

SCHENECTADY COUNTY COMMUNITY COLLEGE
(A Component Unit of the County
of Schenectady, New York)

ANNUAL REPORT

AUGUST 31, 2023

Table of Contents

August 31, 2023

Independent Auditors' Report

Management's Discussion and Analysis

Financial Statements

Balance Sheets

Statements of Revenues, Expenses, and Changes in Net Position

Statements of Cash Flows

Discretely Presented Component Units:

Balance Sheets

Statements of Activities

Notes to Financial Statements

Required Supplementary Information (Unaudited)

Schedule of the College's Proportionate Share of the Net Pension Position – New York State Teachers' Retirement System

Schedule of College Contributions – New York State Teachers' Retirement System

Schedule of the College's Proportionate Share of the Net Pension Position – New York State and Local Employees' Retirement System

Schedule of College Contributions – New York State and Local Employees' Retirement System

Schedule of Changes in the College's Total Other Postemployment Benefits (OPEB) Liability and Related Ratios

Supplementary Information

Reconciliation of Revenues, Expenses, and Fund Balance as Reflected in the Annual Report to the Audited Financial Statements

Schedule of State Operating Aid

Schedule of State-Aidable FTE Tuition Reconciliation

Schedule of Expenditures of Federal Awards and related notes

Reports on Compliance and Federal Award Programs

Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Independent Auditors' Report on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by the Uniform Guidance

Schedule of Findings and Questioned Costs

INDEPENDENT AUDITORS' REPORT

The Board of Trustees
Schenectady County Community College

Report on the Audit of the Financial Statements

Opinions

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Faculty-Student Association of Schenectady County Community College (the Association) which is shown as a discretely presented component unit, which represents 12.9% of total assets and 39.5% of the total revenues of the aggregate discretely presented component units. Those statements were audited by a component auditor whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Association is based solely on the report of the component auditor.

We have audited the accompanying financial statements of Schenectady County Community College (the College) (a component unit of the County of Schenectady, New York), a business-type activity, and its discretely presented component units, as of and for the years ended August 31, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of the component auditor, the financial statements referred to above present fairly, in all material respects, the respective financial position of the College and its discretely presented component units as of August 31, 2023 and 2022, and the respective changes in financial position and where applicable, cash flows thereof, for the years then ended in accordance with accounting principles generally accepted in the United States of America (GAAP).

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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the College, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

The financial statements of the Association, audited by a component auditor, and Schenectady County Community College Foundation, Inc. (the Foundation) were not audited in accordance with *Government Auditing Standards*.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with GAAP, 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 one year beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

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

GAAP requires that management's discussion and analysis and other required supplementary information, as listed in the table of contents, be presented to supplement the 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 financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 6, 2024 on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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.



February 6, 2024

SCHENECTADY COUNTY COMMUNITY COLLEGE
(A Component Unit of the County of Schenectady, New York)
Management's Discussion and Analysis
For the Years Ended August 31, 2023 and 2022 (Unaudited)

This section of Schenectady County Community College's (the College) Annual Report presents management's discussion and analysis (MD&A) of the College's financial activity for the year ended August 31, 2023. This MD&A presents information for 2023 in comparison with 2022 and 2021. This MD&A is designed to focus on current activities, resulting changes, and currently known facts. Please read it in conjunction with the financial statements and the related footnotes. Responsibility for the completeness and fairness of this information rests with the College's management.

The College has determined that the Faculty-Student Association of Schenectady County Community College, Inc. (the Association) and the Schenectady County Community College Foundation, Inc. (the Foundation) meet the requirements for presentation as discretely presented component units pursuant to current accounting guidance. As a result, the Association and Foundation are included in the College's reporting entity. Separately issued financial statements of the component units may be obtained from the College's business office.

The balance sheets report current financial resources, capital assets, deferred outflows of resources, current and long-term liabilities, deferred inflows of resources, and net position. The statements of revenues, expenses, and changes in net position focus on operating and non-operating revenues and expenses and capital appropriations of the College. The statements of cash flows summarize the cash activities of the College including operating, non-capital financing, capital financing, and investing activities.

These statements can help the user determine if the College, as a whole, is better or worse off as a result of the year's activities. Over time, increases or decreases in the net position of the College are one indicator of whether its financial health is improving or deteriorating. The user will need to consider many other non-financial factors, such as the trend in applicants and enrollment, student retention, and the condition of the physical buildings and infrastructure to assess the overall health of the College.

Financial Highlights

For the year ended August 31, 2023, the College's change in net position is \$3,701,000, reducing the College's net position deficit from (\$6,482,000) at August 31, 2022 to (\$2,781,000) as of August 31, 2023. The following contributed to the change in net position:

- Fulltime equivalent (FTE) students decreased by 72 or 4% from 2022.
- The College's tuition rate for full-time students was \$2,352 per semester, an increase of \$48 from 2022. Tuition per credit hour was \$196 for 2023, an increase of \$4 from 2022.
- Total operating revenue increased by \$1,384,000 due primarily to an increase in state and local grants of \$1,771,000.
- Operating expenses decreased by \$678,000.
- Non-operating revenue decreased by \$4,114,000 due primarily to a decrease in federal non-operating grants of \$4,822,000, offset by an increase in other counties' appropriations of \$570,000.
- Capital appropriations increased by \$2,519,000.

For the year ended August 31, 2022, the College's change in net position is \$3,037,000, reducing the College's net position deficit from (\$9,519,000) at August 31, 2021 to (\$6,482,000) as of August 31, 2022. The following contributed to the change in net position:

- The implementation of GASB 87, resulted in a cumulative effect of a change in accounting principle which decreased net position by \$199,000.
- Fulltime equivalent (FTE) students decreased by 137 or 7% from 2021.
- The College's tuition rate for full-time students was \$2,304 per semester, no change from 2021. Tuition per credit hour was \$192 for 2022, no change from 2021.
- Total operating revenue decreased by \$1,954,000 due primarily to a decrease in federal grants and contracts of \$2,404,000.
- Operating expenses decreased by \$1,743,000.
- Non-operating revenue increased by \$3,046,000 due primarily to an increase in federal non-operating grants of \$3,151,000 and state appropriations of \$317,000 offset by decreases in other counties' appropriations and federal and state financial aid.
- Capital appropriations decreased by \$7,032,000.

Condensed Balance Sheets
As of August 31, 2023, 2022, and 2021

	2023	2022	2021
Current assets	\$ 19,991,000	\$ 15,492,000	\$ 14,065,000
Net pension asset	-	1,672,000	1,858,000
Capital assets, net of depreciation	41,498,000	39,529,000	38,164,000
Total assets	61,489,000	56,693,000	54,087,000
Deferred outflows of resources	6,285,000	9,652,000	13,185,000
Total assets and deferred outflows of resources	\$ 67,774,000	\$ 66,345,000	\$ 67,272,000
Current liabilities	\$ 14,647,000	\$ 9,737,000	\$ 8,512,000
Net pension and OPEB liabilities	40,794,000	37,401,000	50,624,000
Leases	1,708,000	2,347,000	-
Total liabilities	57,149,000	49,485,000	59,136,000
Deferred inflows of resources	13,406,000	23,342,000	17,655,000
Net position			
Net investment in capital assets	39,790,000	37,183,000	38,164,000
Unrestricted (deficit)	(42,571,000)	(43,665,000)	(47,683,000)
Total net position (deficit)	(2,781,000)	(6,482,000)	(9,519,000)
Total liabilities, deferred inflows of resources, and net position	\$ 67,774,000	\$ 66,345,000	\$ 67,272,000

FY 22-23

Net position (deficit) amounted to \$(2,781,000) as of August 31, 2023. The total Other Postemployment Benefits (OPEB) liability of \$37,237,000 is the primary reason for the College's unrestricted deficit as of August 31, 2023. College management believes that the deficit position is similar to virtually all other governmental entities in NYS that provide postemployment healthcare benefits to their employees.

Total assets increased by \$4,796,000 from 2022 to 2023 as a result of the following: a net increase in capital assets of \$1,969,000 related to the College's capital projects financed by the County and the State; an increase in cash of \$5,075,000 due to positive cash flows at year end; offset by a decrease in the net pension asset of \$1,672,000 as the College's proportionate share of the New York State and Local Employees' Retirement System (ERS) switched to a liability position in 2023.

Total liabilities increased by \$7,664,000 from 2022 to 2023 as a result of the following: an increase in unearned revenue of \$4,823,000 related to increased funding advance from the State University of New York (SUNY) Apprenticeship program and an increase in net pension and OPEB liabilities of \$3,393,000 primarily due to an increase in the net pension liability of \$3,356,000. These increases were offset by a decrease in lease liabilities of \$639,000 from 2022 to 2023 due to expected current year lease payments.

The net pension liability is the College's proportionate share of the New York State Teachers' Retirement System (TRS) which went from a liability in the amount of \$201,000 in 2022 to a liability in 2023 in the amount of \$106,000, a decrease of \$95,000 and ERS which went from an asset in the amount of \$1,672,000 in 2022 to a liability in 2023 of \$3,451,000, a decrease of \$5,123,000. These changes are primarily the result of differences between projected and actual earnings on pension plan investments and are determined by an actuarial valuation on the entire ERS and TRS net pension positions. The College's proportionate share is required to be reflected on the balance sheet.

Changes in deferred outflows and deferred inflows of resources reflect changes in OPEB as well as pension activity at the State level. Deferred outflows of resources include contributions required to be paid by the College to the State pension systems after the measurement date, and as such are not included in the current net pension position. Deferred outflows and deferred inflows of resources also reflect variances from actuarial assumptions, actual results of investment earnings compared to projected earnings, and changes of assumptions. The College has no control or authority over these transactions relative to pensions.

FY 21-22

Net position (deficit) amounted to \$(6,482,000) as of August 31, 2022. The total Other Postemployment Benefits (OPEB) liability of \$37,200,000 is the primary reason for the College's unrestricted deficit as of August 31, 2022. College management believes that the deficit position is similar to virtually all other governmental entities in NYS that provide postemployment healthcare benefits to their employees.

Total assets increased by \$2,606,000 from 2021 to 2022 as a result of the following: an increase in capital assets, net, of \$1,365,000 related to the College's capital projects financed by the County and the State and the adoption of GASB 87; and an increase in cash of \$322,000 due to positive cash flows at year end. Net pension and OPEB liabilities decreased by \$13,223,000 primarily due to a decrease in the total OPEB liability of \$13,403,000 due to changes in actuarial assumptions and changes to Medicare health offerings. Lease liabilities increased by \$2,347,000 from 2021 to 2022 as a result of the adoption of GASB 87, which required the College to record the value of the lease liability on the balance sheet.

The net pension liability is the College's proportionate share of TRS which went from an asset in the amount of \$1,858,000 in 2021 to a liability in 2022 in the amount of \$201,000, a decrease of \$2,059,000. The net pension asset is the College's proportionate share of ERS which went from a liability in the amount of \$21,000 in 2021 to an asset in 2022 of \$1,672,000, an increase of \$1,693,000. These changes are primarily the result of differences between projected and actual earnings on pension plan investments and are determined by an actuarial valuation on the entire TRS and ERS net pension positions. The College's proportionate share is required to be reflected on the balance sheet.

