QUINCY COLLEGE

(An Enterprise Department of the City of Quincy, Massachusetts)

FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2025 and JUNE 30, 2024

(With Independent Auditor's Report Thereon)

QUINCY COLLEGE
(an Enterprise Department of the City of Quincy)

BASIC FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND JUNE 30, 2024

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CBIZ CPAs P.C.

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Independent Auditor's Report

To the Honorable Board of Governors
Quincy College

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities and the fiduciary activities of Quincy College (the "College"), as of and for the years ended June 30, 2025 and June 30, 2024, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the fiduciary activities of the College, as of June 30, 2025 and June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the College and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 1, the financial statements of the College are intended to present the financial position, the changes in net position, and, where applicable, cash flows of only the portion of the business-type activities and the fiduciary activities of the City of Quincy, Massachusetts (the City) that is attributable to the transactions of the College. They do not purport to, and do not, present fairly the financial position of the City as of and for the year ended June 30, 2025 and June 30, 2024, the changes in financial position, or where applicable, its cash flows for the years then ended. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

Auditor’s Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, pension plan schedules, and other postemployment benefit plan schedules be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Composite Score Calculation but does not include the basic financial statements and our Auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 12, 2026 on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

CBIZ CPAs P.C.

Boston, Massachusetts
August 12, 2026

Management's Discussion and Analysis

Quincy College

Management's Discussion and Analysis

Years Ended June 30, 2025 and 2024

As management of Quincy College (the College), we offer readers of these financial statements this narrative overview and analysis of the financial activities for the years ended June 30, 2025 and 2024. The College complies with financial reporting requirements issued by the Governmental Accounting Standards Board (GASB). Management's discussion and analysis are part of these requirements. All amounts, unless otherwise indicated, are expressed in whole dollars.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Quincy College's basic financial statements. The basic financial statements include: 1) the statement of net position, 2) the statement of revenues, expenses and changes in net position, 3) the statement of cash flows, and 4) notes to the financial statements.

The *statement of net position* presents information on all assets and liabilities, and deferred inflows and deferred outflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position is improving or deteriorating.

The *statement of revenues, expenses, and changes in net position* summarizes our operating results and reveals how net position changed during the year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods (i.e. the payment for accrued compensated absences, or the receipt of amounts due from students and others for services rendered).

The *statement of cash flows* provides information about the cash receipts and cash payments during the accounting period. It also provides information about the operating activities, non-capital and capital related financing activities, and investing activities for the same period.

The *fiduciary fund statements of net position and changes in fiduciary net position* provides information about the College's Other Postemployment Benefits Trust Fund and the Scholarship Trust Fund.

The College's financial statements are reported using the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded when the liabilities are incurred. The College is also part of the City of Quincy, Massachusetts. Therefore, the results of the College's operations, its net position, and its cash flows are also summarized in the City's financial statements.

Quincy College

Management's Discussion and Analysis

Years Ended June 30, 2025 and 2024

Financial Highlights

The College's liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by $11.4 million at the close of the most recent year. Key components of the College's net position are presented below.

	2025	2024	2023
Assets:			
Current assets	$ 27,475,391	$ 24,427,471	$ 21,972,945
Noncurrent assets (excluding capital)	1,133,000	1,133,000	1,133,000
Capital assets, net of accumulated depreciation	6,468,860	9,046,558	10,610,141
Total assets	**35,077,251**	**34,607,029**	**33,716,086**
Deferred outflows of resources	**4,722,340**	**5,753,085**	**5,362,071**
Liabilities:			
Current liabilities (excluding debt)	6,619,355	4,479,064	6,814,507
Net pension liability	99,483	1,460	604,247
Net other postemployment benefits liability	12,776,389	15,037,709	13,654,223
Other noncurrent liabilities	1,903,393	1,748,258	1,619,312
Current debt	1,096,078	2,829,465	2,784,514
Noncurrent debt	21,300,820	24,578,340	26,388,912
Total liabilities	**43,795,518**	**48,674,296**	**51,865,715**
Deferred inflows of resources	**7,380,384**	**5,298,084**	**4,711,844**
Net position:			
Net investment in capital assets	1,069,377	1,074,294	1,092,599
Unrestricted	(12,445,688)	(14,686,560)	(18,592,001)
Total net position	**$ (11,376,311)**	**$ (13,612,266)**	**$ (17,499,402)**

Net position of $1.1 million represents the College's net investment in capital assets (e.g. furnishings, leasehold improvements, building improvements, right-to-use assets, etc.). These assets are used to provide services to students and faculty; consequently, these assets are *not* available for future spending.

Unrestricted net position amounts to a deficit balance of $12.4 million.

Reflected in the unrestricted net position amount are the following financial statement transactions:

- A workers compensation liability of $1.65 million.
- The College's share of the net pension liability, pension obligations bonds and related deferred inflows and outflows of resources of the Quincy Contributory Retirement in the amount of $19.8 million.
- The College's net other postemployment benefits liability and related deferred inflows and outflows of resources in the amount of $14.9 million.

The above liabilities and related deferred inflows and outflows of resources are above and beyond what is required to be funded, on annual basis, per Massachusetts finance laws. The College's unrestricted net position, exclusive of the above transactions, totaled $23.9 million. This amount may be used to meet the College's ongoing obligations to students, employees, and other stakeholders.

	2025	2024	2023
Operating revenue	$ 26,722,929	$ 25,825,790	$ 25,291,741
Operating expenses	(27,820,569)	(24,752,619)	(24,993,597)
Operating income	(1,097,640)	1,073,171	298,144
Non-operating revenues (expenses), net	1,134,831	1,113,690	303,409
Excess before capital contributions	37,191	2,186,861	601,553
Capital contribution	2,198,764	1,700,275	288,288
Change in net position	2,235,955	3,887,136	889,841
Net position, beginning of year	(13,612,266)	(17,499,402)	(18,389,243)
Net position, end of year	$ (11,376,311)	$ (13,612,266)	$ (17,499,402)

Operating revenues of $26.7 million were higher than fiscal year 2024 by $897,000 because of the following factors:

- Increased enrollments, across a variety of academic programs, led to a $1.5 million increase in tuition revenues.
- A $1.45 million increase in student registration fees.
- The increase in tuition and registration fees was offset by a decrease in grant revenues which is largely due to the College having programmed a significant portion of its COVID era pandemic relief under the Higher Education and Relief Fund grant in the early years of the grant program.

Operating expenses of $27.8 million increased $3.1 million over fiscal year 2024 largely due to increase payroll and other (non-grant related) operating expenses.

The College has established an OPEB Trust fund to begin the process of fully funding the actuarially determined and accrued liability. The activity of the trust is presented as a fiduciary fund and the net position can only be spent on retiree health insurance benefits. At year end, the net position in the OPEB Trust fund was approximately $4.1 million which is an increase of $478,000 from the prior year. The increase in net position is solely related to investment income.

Discussion of Results from Fiscal Year 2024 compared to Fiscal Year 2023

Operating revenues of $25.8 million were higher than the prior year by $534,000 because of the following factors:

- Increased enrollments, across a variety of academic programs, led to a $2.8 million increase in tuition revenues.
- A net increase in student registration fees.
- The increase in tuition and registration fees was offset by a decrease in grant revenues which is largely due to the College having programmed a significant portion of its COVID era pandemic relief under the Higher Education and Relief Fund grant in the early years of the grant program.

Operating expenses of $24.8 million decreased $241,000 over the prior year; however, there were specific fluctuations in components of operating expenses that are worth further discussion:

- Grant expenses decreased $1.0 million. This is mainly due cyclical expiration and renewals of a variety of grant programs meant to enhance the academic experience for students.
- Decrease in other expenses due to a decline in funds expended on professional development costs, decreased bad debt expenses and decreased marketing costs.

Pension Obligation Bonds and Related Assets

In a prior fiscal year, the City of Quincy issued pension obligation bonds to fully fund the City's and the College's unfunded pension liability as of December 2021. The College was allocated a portion of the assets received from the bonds to fund their total pension liability as used in conjunction with the actuarially calculated net pension asset of the City and the College. The amount of assets allocated has been recognized by the City and the College as bonds payable.

The first principal payment due on the $19.8 million in pension obligation bonds was paid in fiscal year 2023. The remaining balance of the bond, due to be repaid in fiscal years 2026 through 2040, has been recognized as a liability. Please refer to Notes 5 of the financial statements for further analysis of this activity.

Capital Administration

During the year, the College's investment in capital assets decreased in fiscal year 2025 and totaled $6.5 million. The decrease was due to depreciation expense exceeding the capitalized capital outlay. Please refer to Notes 4 and 5 of the financial statements for further analysis of this activity.

Requests for Information

This financial report is designed to provide a general overview of Quincy College's finances for all those with an interest in the College's financial operations. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance, 1250 Hancock Street, Quincy, Massachusetts, 02169.

