

<p>Form 5500</p> <p>Department of the Treasury Internal Revenue Service</p> <hr/> <p>Department of Labor Employee Benefits Security Administration</p> <hr/> <p>Pension Benefit Guaranty Corporation</p>	<p>Annual Return/Report of Employee Benefit Plan</p> <p>This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code).</p> <p>▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	<p>OMB Nos. 1210-0110 1210-0089</p> <hr/> <p style="font-size: 24pt; font-weight: bold;">2022</p> <hr/> <p>This Form is Open to Public Inspection</p>
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Part I Annual Report Identification Information	
For calendar plan year 2022 or fiscal plan year beginning <u>07/01/2022</u> and ending <u>06/30/2023</u>	
A This return/report is for:	<input type="checkbox"/> a multiemployer plan <input type="checkbox"/> a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.) <input checked="" type="checkbox"/> a single-employer plan <input type="checkbox"/> a DFE (specify) ____
B This return/report is:	<input type="checkbox"/> the first return/report <input type="checkbox"/> the final return/report <input checked="" type="checkbox"/> an amended return/report <input type="checkbox"/> a short plan year return/report (less than 12 months)
C If the plan is a collectively-bargained plan, check here.	▶ <input type="checkbox"/>
D Check box if filing under:	<input checked="" type="checkbox"/> Form 5558 <input type="checkbox"/> automatic extension <input type="checkbox"/> the DFVC program <input type="checkbox"/> special extension (enter description)
E If this is a retroactively adopted plan permitted by SECURE Act section 201, check here.	▶ <input type="checkbox"/>

Part II Basic Plan Information —enter all requested information	
<p>1a Name of plan <u>SECTION 403(B) RETIREMENT PLAN FOR PAUL QUINN COLLEGE</u></p> <p>2a Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) <u>PAUL QUINN COLLEGE</u></p> <p><u>3837 SIMPSON STUART RD</u> <u>TEXAS, TX 75243</u></p>	<p>1b Three-digit plan number (PN) ▶ <u>002</u></p> <p>1c Effective date of plan <u>10/01/1998</u></p> <p>2b Employer Identification Number (EIN) <u>74-1238438</u></p> <p>2c Plan Sponsor's telephone number <u>214-379-5573</u></p> <p>2d Business code (see instructions) <u>611000</u></p>

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	04/03/2024	KIMBERLY HORNE
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

Form 5500 (2022)
v. 220413

3a Plan administrator's name and address <input checked="" type="checkbox"/> Same as Plan Sponsor	3b Administrator's EIN 3c Administrator's telephone number
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name c Plan Name	4b EIN 4d PN
5 Total number of participants at the beginning of the plan year	5 120
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d). a(1) Total number of active participants at the beginning of the plan year a(2) Total number of active participants at the end of the plan year b Retired or separated participants receiving benefits c Other retired or separated participants entitled to future benefits..... d Subtotal. Add lines 6a(2) , 6b , and 6c e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. f Total. Add lines 6d and 6e g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)..... h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6a(1) 70 6a(2) 67 6b 4 6c 46 6d 117 6e 0 6f 117 6g 61 6h 2
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 2F 2G 2L b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:	
9a Plan funding arrangement (check all that apply) (1) <input checked="" type="checkbox"/> Insurance (2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts (3) <input type="checkbox"/> Trust (4) <input type="checkbox"/> General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) <input checked="" type="checkbox"/> Insurance (2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts (3) <input type="checkbox"/> Trust (4) <input type="checkbox"/> General assets of the sponsor
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)	
a Pension Schedules (1) <input checked="" type="checkbox"/> R (Retirement Plan Information) (2) <input type="checkbox"/> MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) <input type="checkbox"/> SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	b General Schedules (1) <input checked="" type="checkbox"/> H (Financial Information) (2) <input type="checkbox"/> I (Financial Information – Small Plan) (3) <input checked="" type="checkbox"/> 1 A (Insurance Information) (4) <input checked="" type="checkbox"/> C (Service Provider Information) (5) <input type="checkbox"/> D (DFE/Participating Plan Information) (6) <input type="checkbox"/> G (Financial Transaction Schedules)

Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) Yes No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) Yes No

11c Enter the Receipt Confirmation Code for the 2022 Form M-1 annual report. If the plan was not required to file the 2022 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

**SCHEDULE A
(Form 5500)**

Department of the Treasury
Internal Revenue Service
Department of Labor
Employee Benefits Security Administration
Pension Benefit Guaranty Corporation

Insurance Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).