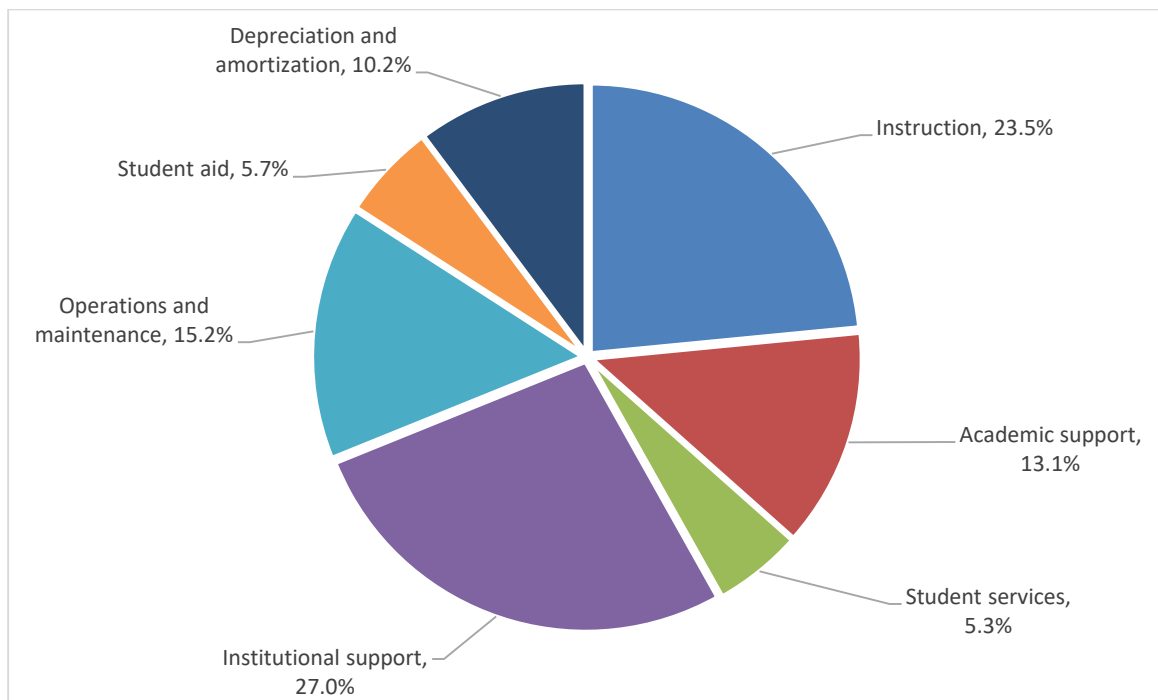
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Operating Expenses

Operating Expenses For the Years Ended August 31, 2023, 2022, and 2021

	2023	2022	2021
Instruction	\$ 7,686,000	\$ 6,836,000	\$ 8,860,000
Academic support	4,293,000	3,797,000	5,806,000
Student services	1,733,000	1,639,000	2,113,000
Institutional support	8,846,000	7,118,000	8,529,000
Operations and maintenance	4,985,000	4,728,000	4,915,000
Student aid	1,866,000	6,111,000	2,599,000
Depreciation and amortization	3,343,000	3,201,000	2,351,000
Total	\$ 32,752,000	\$ 33,430,000	\$ 35,173,000

Percentage of Operating Expenses For the Year Ended August 31, 2023



FY 22-23

Total operating expenses for the 2022-23 fiscal year decreased by \$678,000 or 2.0% from the prior fiscal year. Changes affecting the decrease are:

- Payroll expense remained consistent from the prior year, however, employee benefits, which are allocated across all functions, increased \$2,345,000. Net pension expense recognized in 2023 was \$1,256,000 compared to \$200,000 in 2022. OPEB income recognized in 2023 was \$350,000 compared to income recognized of \$1,436,000 in 2022.
- Student aid decreased \$4,245,000, primarily due to funding received from the Federal Higher Education Emergency Relief Fund (HEERF) for emergency grants to students decreasing by \$4,320,000 from 2022.

FY 21-22

Total operating expenses for the 2021-22 fiscal year decreased by \$1,743,000 or 5.0% from the prior fiscal year. Changes affecting the decrease are:

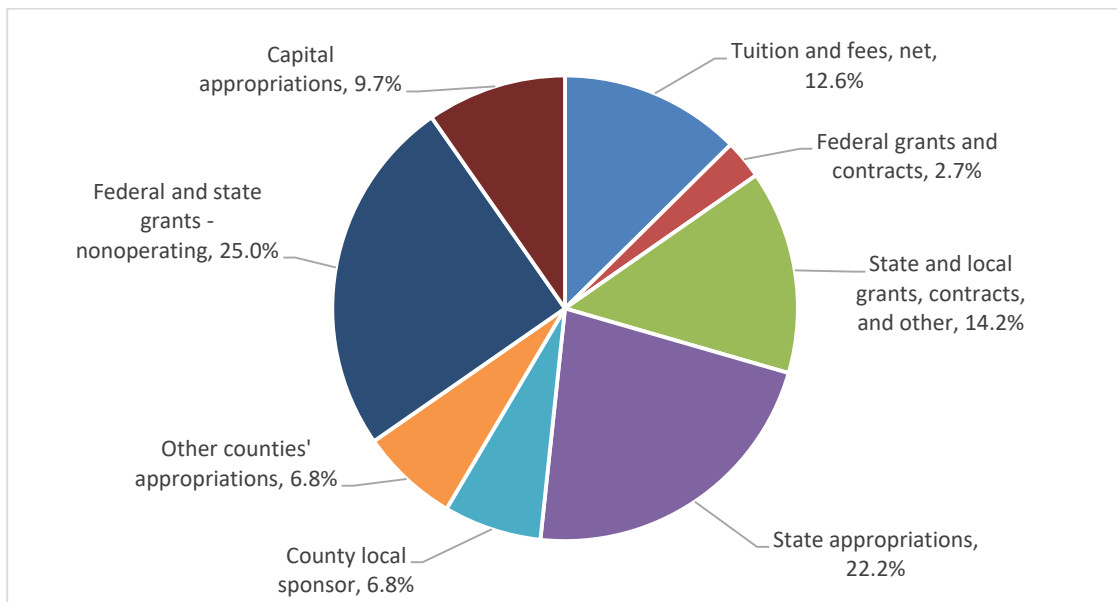
- Payroll increased \$795,000. This increase included the following: contractual raises, retroactive pays due to the renewal of collective bargaining unit agreements during the current year, and the College adding new employees during the year.
- Employee benefits, which are allocated across all functions, decreased \$4,782,000. Net pension expense recognized in 2022 was \$200,000 compared to \$415,000 in 2021. OPEB income recognized in 2022 was \$1,436,000 compared to expense recognized of \$2,655,000 in 2021.
- Student aid increased \$3,512,000, primarily due to funding received from HEERF for emergency grants to students of \$4,802,000.
- Depreciation and amortization expense increased \$850,000, due to the implementation of GASB 87 during 2022 which added \$725,000 of current year amortization expense related to the College’s leased buildings.

Revenues

**Revenues
For the Years Ended August 31, 2023, 2022, and 2021**

	2023	2022	2021
Tuition and fees, net	\$ 4,604,000	\$ 4,556,000	\$ 4,423,000
Federal grants and contracts	1,000,000	1,429,000	3,833,000
State and local grants, contracts, and other	5,190,000	3,419,000	3,101,000
State appropriations	8,123,000	8,033,000	7,716,000
County appropriations – local sponsor	2,459,000	2,411,000	2,364,000
Other counties’ appropriations	2,456,000	1,886,000	2,237,000
Federal and state grants - nonoperating	9,136,000	13,958,000	10,862,000
Capital appropriations	3,556,000	1,037,000	8,069,000
Total	\$ 36,524,000	\$ 36,729,000	\$ 42,605,000

**Percentage of Revenues
For the Year Ended August 31, 2023**



FY 22-23

Total revenues for the 2022-23 fiscal year decreased by \$205,000 or 0.6% from the prior fiscal year. Changes affecting the variation are:

- Net tuition increased by \$48,000 due to increases in service fees charged to students, offset by a decline in enrollment of approximately 72 fulltime equivalent (FTE) students. Additionally, the scholarship allowance decreased which effectively increased net tuition.
- Capital appropriations were \$3,556,000 in 2023, an increase of \$2,519,000 from the prior year. This is the cost of new capital projects at the College that were funded by the County and the State and will fluctuate year to year depending on the status of projects.
- State and local grants, contracts and other totaled \$5,190,000 in 2023, an increase of \$1,771,000 from the prior year. This increase is related to additional funding received related to the SUNY Apprenticeship program.
- Federal grants and contracts and Federal and state grants – non-operating together totaled \$10,136,000 in 2023, a decrease of \$5,251,000 from the prior year. This decrease is primarily related a \$4,808,000 decrease in HEERF funding in the current year and a \$448,000 decrease in the Healthy Profession Opportunity Grants program, which ended in 2022.

FY 21-22

Total revenues for the 2021-22 fiscal year decreased by \$5,876,000 or 13.8% from the prior fiscal year. Changes affecting the decrease are:

- Net tuition increased by \$133,000 due to increases in service fees charged to students, offset by a decline in enrollment of approximately 137 fulltime equivalent (FTE) students. Additionally, the scholarship allowance decreased which effectively increased net tuition.
- Federal grants and contracts and Federal and state grants – non-operating together totaled \$15,387,000 in 2022, an increase of \$692,000 from the prior year. This increase is primarily related to a \$3,151,000 increase in HEERF funding in the current year, offset in part by a \$2,164,000 decrease in the Healthy Profession Opportunity Grants program.
- Capital appropriations were \$1,037,000 in 2022, a decrease of \$7,032,000 from the prior year. This is the cost of new capital projects at the College that were funded by the County and the State and will fluctuate year to year depending on the status of projects.

Capital Assets

The primary cost of campus facilities is shared by the County and the State. Pursuant to State Education Law relative to community colleges, title to real property rests in and is held by the local sponsor (the County) in trust for the use and purpose of the College. The College has a stewardship responsibility as such assets are integral to the operations of the College; therefore, the College capitalizes and depreciates all campus facility activity.

For the year ended August 31, 2023, additions to capital assets amounted to \$5,313,000 and is offset by depreciation and amortization expense of \$3,344,000.

For the year ended August 31, 2022, additions to capital assets amounted to \$1,943,000 and is offset by depreciation and amortization expense of \$3,201,000. During 2022 the College implemented GASB 87 which resulted in a beginning of year restatement to capital assets of \$2,624,000 to account for leased buildings.

Details of these assets are shown below.

Capital Assets
As of August 31 2023, 2022, and 2021

	2023	2022	2021
Land	\$ 713,000	\$ 713,000	\$ 713,000
Construction in progress	2,044,000	964,000	496,000
Buildings, infrastructure, and improvements	76,132,000	73,655,000	73,086,000
Furniture, fixtures, and equipment	12,046,000	10,290,000	9,677,000
	90,935,000	85,622,000	83,972,000
Accumulated depreciation	(50,903,000)	(48,284,000)	(45,808,000)
	40,032,000	37,338,000	38,164,000
Right-to-use leased building, net of amortization	1,466,000	2,191,000	-
	\$ 41,498,000	\$ 39,529,000	\$ 38,164,000

Leases

At August 31, 2023, the College had \$1,708,000 of outstanding leases, with \$581,000 due within one year. During 2022 the College implemented GASB 87 which resulted in a beginning of year restatement to leases of \$2,823,000 to account for leased buildings. At August 31, 2022, the College had \$2,347,000 of outstanding leases, with \$639,000 due within one year. More detailed information about the College’s leases is presented in the notes to the financial statements.

