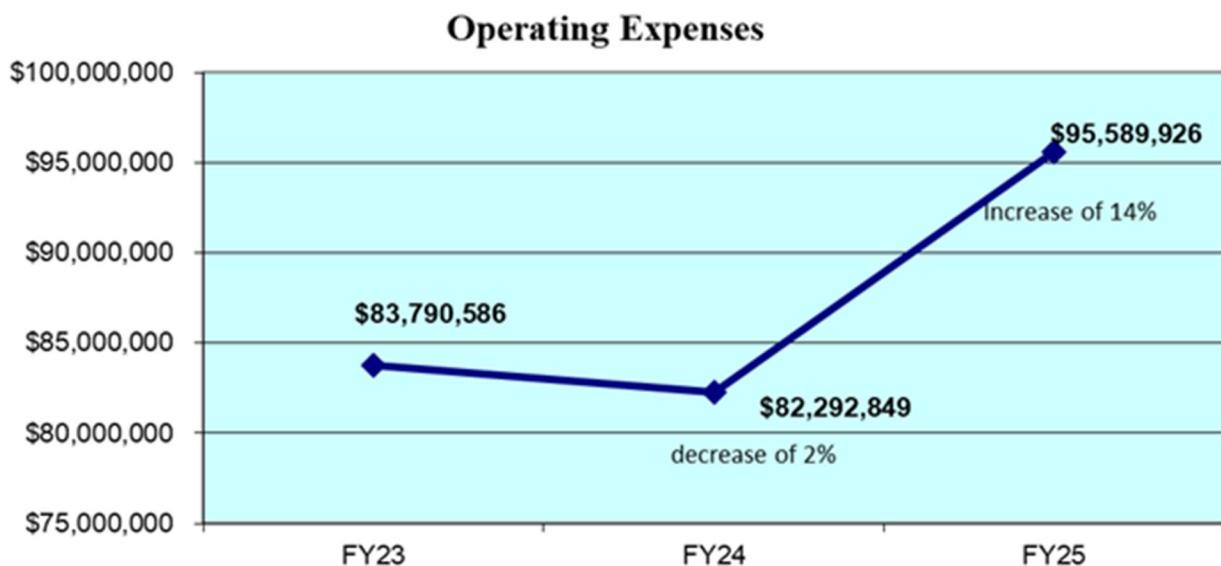


**Unrestricted State Appropriation**



**Bristol Community College**  
**Management's Discussion and Analysis**  
**June 30, 2025 and 2024**

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Operating expenses increased approximately 14% from FY25 to FY24. There are several reasons for this increase, the largest ones being the large increase in scholarships and fellowships due to the increase in federal and state financial aid, as well as the increase in adjunct faculty and wrap around services to support the increase in student enrollment.

### **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, 2025, 2024, and 2023:

	2025	2024	2023
Gross Commonwealth unrestricted appropriations:	\$33,312,196	\$ 29,727,715	\$ 27,969,698
Plus fringe benefits*	13,245,133	12,335,408	10,420,769
Less tuition remitted	\$ (246,508)	\$ (272,227)	\$ (325,175)
Net Commonwealth support	<u>\$46,310,821</u>	<u>\$ 41,790,896</u>	<u>\$ 38,065,292</u>

\*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, 2025 and 2024**

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**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, 2025, and 2024, amounts to \$92,638,700 and \$95,770,178, respectively, net of accumulated depreciation. This investment in capital assets includes land, buildings and improvements, and furnishings and equipment. Capital assets decreased during the year ended June 30, 2025, by 3.3% or \$(3,131,478). Capital assets decreased for year ending June 30, 2024, by 0.95% or \$(924,198). Additional information about Bristol Community College's capital assets can be found in Note 6 on pages 28-29 of this report.

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

The financial statements reflect the first full year of free community college in Massachusetts. The 19% increase in enrollment in fiscal year 2025 is largely the result of the state free community college program. That program has increased enrollment of students, many of which are eligible for financial aid. The results are large increases in tuition and fees and financial aid creating a large increase in net position and cash flow.

While future years are uncertain, we anticipate the strong enrollment growth to continue through 2026 and 2027. For those same periods, the College will only increase fees by a modest amount. Beginning with the free community college initiative, the College is limited by state legislation as to how much it can increase fees. In 2025, that amount was 1.98%. We anticipate similar increases in future years.

The College hired a new President in February 2025 who is developing his goals for the next several years. The College also submitted a new strategic plan to the Department of Higher Education which is currently under review.

**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**  
**Statements of Net Position**  
**June 30, 2025 and 2024**

**Assets and Deferred Outflows of Resources**

	<b>Primary Government</b>	
	<b>2025</b> <b>College</b>	<b>2024</b> <b>College</b>
<b>Current Assets:</b>		
Cash and equivalents (Note 2)	\$ 19,053,474	\$ 13,492,409
Cash held by State Treasurer (Note 3)	1,936,115	1,577,139
Investments (Note 2)	27,428,879	21,707,043
Accounts receivable, net (Note 4)	8,680,107	5,372,786
Due from Foundation (Note 14)	13,682,140	15,077,899
Other current assets	<u>380,101</u>	<u>282,800</u>
<b>Total Current Assets</b>	<b>71,160,816</b>	57,510,076
<b>Non-Current Asset:</b>		
Capital assets, net of accumulated depreciation (Note 6)	<u>92,638,700</u>	<u>95,770,178</u>
<b>Total Assets</b>	<b>163,799,516</b>	<b>153,280,254</b>
<b>Deferred Outflows of Resources:</b>		
Pension related, net (Note 10)	490,503	987,979
OPEB related, net (Note 11)	<u>418,340</u>	<u>414,786</u>
<b>Total Deferred Outflows of Resources</b>	<b>908,843</b>	<b>1,402,765</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 164,708,359</b>	<b>\$ 154,683,019</b>

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

**Bristol Community College**  
**Statements of Net Position**  
**June 30, 2025 and 2024**

**Liabilities, Deferred Inflows of Resources and Net Position**

	<b>Primary Government</b>	
	<b>2025</b> <b>College</b>	<b>2024</b> <b>College</b>
<b>Current Liabilities:</b>		
Accounts payable and accrued liabilities	\$ 1,631,249	\$ 1,961,443
Accrued payroll	4,486,977	3,414,238
Current portion of compensated absences (Note 7)	3,145,572	2,685,331
Current portion of workers' compensation (Note 7)	72,310	80,380
Students' deposits and unearned revenues	6,762,262	4,214,272
Other liabilities	128,400	83,125
Current portion of lease liabilities (Note 8)	859,662	812,609
Current portion of SBITA liabilities (Note 9)	485,083	596,111
<b>Total Current Liabilities</b>	<b>17,571,515</b>	<b>13,847,509</b>
<b>Non-Current Liabilities:</b>		
Compensated absences, net of current portion (Note 7)	1,124,129	1,032,770
Workers' compensation, net of current portion (Note 7)	502,203	566,139
Lease liabilities, net of current portion (Note 8)	2,948,311	3,685,377
SBITA liabilities, net of current portion (Note 9)	481,815	741,365
Net pension liability (Note 10)	2,799,861	2,931,732
Net OPEB liability (Note 11)	3,155,789	3,118,139
<b>Total Non-Current Liabilities</b>	<b>11,012,108</b>	<b>12,075,522</b>
<b>Total Liabilities</b>	<b>28,583,623</b>	<b>25,923,031</b>
<b>Deferred Inflows of Resources:</b>		
Pension related, net (Note 10)	2,816,597	4,301,182
OPEB related, net (Note 11)	6,410,337	9,635,185
<b>Total Deferred Inflows of Resources</b>	<b>9,226,934</b>	<b>13,936,367</b>
<b>Net Position:</b>		
Net investment in capital assets	87,863,829	89,934,716
Restricted (Note 12):		
Expendable	251,401	206,047
Unrestricted (Note 13)	38,782,572	24,682,858
<b>Total Net Position</b>	<b>126,897,802</b>	<b>114,823,621</b>
<b>Total Liabilities, Deferred Inflows of Resources and Net Position</b>	<b>\$ 164,708,359</b>	<b>\$ 154,683,019</b>