Basic Financial Statements

Quincy College

Statement of Net Position

June 30, 2025 and 2024

		2025		2024
ASSETS				
CURRENT:				
Cash and cash equivalents	$	5,438,833	$	6,256,649
Investments		7,175,556		5,998,331
Receivables, net of allowance for uncollectibles:				
Student accounts and other		14,861,002		12,172,491
Total current assets		27,475,391		24,427,471
NONCURRENT:				
Other asset		1,133,000		1,133,000
Capital assets, net of accumulated depreciation		6,468,860		9,046,558
Total noncurrent assets		7,601,860		10,179,558
TOTAL ASSETS		35,077,251		34,607,029
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pensions		122,602		1,718
Deferred outflows related to other postemployment benefits		4,599,738		5,750,529
TOTAL DEFERRED OUTFLOWS OF RESOURCES		4,722,340		5,752,247
LIABILITIES				
CURRENT:				
Warrants payable		1,425,612		473,961
Accrued payroll		293,073		214,317
Accrued interest		215,000		215,000
Other liabilities		720,934		2,350,548
Fees collected in advance		1,058,786		664,811
Capital financing payable		2,181,442		2,572,781
Compensated absences		666,508		503,427
Workers' compensation		58,000		57,000
Bonds payable		1,096,078		256,684
Total current liabilities		7,715,433		7,308,529
NONCURRENT:				
Capital financing payable		3,218,041		5,399,483
Compensated absences		309,393		123,258
Workers' compensation		1,594,000		1,625,000
Net pension liability		99,483		1,460
Net other postemployment benefits liability		12,776,389		15,037,709
Bonds payable		18,082,779		19,178,857
Total noncurrent liabilities		36,080,085		41,365,767
TOTAL LIABILITIES		43,795,518		48,674,296
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pensions		669,419		922,915
Deferred inflows related to other postemployment benefits		6,710,965		4,374,331
TOTAL DEFERRED INFLOWS OF RESOURCES		7,380,384		5,297,246
NET POSITION				
Net investment in capital assets		1,069,377		1,074,294
Unrestricted		(12,445,688)		(14,686,560)
TOTAL NET POSITION	$	(11,376,311)	$	(13,612,266)

See notes to basic financial statements.

Quincy College

Statement of Revenues, Expenses, and Changes in Net Position

Years Ended June 30, 2025 and 2024

	2025	2024
OPERATING REVENUES:		
Tuition, net of fees and discounts of $833,719 and $729,355	$ 19,156,631	$ 17,688,076
Registration and other non-tuition fees	4,902,581	3,453,414
Grant income	1,880,113	3,639,844
Commonwealth pension grant for retired teachers	783,604	1,044,456
TOTAL OPERATING REVENUES	26,722,929	25,825,790
OPERATING EXPENSES:		
Payroll	15,436,081	13,641,541
Grant expenses	2,153,753	1,847,557
Employee benefits	1,419,966	1,460,122
Pension benefits - Teachers Retirement paid by the Commonwealth	783,604	1,044,456
Other operating expenses	5,102,582	3,905,146
Depreciation	2,924,583	2,853,797
TOTAL OPERATING EXPENSES	27,820,569	24,752,619
OPERATING INCOME/(LOSS)	(1,097,640)	1,073,171
NONOPERATING REVENUES (EXPENSES):		
Investment income	796,901	852,769
Debt service contribution from the City of Quincy	722,148	688,017
Interest expense	(465,464)	(466,674)
Indirect cost allocation to the City of Quincy	(90,975)	(139,588)
Vending commission and other revenue	172,221	179,166
TOTAL NONOPERATING REVENUES (EXPENSES), NET	1,134,831	1,113,690
CAPITAL CONTRIBUTIONS	2,198,764	1,700,275
CHANGE IN NET POSITION	2,235,955	3,887,136
NET POSITION AT BEGINNING OF YEAR	(13,612,266)	(17,499,402)
NET POSITION AT END OF YEAR	$ (11,376,311)	$ (13,612,266)

See notes to basic financial statements.

Quincy College

Statement of Cash Flows

Years Ended June 30, 2025 and 2024

	2025	2024
CASH FLOWS FROM/(USED FOR) OPERATING ACTIVITIES:		
Receipts from customers, grants and users	$ 24,428,393	$ 24,166,253
Payments to vendors	(7,964,298)	(8,225,728)
Payments to employees	(15,008,109)	(13,520,886)
Pension and employee related expenses	(1,975,970)	(2,216,670)
NET CASH FROM (USED IN) OPERATING ACTIVITIES	(519,984)	202,969
CASH FLOWS FROM/(USED FOR) NONCAPITAL FINANCING ACTIVITIES:		
Indirect cost allocation to the City of Quincy	(90,975)	(139,588)
Vending commissions and other revenue	172,221	179,166
Debt service contribution City of Quincy	722,148	688,017
NET CASH FROM NONCAPITAL FINANCING ACTIVITIES	803,394	727,595
CASH FLOWS FROM/(USED FOR) CAPITAL AND RELATED FINANCING ACTIVITIES:		
Capital contributions	2,198,764	1,700,275
Acquisition and construction of capital assets	(346,885)	(273,771)
Principal payments on lease obligations	(2,295,826)	(2,227,697)
Interest paid	(276,955)	(334,024)
NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES	(720,902)	(1,135,217)
CASH FLOWS FROM/(USED FOR) INVESTING ACTIVITIES:		
Purchase of investments (net of sales)	(1,177,225)	(5,998,331)
Investment income	796,901	852,769
NET CASH USED IN INVESTING ACTIVITIES	(380,324)	(5,145,562)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(817,816)	(5,350,215)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	6,256,649	11,606,864
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 5,438,833	$ 6,256,649
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES:		
Operating income (loss)	$ (1,097,640)	$ 1,073,171
Adjustments to reconcile operating income to net cash from operating activities:		
Depreciation	2,924,583	2,853,797
Principal payments on pension obligation bonds	(256,684)	(220,343)
Interest payments on pension obligation bonds	(465,464)	(467,674)
Deferred (outflows)/inflows related to pensions	(374,380)	160,659
Deferred (outflows)/inflows related to other postemployment benefits	3,487,425	34,567
Changes in assets and liabilities:		
Accounts receivable	(2,688,511)	(1,806,410)
Accounts payable	951,651	(341,797)
Accrued payroll	78,756	(61,644)
Fees collected in advance	393,975	146,873
Other liabilities	(1,629,614)	(2,140,228)
Compensated absences	349,216	182,299
Workers compensation	(30,000)	9,000
Net pension liability	98,023	(602,787)
Net other postemployment benefits liability	(2,261,320)	1,383,486
Total adjustments	577,656	(870,202)
NET CASH FROM (USED IN) OPERATING ACTIVITIES	$ (519,984)	$ 202,969
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:		
Capital financing proceeds	$ -	$ 1,016,443
Acquisition of right to use leased asset	-	(1,016,443)

See notes to basic financial statements.

Quincy College

Fiduciary Funds
Statement of Fiduciary Net Position

June 30, 2025 and 2024

	2025 Other Postemployment Benefit Trust Fund	2024 Other Postemployment Benefit Trust Fund	2025 Scholarship Trust Fund	2024 Scholarship Trust Fund
ASSETS				
Cash and cash equivalents	$ -	$ -	$ 447,861	$ 438,372
Investments:				
Plymouth County OPEB Trust Investment Pool	4,119,150	3,640,968	-	-
TOTAL ASSETS	4,119,150	3,640,968	447,861	438,372
NET POSITION				
Restricted for other postemployment benefits	4,119,150	3,640,968	-	-
Restricted for other purposes	-	-	447,861	438,372
TOTAL NET POSITION	$ 4,119,150	$ 3,640,968	$ 447,861	$ 438,372

See notes to basic financial statements.

Quincy College

Fiduciary Funds
Statement of Changes in Fiduciary Net Position

Years Ended June 30, 2025 and 2024

	2025 Other Postemployment Benefit Trust Fund	2024 Other Postemployment Benefit Trust Fund	2025 Scholarship Trust Fund	2024 Scholarship Trust Fund
ADDITIONS:				
Contributions:				
Employer contributions for other postemployment benefit payments…	$ 454,652	$ 428,467	$ -	$ -
Private donations…………	-	-	874	874
Total contributions…………	454,652	428,467	874	874
Net investment income:				
Investment income…………	491,652	455,910	8,615	10,798
Less: investment expense…………	(13,470)	(12,189)	-	-
Net investment income…………	478,182	443,721	8,615	10,798
TOTAL ADDITIONS…………	932,834	872,188	9,489	11,672
DEDUCTIONS:				
Other postemployment benefit payments…………	454,652	428,467	-	-
NET INCREASE IN NET POSITION…………	478,182	443,721	9,489	11,672
NET POSITION AT BEGINNING OF YEAR…………	3,640,968	3,197,247	438,372	426,700
NET POSITION AT END OF YEAR…………	$ 4,119,150	$ 3,640,968	$ 447,861	$ 438,372

See notes to basic financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying basic financial statements of Quincy College have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the recognized standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting policies are described herein.

A. Reporting College

Quincy College is a two-year, municipally affiliated college, operating as an enterprise department of the City of Quincy, Massachusetts and serving approximately 5,000 students at campuses in Quincy and Plymouth, Massachusetts. The College is accredited by the New England Associations of Schools and Colleges and is licensed by the Massachusetts Department of Higher Education to grant the degrees of Associate in Arts and Associate in Science. The College offers 34 associate degree courses and programs and 24 certificate programs in a variety of disciplines, including those within liberal arts, business, allied health, and science. For 60 years Quincy College has been providing access to higher education for people of all backgrounds, cultures and economic levels.

These financial statements present only the financial activity and net position of Quincy College, an enterprise fund department of the City of Quincy.

B. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The financial statements are reported using the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded when the liabilities are incurred.

Operating revenues and expenses are distinguished from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the College’s principal ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

C. Cash and Investments

Cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with an original maturity of three months or less from the date of acquisition. Investments are carried at fair value.

D. Fair Value Measurement

The College reports required types of financial instruments in accordance with the fair value standards. These standards require an College to maximize the use of observable inputs (such as quoted prices in active markets) and minimize the use of unobservable inputs (such as appraisals or valuation techniques) to determine fair value.

Fair value standards also require the government to classify these financial instruments into a three-level hierarchy, based on the priority of inputs to the valuation technique or in accordance with net asset value practical expedient rules, which allow for either Level 2 or Level 3 depending on lock up and notice periods associated with the underlying funds.