Economic Factors That May Affect the Future

The College’s student enrollment declined 1.1% from 2021-22 levels due to the global pandemic and its impact on learning and shifts in higher educational demographic trends and their impact on higher education enrollments. This remained consistent with student enrollments at other New York State community colleges during the same period. The College started to see a reversal of many years of enrollment decline in Fall of 2023. In 2022-23, a significant number of course offerings returned to in-person instruction while virtual offerings remained available for students who preferred that mode of education. During this time Federal, State and local support for the College was affirmed through continued pandemic relief funding and consistent State and local county resources.

In 2022-23, the College’s HEERF drawdown for lost revenues was \$1.8 million. New York State support for the College remained at \$8.0 million which was consistent with 2021-22 and 2020-21 levels. Local county support increased 2% from the prior year amount to \$2.5 million. The College continued its focus on student retention and support services through this period through the completion of capital projects and student success initiatives. Together, this support provided the College with stable financial resources to offset declining enrollments.

During 2022-23, the College continued implementation of its five-year strategic plan, “Many Voices, One Call” which provides guidance on how the College can fully realize its objectives while positively impacting the lives of thousands of students. Enhanced student outreach efforts were launched to interact with every student to facilitate persistence and efforts towards degree completion. These efforts include the entire College and community stakeholders.

During 2022-23, the College embarked on certain capital projects to improve the student experience and repair critical infrastructure. The new One-Stop Welcome Center was completed where students can receive assistance with admissions, financial aid and student accounts. Roofs were replaced on the Elston Hall Culinary wing, a new HVAC Cooling Tower was installed on top of Begley Hall and campus-wide information technology infrastructure was replaced. Planning for a new Student Success Center, where students will receive advising, success coaching and career services began in 2022-23 with construction underway in 2023-24.

Contact for the College's Financial Management

This financial report is designed to provide the College community, oversight agencies, and County taxpayers with a general overview of the College's finances and demonstrate the College's accountability for the money it receives. If you have any questions about this report or need additional information, contact Patrick C. Ryan, Vice President of Administration, 78 Washington Avenue, Schenectady, New York 12305 or by e-mail at ryanpc@sunysccc.edu.

SCHENECTADY COUNTY COMMUNITY COLLEGE
(A Component Unit of the County of Schenectady, New York)

Balance Sheets

August 31,	2023	2022
Assets		
Current assets:		
Cash	\$ 16,850,220	\$ 11,774,742
Accounts and other receivables, net (Note 3)	229,728	211,836
Due from federal, state, and other governments	2,789,743	3,283,978
Prepaid expenses	121,537	220,912
	<u>19,991,228</u>	<u>15,491,468</u>
Noncurrent assets:		
Net pension asset (Note 6)	-	1,672,378
Capital assets, net (Note 4)	41,497,777	39,529,307
Total assets	<u>61,489,005</u>	<u>56,693,153</u>
Deferred outflows of resources		
Deferred outflows of resources related to pensions (Note 6)	3,151,831	4,344,273
Deferred outflows of resources related to OPEB (Note 8)	3,133,651	5,307,108
Total deferred outflows of resources	<u>6,285,482</u>	<u>9,651,381</u>
Total assets and deferred outflows of resources	<u>\$ 67,774,487</u>	<u>\$ 66,344,534</u>
Liabilities		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 5,004,616	\$ 4,978,013
Unearned revenue	9,165,068	4,341,803
Due to related entities	477,020	417,858
Leases (Note 5)	581,259	638,521
	<u>15,227,963</u>	<u>10,376,195</u>
Noncurrent liabilities:		
Leases (Note 5)	1,126,745	1,708,004
Net pension liability (Note 6)	3,557,339	200,888
Total OPEB liability (Note 8)	37,237,027	37,199,728
Total liabilities	<u>57,149,074</u>	<u>49,484,815</u>
Deferred inflows of resources		
New York State tuition assistance	457,978	383,950
Deferred inflows of resources related to pensions (Note 6)	323,548	5,984,957
Deferred inflows of resources related to OPEB (Note 8)	12,624,376	16,972,567
Total deferred inflows of resources	<u>13,405,902</u>	<u>23,341,474</u>
Net position		
Net investment in capital assets	39,789,773	37,182,782
Unrestricted (deficit)	(42,570,262)	(43,664,537)
Total net position	<u>(2,780,489)</u>	<u>(6,481,755)</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 67,774,487</u>	<u>\$ 66,344,534</u>

See accompanying notes.

SCENECTADY COUNTY COMMUNITY COLLEGE
(A Component Unit of the County of Schenectady, New York)

Statements of Revenues, Expenses, and Changes in Net Position

For the years ended August 31,	2023	2022
Operating revenues:		
Tuition and fees	\$ 8,628,786	\$ 8,763,021
Less scholarship allowances	4,024,371	4,207,601
Net tuition and fees	4,604,415	4,555,420
Federal grants and contracts	999,524	1,429,050
State and local grants and contracts	4,574,183	2,899,974
Other revenues	608,979	519,042
Total operating revenues	10,787,101	9,403,486
Operating expenses:		
Instruction	7,685,982	6,836,260
Academic support	4,292,846	3,796,907
Student services	1,733,401	1,639,313
Institutional support	8,845,605	7,118,141
Operations and maintenance	4,984,971	4,727,578
Student aid	1,866,424	6,110,950
Depreciation and amortization	3,343,132	3,200,763
Total operating expenses	32,752,361	33,429,912
Operating loss	(21,965,260)	(24,026,426)
Non-operating revenues (expenses):		
County appropriations - local sponsor	2,458,955	2,410,740
Other counties' appropriations	2,455,943	1,885,872
State appropriations	8,123,124	8,033,499
Federal and state financial aid	5,199,675	5,214,136
Federal non-operating grants	3,935,652	8,743,618
Interest income	7,625	1,693
Interest expense	(70,396)	(64,144)
Total non-operating revenues	22,110,578	26,225,414
Income before capital appropriations	145,318	2,198,988
Capital appropriations	3,555,948	1,037,447
Change in net position	3,701,266	3,236,435
Net position - beginning of year	(6,481,755)	(9,718,190)
Net position - end of year	\$ (2,780,489)	\$ (6,481,755)

SCHENECTADY COUNTY COMMUNITY COLLEGE
(A Component Unit of the County of Schenectady, New York)

Statements of Cash Flows

For the years ended August 31,

	2023	2022
Operating activities:		
Tuition and fees, net	\$ 4,628,145	\$ 4,570,975
Federal, state, and local grants and contracts	10,173,657	4,661,755
Payments to employees for services and benefits	(20,411,471)	(20,245,920)
Payments to vendors and suppliers	(8,582,929)	(7,491,209)
Student aid	(1,866,424)	(6,110,950)
Other	589,468	516,724
Net operating activities	(15,469,554)	(24,098,625)
Non-capital financing activities:		
State appropriations	8,123,124	8,034,879
County appropriations	4,914,543	4,348,732
Federal and state financial aid	5,296,355	5,186,023
Federal non-operating grant	4,667,956	8,295,418
Net non-capital financing activities	23,001,978	25,865,052
Capital and related financing activities:		
Purchases of capital assets	(1,755,654)	(613,059)
Principal payments on leases	(638,521)	(768,398)
Interest on leases	(70,396)	(64,144)
Net capital and related financing activities	(2,464,571)	(1,445,601)
Investing activities:		
Interest income	7,625	1,693
Net change in cash	5,075,478	322,519
Cash - beginning of year	11,774,742	11,452,223
Cash - end of year	\$ 16,850,220	\$ 11,774,742
Reconciliation of net operating loss to net cash flows used in operating activities:		
Operating loss	\$ (21,965,260)	\$ (24,026,426)
Adjustments to reconcile operating loss to net cash flows from operating activities:		
Depreciation and amortization	3,343,132	3,200,763
Net pension activity	559,862	(714,288)
Net OPEB activity	(2,137,435)	(3,194,227)
Changes in other assets and liabilities:		
Accounts and other receivables	(17,892)	(11,860)
Due from federal, state, and other governments	(260,366)	(431,495)
Prepaid expenses	99,375	(146,953)
Accounts payable and accrued liabilities	26,603	436,538
Unearned revenue	4,823,265	730,780
Due to related entities	59,162	58,543
Net operating activities	\$ (15,469,554)	\$ (24,098,625)
Non-cash transactions:		
Construction costs funded by State and County	\$ 3,555,948	\$ 1,037,447
Right-to-use lease asset funded by lease	\$ -	\$ 292,110

See accompanying notes.

SCENECTADY COUNTY COMMUNITY COLLEGE
(A Component Unit of the County of Schenectady, New York)

Balance Sheets
Component Units

	May 31, 2023	August 31, 2023	May 31, 2022	August 31, 2022
	Association	Foundation	Association	Foundation
Assets				
Current assets:				
Cash	\$ 86,353	\$ 238,156	\$ 121,456	\$ 600,640
Contributions and other receivables, net	79,750	102,757	56,557	246,625
Bookstore inventory	175,303	-	172,984	-
Prepaid expenses	33,634	-	50,186	-
	<u>375,040</u>	<u>340,913</u>	<u>401,183</u>	<u>847,265</u>
Noncurrent assets:				
Contributions and other receivables, net	10,000	7,535	-	14,782
Property and equipment, net	613,099	-	670,979	-
Investments	533,246	9,954,808	849,285	9,138,286
	<u>1,156,345</u>	<u>9,962,343</u>	<u>1,520,264</u>	<u>9,153,068</u>
Total assets	<u>\$ 1,531,385</u>	<u>\$ 10,303,256</u>	<u>\$ 1,921,447</u>	<u>\$ 10,000,333</u>
Liabilities and Net Assets				
Liabilities:				
Current liabilities:				
Due to College	\$ -	\$ 21,602	\$ -	\$ 47,656
Accounts payable and accrued liabilities	202,677	10,711	110,198	5,069
Deferred revenue	2,500	5,000	-	5,000
Agency funds	-	251,399	-	253,424
	<u>205,177</u>	<u>288,712</u>	<u>110,198</u>	<u>311,149</u>
Noncurrent liabilities:				
Deferred revenue	10,000	-	-	-
Deferred compensation agreement	262,755	-	501,811	-
Total liabilities	<u>477,932</u>	<u>288,712</u>	<u>612,009</u>	<u>311,149</u>
Net assets:				
Without donor restrictions	1,053,453	2,156,285	1,309,438	2,368,272
With donor restrictions	-	7,858,259	-	7,320,912
Total net assets	<u>1,053,453</u>	<u>10,014,544</u>	<u>1,309,438</u>	<u>9,689,184</u>
Total liabilities and net assets	<u>\$ 1,531,385</u>	<u>\$ 10,303,256</u>	<u>\$ 1,921,447</u>	<u>\$ 10,000,333</u>

See accompanying notes.