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

**Bristol Community College**  
**Statements of Revenues, Expenses and Changes in Net Position**  
**Years Ended June 30, 2025 and 2024**

	<b>Primary Government</b>	
	<b>2025</b> <b>College</b>	<b>2024</b> <b>College</b>
<b>Operating Revenues:</b>		
Tuition and fees	\$ 34,194,670	\$ 25,499,327
Less: Scholarship allowances	<u>(19,270,128)</u>	<u>(9,253,791)</u>
Net student tuition and fees	14,924,542	16,245,536
Federal grants and contracts	22,210,196	15,355,686
State grants and contracts	16,404,352	9,332,989
Private grants and contracts	1,432,882	1,454,108
Other sources	<u>1,128,422</u>	<u>747,420</u>
<b>Total Operating Revenues</b>	<b><u>56,100,394</u></b>	<b><u>43,135,739</u></b>
<b>Operating Expenses (Note 15):</b>		
Instruction	33,302,947	28,709,844
Academic support	8,973,372	8,340,841
Student services	14,330,824	12,418,540
Scholarships and fellowships	12,401,300	7,342,785
Operation and maintenance of plant	4,522,887	5,776,305
Institutional support	15,380,605	13,290,153
Depreciation and amortization	<u>6,677,991</u>	<u>6,414,381</u>
<b>Total Operating Expenses</b>	<b><u>95,589,926</u></b>	<b><u>82,292,849</u></b>
<b>Net Operating Loss</b>	<b><u>(39,489,532)</u></b>	<b><u>(39,157,110)</u></b>
<b>Non-Operating Revenues (Expenses):</b>		
Federal grants	-	850,676
State appropriations, net (Note 17)	47,187,532	42,648,014
Contributions to College	505,454	1,353,362
Net investment income	2,431,610	2,277,065
Interest expense	<u>(329,592)</u>	<u>(363,642)</u>
<b>Total Net Non-Operating Revenues</b>	<b><u>49,795,004</u></b>	<b><u>46,765,475</u></b>
<b>Changes in Net Position Before Other Revenues</b>	<b><u>10,305,472</u></b>	<b><u>7,608,365</u></b>
<b>Other Revenues:</b>		
Capital appropriations (Note 17)	<u>1,768,709</u>	<u>1,845,577</u>
<b>Changes in Net Position</b>	<b><u>12,074,181</u></b>	<b><u>9,453,942</u></b>
Net Position, Beginning of Year	<u>114,823,621</u>	<u>105,369,679</u>
<b>Net Position, End of Year</b>	<b><u>\$ 126,897,802</u></b>	<b><u>\$ 114,823,621</u></b>

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

**Bristol Community College**  
**Statements of Cash Flows**  
**Years Ended June 30, 2025 and 2024**

	<b>Primary Government</b>	
	<b>2025</b>	<b>2024</b>
<b>Cash Flows from Operating Activities:</b>		
Tuition and student fees	\$ 14,805,504	\$ 15,488,131
Grants and contracts	40,231,450	27,659,584
Payments to suppliers	(17,545,059)	(17,252,365)
Payments to employees	(48,333,891)	(45,811,192)
Payments to students	(12,401,300)	(7,342,785)
Income from other sources	1,173,697	747,476
Net Cash Applied to Operating Activities	<u>(22,069,599)</u>	<u>(26,511,151)</u>
<b>Cash Flows from Non-Capital Financing Activities:</b>		
State appropriations	34,188,907	30,584,833
Federal grants	-	850,676
Tuition remitted to state	(246,508)	(272,227)
Contributions from Foundation	505,454	1,353,362
Net Cash Provided by Non-Capital Financing Activities	<u>34,447,853</u>	<u>32,516,644</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>		
Capital appropriations	1,768,709	1,845,577
Principal payments on lease and SBITA liabilities	(1,512,011)	(1,300,406)
Interest paid on note payable and lease liabilities	(329,592)	(363,642)
Purchases of capital assets	(3,095,093)	(4,525,616)
Net Cash Applied to Capital and Related Financing Activities	<u>(3,167,987)</u>	<u>(4,344,087)</u>
<b>Cash Flows from Investing Activities:</b>		
Purchase of investments	(4,016,186)	(162,000)
Proceeds from sales and maturities of investments	264,726	37,570
Interest on investments	461,234	348,939
Net Cash Provided by (applied to) Investing Activities	<u>(3,290,226)</u>	<u>224,509</u>
<b>Net Increase in Cash and Equivalents</b>	<b>5,920,041</b>	<b>1,885,915</b>
Cash and Equivalents, Beginning of Year	<u>15,069,548</u>	<u>13,183,633</u>
<b>Cash and Equivalents, End of Year</b>	<b>\$ 20,989,589</b>	<b>\$ 15,069,548</b>

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

**Bristol Community College**  
**Statements of Cash Flows**  
**Years Ended June 30, 2025 and 2024**

	<b>Primary Government</b>	
	<b>2025</b>	<b>2024</b>
<b>Reconciliation of Net Operating Loss to Net Cash Applied to Operating Activities:</b>		
Net operating loss		
Adjustments to reconcile net operating loss to net cash applied to operating activities:		
Depreciation	<b>6,677,991</b>	6,414,381
Fringe benefits provided by the State	<b>13,245,133</b>	12,335,408
Bad debts	<b>571,446</b>	559,803
Changes in assets and liabilities:		
Accounts receivable	<b>(2,483,008)</b>	477,257
Other current assets	<b>(97,301)</b>	(99,065)
Accounts payable, accrued liabilities and accrued payroll	<b>742,545</b>	(3,000,604)
Compensated absences and workers' compensation	<b>479,594</b>	442,474
Students' deposits and unearned revenues	<b>2,547,990</b>	282,139
Other liabilities	<b>45,275</b>	56
Net pension activity	<b>(1,118,980)</b>	(1,535,467)
Net OPEB activity	<b>(3,190,752)</b>	(3,230,423)
Net Cash Applied to Operating Activities	<b>\$ (22,069,599)</b>	\$ (26,511,151)
<b>Summary of Cash and Equivalents, End of Year:</b>		
Cash and equivalents	<b>\$ 19,053,474</b>	\$ 13,492,409
Cash held by State Treasurer	<b>1,936,115</b>	1,577,139
<b>Total</b>	<b>\$ 20,989,589</b>	<b>\$ 15,069,548</b>
<b>Non-Cash Transactions:</b>		
Fringe benefits provided by the State	<b>\$ 13,245,133</b>	\$ 12,335,408
Recognition of new SBITAs	<b>\$ 302,780</b>	\$ 964,569
Recognition of new leases	<b>\$ 148,640</b>	\$ -