Instruments measured and reported at fair value are classified and disclosed in one of the following categories:

Level 1 – Quoted prices are available in active markets for identical instruments as of the reporting date. Instruments, which are generally included in this category, include actively traded equity and debt securities, and mutual funds with quoted market prices in active markets.

Level 2 – Pricing inputs are other than quoted in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies. Certain fixed income securities, U.S. government obligations, are classified as Level 2 because fair values are estimated using pricing models, matrix pricing, or discounted cash flows.

Level 3 – Pricing inputs are unobservable for the instrument and include situations where there is little, if any, market activity for the instrument. The inputs into the determination of fair value require significant management judgment or estimation.

In some instances, the inputs used to measure fair value may fall into different levels of the fair value hierarchy and is based on the lowest level of input that is significant to the fair value measurement.

E. Accounts Receivable

The recognition of revenue related to accounts receivable reported in the financial statements are reported under the accrual basis of accounting.

F. Capital Assets

Capital assets, which include construction in progress, leasehold improvements, and machinery, equipment, and furnishings, are reported in the financial statements. Capital assets are recorded at historical cost or at estimated historical cost when actual historical cost cannot be determined. Donated capital assets are recorded at the estimated fair value at the date of donation.

All purchases and construction costs in excess of $15,000 are capitalized at the date of acquisition or construction, respectively, with expected useful lives of greater than one year.

Capital assets are depreciated on a straight-line basis. The estimated useful lives of capital assets are as follows:

Capital Asset Type	Estimated Useful Life (in years)
Leasehold improvements…………………	5
Right-to-use lease building space………..	2 - 7
Machinery, equipment and furnishings….	5 - 10

G. Fees Collected in Advance

Unearned revenue represents tuition charges for courses that have not occurred as of the balance sheet date. College policies dictate that 100% refunds are given to students who drop a course within the 1st week of classes. Courses dropped after the 1st week of classes but before the 14th class will receive a 50% refund. No refunds are given after the 14th day of classes.

H. Compensated Absences

Employees are granted vacation and sick leave in varying amounts based on collective bargaining agreements, state laws and executive policies. Vested or accumulated vacation and sick leave are reported as liabilities and expensed as incurred.

I. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period and so will *not* be recognized as an outflow of resources (expense) until then. The College has reported deferred outflows of resources related to pensions and other postemployment benefits in this category.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources,* represents an acquisition of net assets that applies to a future period and so will *not* be recognized as an inflow of resources (revenue) until that time. The College has reported deferred inflows of resources related to pensions and other postemployment benefits in this category.

J. Net Position

Net position reported as "Net investment in capital assets" includes the cost to acquire the capital assets less related accumulated depreciation and related capital financing payables.

K. Pension Participation

All full time administrative staff of the College are members of the Quincy Contributory Retirement System (the System), a multi-employer defined benefit pension plan. All full-time faculty staff are members of the Massachusetts Teachers Retirement System (MTRS). These Systems provide retirement, disability and death benefits to plan members and beneficiaries. Plan members are required to contribute between 5% and 11% of their annual covered compensation, in accordance with Commonwealth of Massachusetts regulations, are withheld by the College and forwarded to the Systems regularly.

The College is assessed a yearly amount (employer share) according to the overall funding schedule of the System as determined by a biennial actuarial study. Please refer to the separately audited financial statements of the City of Quincy, Massachusetts and the System for specific information concerning the funding status of the System. These statements may be obtained by contacting: for the City: City of Quincy, Director of Municipal Finance, 1305 Hancock Street, Quincy, MA 02169 and for the Retirement System: Executive Director, 1212 Hancock Street, Suite 210, Quincy, MA 02169.

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

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

L. Long-term debt

Long-term debt is reported as liabilities in the statement of net position. Material bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

M. Capital Financing Payable

Capital financing payable represents the funding and acquisition of associated right-to-use-lease assets. Amounts payable are reported at the present value of their future minimum lease payments. Lease payments are reported as reductions of the lease liability and as interest expense during the lease term.

NOTE 2 – CASH AND INVESTMENTS

The College is legally a department of the City of Quincy and operates under special legislation that provides the College with an enhanced level of autonomy relative to control over and decision making concerning its cash. The College is required to manage its' cash and investments in accordance with state legislation that is applicable to any other municipal College. Statutes authorize municipal investments in obligations of the U.S. Treasury, agencies and instrumentalities, certificates of deposit, repurchase agreements, money market accounts, bank deposits and the State Treasurer's Investment Pool (the Pool). The Treasurer may also invest trust funds in securities, other than mortgages or collateral loans, which are legal for the investment of funds of savings banks under the laws of the Commonwealth.

The Pool meets the criteria of an external investment pool. The Pool is administered by the Massachusetts Municipal Depository Trust (MMDT), which was established by the Treasurer of the Commonwealth who serves as Trustee. The fair value of the position in the Pool is the same as the value of the Pool shares.

Custodial Credit Risk – Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the College's deposits may not be returned to it.

As of June 30, 2025, the College did not have any policies in place concerning the custodial credit risk of deposits.

As of June 30, 2025, the carrying amount of deposits totaled approximately $5.9 million and the bank balance totaled approximately $8.5 million. Of the bank balance, approximately $252,000 was covered by Federal Depository Insurance Coverage insurance and approximately $8.3 million was uninsured and uncollateralized.

As of June 30, 2024, the carrying amount of deposits totaled approximately $6.3 million and the bank balance totaled approximately $6.7 million. Of the bank balance, approximately $250,000 was covered by Federal Depository Insurance Coverage insurance and approximately $6.5 million was uninsured and uncollateralized.

Investments

As of June 30, 2025, the College had the following investments:

Investment Type - June 30, 2025	**Fair value**	**Maturities Under 1 Year**
Debt securities:		
U.S. treasury notes	$ 1,058,678	$ 1,058,678
Other investments:		
Equity securities	1,355,216	
Equity mutual funds	3,048,589	
Fixed income mutual funds	1,713,073	
Plymouth County OPEB Trust Investment Pool	4,119,150	
Total investments	$ 11,294,706	

As of June 30, 2024, the College had the following investments:

Investment Type - June 30, 2024	**Fair value**	**Maturities Under 1 Year**
Debt securities:		
U.S. treasury notes	$ 497,945	$ 497,945
Other investments:		
Equity securities	825,258	
Equity mutual funds	2,507,243	
Fixed income mutual funds	2,167,885	
Plymouth County OPEB Trust Investment Pool	3,640,968	
Total investments	$ 9,639,299	

As of June 30, 2025 and June 30, 2024, the College's investments in U.S. Treasury Notes were AAA rated.

Other Postemployment Benefits Investments

The College is part of the Plymouth County OPEB Trust Program (PCOT) which maintains a pooled investment trust for various Massachusetts governmental organizations. The value at June 30, 2025 was approximately $4.1 million. The value at June 30, 2024 was approximately $3.6 million. The trust administrator is the Public Agency Retirement Services (PARS) which is an IRS approved multiple-employer Section 115 OPEB Trust. U.S. Bank is the trustee for the funds invested. Since this is an irrevocable Section 115 trust the investments are not subjected to custodial credit risk. The College's position in this Trust is measured at net asset value. The amount of funding to the Trust is determined annually by the College during its' budget setting process. The PCOT does not have any minimum contribution requirements and the decision to withdraw funds from PCOT is solely in the College's discretion. In the event that College decides to withdraw funding, PCOT requires a minimum of 30 day advance notice.

Fair Value of Investments

The College holds investments that are measured at fair value on a recurring basis. Because investing is not a core part of the College's mission, the College determines that the disclosures related to these investments only need to be disaggregated by major type. The College chooses a narrative format for the fair value disclosures.

The College categorizes its fair value measurement within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

There have been no changes to the valuation methodology for periods ended June 30, 2025 or June 30, 2024. The following tables present financial assets at June 30, 2025 and June 30, 2024 , that the College measures fair value on a recurring basis, by level, within the fair value hierarchy as show on the following page.

		Fair Value Measurements Using		
Investment Type	June 30, 2025	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments measured at fair value:				
Debt securities:				
U.S. treasury notes	$ 1,058,678	$ -	$ 1,058,678	$ -
Other investments:				
Equity securities	1,355,216	1,355,216	-	-
Equity mutual funds	3,048,589	3,048,589	-	-
Fixed income mutual funds	1,713,073	1,713,073	-	-
Total other investments	6,116,878	6,116,878	-	-
Total investments measured at fair value	7,175,556	$ 6,116,878	$ 1,058,678	$ -
Investments measured at net asset value:				
Plymouth County OPEB Trust Investment Pool	4,119,150			
Total investments	$ 11,294,706			

Investment Type	June 30, 2024	Fair Value Measurements Using: Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments measured at fair value:				
Debt securities:				
U.S. treasury notes	$ 497,945	$ -	$ 497,945	$ -
Other investments:				
Equity securities	825,258	825,258	-	-
Equity mutual funds	2,507,243	2,507,243	-	-
Fixed income mutual funds	2,167,885	2,167,885	-	-
Total other investments	5,500,386	5,500,386	-	-
Total investments measured at fair value	5,998,331	$ 5,500,386	$ 497,945	$ -
Investments measured at net asset value:				
Plymouth County OPEB Trust Investment Pool	3,640,968			
Total investments	$ 9,639,299			

Equity securities, equity mutual funds, and fixed income mutual funds are classified in Level 1 of the fair value hierarchy using prices quoted in active markets for those securities. U.S. treasury notes are classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

NOTE 3 – RECEIVABLES

At June 30, 2025 and June 30, 2024, receivables, including the applicable allowance for uncollectible accounts, are as follows:

	2025	2024
Receivables:		
Student accounts	$ 17,327,004	$ 14,433,555
Less: Allowance for doubtful accounts	(2,466,002)	(2,261,064)
Total	$ 14,861,002	$ 12,172,491

NOTE 4 – CAPITAL ASSETS

Capital asset activity of the College for the years ended June 30, 2025 and June 30, 2024 was as follows:

	2025			
	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets being depreciated:				
Leasehold improvements	$ 10,572,794	$ -	$ -	$ 10,572,794
Right-to-use leased building space	15,252,961	-	-	15,252,961
Machinery, equipment and furnishings	7,668,747	346,885	-	8,015,632
Total capital assets being depreciated	33,494,502	346,885	-	33,841,387
Less accumulated depreciation for:				
Leasehold improvements	(9,663,668)	(243,258)	-	(9,906,926)
Right-to-use leased building space	(7,283,147)	(2,572,781)	-	(9,855,928)
Machinery, equipment and furnishings	(7,501,129)	(108,544)	-	(7,609,673)
Total accumulated depreciation	(24,447,944)	(2,924,583)	-	(27,372,527)
Total capital assets, net	$ 9,046,558	$ (2,577,698)	$ -	$ 6,468,860

	2024			
	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets being depreciated:				
Leasehold improvements	$ 10,572,794	$ -	$ -	$ 10,572,794
Right-to-use leased building space	14,236,518	1,016,443	-	15,252,961
Machinery, equipment and furnishings	7,394,976	273,771	-	7,668,747
Total capital assets being depreciated	32,204,288	1,290,214	-	33,494,502
Less accumulated depreciation for:				
Leasehold improvements	(9,420,521)	(243,147)	-	(9,663,668)
Right-to-use leased building space	(4,718,976)	(2,564,171)	-	(7,283,147)
Machinery, equipment and furnishings	(7,454,650)	(46,479)	-	(7,501,129)
Total accumulated depreciation	(21,594,147)	(2,853,797)	-	(24,447,944)
Total capital assets, net	$ 10,610,141	$ (1,563,583)	$ -	$ 9,046,558

Depreciation expense of approximately $2.9 million was charged during the years 2025 and 2024.

NOTE 5 – CAPITAL FINANCING AND BONDS PAYABLE

Capital Financing Payable

The College has entered into lease agreements to finance right-to-use building space for use in the College's delivery of academic instruction and related administrative support. The lease agreements have been recorded at the present value of their future minimum lease payments using various imputed interest rates as of the inception date.

As of June 30, 2025, the College leases certain premises under leases with various expiration dates that extend through 2029. The leases generally provide that the College pay certain maintenance, taxes and insurance costs and includes various renewal provisions. Rent expense, including maintenance and interest costs, in fiscal years 2025 and 2024 were approximately $2.6 million. The College's minimum future obligations under non-cancelable leases are as follows:

Years ending June 30:	Principal	Interest	Total
2026	$ 2,181,442	$ 183,590	$ 2,365,032
2027	2,316,369	91,899	2,408,268
2028	680,332	24,546	704,878
2029	221,340	8,819	230,159
Total	$ 5,399,483	$ 308,854	$ 5,708,337

Bonds Payable

In a prior fiscal year, the City of Quincy, Massachusetts issued pension obligation bonds to fully fund the City's and the College's unfunded pension liability. Upon issuance of those bonds, the College was allocated a portion of the assets received from the bonds to fund its' total pension liability as used in conjunction with the actuarially calculated net pension asset of the City and the College.

At June 30, 2025, debt service requirements for the remaining portion of the College's pension obligation bonds principal and interest payable in future years are as follows:

	General Obligation Bonds		
Year	Principal	Interest	Total
2026	$ 1,096,078	$ 456,523	$ 1,552,601
2027	1,112,160	440,452	1,552,612
2028	1,130,748	421,829	1,552,577
2029	1,152,051	400,545	1,552,596
2030	1,175,443	377,104	1,552,547
2031	1,200,715	351,696	1,552,411
2032	1,228,075	324,511	1,552,586
2033	1,257,315	295,136	1,552,451
2034	1,289,061	263,451	1,552,512
2035	1,323,105	229,310	1,552,415
2036	1,359,863	192,571	1,552,434
2037	1,399,128	153,411	1,552,539
2038	1,440,900	111,667	1,552,567
2039	1,484,551	67,931	1,552,482
2040	1,529,664	22,868	1,552,532
Total	$ 19,178,857	$ 4,109,005	$ 23,287,862

NOTE 6 – CHANGES IN LONG-TERM LIABILITIES

During the years ended June 30, 2025 and June 30, 2024, the following changes occurred in long-term liabilities:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Year 2025:					
Long-term bonds payable….	$ 19,435,541	$ -	$ (256,684)	$ 19,178,857	$ 1,096,078
Compensated absences…….	626,685	852,643	(503,427)	975,901	666,508
Capital financing payable….	7,972,264	-	(2,572,781)	5,399,483	2,181,442
Workers' compensation…….	1,682,000	28,000	(58,000)	1,652,000	58,000
Net pension liability………..	1,460	98,023	-	99,483	-
Net OPEB liability…………	15,037,709	1,680,758	(3,942,078)	12,776,389	-
Total business-type activity					
Total Year 2025….............	$ 44,755,659	$ 2,659,424	$ (7,332,970)	$ 40,082,113	$ 4,002,028
Year 2024:					
Long-term bonds payable….	$ 19,655,884	$ -	$ (220,343)	$ 19,435,541	$ 256,684
Compensated absences…….	444,386	621,373	(439,074)	626,685	503,427
Capital financing payable….	9,517,542	1,016,443	(2,561,721)	7,972,264	2,572,781
Workers' compensation…….	1,673,000	65,000	(56,000)	1,682,000	57,000
Net pension liability………..	604,247	-	(602,787)	1,460	-
Net OPEB liability…………	13,654,223	1,811,953	(428,467)	15,037,709	-
Total business-type activity					
Total Year 2024….............	$ 45,549,282	$ 3,514,769	$ (4,308,392)	$ 44,755,659	$ 3,389,892

NOTE 7 – OTHER POSTEMPLOYMENT BENEFITS

Plan Description

Quincy College administers a single-employer defined benefit healthcare plan ("the Retiree Health Plan"). The plan provides lifetime healthcare, dental and life insurance for eligible retirees and their spouses through the City's health insurance plan, which covers both active and retired members, including teachers. Chapter 32b of the MGL assigns authority to establish and amend benefit provisions of the plan. Benefit provisions are negotiated between the City and the unions representing City employees and are renegotiated each bargaining period. The Retiree Health Plan does not issue a publicly available financial report.

Funding Policy

The contribution requirements of plan members and the College are established and may be amended through collective bargaining. The required contribution is based on projected pay-as-you-go financing requirements. The College contributes 90% of the cost of current-year premiums for eligible retired plan members and their spouses. Plan members receiving benefits contribute the remaining 10% of their premium costs. The College did not make a contribution to the OPEB trust in 2025 or 2024. As of June 30, 2025, the balance of this fund totaled $4.1 million. As of **June 30, 2024**, the balance of this fund totaled $3.6 million.

Investment Policy

The OPEB plan's assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the OPEB plan. The long-term real rate of return on OPEB investments was determined using the investment policy of the College.

Measurement Date

GASB Statement #75 requires the net OPEB liability to be measured as of a date no earlier than the end of the employer's prior fiscal year and no later than the end of the employer's current fiscal year, consistently applied from period to period. Accordingly, the June 30, 2025 and **June 30, 2024** net OPEB liabilities were measured as of June 30, 2025 and **June 30, 2024**, respectively. The total OPEB liability used to calculate the June 30, 2025 and **June 30, 2024** net OPEB liabilities were determined by an actuarial valuation as of December 31, 2023, rolled forward to the respective measurement dates.

Employees Covered by Benefit Terms

The following table represents the Plan's membership as of the valuation date:

Active members	98
Retired members or beneficiaries currently receiving benefits	38
Total	136

Components of OPEB Liability

The following table represents the components of the Plan's OPEB liability as of June 30, 2025:

Total OPEB liability	$ 16,895,539
Less: OPEB plan's fiduciary net position	(4,119,150)
Net OPEB liability	$ 12,776,389
The OPEB plan's fiduciary net position as a percentage of the total OPEB liability	24.38%

Significant Actuarial Methods and Assumptions

The total OPEB liability in the December 31, 2023, actuarial valuation was determined using the following actuarial assumptions presented below, applied to all periods included in the measurement, unless otherwise specified, that was updated to June 30, 2025 and **June 30, 2024**.

Valuation date	December 31, 2023
Actuarial cost method	Entry age normal - level percentage of payroll.
Remaining amortization period	30 years as of December 31, 2023.
Asset valuation method	Fair value.
Investment rate of return	7.00%
Discount rate	5.40% as of June 30, 2025, and 4.14% as of June 30, 2024.
Wage inflation	3.00%.
Health care trend rates:	
Non-Medicare and medical/rx	0.75% for one year, then 6.75% for one year, then graded by 0.25% down to an ultimate level of 4.50% over 9 years.

Medicare medical/rx………………….........	11.76% for one year, then 6.75% graded by 0.25% down to an ultimate level of 4.50% over 9 years.
Dental…………………………	-1.88% for one year, then 3.00%.
Part B reimbursement…………	5.90% for one year then 4.50%
Non-Medicare contributions…..	0.75% for one year, then 6.75% graded by 0.25% down to an ultimate level of 4.50% over 9 years.
Medicare contributions……….	11.76% for one year, then 6.75% graded by 0.25% down to an ultimate level of 4.50% over 9 years.
Mortality rates:	
Pre-retirement…………………	RP-2006 Employee Mortality Table projected generationally with Scale MP-2021.
Healthy…………………………	RP-2006 Healthy Annuitant Mortality Table projected generationally with Scale MP-2021.
Disabled………………………	RP-2006 Healthy Annuitant Mortality Table set forward 2 years and generationally projected using Scale MP-2021.