SCENECTADY COUNTY COMMUNITY COLLEGE
(A Component Unit of the County of Schenectady, New York)

**Statements of Activities
Component Units**

For the years ended	May 31,	August 31,	May 31,	August 31,
	2023	2023	2022	2022
	Association	Foundation	Association	Foundation
Changes in net assets without donor restrictions:				
Revenue and other support:				
Sales and services	\$ 944,178	\$ -	\$ 886,598	\$ -
Student fees and related services	38,999	-	51,128	-
Contributions - in-kind	-	194,666	-	182,754
Contributions - public support	-	27,161	-	294,604
Contributions - SUNY grant	71,382	-	58,536	-
Special events	-	97,149	-	101,618
Investment income (loss)	(2,311)	164,863	(21,167)	(319,808)
Other income	23,049	2,535	124,565	2,609
Net assets released from restriction	-	623,746	-	515,873
Total revenue and other support without donor restrictions	<u>1,075,297</u>	<u>1,110,120</u>	<u>1,099,660</u>	<u>777,650</u>
Expenses:				
Cost of sales	585,773	-	573,594	-
Scholarships	-	409,157	-	286,317
Program service	71,382	496,242	58,536	346,329
Operating	674,127	-	688,599	-
Management and general	-	75,387	-	86,985
Fundraising	-	341,321	-	280,890
Total expenses	<u>1,331,282</u>	<u>1,322,107</u>	<u>1,320,729</u>	<u>1,000,521</u>
Change in net assets without donor restrictions	<u>(255,985)</u>	<u>(211,987)</u>	<u>(221,069)</u>	<u>(222,871)</u>
Changes in net assets with donor restrictions:				
Contributions - public support	-	581,657	-	309,998
Investment income (loss)	-	579,436	-	(928,363)
Net assets released from restriction	-	(623,746)	-	(515,873)
Change in net assets with donor restrictions	<u>-</u>	<u>537,347</u>	<u>-</u>	<u>(1,134,238)</u>
Change in net assets	<u>(255,985)</u>	<u>325,360</u>	<u>(221,069)</u>	<u>(1,357,109)</u>
Net assets - beginning	<u>1,309,438</u>	<u>9,689,184</u>	<u>1,530,507</u>	<u>11,046,293</u>
Net assets - ending	<u>\$ 1,053,453</u>	<u>\$ 10,014,544</u>	<u>\$ 1,309,438</u>	<u>\$ 9,689,184</u>

See accompanying notes.

Notes to Financial Statements

1. Summary of Significant Accounting Policies

Reporting Entity

Schenectady County Community College (the College) is a locally sponsored, two-year community college founded in 1969. The College is part of a statewide system of two-year institutions designed to provide technical, para-professional, and university parallel education. The College is one of thirty community colleges within the State University of New York (SUNY). SUNY community colleges are financed by New York State (the State), student tuition, and a local government sponsor. The County of Schenectady, New York (the County) is the College's local sponsor. The College is included in the financial statements of the County as a discretely presented component unit.

Basis of Presentation

The financial statements of the College have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the College's accounting policies are described below.

Discretely Presented Component Units

In evaluating how to define the College for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the College's reporting entity is based on several criteria set forth in accounting guidance including legal standing, fiscal dependency, and financial accountability.

Based on the application of these criteria, the following is a brief review of the entities included in the reporting entity as discretely presented component units.

- The Faculty-Student Association of Schenectady County Community College, Inc. (the Association) was established in 1969 to operate, manage, and promote educational activities and relationships between and among students, faculty, and staff of the College. The Association operates campus-based food services, child care services, and the College Store. The Association is financially dependent on student enrollment of the College in order to maintain operations. The Association reports on a June 1 through May 31 fiscal year; accordingly, all balances in the accompanying financial statements related to the Association are as of and for the years ended May 31, 2023 and 2022.
- Schenectady County Community College Foundation, Inc. (the Foundation) was established in 1972 for the purpose of maintaining endowments and other donor-restricted contributions for student scholarships and programs for the College. The Foundation provides financial assistance to the College in the form of grants and/or program contributions. The Foundation maintains the same fiscal year as the College.

The financial statements of these component units have been presented in accordance with the display requirements of the Financial Accounting Standards Board (FASB). Footnote disclosure information of the component units is contained in Note 13.

Measurement Focus

The College reports as a special-purpose government engaged in business-type activities, as defined by GASB Statement No. 35. Business-type activities are those that are financed in whole or in part by fees charged to external parties for goods or services. The College's financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred regardless of when the related cash flows take place. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been satisfied.

The College's policy for defining operating activities in the statements of revenues, expenses, and changes in net position are those that generally result from exchange transactions such as receipts for services and payments made to purchase those goods or services. Certain other transactions are reported as non-operating activities and include the College's appropriations from the State and County, certain federal and state grants, and interest income.

Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Net Position

The College is required to classify net position into three categories:

- *Net investment in capital assets* – consists of capital assets, net of accumulated depreciation and amortization, reduced by outstanding balances of any related debt obligations attributable to the acquisition, construction, or improvement of those assets.
- *Restricted* – consists of assets reduced by liabilities and deferred inflows of resources related to those assets if their use is subject to externally imposed stipulations. Restrictions are imposed by external organizations such as federal and state laws or by third parties providing funds to the College. The College currently has no restricted resources meeting this definition.
- *Unrestricted* – the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of the above restrictions and are available for general use by the College.

The College has a policy of generally using restricted net position, when available, prior to unrestricted amounts.

Campus Facilities, Equipment, and Related Debt

The County and the State equally share the primary cost of capital assets. Pursuant to State Education Law relative to community colleges, title to real property rests in and is held by the local sponsor (the County) in trust for the uses and purposes of the College. The College has a stewardship responsibility since such assets are integral to the operations of the College; therefore, the College records all campus facility activity.

The College recognizes revenue for State and County capital contributions when the construction or acquisition cost is incurred, or the capital asset is purchased. Debt obligations incurred by the County and the State to finance the construction and acquisition of campus facilities and equipment are not recognized in the financial statements since the College is not obligated under any debt service arrangements for the County or State debt.

The Association and Foundation maintain their own title to capital assets as applicable and issue debt as needed for the acquisition or construction of capital assets.

Capital Assets

The College records capital assets at actual or estimated historical cost. Financed right-to-use lease assets are recorded at the present values of the lease liability. Contributed assets are recorded at fair value at the time received. Depreciation and amortization are provided over estimated useful lives using the straight-line method. Maintenance and repairs are expensed as incurred; significant improvements are capitalized.

Capitalization thresholds for determining which asset purchases, other than right-to-use assets, are added to capital accounts and the estimated useful lives of the College's capital assets are as follows:

	Capitalization Policy	Estimated Useful Life
Buildings and infrastructure	\$ 5,000	15-40 years
Land improvements	\$ 5,000	3-15 years
Furniture, fixtures, and equipment	\$ 5,000	5-10 years

Compensated Absences

The College recognizes a liability for vacation time and additional salary related payments as benefits earned by employees based on the rendering of past service and the probability that the employees will be compensated. This includes vacation time that was earned but not used for which employees receive compensation in future periods.

In addition, the College recognizes a liability for vested sick leave and additional salary related payments for employees who are eligible to receive termination payments as well as other employees who are expected to become eligible in the future to receive such payments.

Unearned Revenue

Student tuition and related fees billed and received prior to the end of the fiscal year which relate to the following semester are considered unearned and recognized as revenue when earned in the subsequent fiscal year.

Deferred Outflows and Deferred Inflows of Resources

Pension and Other Postemployment Benefits (OPEB) related items stem from variances between expected and actual results and are amortized ratably, with the exception of pension and OPEB contributions paid subsequent to the measurement date, which are recognized as a reduction to (increase in) the net pension (asset) liability or total OPEB liability in the subsequent year.

Deferred inflows of resources also include New York State Tuition Assistance Payments (TAP) received by the College on behalf of eligible students. TAP funds received prior to the College's year end have a time restriction as they are applicable to the following semester and are recognized as revenue when applied to the respective students' accounts.

Pensions

The College participates in the New York State Teachers' Retirement System (TRS) and the New York State and Local Employees' Retirement System (ERS) (the Systems) as mandated by State law. The Systems recognize benefit payments when due and payable in accordance with benefit terms; investment assets are reported at fair value. The College recognizes its proportionate share of net pension position, deferred outflows and deferred inflows of resources, pension expense (revenue), and information about and changes in the fiduciary net position on the same basis as reported by the respective defined benefit pension plans.

OPEB

The total OPEB liability, deferred outflows and deferred inflows of resources, and OPEB expense of the College's defined benefit healthcare plan (Note 8) have been measured on the same basis as reported by the plan. Benefit payments in the plan are recognized when due and payable in accordance with benefit terms.

Revenues

The State provides aid to the College based upon operating costs and a formula based on student full-time equivalents. The County also provides funding to the College in the form of a sponsor contribution which is appropriated annually by the County legislature as part of the County's budgeting function. Revenue is recognized in the accounting period earned. State and County appropriations are recognized when legally available for use. Revenues and expenses arising from non-exchange transactions are recognized when all eligibility requirements are met.

Grants to students for financial aid and scholarships through the Federal Pell Grant Program (PELL) and TAP are recorded as non-operating revenues from Federal and State sources and as either student aid expense or scholarship allowances offsetting tuition and fees revenue. For the years ended August 31, 2023 and 2022, approximately \$4,000,000 and \$4,109,000 was distributed to the College for PELL grants, and \$1,200,000 and \$1,105,000 for TAP awards, respectively.

In response to COVID-19, the College was awarded approximately \$20,131,000 in Higher Education Emergency Relief Funding (HEERF), of which \$4,027,000 and \$8,744,000 are recognized as federal non-operating grant revenue in 2023 and 2022. The College has approximately \$1,063,000 remaining and expects to meet the conditions for the HEERF funding in 2024.

Student tuition and fees are presented net of scholarships and financial aid applied to student accounts. Certain other scholarship amounts are paid directly to, or refunded to, the student and are generally reflected as expenses.

Reserve for Excess Student Revenue

State Education Law mandates that tuition revenue not exceed one-third of net operating costs. This mandate has been waived by the State. As a result, the College has not recognized a reserve for excess student revenue.

Interfund Transfers

The College uses fund accounting for the SUNY annual report (as displayed in the accompanying supplementary information) which includes transactions between funds. Permanent transfers of funds include the transfer of expenditures and revenues to provide financing or other services between restricted and unrestricted current funds. These amounts have been eliminated in the basic financial statements.

Exempt Tax Status

The College is a unit of the State and is therefore generally exempt from income taxes under §115 of the Internal Revenue Code.

The component units are nonprofit organizations and accordingly, no provision for income taxes has been included in the accompanying financial statements.

2. Cash

Cash management is governed by State laws and as established by the College's written policies. Cash must be deposited in FDIC-insured commercial banks or trust companies authorized to do business within the State. The College is authorized to use demand accounts and certificates of deposit. Invested resources are limited to obligations of the United States Treasury and its agencies, repurchase agreements, and obligations of the State or its localities.

Collateral is required for demand and time deposits and certificates of deposit not covered by Federal Deposit Insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities and school districts.

Custodial credit risk is the risk that, in the event of a bank failure, the College's deposits may not be returned to it. At August 31, 2023, the College's bank deposits were fully collateralized by FDIC coverage and securities held by the pledging institutions' trust departments or agents in the College's name.