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

**Bristol Community College**  
**Statements of Net Assets (Component Unit)**  
June 30, 2025 and 2024

**Bristol Community College Foundation**

	<b>2025</b>	<b>2024</b>
<b>Assets</b>		
<b>Current Assets:</b>		
Cash and equivalents	\$ 940,469	\$ 3,017,647
Accounts receivable	34,272	37,474
Prepaid expenses	36,543	6,439
Contributions receivable	<u>352,000</u>	<u>525,247</u>
<b>Total Current Assets</b>	<b><u>1,363,284</u></b>	<b><u>3,586,807</u></b>
<b>Property and Equipment, net</b>	<b><u>18,193,492</u></b>	<b><u>19,188,888</u></b>
<b>Other Assets:</b>		
Investments	18,833,513	16,482,361
Right-of-use assets - operating, net	4,148,955	4,964,582
Other Assets	<u>18,000</u>	<u>18,000</u>
<b>Total Other Assets</b>	<b><u>23,000,468</u></b>	<b><u>21,464,943</u></b>
<b>Total Assets</b>	<b><u>\$ 42,557,244</u></b>	<b><u>\$ 44,240,638</u></b>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities:</b>		
Accounts payable and accrued expenses	\$ 2,273	\$ 4,520
Deferred revenue	92,918	86,456
Lease liabilities - operating, current portion	826,615	774,024
Due to College	13,682,140	15,077,899
Mortgage payable, current portion	<u>177,438</u>	<u>167,476</u>
<b>Total Current Liabilities</b>	<b><u>14,781,384</u></b>	<b><u>16,110,375</u></b>
<b>Long-Term Liabilities:</b>		
Lease liabilities - operating, net of current portion	3,482,687	4,309,302
Mortgage payable, net of current portion	<u>1,519,866</u>	<u>1,690,563</u>
<b>Total Long-Term Liabilities</b>	<b><u>5,002,553</u></b>	<b><u>5,999,865</u></b>
<b>Total Liabilities</b>	<b><u>19,783,937</u></b>	<b><u>22,110,240</u></b>
<b>Net Assets:</b>		
Without donor restrictions	3,688,296	4,328,420
With donor restrictions	<u>19,085,011</u>	<u>17,801,978</u>
<b>Total Net Assets</b>	<b><u>22,773,307</u></b>	<b><u>22,130,398</u></b>
<b>Total Liabilities and Net Assets</b>	<b><u>\$ 42,557,244</u></b>	<b><u>\$ 44,240,638</u></b>

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

## Bristol Community College

### Statements of Revenues, Expenses, and Change in Net Assets (Component Unit)

Years Ended June 30, 2025 and 2024

Bristol Community College Foundation						
	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Totals	Without Donor Restrictions	With Donor Restrictions	Totals
<b>Revenue and Support:</b>						
Contributions and gifts of cash and other financial assets	\$ 210,776	\$ 810,252	\$ 1,021,028	\$ 59,131	\$ 3,377,095	\$ 3,436,226
Special events	-	69,721	69,721	-	79,124	79,124
Loss on pledge receivable	-	(97,825)	(97,825)	-	-	-
Contributions and gifts of nonfinancial assets	128,826	-	128,826	89,839	-	89,839
Lease and other income	1,667,228	-	1,667,228	1,650,664	-	1,650,664
Net assets released from restrictions	<u>871,665</u>	<u>(871,665)</u>	<u>-</u>	<u>1,594,036</u>	<u>(1,594,036)</u>	<u>-</u>
<b>Total Revenue and Support</b>	<b>2,878,495</b>	<b>(89,517)</b>	<b>2,788,978</b>	<b>3,393,670</b>	<b>1,862,183</b>	<b>5,255,853</b>
<b>Expenses:</b>						
Program services	3,432,726	-	3,432,726	3,064,195	-	3,064,195
General and administrative	87,085	-	87,085	77,880	-	77,880
Fundraising	<u>248,085</u>	<u>-</u>	<u>248,085</u>	<u>206,100</u>	<u>-</u>	<u>206,100</u>
<b>Total Expenses</b>	<b>3,767,896</b>	<b>-</b>	<b>3,767,896</b>	<b>3,348,175</b>	<b>-</b>	<b>3,348,175</b>
<b>Changes in Net Assets from Operating Activities</b>	<b>(889,401)</b>	<b>(89,517)</b>	<b>(978,918)</b>	<b>45,495</b>	<b>1,862,183</b>	<b>1,907,678</b>
<b>Non-Operating Activities:</b>						
Investment return, net	<u>249,277</u>	<u>1,372,550</u>	<u>1,621,827</u>	<u>144,231</u>	<u>2,004,834</u>	<u>2,149,065</u>
<b>Changes in Net Assets</b>	<b>(640,124)</b>	<b>1,283,033</b>	<b>642,909</b>	<b>189,726</b>	<b>3,867,017</b>	<b>4,056,743</b>
Net Assets, Beginning of Year	<u>4,328,420</u>	<u>17,801,978</u>	<u>22,130,398</u>	<u>4,138,694</u>	<u>13,934,961</u>	<u>18,073,655</u>
<b>Net Assets, End of Year</b>	<b>\$ 3,688,296</b>	<b>\$ 19,085,011</b>	<b>\$ 22,773,307</b>	<b>\$ 4,328,420</b>	<b>\$ 17,801,978</b>	<b>\$ 22,130,398</b>

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

**Bristol Community College**  
**Notes to Financial Statements**  
June 30, 2025 and 2024

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**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

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

	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	

**Bristol Community College**  
**Notes to Financial Statements**  
**June 30, 2025 and 2024**

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As of June 30, 2024, the College 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.

Separate statements of net assets 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, 2025 and 2024, the Foundation provided \$505,454 and \$1,353,362, 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.

**Bristol Community College**  
**Notes to Financial Statements**  
**June 30, 2025 and 2024**

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**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, 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.

**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.

**Bristol Community College**  
**Notes to Financial Statements**  
**June 30, 2025 and 2024**

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**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 post-retirement 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, 2025 and 2024. The accrued sick leave balance represents 20% of amounts earned by those employees with 10 or more years of state service at June 30, 2025 and 2024. 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.

**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 and is therefore generally exempt from income taxes under Section 115 of the Internal Revenue Code.

**Bristol Community College**  
**Notes to Financial Statements**  
**June 30, 2025 and 2024**

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**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, and the accrual for workers' compensation liability.

**Future Governmental Accounting Pronouncements**

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.

GASB Statement 104 – *Disclosure of Certain Capital Assets* is effective for reporting periods beginning after June 15, 2025. The requirements of this Statement will improve financial reporting by providing users of financial statements with essential information about certain types of capital assets in order to make informed decisions and assess accountability. Additionally, the disclosure requirements will improve consistency and comparability between governments.

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

**Implementation of Newly Effective Accounting Standards**

As of July 1, 2023, the College implemented GASB Statement 101 - Compensated Absences. The objective of this statement is to update the recognition and measurement for compensated absences. The adoption of this statement did not have a material impact to the financial statements.