Rate of Return

For the year ended June 30, 2025, the annual money-weighted rate of return on investments, net of investment expense, was 13.13%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real of returns (expected returns, net of investment expense and inflation) are developed for each major asset class. These returns 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 and subtracting expected investment expenses and a risk margin.

The College's OPEB Trust Fund is fully invested in the Plymouth County OPEB Trust (PCOT). The projected arithmetic long-term expected real rate of return of the underlying investments of PCOT as of June 30, 2025 is summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Domestic equity	6.10%
International developed markets equity	6.20%
International emerging markets equity	7.40%
Core fixed income	1.90%
High-yield fixed income	3.50%
Real estate	3.50%

Changes in the Net OPEB Liability

At June 30, 2025, the changes in the net OPEB liability were:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at June 30, 2024	$ 18,678,677	$ 3,640,968	$ 15,037,709
Changes for the year:			
Service cost	1,359,096	-	1,359,096
Interest	820,248	-	820,248
Contributions	-	454,652	(454,652)
Changes in assumptions and other inputs	(3,507,830)	-	(3,507,830)
Benefit payments	(454,652)	(454,652)	-
Net investment income	-	478,182	(478,182)
Net change	(1,783,138)	478,182	(2,261,320)
Balances at June 30, 2025	$ 16,895,539	$ 4,119,150	$ 12,776,389

At June 30, 2024, the changes in the net OPEB liability were:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at June 30, 2023	$ 16,851,470	$ 3,197,247	$ 13,654,223
Changes for the year:			
Service cost	1,000,871	-	1,000,871
Interest	680,909	-	680,909
Changes of benefit terms	(24,714)	-	(24,714)
Differences between expected and actual experience	(2,184,803)	-	(2,184,803)
Contributions	-	428,467	(428,467)
Changes in assumptions and other inputs	2,783,411	-	2,783,411
Benefit payments	(428,467)	(428,467)	-
Net investment income	-	443,721	(443,721)
Net change	1,827,207	443,721	1,383,486
Balances at June 30, 2024	$ 18,678,677	$ 3,640,968	$ 15,037,709

Discount Rate

The discount rate is a blend of the long-term expected rate of return on OPEB Trust assets and a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher which was 5.20% as of June 30, 2025 and 3.93% as of June 30, 2024. The blending is based on the sufficiency of projected assets to make benefit payments. Since assets are projected to be partially sufficient to cover future benefit payments, the discount rate used to measure the total OPEB liability was 5.40% as of June 30, 2025 and 4.14% as of June 30, 2024.

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

As of June 30, 2025:

The following table presents the Plan's net OPEB liability, calculated using the discount rate of 5.40%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.40%) or 1-percentage-point higher (6.40%) than the current rate.

	1% Decrease (4.40%)	Current Discount Rate (5.40%)	1% Increase (6.40%)
Net OPEB liability……	$ 15,479,413	$ 12,776,389	$ 10,589,722

As of June 30, 2024:

The following table presents the Plan's net OPEB liability, calculated using the discount rate of 4.14%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.14%) or 1-percentage-point higher (5.14%) than the current rate.

	1% Decrease (3.14%)	Current Discount Rate (4.14%)	1% Increase (5.14%)
Net OPEB liability……	$ 18,322,837	$ 15,037,709	$ 12,410,661

As of June 30, 2025:

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Trend

The following tables present the net OPEB liability, calculated using the current healthcare trend rate, as well as what the net OPEB liability would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher.

	1% Decrease	Current Trend	1% Increase
Net OPEB liability…….	$ 10,170,593	$ 12,776,389	$ 16,097,734

As of June 30, 2024:

	1% Decrease	Current Trend	1% Increase
Net OPEB liability.......	$ 12,058,864	$ 15,037,709	$ 18,880,507

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

For the years ended June 30, 2025 and 2024, the College recognized an OPEB expense of approximately $1.7 million and $2.0 million, respectively. At June 30, 2025, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Deferred Category	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Differences between expected and actual experience.......	$ 362,824	$ (3,294,870)	$ (2,932,046)
Difference between projected and actual earnings, net......	-	(241,856)	(241,856)
Changes in assumptions......................................	4,236,914	(3,174,239)	1,062,675
Total deferred outflows/(inflows) of resources..............	$ 4,599,738	$ (6,710,965)	$ (2,111,227)

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

Year ended June 30:	
2026..	$ (124,903)
2027..	(256,243)
2028..	(430,269)
2029..	(383,089)
2030..	(415,604)
Thereafter..	(501,119)
Total deferred outflows/(inflows) of resources....	$ (2,111,227)

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

Deferred Category	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Differences between expected and actual experience.......	$ 544,236	$ (3,889,770)	$ (3,345,534)
Difference between projected and actual earnings, net.....	-	(124,366)	(124,366)
Changes in assumptions..	5,206,293	(360,195)	4,846,098
Total deferred outflows/(inflows) of resources..............	$ 5,750,529	$ (4,374,331)	$ 1,376,198

Change in Assumptions

The discount rate was raised from 4.14% to 5.40%.

Changes in Plan Provisions

None.

NOTE 8 – PENSION PLAN

*Plan Description*s

The College is a member of the Quincy Contributory Retirement System (QCRS), a cost-sharing multiple-employer defined benefit pension plan covering eligible employees of the member units. The System is administered by five board members (Board) on behalf of all current employees and retirees except for current teachers and retired teachers. Chapter 32 of the MGL assigns authority to establish and amend benefit provisions of the plan. The audited financial report may be obtained by contacting the QCRS at 1212 Hancock Street, Suite 210, Quincy, MA 02169.

The College is a member of the Massachusetts Teachers' Retirement System (MTRS), a cost-sharing multi-employer defined benefit plan. MTRS is managed by the Commonwealth of Massachusetts (Commonwealth) on behalf of municipal teachers and municipal teacher retirees. The Commonwealth is a nonemployer contributor and is responsible for 100% of the contributions and future benefit requirements of the MTRS. The MTRS covers certified teachers in cities (except Boston), towns, regional school districts, charter schools, educational collaboratives and Quincy College. The MTRS is part of the Commonwealth's reporting College and the audited financial report may be obtained by visiting https://www.macomptroller.org/gasb-68-reports/.

Special Funding Situation

The Commonwealth is a nonemployer contributor and is required by statute to make 100% of all actuarially determined employer contributions on behalf of the College to the MTRS. Therefore, the College is considered to be in a special funding situation as defined by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and the Commonwealth is a nonemployer contributor in MTRS. Since the College does not contribute directly to MTRS, therefore, a net pension liability is not recognized in the College's financial statements. The total of the Commonwealth provided contributions have been allocated based on each employer's covered payroll to the total covered payroll of employers in MTRS as of the measurement dates of June 30, 2024 and June 30, 2023.

As of June 30, 2025, the College's portion of the collective pension expense, contributed by the Commonwealth, of $783,604 is reported in the statement of revenues, expenses and changes in net position as grant income revenue and pension benefits expense. The portion of the Commonwealth's collective net pension liability associated with the College is $9,493,436 as of the measurement date.

As of June 30, 2024, the College's portion of the collective pension expense, contributed by the Commonwealth, of $1,044,456 is reported in the statement of revenues, expenses and changes in net position as grant income revenue and pension benefits expense. The portion of the Commonwealth's collective net pension liability associated with the College is $11,186,191 as of the measurement date.

Benefits Provided

Both Systems provide retirement, disability, survivor and death benefits to plan members and beneficiaries. Massachusetts Contributory Retirement System benefits are, with certain minor exceptions, uniform from system to system. The System provides for retirement allowance benefits up to a maximum of 80% of a member's highest three-year average annual rate of regular compensation. For persons who became members on or after April 2, 2012, average salary is the average annual rate of regular compensation received during the five consecutive years that produce the highest average, or, if greater, during the last five years (whether or not consecutive) preceding retirement. Benefit payments are based upon a member's age, length of creditable service, level of compensation, and group classification. Members become vested after ten years of creditable service.

Employees who resign from service and who are not eligible to receive a retirement allowance or are under the age of 55 are entitled to request a refund of their accumulated total deductions. Survivor benefits are extended to eligible beneficiaries of members whose death occurs prior to or following retirement.

Cost-of-living adjustments granted between 1981 and 1997 and any increase in other benefits imposed by the Commonwealth's state law during those years are borne by the Commonwealth and are deposited into the pension fund. Cost-of-living adjustments granted after 1997 must be approved by the Board and are borne by the System.

Contributions

Chapter 32 of the MGL governs the contributions of plan members and member units. Active plan members are required to contribute to the System at rates ranging from 5% to 9% of gross regular compensation with an additional 2% contribution required for compensation exceeding $30,000. The percentage rate is keyed to the date upon which an employee's membership commences. The member units are required to pay into the QCRS a legislatively mandated actuarial determined contribution that is apportioned amongst the employers based on the actuarial data. The College’s proportionate share of the actuarial required contribution was $185,000. This amount when combined with plan member contributions is expected to finance the cost of benefits earned by plan members during the year, with an additional amount to finance any unfunded liability. The College’s member contribution is equal to 3.37% of covered payroll. The College’s actual contribution equaled its’ proportionate share of the actuarial required contribution.

Pension Liabilities

At June 30, 2025, the College’s proportionate share of the net pension liability was $99,483. The net pension liability was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2024. The College’s proportion of the net pension liability was based on a projection of the College’s long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At December 31, 2024, the College’s proportion was less than 1%, and is approximately the same proportion measured at December 31, 2023.