3. Accounts and Other Receivables

	2023	2022
Student tuition and fees	\$ 1,269,947	\$ 1,347,063
Other	42,781	23,273
	<u>1,312,728</u>	<u>1,370,336</u>
Allowance for doubtful accounts	<u>(1,083,000)</u>	<u>(1,158,500)</u>
	<u>\$ 229,728</u>	<u>\$ 211,836</u>

4. Capital Assets

August 31, 2023	September 1, 2022	Additions	Retirements/ Reclassifications	August 31, 2023
Nondepreciable capital assets:				
Land	\$ 713,209	\$ -	\$ -	\$ 713,209
Construction in progress	964,583	1,461,506	(382,289)	2,043,800
Total nondepreciable capital assets	<u>1,677,792</u>	<u>1,461,506</u>	<u>(382,289)</u>	<u>2,757,009</u>
Depreciable capital assets:				
Buildings and infrastructure	72,941,555	2,094,442	382,289	75,418,286
Land improvements	713,140	-	-	713,140
Furniture, fixtures, and equipment	10,290,367	1,755,654	-	12,046,021
Total depreciable assets	<u>83,945,062</u>	<u>3,850,096</u>	<u>382,289</u>	<u>88,177,447</u>
Accumulated depreciation:				
Buildings and infrastructure	(40,008,158)	(1,932,524)	-	(41,940,682)
Land improvements	(620,924)	(17,276)	-	(638,200)
Furniture, fixtures, and equipment	(7,655,440)	(668,518)	-	(8,323,958)
Total accumulated depreciation	<u>(48,284,522)</u>	<u>(2,618,318)</u>	<u>-</u>	<u>(50,902,840)</u>
Total depreciable assets, net	<u>35,660,540</u>	<u>1,231,778</u>	<u>382,289</u>	<u>37,274,607</u>
Right-to-use lease assets:				
Buildings	5,441,133	-	-	5,441,133
Accumulated amortization	(3,250,158)	(724,814)	-	(3,974,972)
Total right-to-use lease assets, net	<u>2,190,975</u>	<u>(724,814)</u>	<u>-</u>	<u>1,466,161</u>
Net capital assets	<u>\$ 39,529,307</u>	<u>\$ 1,968,470</u>	<u>\$ -</u>	<u>\$ 41,497,777</u>

August 31, 2022	September 1, 2021	Additions	Retirements/ Reclassifications	August 31, 2022
Nondepreciable capital assets:				
Land	\$ 713,209	\$ -	\$ -	\$ 713,209
Construction in progress	495,524	469,059	-	964,583
Total nondepreciable capital assets	1,208,733	469,059	-	1,677,792
Depreciable capital assets:				
Buildings and infrastructure	72,373,167	568,388	-	72,941,555
Land improvements	713,140	-	-	713,140
Furniture, fixtures, and equipment	9,677,308	613,059	-	10,290,367
Total depreciable assets	82,763,615	1,181,447	-	83,945,062
Accumulated depreciation:				
Buildings and infrastructure	(38,134,553)	(1,873,605)	-	(40,008,158)
Land improvements	(594,766)	(26,158)	-	(620,924)
Furniture, fixtures, and equipment	(7,079,254)	(576,186)	-	(7,655,440)
Total accumulated depreciation	(45,808,573)	(2,475,949)	-	(48,284,522)
Total depreciable assets, net	36,955,042	(1,294,502)	-	35,660,540
Right-to-use lease assets:				
Buildings	5,149,023	292,110	-	5,441,133
Accumulated amortization	(2,525,344)	(724,814)	-	(3,250,158)
Total right-to-use lease assets, net	2,623,679	(432,704)	-	2,190,975
Net capital assets	\$ 40,787,454	\$ (1,258,147)	\$ -	\$ 39,529,307

5. Leases

	September 1, 2022	Increases	Decreases	August 31, 2023	Due Within One Year
Leases	\$ 2,346,525	\$ -	\$ 638,521	\$ 1,708,004	\$ 581,259
	September 1, 2021	Increases	Decreases	August 31, 2022	Due Within One Year
Leases	\$ 2,822,813	\$ 292,110	\$ 768,398	\$ 2,346,525	\$ 638,521

Existing Obligations

Description	Maturity	Rate	Balance
113 State Street	March 2027	3.00%	\$ 191,207
Mill Lane	December 2025	3.00%	389,252
Center City	August 2026	3.00%	1,127,545
			<u>\$ 1,708,004</u>

Debt Service Requirements

Years ending August 31,	Principal	Interest
2024	\$ 581,259	\$ 51,240
2025	598,697	33,802
2026	499,688	15,841
2027	28,360	851
	<u>\$ 1,708,004</u>	<u>\$ 101,734</u>

6. Pension Plans

Plan Descriptions

The College participates in the following cost-sharing, multiple employer, public employee retirement systems:

- TRS is administered by the New York State Teachers' Retirement Board and provides benefits to plan members and beneficiaries as authorized by the Education Law and the Retirement and Social Security Law of the State of New York. TRS issues a publicly available financial report that contains financial statements and required supplementary information. This report may be obtained from the New York State Teachers' Retirement System at www.nystrs.org.
- ERS provides retirement benefits as well as death and disability benefits. New York State Retirement and Social Security Law governs obligations of employers and employees to contribute and provide benefits to employees. ERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained from the New York State and Local Retirement System at www.osc.state.ny.us/retire.

Benefits: The Systems provide retirement, disability, and death benefits for eligible members, including automatic cost of living adjustments. In general, retirement benefits are determined based on an employee's individual circumstances using a pension factor, an age factor, and final average salary. The benefits vary depending on the individual's employment tier. Pension factors are determined based on tier and an employee's years of service, among other factors.

Contribution Requirements: No employee contribution is required for those hired prior to July 1976. The Systems require employee contributions of 3% of salary for the first 10 years of service for those employees who joined the Systems from July 1976 through December 2009. Participants hired on or after January 1, 2010 through March 31, 2012 are required to contribute 3.5% (TRS) or 3% (ERS) of compensation throughout their active membership in the Systems. Participants hired on or after April 1, 2012 are required to contribute a percentage ranging from 3% to 6% each year, based on their level of compensation. Pursuant to Article 11 of Education Law, an actuarially determined contribution rate is established annually for TRS by the New York State Teachers' Retirement Board. This rate was 10.29% and 9.80% for 2023 and 2022, respectively. For ERS, the Comptroller annually certifies the rates used, expressed as a percentage of the wages of participants, to compute the contributions required to be made by the College to the pension accumulation fund. These rates ranged from 9.6% - 15.0% for 2023 and 8.3% - 13.1% for 2022.

A liability is accrued based on the College's legally required contribution for employee services rendered. The amount outstanding and payable to TRS as of August 31, 2023 and 2022 was \$271,283 and \$292,815, respectively. The amount outstanding and payable to ERS as of August 31, 2023 and 2022 was \$292,975 and \$259,635, respectively.

Net Pension Position, Pension Expense, and Deferred Outflows and Deferred Inflows of Resources

The College reported a liability of \$105,755 and \$200,888 as of August 31, 2023 and 2022 for its proportionate share of the TRS net pension position. The College also recognized a liability of \$3,451,584 as of August 31, 2023 and an asset \$1,672,378 as of August 31, 2022 for its proportionate share of the ERS net pension position.

The total TRS pension liability at the June 30, 2023 measurement date was determined by an actuarial valuation as of June 30, 2022, with update procedures applied to roll forward the total pension position to June 30, 2023 (measurement date of June 30, 2022, with an actuarial valuation as of June 30, 2021 for the August 31, 2022 net pension position). The College's proportion of the net pension position was based on the ratio of its actuarially determined employer contribution to TRS's total actuarially determined employer contributions for the fiscal year ended on the measurement date. At June 30, 2023, the College's proportion was 0.009248%, a decrease of 0.001221 from its proportion measured at June 30, 2022.

The ERS total pension liability at the March 31, 2023 measurement date was determined by an actuarial valuation as of April 1, 2022, with update procedures applied to roll forward the total pension liability to March 31, 2023 (measurement date of March 31, 2022 with an actuarial valuation as of April 1, 2021 for the August 31, 2022 net pension position). The College's proportion of the net pension position was based on the ratio of its actuarially determined employer contribution to ERS's total actuarially determined employer contributions for the fiscal year ended on the measurement date. Since the College's required contributions are included with the County's, the County has provided the College its proportion, determined on the basis of total covered payroll of the College, the County, and the County's other reporting entities over the total payroll of all entities. At March 31, 2023, the College's proportion was 0.0160958%, a decrease of 0.0043625 from its proportion measured at March 31, 2022.

For the year ended August 31, 2023, net pension expense was \$1,256,297 (TRS expense of \$327,475 and ERS expense of \$928,822). For the year ended August 31, 2022, the College recognized net pension expense of \$199,600 (TRS expense of \$269,505 and ERS income of \$69,905). The College reported deferred outflows and deferred inflows of resources as follows:

	TRS		ERS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
August 31, 2023				
Differences between expected and actual experience	\$ 256,427	\$ (634)	\$ 367,621	\$ (96,934)
Changes of assumptions	227,687	(49,623)	1,676,312	(18,526)
Net difference between projected and actual earnings on pension plan investments	54,060	-	-	(20,278)
Changes in proportion and differences between College contributions and proportionate share of contributions	106,901	(16,564)	70,626	(120,989)
Contributions subsequent to the measurement date	99,222	-	292,975	-
	\$ 744,297	\$ (66,821)	\$ 2,407,534	\$ (256,727)
	TRS		ERS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
August 31, 2022				
Differences between expected and actual experience	\$ 210,505	\$ (4,025)	\$ 126,652	\$ (164,274)
Changes of assumptions	389,688	(80,923)	2,791,011	(47,095)
Net difference between projected and actual earnings on pension plan investments	259,566	-	-	(5,476,337)
Changes in proportion and differences between College contributions and proportionate share of contributions	83,262	(32,960)	113,216	(179,343)
Contributions subsequent to the measurement date	110,738	-	259,635	-
	\$ 1,053,759	\$ (117,908)	\$ 3,290,514	\$ (5,867,049)

Contributions made subsequent to the measurement date will be recognized as an addition to (a reduction of) the net pension asset (liability) in the subsequent year. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years ending August 31,	TRS	ERS
2024	\$ 58,332	\$ 433,792
2025	(32,136)	(199,419)
2026	443,042	689,871
2027	49,509	933,588
2028	36,706	-
Thereafter	22,801	-
	\$ 578,254	\$ 1,857,832

Actuarial Assumptions

For TRS, the actuarial assumptions used in the June 30, 2022 valuation, with update procedures used to roll forward the total pension liability to June 30, 2023, were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2020. These assumptions are:

Inflation – 2.4%

Salary increases – Based on TRS member experience, dependent on age and gender, ranging from 1.95% - 5.18%

Projected Cost of Living Adjustments (COLA) – 1.3% compounded annually

Investment rate of return – 6.95% compounded annually, net of investment expense, including inflation

Mortality – Based on TRS member experience, with adjustments for mortality improvements based on Society of Actuaries' Scale MP-2021

Discount rate – 6.95%

The long-term expected rate of return on TRS pension plan investments was determined in accordance with Actuarial Standard of Practice No. 27, *Selection of Economic Assumptions for Measuring Pension Obligations*. Consideration was given to expected future real rates of return (expected returns, net of pension plan investment expense and inflation) for each major asset class as well as historical investment data and plan performance.