As of July 1, 2023, the College implemented GASB Statement 102 – *Certain Risk Disclosures*. The objective of this statement is to update the required disclosures for risks that could negatively impact state and local governments. The adoption of this statement did not have a material impact to the financial statements

**Bristol Community College**  
**Notes to Financial Statements**  
**June 30, 2025 and 2024**

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**2. CASH AND INVESTMENTS**

**Overall Deposits and Investments Descriptions**

Deposits and investments consist of the following at June 30, 2025 and 2024:

	<b>2025</b>	<b>2024</b>
Cash in banks	<b>\$ 19,053,474</b>	<b>\$ 13,492,409</b>
Investments:		
Certificates of deposit	3,221,325	3,075,211
Bond mutual funds	10,878,836	8,118,640
Stock mutual funds	13,096,708	10,325,081
Money market funds	232,010	188,111
Total investments	<b>27,428,879</b>	<b>21,707,043</b>
Total cash in banks and investments	<b>\$ 46,482,353</b>	<b>\$ 35,199,452</b>

**Custodial Risk**

Total cash deposited with one financial institution, including sweep and checking accounts, aggregates approximately \$15,530,000 and \$10,377,000, or 82% and 74%, at June 30, 2025 and 2024, 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 \$22,000,000, providing a scope of coverage substantially the same as that provided by federal deposit insurance and thus not exposed to custodial credit risk.

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, 2025 and 2024 were approximately \$3,952,000 and \$3,722,000, 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, 2025 and 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.

**Bristol Community College**  
**Notes to Financial Statements**  
June 30, 2025 and 2024

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*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, 2025 and 2024, consist of the following:

Investment type	Fair value	2025 Investments			
		Less than 1	1 to 5	6 to 10	More than 10
<b>Debt securities:</b>					
Certificates of deposit	\$ 3,221,325	\$ 3,221,325	\$ -	\$ -	\$ -
Bond mutual funds	<u>10,878,836</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,878,836</u>
	<u>14,100,161</u>	<u>\$ 3,221,325</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,878,836</u>
<b>Other investments:</b>					
Cash in bank	19,053,474				
Stock mutual funds	13,096,708				
Money market funds	<u>232,010</u>				
	<u>\$ 46,482,353</u>				

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

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

**Fair Value Hierarchy**

The College's 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 the 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, 2025.

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**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.

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

	June 30, 2025			
	Level 1	Level 2	Level 3	Total
Registered investment companies	\$ 24,207,554	\$ -	\$ -	\$ 24,207,554
Certificates of deposit	-	3,221,325	-	3,221,325
<b>Total marketable securities at fair value</b>	<b>\$ 24,207,554</b>	<b>\$ 3,221,325</b>	<b>\$ -</b>	<b>\$ 27,428,879</b>
	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
<b>Total marketable securities at fair value</b>	<b>\$ 18,631,832</b>	<b>\$ 3,075,211</b>	<b>\$ -</b>	<b>\$ 21,707,043</b>

### **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.

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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.

**Investments of the Foundation**

The Foundation's investments consist of the following at June 30, 2025 and 2024:

	<b>2025</b>	<b>2024</b>
Beneficial interest in trusts	\$ 1,204,266	\$ 1,144,062
Common stocks	9,101,229	8,068,280
Mutual funds	4,041,612	3,638,451
Corporate bonds	3,531,165	2,988,474
U.S. Government obligations	955,241	643,094
 Total investments	 \$ 18,833,513	 \$ 16,482,361

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.

**3. CASH HELD BY STATE TREASURER**

Accounts payable and accrued salaries to be funded from state-appropriated funds totaled approximately \$1,936,000 and \$1,577,000 at June 30, 2025 and 2024, 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.

**4. ACCOUNTS RECEIVABLE**

Accounts receivable include the following at June 30, 2025 and 2024:

	<b>2025</b>	<b>2024</b>
Student accounts receivable	\$ 5,858,696	\$ 3,525,637
Grants receivable	2,506,871	1,909,885
Other receivables	1,276,636	661,884
 Less: allowance for doubtful accounts	 9,642,203	 6,097,406
	(962,096)	(724,620)
	 \$ 8,680,107	 \$ 5,372,786

**5. CONTRIBUTIONS RECEIVABLE**

At June 30, 2025 and 2024, contributions receivable of the Foundation are all considered collectable and are due in one year or less.

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**6. CAPITAL ASSETS**

Capital assets of the College consist of the following at June 30, 2025 and 2024:

	2025					
	Estimated lives (in years)	Beginning balance	Additions	Retirements	Reclassifications	Ending balance
<b>Non-depreciable:</b>						
Land		\$ 35,825	\$ -	\$ -	\$ -	\$ 35,825
Art sculpture		98,200	- -	- -	- -	98,200
Construction in progress		1,173,256	223,108	- -	(1,173,256)	223,108
<b>Total non-depreciable</b>		<b>1,307,281</b>	<b>223,108</b>	<b>- -</b>	<b>(1,173,256)</b>	<b>357,133</b>
<b>Depreciable:</b>						
Land improvements	20	3,722,654	- -	- -	- -	3,722,654
Building, including improvements	20-40	142,402,525	2,334,050	- -	1,173,256	145,909,831
Furnishings and equipment	3-10	5,700,440	537,934	- -	- -	6,238,374
Software subscriptions	2-5	2,122,989	302,780	(180,441)	- -	2,245,328
Leasehold improvements	5	2,926,185	- -	- -	- -	2,926,185
Leased equipment	4	74,207	148,641	(74,207)	- -	148,641
Leased buildings	5-10	7,285,155	- -	- -	- -	7,285,155
<b>Total depreciable</b>		<b>164,234,155</b>	<b>3,323,405</b>	<b>(254,648)</b>	<b>1,173,256</b>	<b>168,476,168</b>
<b>Less: accumulated depreciation:</b>						
Land improvements		(2,370,163)	(137,805)	- -	- -	(2,507,968)
Building, including improvements		(58,217,223)	(4,491,289)	- -	- -	(62,708,512)
Furnishings and equipment		(3,868,224)	(322,108)	- -	- -	(4,190,332)
Leasehold improvements		(1,131,790)	(223,017)	- -	- -	(1,354,807)
Software subscriptions		(841,428)	(622,601)	180,441	- -	(1,283,588)
Leased equipment		(61,359)	(38,893)	74,207	- -	(26,045)
Leased buildings		(3,281,071)	(842,278)	- -	- -	(4,123,349)
<b>Total accumulated depreciation</b>		<b>(69,771,258)</b>	<b>(6,677,991)</b>	<b>254,648</b>	<b>- -</b>	<b>(76,194,601)</b>
<b>Capital assets, net</b>		<b>\$ 95,770,178</b>	<b>\$ (3,131,478)</b>	<b>\$ - -</b>	<b>\$ - -</b>	<b>\$ 92,638,700</b>
	2024					
	Estimated lives (in years)	Beginning balance	Additions	Retirements	Reclassifications	Ending balance
<b>Non-depreciable:</b>						
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
<b>Total non-depreciable</b>		<b>3,979,365</b>	<b>1,173,256</b>	<b>- -</b>	<b>(3,845,340)</b>	<b>1,307,281</b>
<b>Depreciable:</b>						
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
<b>Total depreciable</b>		<b>156,611,998</b>	<b>4,316,929</b>	<b>(540,112)</b>	<b>3,845,340</b>	<b>\$164,234,155</b>
<b>Less: accumulated depreciation:</b>						
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)
Software subscriptions		(908,773)	(223,017)	- -	- -	(1,131,790)
Leasehold improvements		(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)
<b>Total accumulated depreciation</b>		<b>(63,896,989)</b>	<b>(6,414,381)</b>	<b>540,112</b>	<b>- -</b>	<b>(69,771,258)</b>
<b>Capital assets, net</b>		<b>\$ 96,694,374</b>	<b>\$ (924,196)</b>	<b>\$ - -</b>	<b>\$ - -</b>	<b>\$ 95,770,178</b>