At June 30, 2024, the College’s proportionate share of the net pension liability was $1,460. The net pension liability was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2024. The College’s proportion of the net pension liability was based on a projection of the College’s long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At December 31, 2023, the College’s proportion was less than 1%, and is approximately the same proportion measured at December 31, 2022.

Pension Expense

For the year ended June 30, 2025, the College recognized pension expense of ($91,183). For the year ended June 30, 2024 the College recognized pension expense of ($255,735). The balances of deferred outflows and inflows at June 30, 2025 consist of the following:

Deferred Category		Deferred Outflows of Resources		Deferred Inflows of Resources		Total
Differences between expected and actual experience.............	$	53,104	$	(1,477)	$	51,627
Difference between projected and actual earnings, net............		48,977		-		48,977
Changes in assumptions...		20,415		(58,522)		(38,107)
Changes in proportion and proportionate share of contributions..		106		(609,420)		(609,314)
Total deferred outflows/(inflows) of resources.......................	$	122,602	$	(669,419)	$	(546,817)

The deferred (inflows)/outflows of resources related to pensions will be recognized in pension benefit expense (benefit) as follows:

Year ended June 30:		
2026.........................	$	(119,617)
2027.........................		(113,611)
2028.........................		(168,381)
2029.........................		(145,208)
Total..............................	$	(546,817)

The balances of deferred outflows and inflows at June 30, 2024 consist of the following:

Deferred Category	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Differences between expected and actual experience.............	$ -	$ (54)	$ (54)
Difference between projected and actual earnings, net............	1,211	-	1,211
Changes in assumptions..	502	-	502
Changes in proportion and proportionate share of contributions..	5	(922,861)	(922,856)
Total deferred outflows/(inflows) of resources.....................	$ 1,718	$ (922,915)	$ (921,197)

Actuarial Assumptions

The total pension liability in the January 1, 2024 and 2023 actuarial valuations were determined using the following actuarial assumptions (except as otherwise noted), applied to all periods included in the measurement date of December 31, 2024 and in the measurement date of December 31, 2023:

The assumptions presented below were consistent at both measurement dates, except the cost of living adjustment assumption at December 31, 2023 was 3% of the first $15,000 of retirement income and the investment rate of return assumption at December 31, 2023 was 6.75%.

Valuation date..............................	January 1, 2024
Actuarial cost method.....................	Entry Age Normal Cost Method.
Asset valuation method...................	Fair Value of Asset.
Inflation rate................................	3.00%
Projected salary increases................	3.75% per year.
Cost of living adjustments................	5.00% of the first $18,000 of retirement income.
Mortality rates..............................	RP-2014 adjusted to 2006, projected generationally using MP-2021 (sex-distinct). During employment the healthy employee mortality table is used. Post-employment the healthy annuitant table is used. Mortality for disabled retirees follows the same table as non-disabled retirees, set forward 2 years. Death is assumed to be due to the same cause as the disability 40% of the time.
Investment rate of return/Discount rate.	7.25% nominal rate, net of investment expense.

Investment Policy

Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the pension plan.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2024 and December 31, 2023 are summarized in the following table:

Asset Class	Long-Term Expected Asset Allocation	Long-Term Expected Real Rate of Return
U.S. equity……………………	24.00%	5.50%
Developed market equity……	11.00%	5.90%
Emerging market equity……..	6.00%	5.90%
Private equity……………….	14.00%	8.20%
High yield bonds…………….	5.00%	3.90%
Real estate……………………	10.00%	8.10%
Bank loans……………………	2.00%	3.70%
Private debt	3.00%	6.20%
Investment grade bonds………	9.00%	1.90%
Long term strips………………	7.00%	2.20%
TIPS…………………………..	4.00%	1.80%
Infrastructure (private)………	3.00%	6.00%
Opportunistic…………………	2.00%	5.10%
Total…………………………..	100.00%	

Discount Rate

The discount rate used to measure the total pension liability was 7.25% at December 31, 2024 and was 6.75% at December 31, 2023. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that contributions will be made at rates equal to the actuarially determined contribution rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following table presents the net pension liability, at June 30, 2025, calculated using the discount rate of 7.25%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (6.25%)	Current Discount (7.25%)	1% Increase (8.25%)
The College's proportionate share of the net pension liability (asset)…………	$ 3,769,895	$ 99,483	$ (3,013,729)

The following table presents the net pension liability, at June 30, 2024, calculated using the discount rate of 6.75%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
The College's proportionate share of the net pension liability (asset)…………	$ 3,972,436	$ 1,460	$ (3,356,583)

Changes in Assumptions

The cost of living adjustment assumption at December 31, 2023 was 3% of the first $15,000 of retirement income. The cost of living adjustment assumption at December 31, 2024 was 5% of the first $18,000 of retirement income.

The investment rate of return assumption increased from 6.75% at December 31, 2023 to 7.25% at December 31, 2024.

Changes in Plan Provisions

None.

NOTE 9 – RISK FINANCING

The College participates in a self-insured workers compensation claims plan. The Plan is administered by the City of Quincy. Current year claim expenditures are reported as a component of employee benefits expense in the statement of revenues, expenditures and changes in net position where revenues are recorded when earned and expenses are recorded when the liability is incurred.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR). The result of the process to estimate the claims liability is not an exact amount as it depends on many factors. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claims settlement trends, and other economic and social factors. The amount of claims settlements has not exceeded insurance coverage in any of the previous three years.

The College recorded a workers compensation liability of approximately $1.7 million as of June 30, 2025 which represents an estimate of all outstanding claims as of that date. Changes in the reported liability since July 1, 2022 are as presented below.

	Balance at Beginning of Year	Current Year Claims and Changes in Estimate	Claims Payments	Balance at Year-End	Current Portion
2023………..	$ 1,676,000	$ 93,000	$ (96,000)	$ 1,673,000	$ 59,000
2024………..	1,673,000	65,000	(56,000)	1,682,000	57,000
2025………..	1,682,000	28,000	(58,000)	1,652,000	58,000

NOTE 10 – CONTINGENCIES

As an enterprise department of the City of Quincy, the College participates in various federal award programs which are subject to audit in accordance with the provisions of the Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. The City issues one single audit report for all federal award programs, which includes the College's federal award programs.

This report can be obtained by contacting the Director of Municipal Finance of the City of Quincy, 1305 Hancock Street, Quincy, Massachusetts 02169. The programs are still subject to financial and compliance audits as determined by grantor oversight agencies. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although it is expected such amounts, if any, to be immaterial.

Various other legal actions and claims are pending. Litigation is subject to many uncertainties, and the outcome of individual litigated matters is not always predictable. Although the amount of liability, if any, at June 30, 2025, cannot be ascertained, management believes any resulting liability should not materially affect the financial position at June 30, 2025.

NOTE 11 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through August 12, 2026 which is the date the financial statements were available to be issued.

NOTE 12 – RELATED PARTIES

The United States Department of Education requires higher education entities to disclose certain related party disclosures within the financial statements. During the years ended June 30, 2025 and June 2024, the College was not a party to financial transactions that involve related parties.

NOTE 13 – IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS

During 2025, the following GASB pronouncements were implemented:

- GASB Statement #101, *Compensated Absences*. The College has evaluated the impact of implementing GASB 101 and determined that the effect on the financial statements is not material. The College implemented GASB 101 prospectively in 2025.

- GASB Statement #102, *Certain Risk Disclosures*. This pronouncement did not impact the basic financial statements.

The following GASB pronouncements will be implemented in the future:

- The GASB issued Statement #103, *Financial Reporting Model*, which is required to be implemented for fiscal years beginning after June 15, 2025.
- The GASB issued Statement #104, *Disclosure of Certain Capital Assets*, which is required to be implemented for fiscal years beginning after June 15, 2025.

- The GASB issued Statement #105, *Subsequent Events*, which is required to be implemented for fiscal years beginning after June 15, 2026.

Management is currently assessing the impact the implementation of these pronouncements will have on the basic financial statements.

Required Supplementary Information

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Pension Plan Schedules

The Schedule of the College's Proportionate Share of the Net Pension Liability presents multi-year trend information on the College's net pension liability and related ratios.

The Schedule of the College's Contributions presents multi-year trend information on the College's required and actual contributions to the pension plan and related ratios.

The Schedule of the Special Funding Amounts of the Net Pension Liability for the Massachusetts Teachers Contributory Retirement System presents multi-year trend information on the liability and expense assumed by the Commonwealth of Massachusetts on behalf of the College along with related ratios.

Quincy College

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

Quincy Contributory Retirement System

Year	Proportion of the net pension liability (asset)	Proportionate share of the net pension liability (asset)	Covered payroll	Net pension liability (asset) as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability (asset)
December 31, 2024…….	0.13%	$ 99,483	$ 5,716,980	1.74%	91.86%
December 31, 2023…….	0.00%	1,460	5,479,200	0.03%	91.42%
December 31, 2022…….	0.61%	604,247	5,229,307	11.56%	88.94%
December 31, 2021…….	11.19%	(8,854,120)	5,615,740	157.67%	109.40%
December 31, 2020…….	4.92%	19,608,482	6,443,332	304.32%	51.10%
December 31, 2019…….	5.32%	21,776,639	6,748,452	322.69%	47.80%
December 31, 2018…….	5.60%	24,374,173	6,689,330	364.37%	42.70%
December 31, 2017…….	5.70%	21,206,902	6,872,290	308.59%	48.00%
December 31, 2016…….	5.21%	20,938,259	5,911,157	354.22%	42.30%
December 31, 2015…….	6.49%	24,754,863	5,843,207	423.65%	43.64%

See notes to required supplementary information.