▶ **File as an attachment to Form 5500.**

▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).

OMB No. 1210-0110

2022

This Form is Open to Public Inspection

For calendar plan year 2022 or fiscal plan year beginning **07/01/2022** and ending **06/30/2023**

A Name of plan SECTION 403(B) RETIREMENT PLAN FOR PAUL QUINN COLLEGE	B Three-digit plan number (PN) ▶ 002
C Plan sponsor's name as shown on line 2a of Form 5500 PAUL QUINN COLLEGE	D Employer Identification Number (EIN) 74-1238438

Part I Information Concerning Insurance Contract Coverage, Fees, and Commissions Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A.

1 Coverage Information:

(a) Name of insurance carrier
METROPOLITAN LIFE

(b) EIN	(c) NAIC code	(d) Contract or identification number	(e) Approximate number of persons covered at end of policy or contract year	Policy or contract year	
				(f) From	(g) To
13-5581829	65978	1005058-01	61	07/01/2022	06/30/2023

2 Insurance fee and commission information. Enter the total fees and total commissions paid. List in line 3 the agents, brokers, and other persons in descending order of the amount paid.

(a) Total amount of commissions paid	(b) Total amount of fees paid
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3 Persons receiving commissions and fees. (Complete as many entries as needed to report all persons).

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

Part II Investment and Annuity Contract Information
 Where individual contracts are provided, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

4	Current value of plan's interest under this contract in the general account at year end.....	4	187198
5	Current value of plan's interest under this contract in separate accounts at year end.....	5	254022

6 Contracts With Allocated Funds:

a State the basis of premium rates ▶

b	Premiums paid to carrier	6b	
c	Premiums due but unpaid at the end of the year	6c	
d	If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount..... Specify nature of costs ▶	6d	

e Type of contract: (1) individual policies (2) group deferred annuity
 (3) other (specify) ▶

f If contract purchased, in whole or in part, to distribute benefits from a terminating plan, check here ▶

7 Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)

a Type of contract: (1) deposit administration (2) immediate participation guarantee
 (3) guaranteed investment (4) other ▶ GROUP ANNUITY CONTRACT

b	Balance at the end of the previous year	7b	184796
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c Additions: (1) Contributions deposited during the year	7c(1)	0	
	7c(2)	0	
	7c(3)	5604	
	7c(4)	154412	
	7c(5)	0	

▶ LOAN PAYMENTS

(6) Total additions.....	7c(6)	160016
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d Total of balance and additions (add lines 7b and 7c(6))	7d	344812
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e Deductions:	(1) Disbursed from fund to pay benefits or purchase annuities during year	7e(1)	2186	
	(2) Administration charge made by carrier.....	7e(2)	1006	
	(3) Transferred to separate account.....	7e(3)	154422	
	(4) Other (specify below)	7e(4)		

(5) Total deductions.....	7e(5)	157614
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f Balance at the end of the current year (subtract line 7e(5) from line 7d)	7f	187198
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Part III Welfare Benefit Contract Information
 If more than one contract covers the same group of employees of the same employer(s) or members of the same employee organizations(s), the information may be combined for reporting purposes if such contracts are experience-rated as a unit. Where contracts cover individual employees, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

- 8** Benefit and contract type (check all applicable boxes)
- a** Health (other than dental or vision)
 - b** Dental
 - c** Vision
 - d** Life insurance
 - e** Temporary disability (accident and sickness)
 - f** Long-term disability
 - g** Supplemental unemployment
 - h** Prescription drug
 - i** Stop loss (large deductible)
 - j** HMO contract
 - k** PPO contract
 - l** Indemnity contract
 - m** Other (specify) ▶