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Capital assets of the Foundation consist of the following at June 30, 2025 and 2024:

		2025			
	Estimated lives (in years)	Beginning balance	Additions	Reclassifications	Ending balance
<b>Non-depreciable:</b>					
Land		\$ 1,449,053	\$ -	\$ -	\$ 1,449,053
<b>Depreciable:</b>					
Land improvements	20	14,813	-	-	14,813
Furnishings and equipment	3-10	242,491	-	-	242,491
Building, including improvements	20-40	20,579,772	-	-	20,579,772
<b>Total depreciable</b>		<b>20,837,076</b>	<b>-</b>	<b>-</b>	<b>20,837,076</b>
<b>Less: accumulated depreciation:</b>					
Land improvements		(11,110)	(741)	-	(11,1851)
Furnishings and equipment		(56,088)	(19,699)	-	(75,787)
Building, including improvements		(3,030,043)	(974,956)	-	(4,004,999)
<b>Total accumulated depreciation</b>		<b>(3,097,241)</b>	<b>(995,396)</b>	<b>-</b>	<b>(4,092,637)</b>
<b>Capital assets, net</b>		<b>\$ 19,188,888</b>	<b>\$ (995,396)</b>	<b>\$ -</b>	<b>\$ 18,193,492</b>
		2024			
	Estimated lives (in years)	Beginning balance	Additions	Reclassifications	Ending balance
<b>Non-depreciable:</b>					
Land		\$ 1,449,053	\$ -	\$ -	\$ 1,449,053
Construction in progress		12,840,583	-	(12,840,583)	-
<b>Total non-depreciable</b>		<b>14,289,636</b>	<b>-</b>	<b>(12,840,583)</b>	<b>1,449,053</b>
<b>Depreciable:</b>					
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
<b>Total depreciable</b>		<b>5,569,658</b>	<b>2,426,835</b>	<b>12,840,583</b>	<b>20,837,076</b>
<b>Less: accumulated depreciation:</b>					
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)
<b>Total accumulated depreciation</b>		<b>(2,735,713)</b>	<b>(361,528)</b>	<b>-</b>	<b>(3,097,241)</b>
<b>Capital assets, net</b>		<b>\$ 17,123,581</b>	<b>\$ 2,065,307</b>	<b>\$ -</b>	<b>\$ 19,188,888</b>

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**7. LONG-TERM LIABILITIES**

Long-term liabilities at June 30, 2025 and 2024, consist of the following:

	2025			
	Beginning balance	Additions	Reductions	Ending balance
	Current portion			
Lease liabilities	\$ 4,497,986	\$ 148,640	\$ (838,653)	\$ 3,807,973
SBITA liabilities	<u>1,337,476</u>	<u>302,780</u>	<u>(673,358)</u>	<u>966,898</u>
	<u>5,835,462</u>	<u>451,420</u>	<u>(1,512,011)</u>	<u>4,774,871</u>
Other long-term liabilities				
Compensated absences	3,718,101	551,600	-	4,269,701
Workers' compensation	646,519	-	(72,006)	574,513
Net pension liability	2,931,732	-	(131,871)	2,799,861
Net OPEB liability	<u>3,118,139</u>	<u>37,650</u>	<u>-</u>	<u>3,155,789</u>
	<u>10,414,491</u>	<u>589,250</u>	<u>(203,877)</u>	<u>10,799,864</u>
<b>Total long-term liabilities</b>	<b><u>\$ 16,249,953</u></b>	<b><u>\$ 1,040,670</u></b>	<b><u>\$ (1,715,888)</u></b>	<b><u>\$ 15,574,735</u></b>
	2024			
	Beginning balance	Additions	Reductions	Ending balance
	Current portion			
Lease liabilities	\$ 5,276,594	\$ -	\$ (778,608)	\$ 4,497,986
SBITA liabilities	<u>894,705</u>	<u>964,569</u>	<u>(521,798)</u>	<u>1,337,476</u>
	<u>6,171,299</u>	<u>964,569</u>	<u>(1,300,406)</u>	<u>5,835,462</u>
Other long-term liabilities				
Compensated absences	3,345,325	372,776	-	3,718,101
Workers' compensation	576,821	69,698	-	646,519
Net pension liability	5,799,643	-	(2,867,911)	2,931,732
Net OPEB liability	<u>7,298,796</u>	<u>-</u>	<u>(4,180,657)</u>	<u>3,118,139</u>
	<u>17,020,585</u>	<u>442,474</u>	<u>(7,048,568)</u>	<u>10,414,491</u>
<b>Total long-term liabilities</b>	<b><u>\$ 23,191,884</u></b>	<b><u>\$ 1,407,043</u></b>	<b><u>\$ (8,348,974)</u></b>	<b><u>\$ 16,249,953</u></b>
	2024			
	Beginning balance	Additions	Reductions	Ending balance
	Current portion			

**8. LEASES**

A summary of the College's leases at June 30, 2025 and 2024, are as follows:

Description	Date	Terms in Months	Payment Amount	Interest Rates	June 30, 2025		June 30, 2024	
					Lease Liability	Lease Liability	Lease Liability	Lease Liability
Equipment	4/1/2023	18	\$ 4,305	6.17%	\$ -	\$ -	\$ 12,848	\$ -
Equipment	10/1/2024	48	\$ 3,352	4.08%	\$ 122,596	\$ -	\$ -	\$ -
Building	11/1/2016	120	\$ 54,603	5.31%	\$ 876,747	\$ 1,484,232	\$ -	\$ -
Building	5/1/2021	60	\$ 14,500	5.03%	\$ 151,241	\$ 329,462	\$ -	\$ -
Building	6/30/2023	240	\$ 17,115	7.43%	\$ 2,657,389	\$ 2,671,444	\$ -	\$ -
					<u>\$ 3,807,973</u>	<u>\$ 4,497,986</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.

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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 \$1,364,412 and \$1,313,639 for the years ended June 30, 2025 and 2024, 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.

On October 1, 2024 the College entered into a 48 month agreement for copiers. Payments of \$3,352 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, 2025 and 2024.

At June 30, 2025 and 2024 the total amount of right of use assets for leases was \$7,433,796 and \$7,359,362 and accumulated amortization for leases was \$4,149,394 and \$3,342,430, respectively.

Annual requirements to amortize the lease liability and related interest subsequent to June 30, 2025, are as follows:

Year Ending June 30	Principal	Interest	Total
2026	\$ 859,662	\$ 235,382	\$ 1,095,044
2027	293,675	200,049	493,724
2028	78,439	193,418	271,857
2029	59,802	189,029	248,831
2030	60,997	184,919	245,916
2031-2035	514,106	830,048	1,344,154
2036-2040	1,002,384	556,326	1,558,710
2041-2043	938,908	112,951	1,051,859
	<u>\$ 3,807,973</u>	<u>\$ 2,502,122</u>	<u>\$ 6,310,095</u>

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**9. 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 2025. 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, 2025 and 2024 the total amount of SBITA right of use assets and accumulated amortization for SBITAs were \$2,245,328 and \$2,122,989, respectively, and \$1,283,588 and \$841,428, respectively.