For ERS, the actuarial assumptions used in the April 1, 2022 valuation, with update procedures used to roll forward the total pension liability to March 31, 2023, were based on the results of an actuarial experience study for the period April 1, 2015 to March 31, 2020. These assumptions are:

Inflation – 2.9% (2.7% for 2022)

Salary increases – 4.4%

COLA – 1.5% annually (1.4% for 2022)

Investment rate of return – 5.9% compounded annually, net of investment expense, including inflation

Mortality – Society of Actuaries' Scale MP-2021 (Society of Actuaries' Scale MP-2020 for 2022)

Discount rate – 5.9%

The long-term expected rate of return on ERS pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected return, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Investment Asset Allocation

Best estimates of arithmetic real rates of return (net of long-term inflation assumptions) for each major asset class and the Systems' target asset allocations as of the applicable valuation dates are summarized as follows:

Asset Class	TRS		ERS	
	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equities	33%	6.8%	32%	4.3%
Global and international equities	19%	7.2%-7.6%	15%	6.9%
Private equities	9%	10.1%	10%	7.5%
Real estate	11%	6.3%	9%	4.6%
Domestic fixed income securities	16%	2.2%	23%	1.5%
Global bonds	2%	1.6%	-	-
Bonds and mortgages	6%	3.2%	-	-
Cash equivalents	1%	0.3%	1%	-
Other	3%	4.4%-6.0%	10%	5.4%-5.8%
	<u>100%</u>		<u>100%</u>	

Discount Rate

The discount rate projection of cash flows assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Systems’ 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.

The following presents the College’s proportionate share of its net pension position calculated using the discount rate of 6.95% (TRS) and 5.9% (ERS) and the impact of using a discount rate that is 1% higher or lower than the current rate.

	1.0% Decrease	At Current Discount Rate	1.0% Increase
College’s proportionate share of the TRS net pension asset (liability)	\$ (1,610,699)	\$ (105,755)	\$ 1,159,968
College’s proportionate share of the ERS net pension asset (liability)	\$ (8,340,999)	\$ (3,451,584)	\$ 634,090

7. Pension Plans – TIAA-CREF

The Teachers Insurance and Annuity Association – College Retirement Equities Fund (TIAA-CREF) is a State University Optional Retirement Plan (ORP). TIAA-CREF is a multiple-employer, defined contribution plan administered by a separate board of trustees. TIAA-CREF provides benefits through annuity contracts and provides retirement and death benefits to those employees who elect to participate in the ORP. Benefits are determined by the amount of individual accumulations and the retirement income option selected. All benefits generally vest after the completion of one year of service if the employee is retained thereafter. Employees who joined TIAA-CREF after July 27, 1976 and have less than ten years of service or membership are required to contribute 3% of their salaries. Employees hired on or after April 1, 2012 are required to contribute a percentage ranging from 3% to 6% each year, based upon their annual compensation. Employer contributions range from 8% to 15% depending upon when the employee was hired. Employee contributions are deducted from their salaries and remitted on a current basis to TIAA-CREF. Employer contributions for the years ended August 31, 2023 and 2022 were \$514,913 and \$549,629, respectively.

8. OPEB

Plan Description

The County administers the Schenectady County Retiree Medical Plan (the Plan) as a single-employer defined benefit postemployment benefit plan, through which College retirees receive benefits. The Plan provides for continuation of medical insurance benefits for substantially all employees and their spouses upon retirement. The Plan can be amended by the County subject to collective bargaining and employment agreements. Eligibility for benefits is met by employees who retire from the College with at least 10 years of service and are eligible for TRS, ERS, or ORP. The retiree’s required contribution for medical benefits ranges from 0% to 50% dependent upon the retiree’s years of service and applicable collective bargaining and employment agreements. The Plan has no assets, does not issue financial statements, and is not a trust.

At September 1, 2022, employees covered by the Plan include:

Active employees	167
Inactive employees or beneficiaries currently receiving benefits	149
Inactive employees entitled to but not yet receiving benefits	-
	<u>316</u>

Total OPEB Liability

The College's total OPEB liability of \$37,237,027 was measured as of August 31, 2023 and was determined by an actuarial valuation as of August 31, 2022 rolled forward through an interim valuation. The College's total OPEB liability as of August 31, 2022 of \$37,199,728 was measured as of August 31, 2022 and was determined by and actuarial valuation as of September 1, 2021.

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

Healthcare cost trend rates – based on a review of published national trend survey data and updated long-term rates based on the Society of Actuaries Getzen Long Term Healthcare Cost Trends Model v2023_1f with a rate of 7.75% (6.75% in 2022) initially for pre-65 and 4.50% for post-65, reduced to an ultimate rate of 4.04% after 2075

Salary increases – 2%

Mortality – Sex Distinct Pub-2010 Public Retirement Plans Mortality Tables for employees and healthy retirees, adjusted for mortality improvements with Scale MP-2021 on a generational basis

Discount rate – 4.13% (previously 3.91%) based on the Fidelity General Obligation 20-Year AA Municipal Bond Index as of the measurement date

Inflation rate – 2.5% (previously 2.25%)

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at August 31, 2021	\$ (50,602,443)
Changes for the year:	
Service cost	(1,844,001)
Interest	(955,419)
Changes of benefit terms	1,405,716
Differences between expected and actual experience	2,571,577
Changes of assumptions or other inputs	10,466,790
Benefit payments	1,758,052
Net changes	13,402,715
Balance at August 31, 2022	(37,199,728)
Changes for the year:	
Service cost	(1,156,424)
Interest	(1,464,785)
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions or other inputs	796,645
Benefit payments	1,787,265
Net changes	(37,299)
Balance at August 31, 2023	\$ (37,237,027)

The following presents the sensitivity of the College's total OPEB liability to changes in the discount rate, including what the College's total OPEB liability would be if it were calculated using a discount rate that is 1% higher or lower than the current discount rate:

	1.0% Decrease (3.13%)	Discount Rate (4.13%)	1.0% Increase (5.13%)
Total OPEB liability	\$ (42,315,150)	\$ (37,237,027)	\$ (33,052,532)

The following presents the sensitivity of the College’s total OPEB liability to changes in the healthcare cost trend rates, including what the College’s total OPEB liability would be if it were calculated using trend rates that are 1% higher or lower than the current healthcare cost trend rates:

	Healthcare Cost		
	1.0% Decrease (6.75% to 3.04%)	Trend Rates (7.75% to 4.04%)	1.0% Increase (8.75% to 5.04%)
Total OPEB liability	\$ (32,119,733)	\$ (37,237,027)	\$ (43,610,461)

OPEB Expense and Deferred Outflows and Deferred Inflows of Resources

For the years ended August 31, 2023 and 2022, the College recognized OPEB income of \$350,170 and \$1,436,175, respectively and reported deferred outflows and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
August 31, 2023		
Differences between expected and actual experience	\$ -	\$ (5,197,012)
Changes of assumptions or other inputs	3,133,651	(7,427,364)
	<u>\$ 3,133,651</u>	<u>\$ (12,624,376)</u>
August 31, 2022		
Differences between expected and actual experience	\$ -	\$ (8,085,698)
Changes of assumptions or other inputs	5,307,108	(8,886,869)
	<u>\$ 5,307,108</u>	<u>\$ (16,972,567)</u>

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

Years ending August 31,	
2024	\$ (1,643,686)
2025	(3,222,499)
2026	(2,843,395)
2027	(1,692,000)
Thereafter	(89,145)
	<u>\$ (9,490,725)</u>

9. Risk Management

General Liability

The College purchases commercial insurance for various risks of loss due to torts, theft, damage, errors and omissions, and natural disasters. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

10. Commitments and Contingencies

Grants

The College receives financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with the terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the College. Based on prior experience, management expects any such amounts to be immaterial.

Litigation

The College is involved in certain legal proceedings which, in the opinion of management, will not have a material adverse impact upon the financial position of the College.

11. Related Party Transactions

The College and its component units are involved in various transactions in the normal course of operations. Transactions occurring in 2023 and 2022 not described elsewhere include:

August 31, 2023	College	Association	Foundation
Accounts receivable	\$ 21,602	\$ 477,020	\$ -
Accounts payable	477,020	-	21,602
Contributed services	(155,755)	-	155,755
Contributions (expense)	362,842	-	(362,842)

August 31, 2022			
Accounts receivable	\$ 34,156	\$ 417,858	\$ -
Accounts payable	417,858	-	34,156
Contributed services	(182,754)	-	182,754
Contributions (expense)	198,902	-	(198,902)

12. Natural Classification of Expenses

August 31, 2023	Personal Services	Equipment	Contractual	Employee Benefits	Depreciation	Total
Instruction	\$ 5,313,759	\$ 2,192	\$ 403,127	\$ 1,966,904	\$ -	\$ 7,685,982
Academic support	2,636,074	1,277	981,115	674,380	-	4,292,846
Student services	1,261,370	6	80,392	391,633	-	1,733,401
Institutional support	3,593,334	81,517	3,866,816	1,303,938	-	8,845,605
Operations and maintenance	1,261,156	2,480	3,248,139	473,196	-	4,984,971
Student aid	-	-	1,866,424	-	-	1,866,424
Depreciation and amortization - unallocated	-	-	-	-	3,343,132	3,343,132
Interest - unallocated	-	-	-	-	70,396	70,396
	\$ 14,065,693	\$ 87,472	\$ 10,446,013	\$ 4,810,051	\$ 3,413,528	\$ 32,822,757

August 31, 2022	Personal Services	Equipment	Contractual	Employee Benefits	Depreciation	Total
Instruction	\$ 5,539,821	\$ 1,932	\$ 254,679	\$ 1,039,828	\$ -	\$ 6,836,260
Academic support	2,786,802	867	758,912	250,326	-	3,796,907
Student services	1,330,233	15	112,412	196,653	-	1,639,313
Institutional support	3,218,158	44,257	3,122,859	732,867	-	7,118,141
Operations and maintenance	1,195,258	1,446	3,285,211	245,663	-	4,727,578
Student aid	-	-	6,110,950	-	-	6,110,950
Depreciation and amortization - unallocated	-	-	-	-	3,200,763	3,200,763
Interest - unallocated	-	-	-	-	64,144	64,144
	\$ 14,070,272	\$ 48,517	\$ 13,645,023	\$ 2,465,337	\$ 3,264,907	\$ 33,494,056

13. Component Units

Discretely presented component unit information is comprised of the College's Association and Foundation. Separately issued financial statements of the component units may be obtained from the College's business office. The following disclosures relate to the component units in accordance with GAAP promulgated by FASB.

Contributions and Other Receivables

The Foundation records contributions, including unconditional promises to give, at fair value at the date received. Management establishes an allowance for uncollectible receivables based on a specific review of outstanding receivables, as well as past collection experience.

	2023		2022	
	Association	Foundation	Association	Foundation
Contributions receivable	\$ -	\$ 130,582	\$ -	\$ 305,895
Other receivables	164,436	-	118,183	-
	<u>164,436</u>	<u>130,582</u>	<u>118,183</u>	<u>305,895</u>
Allowance for uncollectibles and unamortized discount	(74,686)	(20,290)	(61,626)	(44,488)
	<u>89,750</u>	<u>110,292</u>	<u>56,557</u>	<u>261,407</u>
Current portion	(79,750)	(102,757)	(56,557)	(246,625)
Noncurrent amount	\$ 10,000	\$ 7,535	\$ -	\$ 14,782

Property and Equipment – Association

	2023	2022
Leasehold improvements	\$ 886,746	\$ 886,746
Furniture and equipment	440,655	441,850
	<u>1,327,401</u>	<u>1,328,596</u>
Accumulated depreciation	(714,302)	(657,617)
	<u>\$ 613,099</u>	<u>\$ 670,979</u>

Investments

Investments for the Association and Foundation are as follows:

	2023		2022	
	Association	Foundation	Association	Foundation
Marketable securities				
Money market funds	\$ -	\$ 704,811	\$ -	\$ 376,565
Fixed income	-	2,625,517	-	2,630,600
Equities	-	6,615,824	-	6,122,465
Nonmarketable investments				
Mutual funds	533,246	-	849,285	-
Other	-	8,656	-	8,656
	<u>\$ 533,246</u>	<u>\$ 9,954,808</u>	<u>\$ 849,285</u>	<u>\$ 9,138,286</u>

Total investment returns for the Foundation are as follows for the years ended August 31:

	2023	2022
Dividends and interest, net	\$ 129,113	\$ 116,005
Net realized and unrealized gains (losses)	615,186	(1,364,176)
	<u>\$ 744,299</u>	<u>\$ (1,248,171)</u>

The fair value of marketable securities is determined by quoted prices in active markets. Net asset value (NAV) per share (or its equivalent) as a practical expedient is used to determine the fair value of nonmarketable investments that (i) do not have a determinable fair value predicated upon quoted prices in active markets, and (ii) have the attributes of an investment company or prepare their financial statements consistent with the measurement principles of an investment company.