9 Experience-rated contracts:

a	Premiums: (1) Amount received	9a(1)		
	(2) Increase (decrease) in amount due but unpaid	9a(2)		
	(3) Increase (decrease) in unearned premium reserve	9a(3)		
	(4) Earned ((1) + (2) - (3))		9a(4)	0
b	Benefit charges (1) Claims paid	9b(1)		
	(2) Increase (decrease) in claim reserves	9b(2)		
	(3) Incurred claims (add (1) and (2))		9b(3)	0
	(4) Claims charged		9b(4)	
c	Remainder of premium: (1) Retention charges (on an accrual basis) --			
	(A) Commissions	9c(1)(A)		
	(B) Administrative service or other fees	9c(1)(B)		
	(C) Other specific acquisition costs	9c(1)(C)		
	(D) Other expenses	9c(1)(D)		
	(E) Taxes	9c(1)(E)		
	(F) Charges for risks or other contingencies	9c(1)(F)		
	(G) Other retention charges	9c(1)(G)		
	(H) Total retention		9c(1)(H)	0
	(2) Dividends or retroactive rate refunds. (These amounts were <input type="checkbox"/> paid in cash, or <input type="checkbox"/> credited.)		9c(2)	
d	Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement		9d(1)	
	(2) Claim reserves		9d(2)	
	(3) Other reserves		9d(3)	
e	Dividends or retroactive rate refunds due. (Do not include amount entered in line 9c(2).)		9e	
10	Nonexperience-rated contracts:			
a	Total premiums or subscription charges paid to carrier		10a	
b	If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, line 2 above, report amount. Specify nature of costs.		10b	

Part IV Provision of Information

- 11** Did the insurance company fail to provide any information necessary to complete Schedule A? Yes No
- 12** If the answer to line 11 is "Yes," specify the information not provided. ▶

SCHEDULE C (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	<small>OMB No. 1210-0110</small> 2022 This Form is Open to Public Inspection.
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For calendar plan year 2022 or fiscal plan year beginning 07/01/2022 and ending 06/30/2023

A Name of plan <u>SECTION 403(B) RETIREMENT PLAN FOR PAUL QUINN COLLEGE</u>	B Three-digit plan number (PN) ▶	<u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>PAUL QUINN COLLEGE</u>	D Employer Identification Number (EIN) <u>74-1238438</u>	

Part I Service Provider Information (see instructions)

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... Yes No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

METLIFE LIFE INSURANCE COMPANY

11225 NORTH COMMUNITY HOUSE ROAD
CHARLOTTE, NC 28277

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
64	RECORDKEEPER	1225	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	0	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

Part I Service Provider Information (continued)

3. If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)
(complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

<p>SCHEDULE H (Form 5500)</p> <p>Department of the Treasury Internal Revenue Service</p> <p>Department of Labor Employee Benefits Security Administration</p> <p>Pension Benefit Guaranty Corporation</p>	<p>Financial Information</p> <p>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).</p> <p>► File as an attachment to Form 5500.</p>	<p>OMB No. 1210-0110</p> <p>2022</p> <p>This Form is Open to Public Inspection</p>
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For calendar plan year 2022 or fiscal plan year beginning **07/01/2022** and ending **06/30/2023**

<p>A Name of plan SECTION 403(B) RETIREMENT PLAN FOR PAUL QUINN COLLEGE</p>	<p>B Three-digit plan number (PN) ►</p>	<p>002</p>
<p>C Plan sponsor's name as shown on line 2a of Form 5500 PAUL QUINN COLLEGE</p>	<p>D Employer Identification Number (EIN) 74-1238438</p>	

Part I Asset and Liability Statement

1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets	(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash.....	1a 0	0
b Receivables (less allowance for doubtful accounts):		
(1) Employer contributions.....	1b(1) 0	0
(2) Participant contributions.....	1b(2) 0	0
(3) Other.....	1b(3) 0	0
c General investments:		
(1) Interest-bearing cash (include money market accounts & certificates of deposit).....	1c(1) 0	0
(2) U.S. Government securities.....	1c(2) 0	0
(3) Corporate debt instruments (other than employer securities):		
(A) Preferred.....	1c(3)(A) 0	0
(B) All other.....	1c(3)(B) 0	0
(4) Corporate stocks (other than employer securities):		
(A) Preferred.....	1c(4)(A) 0	0
(B) Common.....	1c(4)(B) 0	0
(5) Partnership/joint venture interests.....	1c(5) 0	0
(6) Real estate (other than employer real property).....	1c(6) 0	0
(7) Loans (other than to participants).....	1c(7) 0	0
(8) Participant loans.....	1c(8) 0	0
(9) Value of interest in common/collective trusts.....	1c(9) 0	0
(10) Value of interest in pooled separate accounts.....	1c(10)	
(11) Value of interest in master trust investment accounts.....	1c(11) 0	0
(12) Value of interest in 103-12 investment entities.....	1c(12) 0	0
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13) 0	0
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14) 184796	187198
(15) Other.....	1c(15) 237626	254022