Annual requirements to amortize SBITA liability and related interest subsequent to June 30, 2025, are as follows:

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 485,083	\$ 29,625	\$ 514,708
2027	280,655	14,504	295,159
2028	<u>201,160</u>	<u>4,493</u>	<u>205,653</u>
	<u><u>\$ 966,898</u></u>	<u><u>\$ 48,622</u></u>	<u><u>\$ 1,015,520</u></u>

**10. 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.

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**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

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 \$5,117,000, \$4,765,700, and \$4,406,000 for the years ended June 30, 2025, 2024 and 2023, 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 18.63%, 16.69% and 16.70% of annual covered payroll for the fiscal years ended June 30, 2025, 2024 and 2023, respectively. The College contributed \$254,060, \$299,506, and \$295,117 for the fiscal years ended June 30, 2025, 2024 and 2023, respectively, equal to 100% of the required contributions for each year. Annual covered payroll was approximately 73%, 71% and 71% of total related payroll for fiscal years end 2025, 2024 and 2023, respectively.

**Bristol Community College**  
**Notes to Financial Statements**  
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**Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources**

At June 30, 2025 and 2024, the College reported a liability of \$2,799,861 and \$2,931,732 respectively, for its proportionate share of the net pension liability related to its participation in SERS. The net pension liability as of June 30, 2025, the reporting date, was measured as of June 30, 2024, 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, 2024 rolled forward to June 30, 2024. 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 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 2024 and 2023. The Commonwealth's proportionate share was based on actual employer contributions to the SERS for fiscal years 2025 and 2024 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 0.020%, respectively.

For the years ended June 30, 2025 and 2024, the College recognized pension benefit of \$1,118,977 and \$1,235,961, respectively

**Bristol Community College**  
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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, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
<b><u>Deferred Outflows of Resources Related to Pension</u></b>		
Contributions subsequent to the measurement date	\$ 254,060	\$ 299,506
Differences between expected and actual experience	140,328	104,144
Changes in proportions from Commonwealth	-	24
Differences between projected and actual earnings on pension plan investments	-	78,902
Changes in plan actuarial assumptions	20,093	49,273
Changes in proportions due to internal allocations	<u>76,022</u>	<u>456,130</u>
<b>Total</b>	<b>\$ 490,503</b>	<b>\$ 987,979</b>
<b><u>Deferred Inflows of Resources Related to Pension</u></b>		
Differences between expected and actual experience	\$ 35,871	\$ 72,443
Differences between projected and actual earnings on pension plan investments	36,405	-
Changes in proportions from Commonwealth	17,994	22,397
Changes in proportions due to internal allocations	<u>2,726,327</u>	<u>4,206,342</u>
<b>Total</b>	<b>\$ 2,816,597</b>	<b>\$ 4,301,182</b>

The College's contributions of \$254,060 and \$299,506 made during the fiscal years ending 2025 and 2024, 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 <u>June 30,</u>	
2026	\$ 2,743,017
2027	(5,278,569)
2028	(590,883)
2029	<u>546,281</u>
	<u><u>\$ (2,580,154)</u></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, 2024	June 30, 2023
Inflation	2.50%	2.50%
Inflation on the first \$13,000 of allowance	3.00%	2.50%
Salary increases	4.00% to 9.00%	4.00% to 9.00%
Investment rate of return	7.00%	7.00%
Interest rate credited to annuity savings fund	3.50%	3.50%

For measurement dates June 30, 2024 and 2023, 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 2025 pension liability for the June 30, 2024, measurement date was determined by an actuarial valuation as of January 1, 2024 and rolled forward to June 30, 2024. The 2024 pension liability for the June 30, 2023, measurement date was determined by an actuarial valuation as of January 2023 and rolled forward to June 30, 2023.

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	2025		2024	
	Target Allocation	Long-term expected real rate of return	Target Allocation	Long-term expected real rate of return
Global Equity	<b>36.0%</b>	<b>4.6%</b>	37.0%	4.9%
Core Fixed Income	<b>15.0%</b>	<b>2.1%</b>	15.0%	1.9%
Private Equity	<b>16.0%</b>	<b>7.4%</b>	16.0%	7.4%
Portfolio Completion Strategies	<b>10.0%</b>	<b>3.7%</b>	10.0%	3.8%
Real Estate	<b>10.0%</b>	<b>3.9%</b>	10.0%	3.0%
Value Added Fixed Income	<b>9.0%</b>	<b>5.1%</b>	8.0%	5.1%
Timber/Natural Resources	<b>4.0%</b>	<b>4.4%</b>	4.0%	4.3%
	<b><u>100.0%</u></b>		<b><u>100.0%</u></b>	

**Bristol Community College**  
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**Discount Rate**

The discount rate used to measure the total pension liability was 7.00% at June 30, 2025 and 2024. 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, 2025</u>		
	<u>Current</u>	
<u>1.00% Decrease</u> <u>(6.00%)</u>	<u>Discount Rate</u> <u>(7.00%)</u>	<u>1.00% Increase</u> <u>(8.00%)</u>
\$ 3,933,443	\$ 2,799,861	\$ 1,840,853

<u>June 30, 2024</u>		
	<u>Current</u>	
<u>1.00% Decrease</u> <u>(6.00%)</u>	<u>Discount Rate</u> <u>(7.00%)</u>	<u>1.00% Increase</u> <u>(8.00%)</u>
\$ 4,029,270	\$ 2,931,732	\$ 3,938,644

**11. 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.

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**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, 2024, and as of the valuation date (January 1, 2024), 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 7.49% and 7.83% of annual covered payroll for the fiscal years ended June 30, 2025 and 2024, respectively. The College contributed \$102,160 and \$140,502 for the fiscal years ended June 30, 2025 and 2024, 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, 2025 and 2024, the College reported a liability of \$3,155,789 and \$3,118,139, 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, 2024 and 2023, respectively, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2024 and 2023, 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 2024 and 2023. The College's proportionate share was based on the actual employer contributions to the SRBT for fiscal years 2024 and 2023 relative to total contributions of all participating employers for the fiscal year. At June 30, 2025 and 2024, the College's proportion was 0.023% and 0.022%, respectively.

**Bristol Community College**  
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For the years ended June 30, 2025 and 2024, the College recognized OPEB benefit of \$3,190,752 and \$3,089,917, respectively. The College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources at June 30, 2025 and 2024:

<u>Deferred Outflows of Resources Related to OPEB</u>	<u>2025</u>	<u>2024</u>
Contributions subsequent to the measurement date	\$ 102,160	\$ 140,502
Differences between expected and actual experience	87,718	126,824
Changes in OPEB plan actuarial assumptions	61,525	136,982
Differences between projected and actual earnings on pension plan investments	-	10,192
Changes in proportion from Commonwealth	-	286
Changes in proportion due to internal allocation	166,937	-
Total deferred outflows related to OPEB	<u>\$ 418,340</u>	<u>\$ 414,786</u>

Deferred Inflows of Resources Related to OPEB

Net differences between projected and actual earnings on OPEB plan investments	\$ 1,255	\$ -
Differences between expected and actual experience	243,779	350,244
Changes in proportion due to internal allocation	5,430,810	8,450,824
Changes in proportion from Commonwealth	30,394	29,837
Changes in OPEB plan actuarial assumptions	704,099	804,280
Total deferred inflows related to OPEB	<u>\$ 6,410,337</u>	<u>\$ 9,635,185</u>

The College's contributions of \$102,160 and \$140,502 made during the fiscal years 2025 and 2024, 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 <u>June 30</u>	
2026	\$ (1,556,363)
2027	(1,535,657)
2028	(1,351,970)
2029	(1,260,733)
2030	<u>(389,434)</u>
	<u>\$ (6,094,157)</u>

**Bristol Community College**  
**Notes to Financial Statements**  
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**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, 2024	June 30, 2023
Inflation	4.61%	4.34%
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 2024_1b. Medicare and non-Medicare benefits range from 5.35% to 7.47%	Developed based on the most recent published GAO-Getzen trend rate model, version 2023_1f. Medicare and non-Medicare benefits range from 5.79 to 7.50%

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, 2024 and 2023.