Quincy College

Schedule of the College's Contributions

Quincy Contributory Retirement System

Year	Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
June 30, 2025.......	$ 185,174	$ (185,174)	$ -	$ 5,774,150	3.21%
June 30, 2024.......	186,393	(186,393)	-	5,533,992	3.37%
June 30, 2023.......	57,260	(57,260)	-	5,281,600	1.08%
June 30, 2022.......	1,627,371	(21,468,719)	(19,841,348)	5,671,897	380.10%
June 30, 2021.......	1,797,075	(1,797,075)	-	6,507,765	27.61%
June 30, 2020.......	1,760,826	(1,760,826)	-	6,815,937	25.83%
June 30, 2019.......	1,714,546	(1,714,546)	-	6,756,223	25.38%
June 30, 2018.......	1,639,328	(1,639,328)	-	6,941,013	23.62%
June 30, 2017.......	1,339,704	(1,339,704)	-	5,970,269	22.44%
June 30, 2016.......	1,668,819	(1,668,819)	-	5,901,639	28.28%

See notes to required supplementary information.

Quincy College

Schedule of the Special Funding Amounts of the Net Pension Liability

Massachusetts Teachers’ Retirement System

The Commonwealth of Massachusetts is a nonemployer contributor and is required by statute to make all actuarially determined employer contributions on behalf of the member employers which creates a special funding situation. Therefore, there is no net pension liability to recognize. This schedule discloses the Commonwealth's 100% share of the associated collective net pension liability; the portion of the collective pension expense as both a revenue and pension expense recognized; and the Plan's fiduciary net position as a percentage of the total liability.

Year	Commonwealth's 100% Share of the Associated Net Pension Liability	Expense and Revenue Recognized for the Commonwealth's Support	Plan Fiduciary Net Position as a Percentage of the Total Liability
2025................	$ 9,493,436	$ 783,604	61.45%
2024................	11,186,191	1,044,456	58.48%
2023................	11,284,027	928,221	57.75%
2022................	11,301,061	906,863	62.03%
2021................	16,505,634	2,038,682	50.67%
2020................	15,777,095	1,913,247	53.95%
2019................	16,639,325	1,686,155	54.84%
2018................	16,637,117	1,736,464	54.25%
2017................	15,892,880	1,621,178	52.73%
2016................	13,109,803	1,063,322	55.38%

See notes to required supplementary information.

Other Postemployment Benefits Plan Schedules

The Schedule of Changes in the College's Net Other Postemployment Benefit Liability and Related Ratios presents multi-year trend information on changes in the Plan's total OPEB liability, changes in the Plan's net position, and ending net OPEB liability. It also demonstrates the Plan's net position as a percentage of the total liability and the Plan's net other postemployment benefit liability as a percentage of covered employee payroll.

The Schedule of the College's Contributions presents multi-year trend information on the Town's actual contributions to the other postemployment benefit plan and related ratios.

The Schedule of Investment Return presents multi-year trend information on the money-weighted investment return on the Plan's other postemployment assets, net of investment expense.

These schedules are intended to present information for ten years. Until a ten-year trend is compiled, information is presented for those years for which information is available.

Quincy College

Schedule of Changes in the College's Net OPEB Liability and Related Ratios

Other Postemployment Benefit Plan

	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024	June 30, 2025
Total OPEB Liability									
Service Cost	$ 674,800	$ 699,466	$ 747,474	$ 834,659	$ 762,412	$ 799,114	$ 1,093,652	$ 1,000,871	$ 1,359,096
Interest	627,199	712,688	807,004	910,383	834,308	921,954	629,034	680,909	820,248
Changes of benefit terms	-	-	-	(3,223,536)	-	(138,604)	-	(24,714)	-
Differences between expected and actual experience	-	-	-	1,451,299	-	(3,227,324)	-	(2,184,803)	-
Changes of assumptions	-	368,056	432,926	152,928	-	4,421,061	(504,275)	2,783,411	(3,507,830)
Benefit payments	(179,759)	(194,140)	(201,606)	(202,217)	(245,170)	(326,128)	(362,297)	(428,467)	(454,652)
Net change in total OPEB liability	1,122,240	1,586,070	1,785,798	(76,484)	1,351,550	2,450,073	856,114	1,827,207	(1,783,138)
Total OPEB liability - beginning	7,776,109	8,898,349	10,484,419	12,270,217	12,193,733	13,545,283	15,995,356	16,851,470	18,678,677
Total OPEB liability - ending (a)	$ 8,898,349	$ 10,484,419	$ 12,270,217	$ 12,193,733	$ 13,545,283	$ 15,995,356	$ 16,851,470	$ 18,678,677	$ 16,895,539
Plan fiduciary net position									
Employer contributions	$ 327,405	$ 357,313	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employer contributions for OPEB payments	179,759	194,140	201,606	202,217	245,170	326,128	362,297	428,467	454,652
Net investment income (loss)	209,428	208,373	126,627	59,621	760,390	(440,986)	319,562	443,721	478,182
Benefit payments	(179,759)	(194,140)	(201,606)	(202,217)	(245,170)	(326,128)	(362,297)	(428,467)	(454,652)
Net change in plan fiduciary net position	536,833	565,686	126,627	59,621	760,390	(440,986)	319,562	443,721	478,182
Plan fiduciary net position - beginning of year	1,269,514	1,806,347	2,372,033	2,498,660	2,558,281	3,318,671	2,877,685	3,197,247	3,640,968
Plan fiduciary net position - end of year (b)	$ 1,806,347	$ 2,372,033	$ 2,498,660	$ 2,558,281	$ 3,318,671	$ 2,877,685	$ 3,197,247	$ 3,640,968	$ 4,119,150
Net OPEB liability - ending (a)-(b)	$ 7,092,002	$ 8,112,386	$ 9,771,557	$ 9,635,452	$ 10,226,612	$ 13,117,671	$ 13,654,223	$ 15,037,709	$ 12,776,389
Plan fiduciary net position as a percentage of the total OPEB liability	20.30%	22.62%	20.36%	20.98%	24.50%	17.99%	18.97%	19.49%	24.38%
Covered-employee payroll	$ 18,980,282	$ 20,133,908	$ 16,242,541	$ 16,175,514	$ 11,916,674	$ 12,095,962	$ 11,972,466	$ 13,641,541	$ 14,910,484
Net OPEB liability as a percentage of covered-employee payroll	37.37%	40.29%	60.16%	59.57%	85.82%	108.45%	114.05%	110.23%	85.69%

Note: this schedule is intended to present information for 10 years.
Until a 10-year trend is compiled, information is presented for those years for which information is available.

See notes to required supplementary information.

Quincy College

Schedule of the College's Contributions

Other Postemployment Benefit Plan

Year	Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	Covered-employee payroll	Contributions as a percentage of covered-employee payroll
June 30, 2025......	$ 1,209,334	$ (454,652)	$ 754,682	$ 14,910,484	3.05%
June 30, 2024......	1,173,048	(428,467)	744,581	13,641,541	3.14%
June 30, 2023......	1,018,490	(362,297)	656,193	11,972,466	3.03%
June 30, 2022......	987,973	(326,128)	661,845	12,095,962	2.70%
June 30, 2021......	1,379,278	(245,170)	1,134,108	11,916,674	2.06%
June 30, 2020......	1,278,203	(202,217)	1,075,986	16,175,514	1.25%
June 30, 2019......	1,232,260	(201,606)	1,030,654	16,242,541	1.24%
June 30, 2018......	1,152,210	(551,453)	600,757	20,133,908	2.74%
June 30, 2017......	1,083,386	(327,405)	755,981	18,980,282	1.72%

Note: this schedule is intended to present information for 10 years.
Until a 10-year trend is compiled, information is presented for those years for which information is available.

Quincy College

Schedule of Investment Return

Other Postemployment Benefit Plan

Year	Annual money-weighted rate of return, net of investment expense
June 30, 2025	13.13%
June 30, 2024	13.88%
June 30, 2023	11.10%
June 30, 2022	-13.29%
June 30, 2021	29.72%
June 30, 2020	2.39%
June 30, 2019	5.41%
June 30, 2018	11.54%
June 30, 2017	16.50%

Note: this schedule is intended to present information for 10 years. Until a 10-year trend is compiled, information is presented for those years for which information is available.

See notes to required supplementary information.

NOTE A – OTHER POSTEMPLOYMENT BENEFITS

The City of Quincy administers a single-employer defined benefit healthcare plan ("the Retiree Health Plan"). The College, as a department of the City, is a participant in the plan administered by the City. The plan provides lifetime healthcare, dental and life insurance for eligible retirees and their spouses through the City's health insurance plan, which covers both active and retired members, including teachers.

The Other Postemployment Benefit Plan

The Schedule of Changes in the College's Net Other Postemployment Benefit Liability and Related Ratios

The Schedule of Changes in the College's Net Other Postemployment Benefit Liability and Related Ratios presents multi-year trend information on changes in the Plan's total OPEB liability, changes in the Plan's net position, and ending net OPEB liability. It also demonstrates the Plan's net position as a percentage of the total liability and the Plan's net other postemployment benefit liability as a percentage of covered employee payroll.

Schedule of Investment Return

The Schedule of Investment Return includes the money-weighted investment return on the Plan's other postemployment assets, net of investment expense.

Change in Assumptions

The discount rate was raised from 4.14% to 5.40%.

Changes in Plan Provisions

None.