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities.....	1d(1)	0	0
(2) Employer real property.....	1d(2)	0	0
e Buildings and other property used in plan operation.....	1e	0	0
f Total assets (add all amounts in lines 1a through 1e).....	1f	422422	441220
Liabilities			
g Benefit claims payable.....	1g	0	0
h Operating payables.....	1h		
i Acquisition indebtedness.....	1i	0	0
j Other liabilities.....	1j	0	0
k Total liabilities (add all amounts in lines 1g through 1j).....	1k	0	0
Net Assets			
l Net assets (subtract line 1k from line 1f).....	1l	422422	441220

Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers.....	2a(1)(A)	0	
(B) Participants.....	2a(1)(B)	0	
(C) Others (including rollovers).....	2a(1)(C)	0	
(2) Noncash contributions.....	2a(2)	0	
(3) Total contributions. Add lines 2a(1)(A), (B), (C), and line 2a(2).....	2a(3)		0
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit).....	2b(1)(A)	0	
(B) U.S. Government securities.....	2b(1)(B)	0	
(C) Corporate debt instruments.....	2b(1)(C)	0	
(D) Loans (other than to participants).....	2b(1)(D)	0	
(E) Participant loans.....	2b(1)(E)	0	
(F) Other.....	2b(1)(F)	5604	
(G) Total interest. Add lines 2b(1)(A) through (F).....	2b(1)(G)		5604
(2) Dividends: (A) Preferred stock.....	2b(2)(A)	0	
(B) Common stock.....	2b(2)(B)	0	
(C) Registered investment company shares (e.g. mutual funds).....	2b(2)(C)	0	
(D) Total dividends. Add lines 2b(2)(A), (B), and (C).....	2b(2)(D)		0
(3) Rents.....	2b(3)		0
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds.....	2b(4)(A)	0	
(B) Aggregate carrying amount (see instructions).....	2b(4)(B)	0	
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result.....	2b(4)(C)		
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)	0	
(B) Other.....	2b(5)(B)	0	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B).....	2b(5)(C)		

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		0
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		0
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		0
(9) Net investment gain (loss) from 103-12 investment entities.....	2b(9)		0
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		0
c Other income	2c		32356
d Total income. Add all income amounts in column (b) and enter total	2d		37960
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	17937	
(2) To insurance carriers for the provision of benefits	2e(2)	0	
(3) Other	2e(3)	0	
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		17937
f Corrective distributions (see instructions)	2f		0
g Certain deemed distributions of participant loans (see instructions)	2g		0
h Interest expense	2h		0
i Administrative expenses: (1) Professional fees	2i(1)	0	
(2) Contract administrator fees.....	2i(2)	1225	
(3) Investment advisory and management fees	2i(3)	0	
(4) Other	2i(4)	0	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		1225
j Total expenses. Add all expense amounts in column (b) and enter total	2j		19162
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d	2k		18798
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan.....	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

- (1) Unmodified (2) Qualified (3) Disclaimer (4) Adverse

b Check the appropriate box(es) to indicate whether the IQPA performed an ERISA section 103(a)(3)(C) audit. Check both boxes (1) and (2) if the audit was performed pursuant to both 29 CFR 2520.103-8 and 29 CFR 2520.103-12(d). Check box (3) if pursuant to neither.

- (1) DOL Regulation 2520.103-8 (2) DOL Regulation 2520.103-12(d) (3) neither DOL Regulation 2520.103-8 nor DOL Regulation 2520.103-12(d).