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, 2024.
- 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, 2024.
- 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	
	2025		2024	
	<u>Under 65</u>	<u>Age 65+</u>	<u>Under 65</u>	<u>Age 65+</u>
Indemnity	18.0%	96.0%	27.0%	96.0%
POS/PPO	72.0%	0.0%	63.0%	0.0%
HMO	10.0%	4.0%	10.0%	4.0%

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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, 2025 and 2024 are the same as discussed in the pension footnote, and are summarized as follows:

Asset Class	2025		2024	
	Target Allocation	Long-term expected real rate of return	Target Allocation	Long-term expected real rate of return
Global Equity	<b>36.0%</b>	<b>4.6%</b>	37.0%	4.9%
Core Fixed Income	<b>15.0%</b>	<b>2.1%</b>	15.0%	1.9%
Private Equity	<b>16.0%</b>	<b>7.4%</b>	16.0%	7.4%
Portfolio Completion Strategies	<b>10.0%</b>	<b>3.7%</b>	10.0%	3.8%
Real Estate	<b>10.0%</b>	<b>3.9%</b>	10.0%	3.0%
Value Added Fixed Income	<b>9.0%</b>	<b>5.1%</b>	8.0%	5.1%
Timber/Natural Resources	<b>4.0%</b>	<b>4.4%</b>	4.0%	4.3%
	<b><u>100.0%</u></b>		<b><u>100.0%</u></b>	

**Discount Rate**

The discount rate used to measure the total OPEB liability for 2025 and 2024 was 4.61% and 4.34%, respectively. These rates were based on a blend of the Bond Buyer Index rate (3.93% and 3.65%) 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 2025 and 2024, 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.

**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:

	2025		
	Current		
	1.00% Decrease 3.61%	Discount Rate 4.61%	1.00% Increase 5.61%
Net OPEB Liability	\$ 3,675,474	\$ 3,155,789	\$ 2,726,886
2024			
	Current		
	1.00% Decrease 3.34%	Discount Rate 4.34%	1.00% Increase 5.34%
Net OPEB Liability	\$ 3,643,238	\$ 3,118,139	\$ 2,687,263

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**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>2025</u>		
1.00% Decrease (B)	Current Healthcare Cost Trend Rate (A)	1.00% Increase (C)
\$ 2,649,235	\$ 3,155,789	\$ 3,792,985

<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

(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

**12. 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.

**13. NET ASSETS WITHOUT RESTRICTION**

The College's net position without restriction is composed of the following at June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Unrestricted net position designated by the College's Board of Trustees for the following purposes:		
Capital projects	\$ 14,364,278	\$ 9,132,658
Academic and other programs	12,790,536	8,145,344
Technology improvements	11,627,759	7,404,856
Total unrestricted net position	<u>\$ 38,782,573</u>	<u>\$ 24,682,858</u>

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The Foundation's net assets without restriction are composed of the following at June 30, 2025 and 2024:

	<b>2025</b>	<b>2024</b>
Net assets without restriction designated by the Foundation's Board of Directors for the following purposes:		
Margaret Jackson Art Center and Visual Arts Fund	\$ 72,174	\$ 66,115
President's Merit Scholarship	157,261	146,042
Undesignated	<u>3,119,863</u>	4,116,263
 Total net assets without restriction	 <u>\$ 3,349,298</u>	 <u>\$ 4,328,420</u>

**14. 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 \$295,000 and \$328,000 for the years ended June 30, 2025 and 2024, respectively. The Foundation has a mortgage payable on this property of \$1,697,000 and \$1,890,000 as of June 30, 2025 and 2024, 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 year 2024, the College paid the Foundation \$2,403,045, 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. During the years ended June 30, 2025 and 2024, the College received payments of \$500,000 and \$1,000,000, respectively, from the Foundation.

Total related party payments from the College to the Foundation for leases and the revocable license agreement totaled approximately \$1,495,000 and \$1,480,000 for the years ended June 30, 2025 and 2024, 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.

**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.

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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.

**Concentrations – Providers of Financial Resources**

**State Appropriations**

As disclosed in Note 1, the College is a public, State-supported, comprehensive two-year community college, located in Fall River, Massachusetts, and governed by a local Board of Trustees under the direction of the Massachusetts Department of Higher Education. As such, the College receives general state appropriations for a portion of its annual operations for employee salaries and fringe benefits reported on the statements of revenues and expenses and changes in net position and Note 17 of these financial statements.

**Federal Student Financial Assistance and other grants**

The College participates in the Federal Financial Assistance (Title IV) programs along with federal grants related to various college programs and operations. These programs allow for grants, scholarship aid, and other awards to be issued to students and the College to cover qualified education and related costs. During the fiscal year ended June 30, 2025 and 2024 expended federal funds to students and the College totaled \$18.9 million and \$12.2 million, respectively.

**State Student Financial Assistance and other grants**

The College participates in the Massachusetts State student financial assistance programs. These programs allow for grants, scholarship aid, and other awards to be issued to students to cover qualified education costs. During the fiscal year ended June 30, 2025 and 2024 expended Massachusetts funds awarded to students totaled \$12.6 million and \$4.3 million, respectively.

**Workforce Covered by Collective Bargaining Agreements:**

The College is comprised of State employees hired and employed by the Commonwealth of Massachusetts. The Massachusetts Board of Higher Education negotiates collective bargaining agreements ("CBA") with the majority of College employees. During the fiscal years ended June 30, 2025 and 2024, the College employed individuals belonging to the following unions:

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American Federation of State, County and Municipal Employees (AFSCME)

The CBA for AFSCME union covers the period from July 1, 2024 to June 30, 2027. This agreement is entered into by and between the Board of Higher Education and the American Federation of State, County and Municipal Employees Local 1067, Council 93, AFL-CIO and sets forth procedures for the equitable resolution of grievances, the terms of employment with respect to wages and working conditions and means by which the parties may consult periodically on mutually perceived issues. Negotiation is on-going for an updated CBA between the Board of Higher Education and AFSCME.

Massachusetts Community College Council (MCCC)

The CBA for the MCCC covers the period from September 1, 2023 to August 31, 2025. This agreement is entered into by and between the Board of Higher Education and the Massachusetts Community College Council as the exclusive collective bargaining agent for members of the bargaining unit. As of June 30, 2025 negotiations between the Board of Higher Education and MCCC are in the process of constructing and obtaining an updated CBA. Subsequent to year end, the Board of Higher Education and MCCC are awaiting ratification of the updated CBA by the MCCC membership.