Deferred Compensation Agreement

The Association has entered into deferred compensation agreements with full time employees who are eligible to receive benefits. The agreements require a percentage of the employees’ compensation to be paid into separate accounts for the benefit of each employee. The Association retains title to and beneficial ownership of the accounts until termination of employment, at which time the balance in the account is paid out to the employee in accordance with the agreements. These assets are subject to claims of the Association’s general creditors in the event of bankruptcy. The deferred compensation obligation as of May 31, 2023 and 2022 totaled \$262,755 and \$501,811.

Net Assets with Donor Restrictions – Foundation

Net assets with donor restrictions are those whose use by the Foundation has been limited by donors to a specific time period or purpose, or that are subject to donor-imposed stipulations that they may be maintained in perpetuity. Net assets with donor restrictions are available for the following purposes at August 31:

	<u>2023</u>	<u>2022</u>
Scholarships	\$ 4,817,656	\$ 4,659,630
Campus programs	3,037,057	2,659,021
Capital projects	3,546	2,261
	<u>\$ 7,858,259</u>	<u>\$ 7,320,912</u>

Under the New York State Prudent Management of Institutional Funds Act (NYPMIFA), the Board of Directors of the Foundation has substantial discretion to establish policies over endowment funds. The Board of Directors has chosen to preserve the historical dollar value of the corpus of the perpetual endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as net assets with donor restrictions (a) the original value of gifts donated to the perpetual endowment and (b) the original value of subsequent gifts to the perpetual endowment. Net appreciation of the invested assets is classified as net assets with donor restrictions until those amounts are appropriated for expenditure in a manner consistent with the standard of prudence prescribed by NYPMIFA.

Accumulated principal of donor-restricted perpetual endowment gifts totaling \$6,044,635 and \$5,959,315 as of August 31, 2023 and 2022 are included in net assets with donor restrictions, and the related earnings, once appropriated, are expendable to provide scholarships and support for campus programs.

SCENECTADY COUNTY COMMUNITY COLLEGE
(A Component Unit of the County of Schenectady, New York)

Required Supplementary Information
Schedule of the College's Proportionate Share of the Net Pension Position
New York State Teachers' Retirement System

As of the measurement date of June 30,	2023	2022	2021	2020	2019	2018	2017	2016	2015
College's proportion of the net pension position	0.009248%	0.010469%	0.010723%	0.011938%	0.011698%	0.012302%	0.011571%	0.013414%	0.013129%
College's proportionate share of the net pension asset (liability)	\$ (105,755)	\$ (200,888)	\$ 1,858,253	\$ (329,870)	\$ 303,911	\$ 222,449	\$ 87,947	\$ (143,673)	\$ 1,363,638
College's covered payroll	\$ 1,707,959	\$ 1,854,602	\$ 1,820,094	\$ 2,026,196	\$ 1,952,561	\$ 2,003,827	\$ 1,833,541	\$ 2,069,970	\$ 1,972,088
College's proportionate share of the net pension position as a percentage of its covered payroll	6.19%	10.83%	102.10%	16.28%	15.56%	11.10%	4.80%	6.94%	69.15%
Plan fiduciary net position as a percentage of the total pension liability	99.20%	98.57%	113.20%	97.80%	102.20%	101.53%	100.66%	99.01%	110.46%
The following is a summary of changes of assumptions:									
Inflation	2.4%	2.4%	2.4%	2.2%	2.2%	2.25%	2.5%	2.5%	3.0%
Salary increases (range)	1.95%-5.18%	1.95%-5.18%	1.95%-5.18%	1.90%-4.72%	1.90%-4.72%	1.90%-4.72%	1.90%-4.72%	1.90%-4.72%	4.0%-10.9%
Cost of living adjustments	1.3%	1.3%	1.3%	1.3%	1.3%	1.5%	1.5%	1.5%	1.625%
Investment rate of return	6.95%	6.95%	6.95%	7.1%	7.1%	7.25%	7.25%	7.5%	8.0%
Discount rate	6.95%	6.95%	6.95%	7.1%	7.1%	7.25%	7.25%	7.5%	8.0%
Society of Actuaries' mortality scale	MP-2021	MP-2021	MP-2020	MP-2019	MP-2018	MP-2014	MP-2014	MP-2014	AA

Data prior to 2015 is unavailable.

SCHENECTADY COUNTY COMMUNITY COLLEGE
(A Component Unit of the County of Schenectady, New York)

Required Supplementary Information
Schedule of College Contributions
New York State Teachers' Retirement System

For the years ended August 31,	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 175,749	\$ 181,751	\$ 173,455	\$ 179,521	\$ 207,362	\$ 196,375	\$ 214,891	\$ 274,478	\$ 345,707
Contribution in relation to the contractually required contribution	175,749	181,751	173,455	179,521	207,362	196,375	214,891	274,478	345,707
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
College's covered payroll	\$ 1,707,959	\$ 1,854,602	\$ 1,820,094	\$ 2,026,196	\$ 1,952,561	\$ 2,003,827	\$ 1,833,541	\$ 2,069,970	\$ 1,972,088
Contributions as a percentage of covered payroll	10.29%	9.80%	9.53%	8.86%	10.62%	9.80%	11.72%	13.26%	17.53%

Data prior to 2015 is unavailable.

SCHENECTADY COUNTY COMMUNITY COLLEGE
(A Component Unit of the County of Schenectady, New York)

Required Supplementary Information
Schedule of the College's Proportionate Share of the Net Pension Position
New York State and Local Employees' Retirement System

As of the measurement date of March 31,	2023	2022	2021	2020	2019	2018	2017	2016	2015
College's proportion of the net pension position	0.0160958%	0.0204583%	0.0214626%	0.0205495%	0.0214614%	0.0221441%	0.0221723%	0.0248170%	0.0218148%
College's proportionate share of the net pension asset (liability)	\$ (3,451,584)	\$ 1,672,378	\$ (21,372)	\$ (5,441,638)	\$ (1,520,606)	\$ (714,682)	\$ (2,083,362)	\$ (3,917,635)	\$ (736,959)
College's covered payroll	\$ 6,215,231	\$ 6,021,540	\$ 5,873,267	\$ 6,106,471	\$ 5,950,821	\$ 6,033,172	\$ 5,840,829	\$ 6,028,236	\$ 5,348,887
College's proportionate share of the net pension position as a percentage of its covered payroll	55.53%	27.77%	0.36%	89.11%	25.55%	11.85%	35.67%	64.99%	13.78%
Plan fiduciary net position as a percentage of the total pension liability	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	97.90%
The following is a summary of changes of assumptions:									
Inflation	2.9%	2.7%	2.7%	2.5%	2.5%	2.5%	2.5%	2.5%	2.7%
Salary increases	4.4%	4.4%	4.4%	4.2%	4.2%	3.8%	3.8%	3.8%	4.9%
Cost of living adjustments	1.5%	1.4%	1.4%	1.3%	1.3%	1.3%	1.3%	1.3%	1.4%
Investment rate of return	5.9%	5.9%	5.9%	6.8%	7.0%	7.0%	7.0%	7.0%	7.5%
Discount rate	5.9%	5.9%	5.9%	6.8%	7.0%	7.0%	7.0%	7.0%	7.5%
Society of Actuaries' mortality scale	MP-2021	MP-2020	MP-2020	MP-2018	MP-2018	MP-2014	MP-2014	MP-2014	MP-2014

Data prior to 2015 is unavailable.

SCHENECTADY COUNTY COMMUNITY COLLEGE
(A Component Unit of the County of Schenectady, New York)

Required Supplementary Information
Schedule of College Contributions
New York State and Local Employees' Retirement System

For the years ended August 31,	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 498,861	\$ 842,781	\$ 800,273	\$ 780,036	\$ 800,441	\$ 853,752	\$ 842,903	\$ 944,922	\$ 1,074,900
Contribution in relation to the contractually required contribution	498,861	842,781	800,273	780,036	800,441	853,752	842,903	944,922	1,074,900
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
College's covered payroll	\$ 6,215,231	\$ 6,021,540	\$ 5,873,267	\$ 6,106,471	\$ 5,950,821	\$ 6,033,172	\$ 5,840,829	\$ 6,028,236	\$ 5,348,887
Contributions as a percentage of covered payroll	8.03%	14.00%	13.63%	12.77%	13.45%	14.15%	14.43%	15.67%	20.10%

Data prior to 2015 is unavailable.

SCHENECTADY COUNTY COMMUNITY COLLEGE
(A Component Unit of the County of Schenectady, New York)

**Required Supplementary Information
Schedule of Changes in the College's
Total OPEB Liability and Related Ratios**

August 31,	2023	2022	2021	2020	2019	2018
Total OPEB liability - beginning	\$ 37,199,728	\$ 50,602,443	\$ 51,138,736	\$ 52,425,889	\$ 40,838,358	\$ 47,144,576
Changes for the year:						
Service cost	1,156,424	1,844,001	2,058,505	2,077,756	1,484,106	1,820,295
Interest	1,464,785	955,419	1,218,889	1,361,886	1,534,588	1,650,090
Changes of benefit terms	-	(1,405,716)	(100,383)	-	-	10,051
Differences between expected and actual experience	-	(2,571,577)	(4,038,381)	(4,047,504)	-	(6,770,213)
Changes of assumptions or other inputs	(796,645)	(10,466,790)	2,093,895	1,022,881	10,038,272	(1,583,213)
Benefit payments	(1,787,265)	(1,758,052)	(1,768,818)	(1,702,172)	(1,469,435)	(1,433,228)
Net change in total OPEB liability	37,299	(13,402,715)	(536,293)	(1,287,153)	11,587,531	(6,306,218)
Total OPEB liability - ending	\$ 37,237,027	\$ 37,199,728	\$ 50,602,443	\$ 51,138,736	\$ 52,425,889	\$ 40,838,358
Covered-employee payroll	\$ 9,984,134	\$ 10,081,984	\$ 11,309,442	\$ 9,485,982	\$ 9,709,496	\$ 9,873,843
Total OPEB liability as a percentage of covered-employee payroll	373.0%	369.0%	447.4%	539.1%	539.9%	413.6%

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Changes in assumptions or other inputs for 2023 and 2022 include updates to the discount rate; 2022 includes plan changes that went into effect January 1, 2022. Differences between expected and actual experience include the following: changes to Medicare health offerings in 2022; updates to healthcare trends in 2021; the impact of Congress' repeal of the Affordable Care Act's excise "Cadillac" taxes in 2020; and changes to the number of plans offered and reduced rates in 2018.