Quincy College

Notes to Required Supplementary Information

Years Ended June 30, 2025 and 2024

Schedule of the College's Contributions

The Schedule of the College's Contributions includes the College's annual required contribution to the Plan, along with the contribution made in relation to the actuarially determined contribution and the covered employee payroll. The College is not required to fully fund this contribution. The schedule also demonstrates the contributions as a percentage of covered payroll. Methods and assumptions used to determine contribution rates are as follows:

Valuation date……………………	December 31, 2023
Actuarial cost method………….	Entry age normal - level percentage of payroll.
Remaining amortization period…	30 years as of December 31, 2023.
Asset valuation method………..	Fair value.
Investment rate of return……….	7.00%
Discount rate……………………	5.40% as of June 30, 2025, and 4.14% as of June 30, 2024.
Wage inflation………………….	3.00%.
Health care trend rates:	
Non-Medicare and medical/rx………………..........	0.75% for one year, then 6.75% for one year, then graded by 0.25% down to an ultimate level of 4.50% over 9 years.
Medicare medical/rx………………..........	11.76% for one year, then 6.75% graded by 0.25% down to an ultimate level of 4.50% over 9 years.
Dental…………………………	-1.88% for one year, then 3.00%.
Part B reimbursement………..	5.90% for one year then 4.50%
Non-Medicare contributions…..	0.75% for one year, then 6.75% graded by 0.25% down to an ultimate level of 4.50% over 9 years.
Medicare contributions……….	11.76% for one year, then 6.75% graded by 0.25% down to an ultimate level of 4.50% over 9 years.
Mortality rates:	
Pre-retirement…………………	RP-2006 Employee Mortality Table projected generationally with Scale MP-2021.
Healthy…………………………	RP-2006 Healthy Annuitant Mortality Table projected generationally with Scale MP-2021.
Disabled………………………	RP-2006 Healthy Annuitant Mortality Table set forward 2 years and generationally projected using Scale MP-2021.

NOTE B – PENSION PLAN

Pension Plan Schedules

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

The Schedule of the College's Proportionate Share of the Net Pension Liability details the allocated percentage of the net pension liability (asset), the proportionate share of the net pension liability, and the covered employee payroll. It also demonstrates the net position as a percentage of the pension liability and the net pension liability as a percentage of covered payroll.

Schedule of the College's Contributions

Governmental employers are required to pay an annual appropriation as established by PERAC. The appropriation includes the amounts to pay the pension portion of each member's retirement allowance, an amount to amortize the actuarially determined unfunded liability to zero in accordance with the System's funding schedule, and additional appropriations in accordance with adopted early retirement incentive programs. The pension fund appropriation is allocated to the College based on covered payroll.

Schedule of the Special Funding Amounts of the Net Pension Liabilities

The Commonwealth of Massachusetts is a nonemployer contributor and is required by statute to make all actuarially determined employer contributions on behalf of the member employers which creates a special funding situation. Since the College does not contribute directly to MTRS, there is no net pension liability to recognize. This schedule discloses the Commonwealth's 100% share of the collective net pension liability that is associated with the College; the portion of the collective pension expense reported as both revenue and pension expense; and the Plan's fiduciary net position as a percentage of the total liability.

Changes in Assumptions

Discount rate increased from 6.75% to 7.25%.

The mortality tables and assumptions were updated.

Changes in Plan Provisions

None.

Other Information

Quincy College

Schedule of Composite Score Calculation

For the Year Ended June 30, 2025

Calculation in Accordance with Title 34, Chapter VI, Part 668, Subpart L - Financial Responsibility

Appendix B - Ratio Methodology for Private Non-Profit Institutions - as Modified

Calculation of Ratio Terms

Expendable Net Assets:		
ADD:		
Total Net Position…	$	(11,376,311)
Workers Compensation Liabilities…		1,652,000
Post-employment Liabilities…		14,887,616
Retirement Liabilities…		19,825,157
LESS:		
Net Property, Plant and Equipment…		(1,069,377)
Total Expendable Net Assets…	$	23,919,085
Total Expenses		
ADD:		
Operating Expenses…	$	27,036,965
Non-cash Workers Compensation, Pension and OPEB Expenses…		1,063,749
Nonoperating Expenses…		465,464
LESS:		
Non-cash Workers Compensation, Pension and OPEB Expenses…		(1,063,749)
Total Expenses…	$	27,502,429
Modified Net Assets		
ADD:		
Unrestricted Net Position…	$	22,786,085
Modified Assets		
ADD:		
Total Assets…	$	35,077,251
Modified Change in Unrestricted Net Position		
ADD:		
Change in Net Position…	$	2,235,955
Non-cash Workers Compensation, Pension and OPEB Expenses…		1,063,749
Adjusted Total Change in Net Position…	$	3,299,704
Total Unrestricted Revenue		
ADD:		
Operating Revenues…	$	26,722,929
Nonoperating Revenues…		969,122
Capital Contributions…		2,198,764
LESS:		
On-behalf Pension Benefits Paid by the State…		(783,604)
Total Unrestricted Revenues…	$	29,107,211

See note to schedule of composite score calculation.

Quincy College

Schedule of Composite Score Calculation

For the Year Ended June 30, 2025

Calculation in Accordance with Title 34, Chapter VI, Part 668, Subpart L - Financial Responsibility

Appendix B - Ratio Methodology for Private Non-Profit Institutions - as Modified

Calculation of Ratios

Primary Reserve Ratio		
Expendable Net Assets…	$	23,919,085
Total Expenses…		27,502,429
Primary Reserve Ratio…		0.8697
Equity Ratio		
Modified Net Assets…	$	22,786,085
Modified Assets…		35,077,251
Equity Ratio…		0.6496
Net Income Ratio		
Modified Change in Unrestricted Net Position…	$	3,299,704
Total Unrestricted Revenues…		29,107,211
Net Income Ratio		0.1134

Calculation of the Strength Factor

Primary Reserve Ratio	
Primary Reserve Ratio…	0.8697
Multiply by the Strength Factor of 10…	10.0000
Calculated Primary Reserve Score…	8.6970
Maximum Allowable Score…	3.0000
Equity Ratio	
Equity Ratio…	0.6496
Multiply by the Strength Factor of 6…	6.0000
Calculated Equity Score…	3.8976
Maximum Allowable Score…	3.0000
Net Income Ratio	
Net Income Ratio…	0.1134
Multiply by a Strength Factor of:	
1 + (25 x Ratio) if Negative…	-
1 + (50 x Ratio) if Positive…	6.6700
Maximum Allowable Score - If Negative…	-
Maximum Allowable Score - If Positive…	6.6700

See note to schedule of composite score calculation.

Quincy College

Schedule of Composite Score Calculation

For the Year Ended June 30, 2025

Calculation in Accordance with Title 34, Chapter VI, Part 668, Subpart L - Financial Responsibility

Appendix B - Ratio Methodology for Private Non-Profit Institutions - as Modified

Calculation of Composite Score

Primary Reserve	
Primary Reserve Score…	3.0000
Multiply by the Weighted Percent…	40%
Primary Reserve Weighted Score…	1.2000
Equity	
Equity Score…	3.0000
Multiply by the Weighted Percent…	40%
Equity Weighted Score…	1.2000
Net Income	
Net Income Score…	6.6700
Multiply by the Weighted Percent…	20%
Net Income Weighted Score…	1.3340
Composite Score Calculation	
Sum of All Weighted Scores…	3.7340
Round the Composite Score to 1 Digit…	**3.7**

See note to schedule of composite score calculation.

Quincy College

Schedule of Composite Score Calculation

For the Year Ended June 30, 2025

Note to Schedule of Composite Score Calculation

Quincy College has been requested to calculate the Federal Financial Responsibility Composite Score (FRCS) in accordance with the requirements of Title 34 – Chapter VI – Section 668.172 Financial Ratios. These standards apply to for-profit and nonprofit institutions of higher education but do not normally apply to public institutions. Quincy College is in a unique situation as they are the only public College in Massachusetts that was established by a City and not the Commonwealth. The College is not a private for-profit institution and was not established as a private nonprofit institution. The Massachusetts Department of Higher Education only has limited statutory authority over Quincy College and has informed the College that they will be treating the College as a "private" institution for the purposes of filing the FRCS and participation in the State Authorization Reciprocity Agreement (SARA).

The Federal guidance on how to calculate the FRCS provides two examples on how to complete the composite score using the audited financial statements of a private for-profit and a private nonprofit institution. These financial statements are prepared in accordance with generally accepted accounting principles established by the Financial Accounting Standards Board (FASB). The City of Quincy and Quincy College's financial statements are prepared in accordance with generally accepted accounting principles established by the Governmental Accounting Standard Board (GASB). These are the same standards used by the Commonwealth and their 29 public higher education institutions.

Although these standards have many things in common, there are some areas that are in direct conflict between the GASB and FASB. The FASB accounting treatment was the basis of accounting used to develop the composite score calculation methodology and the GASB treatment has not been considered in the Federal examples. Therefore, certain modifications of the methodology were required to eliminate the effect of the conflicting accounting treatment. This type of modification is allowed as the guidance allows for exclusion of certain accounting activity. One main difference between the GASB and FASB is the accounting and funding requirements for pension benefits, other postemployment benefits and workers compensation liabilities of the institution. The accompanying calculations removed these liabilities and related noncash expenses. The calculation of the FRCS with these modifications should demonstrate that the College is financially responsible and has sufficient cash reserves and the ability to meet all of its current and long-term obligations.

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Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit Performed in Accordance with Government Auditing Standards

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

To the Board of Governors
Quincy College

We have audited, in accordance with the auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("Government Auditing Standards"*)*, the financial statements of the business activities and the fiduciary activities of Quincy College ("the College") as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated August 12, 2026.

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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, we do not express an opinion on the effectiveness of the College's internal control.

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

Our consideration of the 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the College's financial statements are free of 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 determination of financial statements amounts. 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.

CBIZ CPAs P.C.

Boston, Massachusetts
August 12, 2026