*Limitation on raising tuition rates: (Constraint)*

Tuition rates are determined by the Massachusetts Board of Higher Education and cannot be adjusted without their authorization. Fees, however, are established by the College's Board of Trustees and adjusted annually as deemed appropriate.

**15. OPERATING EXPENSES**

The College's operating expenses, on a natural classification basis, are composed of the following for the years ended June 30, 2025 and 2024:

	<b>2025</b>	<b>2024</b>
Compensation and benefits	\$ 58,821,625	\$ 53,167,497
Supplies and services	17,689,010	15,368,186
Depreciation	6,677,991	6,414,381
Scholarships and fellowships	12,401,300	7,342,785
	<hr/> <b>\$ 95,589,926</b>	<hr/> <b>\$ 82,292,849</b>

**16. 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, 2025 and 2024**

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**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, 2025 and 2024, 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.

**17. STATE APPROPRIATIONS**

	<b>2025</b>	<b>2024</b>
Direct unrestricted appropriations:		
Add: fringe benefits for benefited employees on the state payroll	\$ 33,312,197	\$ 29,727,715
Less: day school tuition remitted to the state and included in tuition and fee revenue	<u>13,245,133</u>	12,335,408
	<u>(246,508)</u>	<u>(272,227)</u>
	Total unrestricted appropriations	41,790,896
Restricted appropriations	46,310,822	
Capital appropriations	<u>876,710</u>	857,118
	<u>1,768,709</u>	<u>1,845,577</u>
	Total appropriations	\$ 44,493,591
	<u>\$ 48,956,241</u>	

**Bristol Community College**  
**Notes to Financial Statements**  
**June 30, 2025 and 2024**

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**18. 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*.

A reconciliation between the College and MMARS as of June 30, 2025 and 2024, is as follows (unaudited):

	<b>2025</b>	<b>2024</b>
Revenue per MMARS	\$ 35,405,324	\$ 33,550,779
Revenue per College	<u>36,545,273</u>	<u>32,987,549</u>
Difference	<u><b>\$ (1,139,949)</b></u>	<u><b>\$ 563,230</b></u>

The difference for the year ended June 30, 2025, relates to a combination of factors including funding by the state for tuition waivers and accrued payroll totaling approximately \$1,140,000.

**19. PASS-THROUGH GRANTS**

The College distributed \$10,930,050 and \$10,132,350 for the years ended June 30, 2025 and 2024, 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

### Schedules of Proportionate Share of the Net Pension Liability (Unaudited)

**June 30, 2025 and 2024**

Year ended Measurement date Valuation date	June 30, 2025 June 30, 2024 January 1, 2024	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, 2021 June 30, 2020 January 1, 2020	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	
Proportion of the collective net pension liability	<b>0.022%</b>	0.020%	0.042%	0.049%	0.068%	0.053%	0.077%	0.074%	0.077%	0.077%	0.104%
Proportionate share of the collective net pension liability	\$ <b>2,799,861</b>	\$ 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	
College's covered-employee payroll	\$ <b>1,794,524</b>	\$ 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	
College's proportionate share of the net pension liability as a percentage of its covered-employee payroll	<b>156.02%</b>	165.90%	159.21%	128.61%	223.55%	177.23%	170.43%	163.22%	181.53%	188.91%	
Plan fiduciary net position as a percentage of the total pension liability	<b>72.90%</b>	70.71%	71.05%	77.54%	62.48%	66.28%	67.91%	67.21%	63.21%	67.87%	

See Independent Auditor's Report.

## Bristol Community College

### Schedules of Contributions - Pensions (Unaudited)

June 30, 2025 and 2024

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 254,060	\$ 299,506	\$ 295,117	\$ 586,844	\$ 588,768	\$ 733,040	\$ 531,717	\$ 700,937	\$ 575,354	\$ 550,021
Contributions in relation to the contractually required contribution	<u>254,060</u>	<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>
Contribution excess	<u>\$ —</u>									
Covered-employee payroll	\$ 1,363,714	\$ 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
Contribution as a percentage of covered-employee payroll	18.63%	16.69%	16.70%	16.11%	14.66%	14.08%	12.06%	11.78%	9.95%	9.45%

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.

See Independent Auditor's Report.

**Bristol Community College**  
**Notes to Required Supplementary Information – Pension (Unaudited)**  
**June 30, 2025 and 2024**

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**1. CHANGE IN ACTUARIAL ASSUMPTIONS**

**Measurement date – June 30, 2024**

The inflation rate on the first \$13,000 of allowance was changed from 2.50% to 3.00%.

**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.

## **Bristol Community College**

## **Notes to Required Supplementary Information – Pension (Unaudited)**

**June 30, 2025 and 2024**

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### **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.
- 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.

**Bristol Community College**  
**Schedules of Proportionate Share of Net OPEB Liability (Unaudited)**  
**June 30, 2025 and 2024**

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Year ended	June 30, 2025	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, 2024	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, 2024	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	<b>0.023%</b>	0.022%	0.055%	0.057%	0.072%	0.084%	0.119%	0.105%
Proportionate share of the collective net OPEB liability	\$ 3,155,789	\$ 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	\$ 1,794,524	\$ 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	<b>175.86%</b>	176.45%	200.37%	225.82%	287.66%	334.11%	372.93%	317.46%
Plan fiduciary net position as a percentage of the total OPEB liability	<b>15.60%</b>	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.

See Independent Auditor's Report.

## Bristol Community College

### Schedules of Contributions - OPEB (Unaudited)

June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Statutorily required contribution	\$ 102,160	\$ 140,502	\$ 128,609	\$ 278,699	\$ 309,169	\$ 379,733	\$ 387,725	\$ 387,725	\$ 530,693
Contributions in relation to the statutorily required contribution	<u>(102,160)</u>	<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>(387,725)</u>	<u>(530,693)</u>
Contribution (excess)/deficit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
College's covered payroll	\$ 1,363,714	\$ 1,794,524	\$ 1,767,168	\$ 3,642,731	\$ 4,016,152	\$ 5,206,240	\$ 4,408,928	\$ 4,408,928	\$ 5,950,229
Contribution as a percentage of covered payroll	7.49%	7.83%	7.28%	7.65%	7.70%	7.29%	8.79%	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 Independent Auditor's Report.

**Bristol Community College**  
**Notes to Required Supplementary Information - OPEB (Unaudited)**  
**June 30, 2025 and 2024**

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**1. CHANGE IN PLAN ASSUMPTIONS**

**Measurement Date June 30, 2024**

**Assumptions:**

*Change in Medical Trend Rates*

The medical trend rates were updated based on the SOA-Getzen trend rate model version 2024\_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 4.61% (based upon a blend of the Bond Buyer Index rate (3.93%) as of the measurement date as required by GASB Statement 74.

**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 FY23 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.

## **Bristol Community College**

## **Notes to Required Supplementary Information - OPEB (Unaudited)**

**June 30, 2025 and 2024**

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### *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.

## **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.

**Bristol Community College**

**Notes to Required Supplementary Information - OPEB (Unaudited)**

**June 30, 2025 and 2024**

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**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, 2025, 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 18, 2025.

### 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

### Report on Compliance and Other Matters

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

### Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 18, 2025

## PRIOR YEAR FINDING FOLLOW UP

### 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.

#### **Follow up on finding status:**

Management did not include student loans in the financial statements other than in required disclosures.