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: **BANKS, FINLEY, WHITE AND COMPANY**

(2) EIN: **63-0834690**

d The opinion of an independent qualified public accountant is **not attached** because:

- (1) This form is filed for a CCT, PSA, or MTIA. (2) It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)

	Yes	No	Amount
4a		X	

		Yes	No	Amount
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....	4b		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	4c		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....	4d		X	
e Was this plan covered by a fidelity bond?.....	4e	X		1000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	4g		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?.....	4h		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....	4i	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked and see instructions for format requirements.).....	4j		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4k		X	
l Has the plan failed to provide any benefit when due under the plan?	4l		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	4n			

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?..... Yes No
 If "Yes," enter the amount of any plan assets that reverted to the employer this year _____.

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)

5c Was the plan a defined benefit plan covered under the PBGC insurance program at any time during this plan year? (See ERISA section 4021 and instructions.) Yes No Not determined
 If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year _____.

SCHEDULE R (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Retirement Plan Information This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	<small>OMB No. 1210-0110</small> 2022 This Form is Open to Public Inspection.
--	---	---

For calendar plan year 2022 or fiscal plan year beginning 07/01/2022 and ending 06/30/2023

A Name of plan <u>SECTION 403(B) RETIREMENT PLAN FOR PAUL QUINN COLLEGE</u>	B Three-digit plan number (PN) ▶	<u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>PAUL QUINN COLLEGE</u>	D Employer Identification Number (EIN) <u>74-1238438</u>	

Part I	Distributions
---------------	----------------------

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....

1	0
---	---

2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):
EIN(s): 20-3691658

Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.

3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....

3	
---	--

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)
----------------	---

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? Yes No N/A
If the plan is a defined benefit plan, go to line 8.

5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____
If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.

6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived).....	6a	
b Enter the amount contributed by the employer to the plan for this plan year.....	6b	
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....	6c	

If you completed line 6c, skip lines 8 and 9.

7 Will the minimum funding amount reported on line 6c be met by the funding deadline? Yes No N/A

8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? Yes No N/A

Part III	Amendments
-----------------	-------------------

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box..... Increase Decrease Both No

Part IV	ESOPs (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
----------------	---

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?..... Yes No

11 a Does the ESOP hold any preferred stock?..... Yes No

b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)..... Yes No

12 Does the ESOP hold any stock that is not readily tradable on an established securities market?..... Yes No

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that (1) contributed more than 5% of total contributions to the plan during the plan year or (2) was one of the top-ten highest contributors (measured in dollars). See instructions. Complete as many entries as needed to report all applicable employers.

a Name of contributing employer _____

b EIN _____ **c** Dollar amount contributed by employer _____

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: Hourly Weekly Unit of production Other (specify): _____

a Name of contributing employer _____

b EIN _____ **c** Dollar amount contributed by employer _____

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: Hourly Weekly Unit of production Other (specify): _____

a Name of contributing employer _____

b EIN _____ **c** Dollar amount contributed by employer _____

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: Hourly Weekly Unit of production Other (specify): _____

a Name of contributing employer _____

b EIN _____ **c** Dollar amount contributed by employer _____

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: Hourly Weekly Unit of production Other (specify): _____

a Name of contributing employer _____

b EIN _____ **c** Dollar amount contributed by employer _____

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: Hourly Weekly Unit of production Other (specify): _____

a Name of contributing employer _____

b EIN _____ **c** Dollar amount contributed by employer _____

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: Hourly Weekly Unit of production Other (specify): _____

14 Enter the number of deferred vested and retired participants (inactive participants), as of the beginning of the plan year, whose contributing employer is no longer making contributions to the plan for:

a The current plan year. Check the box to indicate the counting method used to determine the number of inactive participants: <input type="checkbox"/> last contributing employer <input type="checkbox"/> alternative <input type="checkbox"/> reasonable approximation (see instructions for required attachment).....	14a	
b The plan year immediately preceding the current plan year. <input type="checkbox"/> Check the box if the number reported is a change from what was previously reported (see instructions for required attachment)	14b	
c The second preceding plan year. <input type="checkbox"/> Check the box if the number reported is a change from what was previously reported (see instructions for required attachment).....	14c	

15 Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year.....	15a	
b The corresponding number for the second preceding plan year.....	15b	

16 Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	16a	
b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers.....	16b	