The following is a summary of changes of assumptions:

Healthcare cost trend rates	7.75%-4.04%	6.75%-3.78%	6.75%-3.78%	6.50%-3.78%	6.75%-3.78%	7.25%-3.89%
Inflation	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%
Salary increases	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Discount rate	4.13%	3.91%	1.95%	2.33%	2.63%	3.69%
Society of Actuaries' mortality scale	MP-2021	MP-2021	MP-2020	MP-2019	MP-2018	MP-2017

SCHENECTADY COUNTY COMMUNITY COLLEGE
(A Component Unit of the County of Schenectady, New York)

Supplementary Information
Reconciliation of Revenues, Expenses, and Fund Balance as Reflected
in the Annual Report to the Audited Financial Statements

For the year ended August 31, 2023

	Revenues	Expenses	
Totals by fund:			
Unrestricted current funds (per annual report)	\$ 24,168,438	\$ 24,651,736	
Restricted current funds (per annual report)	12,824,008	12,824,008	
Plant fund	3,555,948	-	
Totals (all funds)	40,548,394	37,475,744	
Adjustments to reconcile to financial statements:			
Scholarship allowances	(4,024,371)	(4,024,371)	
GASB 75 OPEB adjustment	-	(2,137,435)	
Depreciation and amortization	-	3,343,132	
Expended for plant fund	-	(1,755,654)	
GASB 68 net pension adjustments	-	559,862	
GASB 87 lease adjustments	-	(638,521)	
Adjusted totals	\$ 36,524,023	\$ 32,822,757	
Per audited financial statements:			
Operating revenues/expenses	\$ 10,787,101	\$ 32,752,361	
Non-operating revenues/expenses	22,180,974	70,396	
Capital appropriations	3,555,948	-	
Totals per financial statements	\$ 36,524,023	\$ 32,822,757	
	Annual Report	Unrestricted Current Fund	Reconciled Difference
Total unrestricted expenses	\$ 24,651,736	\$ 23,074,163	\$ 1,577,573
Total revenues - offset to expense	3,202,483	3,202,483	-
Net operating costs	\$ 21,449,253	\$ 19,871,680	\$ 1,577,573
Explanation of reconciling difference	\$ (2,137,435)		
GASB 75 OPEB costs not included in annual report	559,862		
GASB 68 pension costs not included in annual report	\$ (1,577,573)		
Net position/fund balance reconciliation:		Reported Amounts	
Current unrestricted fund balance per annual report		\$ 4,886,546	
Net GASB 75 liability, deferred outflows and deferred inflows		(46,727,752)	
Net GASB 68 pension asset/liability, deferred outflows, and deferred inflows		(729,056)	
Unrestricted net position (deficit) per financial statements		\$ (42,570,262)	

SCHENECTADY COUNTY COMMUNITY COLLEGE
(A Component Unit of the County of Schenectady, New York)

Supplementary Information
Schedule of State Operating Aid

For the year ended August 31, 2023

Total operating costs per Annual Report	\$ 24,651,736			
Total revenues - offset to expense	3,202,483			
Costs not allowable for state aid	<u>-</u>			
Net operating costs	<u>\$ 21,449,253</u>	@	40%	<u>\$ 8,579,701</u>
Rental costs - physical space				\$ 327,043
Low enrollment aid				94,000
Funded FTE students - basic aid			<u>Net FTE</u>	
			<u>Allowable</u>	
2019-20 Actual	2,399.5	x .20 =		479.9
2020-21 Actual	1,960.5	x .30 =		588.2
2021-22 Actual	1,823.7	x .50 =		<u>911.9</u>
2022-23 Calculated FTE (20-30-50% rule)				<u>1,980.0</u>
2022-23 Funded FTE (greater of 20-30-50% rule or prior year actual)				<u>1,980.0</u>
Funded FTE students - basic aid (rounded)	1,980.0	@	\$ 2,997	<u>\$ 5,934,060</u>
100% of Approved 2021-22 FTE Budget				<u>\$ 7,702,081</u>
Funded FTE aid (greater of funded FTE students or 100% of prior year funded)				<u>7,702,081</u>
Funded FTE aid, rental costs, and low enrollment aid				<u>\$ 8,123,124</u>
Total basic aid - lesser of net operating costs or funded FTEs, and rental costs funding				<u>\$ 8,123,124</u>

SCHENECTADY COUNTY COMMUNITY COLLEGE
(A Component Unit of the County of Schenectady, New York)

Supplementary Information
Schedule of State-Aidable FTE Tuition Reconciliation

For the year ended August 31, 2023

Calculated tuition based on State-aidable FTE per Annual Report:

	Headcount Credit Hours and FTE	Rate	Equated Tuition
Full-time Student Headcount			
Fall 2022 full-time students per end of term SDF	997.0	\$ 2,352	\$ 2,344,944
Spring 2023 full-time students per end of term SDF	768.0	2,352	1,806,336
Summer 2023 full-time students per end of term SDF	4.0	2,352	9,408
Total full-time headcount	<u>1,769.0</u>		
Total credit hours of full-time students	<u>24,937.0</u>		
Part-time Student Credit Hours			
Fall 2022 part-time credits per end of term SDF	13,957.0	196	2,735,572
Spring 2023 part-time credits per end of term SDF	8,350.0	196	1,636,600
Summer 2023 part-time credits per end of term SDF	3,917.0	196	767,732
Fall 2022 per Form 24	59.0	-	-
Spring 2023 per Form 24	44.0	-	-
Summer 2023 per Form 24	12.0	-	-
Total part-time credit hours	<u>26,339.0</u>		
Total credit hours	<u>51,276.0</u>		
Total non-credit FTEs	<u>42.7</u>		
Total State-aidable FTE	<u>1,751.9</u>		

Total calculated tuition based on headcount and credit hours 9,300,592

Reconciliation to Annual Report and Audited Financial Statements:

Less:	Bad debt expense charged to tuition	(398,019)
	Difference in tuition for discounted classes Excelsior	-
	Difference in tuition for discounted classes	(2,187,118)
	Learning centers - credits generated - no tuition charged	<u>(22,540)</u>

Tuition revenue reported on annual report (lines 205-207) 6,692,915

Add:	Charges to non-resident students	226,453
	Out-of-state resident tuition	31,562
	Service fees, including technology fee	1,435,204
	Student revenue - non State-aidable courses	<u>242,652</u>

Tuition and fee revenue per audited financial statements \$ 8,628,786

SCHENECTADY COUNTY COMMUNITY COLLEGE
(A Component Unit of the County of Schenectady, New York)

Supplementary Information
Schedule of Expenditures of Federal Awards

For the year ended August 31, 2023

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Grantor Number	Expenditures
<u>U.S. Department of Labor</u>			
Passed Through Onondaga Community College: Workforce Data Quality Initiative (WDQI)	17.261	38930-22-60-A-36	\$ 30,857
<u>U.S. Department of Education</u>			
Direct Programs:			
Student Financial Assistance Cluster:			
Federal Supplemental Educational Opportunity Grants	84.007	n/a	125,424
Federal Work-Study Program	84.033	n/a	54,661
Federal Pell Grant Program	84.063	n/a	4,000,044
Federal Direct Student Loans	84.268	n/a	2,151,888
Title IV Administration	84.XXX	n/a	6,140
Total Student Financial Assistance Cluster			6,338,157
Education Stabilization Fund:			
Higher Education Emergency Relief Fund (HEERF) Student Aid Portion	84.425E	P425E200839-20A	559
HEERF Institutional Portion	84.425F	P425F200921-20A	2,306,182
HEERF Strengthening Institutions Program (SIP)	84.425M	P425M200467-20B	379,277
HEERF Institutional Resilience and Expanded Postsecondary Opportunity (IREPO) Program	84.425P	P425P200247	582,771
HEERF Supplemental Support Under the American Rescue Plan (SSARP)	84.425T	P425T220074	757,839
Total Educational Stabilization Fund			4,026,628
Higher Education Institutional Aid	84.031	n/a	137,803
TRIO Student Support Services (part of TRIO cluster)	84.042	n/a	306,162
Total U.S. Department of Education - Direct Programs			10,808,750
Passed Through New York State Education Department:			
Career and Technical Education -- Basic Grants to States	84.048	8000-22-6490	210,095
Career and Technical Education -- Basic Grants to States	84.048	8000-23-6490	22,446
			232,541
Passed Through the Research Foundation for The State University of New York:			
Education Research, Development and Dissemination	84.305	R305T210063-22	21,100
Total U.S. Department of Education			11,062,391
Total Expenditures of Federal Awards			\$ 11,093,248

See accompanying notes.

Notes to Schedule of Expenditures of Federal Awards

1. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the SEFA) presents the activity of all federal award programs administered by Schenectady County Community College (the College), an entity as defined in Note 1 to the College’s basic financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through from other governmental agencies and nonprofit organizations, are included on the SEFA.

Basis of Accounting

The federal programs are maintained on the accrual basis of accounting. The amounts reported as federal expenditures generally were obtained from the appropriate federal financial reports for the applicable programs and periods. The amounts reported in these financial reports are prepared from records maintained for each program, which are periodically reconciled to the College’s financial reporting system.

Indirect Costs

Indirect costs and administrative allowances are set by New York State or Federal awarding agencies by contractual rates. As such, the College does not apply the 10% de minimis rate permitted by the Uniform Guidance.

2. Federal Direct Student Loans

Total student loans guaranteed by the U.S. Department of Education issued through the College under Federal Direct Student Loans Assistance Listing #84.268 for the year ended August 31, 2023 were as follows:

Direct Subsidized Loans	\$ 809,260
Direct Unsubsidized Loans	1,083,759
Direct PLUS Loans	<u>258,869</u>
	<u>\$ 2,151,888</u>

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

The Board of Trustees
Schenectady County Community College

We have audited the financial statements of Schenectady County Community College (the College) (a component unit of the County of Schenectady, New York), a business-type activity, as of and for the year ended August 31, 2023, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated February 6, 2024. We conducted our audit in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our report includes a reference to another auditor who audited the financial statements of the Faculty-Student Association of Schenectady County Community College, Inc. (the Association), as described in our report on the College's financial statements. The financial statements of the Association and the Schenectady County Community College Foundation (the Foundation) were not audited in accordance with *Government Auditing Standards*.

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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, we do not express an opinion on the effectiveness of the College's internal control.

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

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

Lyndon & McCormick, LLP

February 6, 2024

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

The Board of Trustees
Schenectady County Community College

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Schenectady County Community College's (the College) (a component unit of the County of Schenectady, New York) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the College's major federal programs for the year ended August 31, 2023. The College's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the College complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report. We are required to be independent of the College and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the College's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies may exist that were not identified.

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

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

Szymiden & McCormick, LLP

February 6, 2024

Schedule of Findings and Questioned Costs

For the year ended August 31, 2023

Section I. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: *Unmodified*

Internal control over financial reporting:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified? None reported

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified? None reported

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

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)? No

Identification of major programs:

Name of Federal Program or Cluster	Assistance Listing Number	Amount
Education Stabilization Fund	84.425	<u>\$ 4,026,628</u>

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

Auditee qualified as low-risk auditee? Yes

Section II. Financial Statement Findings

No matters were reported.

Section III. Federal Award Findings and Questioned Costs

No matters were reported.