17 If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

18 If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment

19 If the total number of participants is 1,000 or more, complete lines (a) through (c)

a Enter the percentage of plan assets held as:
 Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:
 0-3 years 3-6 years 6-9 years 9-12 years 12-15 years 15-18 years 18-21 years 21 years or more

c What duration measure was used to calculate line 19(b)?
 Effective duration Macaulay duration Modified duration Other (specify): _____

20 PBGC missed contribution reporting requirements. If this is a multiemployer plan or a single-employer plan that is not covered by PBGC, skip line 20.

a Is the amount of unpaid minimum required contributions for all years from Schedule SB (Form 5500) line 40 greater than zero? Yes No

b If line 20a is "Yes," has PBGC been notified as required by ERISA sections 4043(c)(5) and/or 303(k)(4)? Check the applicable box:

Yes.

No. Reporting was waived under 29 CFR 4043.25(c)(2) because contributions equal to or exceeding the unpaid minimum required contribution were made by the 30th day after the due date.

No. The 30-day period referenced in 29 CFR 4043.25(c)(2) has not yet ended, and the sponsor intends to make a contribution equal to or exceeding the unpaid minimum required contribution by the 30th day after the due date.

No. Other. Provide explanation _____

PAUL QUINN

and



COMBINED FINANCIAL STATEMENTS

June 30, 2023 and 2022

With Independent Auditor's Report



BANKS, FINLEY,
WHITE & CO.
CERTIFIED PUBLIC ACCOUNTANTS

PAUL QUINN COLLEGE
Dallas, Texas

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of Paul Quinn College
Dallas, Texas

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying combined financial statements of Paul Quinn College (“the College”) (a non-profit organization) and affiliates, which comprise the combined statements of financial position as of June 30, 2023 and 2022, and the related combined statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of Paul Quinn College as of June 30, 2023 and 2022, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the combined 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 combined financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the combined financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the College’s ability to continue as a going concern within one year after the date the combined financial statements are available to be issued.

Auditor’s Responsibilities for the Audit of the Combined Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined 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 opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 combined financial statements.

In performing an audit in accordance with generally accepted auditing standards 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 combined 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 combined 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 combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the College's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

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



To the Board of Trustees of Paul Quinn College
Dallas, Texas
Page 3

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 26, 2024, on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

Birmingham, Alabama
January 26, 2024

Banks, Finley White & Co.

PAUL QUINN COLLEGE
COMBINED STATEMENTS OF FINANCIAL POSITION
June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,378,756	\$ 2,011,163
Student accounts receivable	797,116	1,142,836
Other receivables	4,428,867	2,781,022
Prepaid items	88,262	-
Investments, at market value	<u>4,507,005</u>	<u>4,180,517</u>
Total current assets	<u>11,200,006</u>	<u>10,115,538</u>
Noncurrent assets:		
Restricted cash and cash equivalents	119,050	316,775
Real estate held for investment	309,000	309,000
Beneficial interest in trust funds	3,447,467	3,182,837
Property and equipment, at cost, net of accumulated depreciation	34,365,066	34,660,330
Other assets	<u>363,064</u>	<u>160,855</u>
Total noncurrent assets	<u>38,603,647</u>	<u>38,629,797</u>
 Total assets	 <u>\$ 49,803,653</u>	 <u>\$ 48,745,335</u>
LIABILITIES		
Current liabilities:		
Accounts payable, deposits and accrued expenses	\$ 3,727,665	\$ 2,456,623
Current portion of notes payable	2,680,495	1,070,495
Deferred revenue	<u>-</u>	<u>30,000</u>
Total current liabilities	<u>6,408,160</u>	<u>3,557,118</u>
Noncurrent liabilities:		
Notes payable, long-term portion	<u>11,648,207</u>	<u>12,845,942</u>
Total noncurrent liabilities	<u>11,648,207</u>	<u>12,845,942</u>
 Total liabilities	 <u>18,056,367</u>	 <u>16,403,060</u>
NET ASSETS		
Without donor restrictions	24,205,608	24,679,020
With donor restrictions	<u>7,541,678</u>	<u>7,663,255</u>
Total net assets	<u>31,747,286</u>	<u>32,342,275</u>
 Total liabilities and net assets	 <u>\$ 49,803,653</u>	 <u>\$ 48,745,335</u>

PAUL QUINN COLLEGE
COMBINED STATEMENT OF ACTIVITIES
For the year ended June 30, 2023

	<u>Net Assets Without Donor Restrictions</u>	<u>Net Assets With Donor Restrictions</u>	<u>Total</u>
REVENUES, GAINS AND OTHER SUPPORT			
Student tuition and fees (net of scholarship allowance of \$3,415,443)	\$ 4,049,517	-	\$ 4,049,517
Government grants	5,770,222	-	5,770,222
Private gifts and grants	774,383	2,745,539	3,519,922
Sales and services of auxiliary enterprises	2,630,775	-	2,630,775
Other income	176,923	399,996	576,919
Interest and investment income	128,793	1,592	130,385
Realized and unrealized gains on investments	-	590,701	590,701
	<u>13,530,613</u>	<u>3,737,828</u>	<u>17,268,441</u>
Net assets released from restrictions:			
Satisfaction of purpose restriction	<u>3,336,240</u>	<u>(3,336,240)</u>	<u>-</u>
Total revenues, gains and other support	<u>16,866,853</u>	<u>401,588</u>	<u>17,268,441</u>
EXPENSES AND LOSSES			
Instruction	3,214,460	-	3,214,460
Academic support	3,537,165	-	3,537,165
Institutional support	4,328,778	523,165	4,851,943
Student services	2,465,023	-	2,465,023
Auxiliary enterprises	<u>3,794,839</u>	<u>-</u>	<u>3,794,839</u>
Total expenses and losses	<u>17,340,265</u>	<u>523,165</u>	<u>17,863,430</u>
Change in net assets	<u>(473,412)</u>	<u>(121,577)</u>	<u>(594,989)</u>
NET ASSETS			
Net assets at beginning of the year	<u>24,679,020</u>	<u>7,663,255</u>	<u>32,342,275</u>
Net assets at end of the year	<u>\$ 24,205,608</u>	<u>7,541,678</u>	<u>\$ 31,747,286</u>

PAUL QUINN COLLEGE
COMBINED STATEMENT OF ACTIVITIES
For the year ended June 30, 2022

	<u>Net Assets Without Donor Restrictions</u>	<u>Net Assets with Donor Restrictions</u>	<u>Total</u>
REVENUES, GAINS AND OTHER SUPPORT			
Student tuition and fees (net of scholarship allowance of \$2,298,165)	\$ 3,477,944	-	\$ 3,477,944
Government grants	10,440,952	-	10,440,952
Private gifts	799,349	2,819,603	3,618,952
Sales and services of auxiliary enterprises	2,764,617	-	2,764,617
Other income	125,026	399,996	525,022
Interest and investment income	(629,114)	-	(629,114)
Realized and unrealized gains on investments	-	(645,839)	(645,839)
	<u>16,978,774</u>	<u>2,573,760</u>	<u>19,552,534</u>
Net assets released from restrictions	<u>9,779,076</u>	<u>(9,779,076)</u>	<u>-</u>
Total revenues, gains and other support	<u>26,757,850</u>	<u>(7,205,316)</u>	<u>19,552,534</u>
EXPENSES AND LOSSES			
Instruction	2,084,004	-	2,084,004
Academic support	2,807,923	-	2,807,923
Institutional support	8,082,960	428,981	8,511,941
Student services	2,334,501	-	2,334,501
Auxiliary enterprises	<u>3,056,485</u>	<u>-</u>	<u>3,056,485</u>
Total expenses and losses	<u>18,365,873</u>	<u>428,981</u>	<u>18,794,854</u>
Change in net assets	<u>8,391,977</u>	<u>(7,634,297)</u>	<u>757,680</u>
NET ASSETS			
Net assets at beginning of the year	<u>16,287,043</u>	<u>15,297,552</u>	<u>31,584,595</u>
Net assets at end of the year	<u>\$ 24,679,020</u>	<u>7,663,255</u>	<u>\$ 32,342,275</u>

PAUL QUINN COLLEGE
COMBINED STATEMENTS OF CASH FLOWS
For the years ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (594,989)	\$ 757,680
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation expense	1,902,527	1,680,265
Bad debt expense	1,096	1,075
Net unrealized and realized (gains)/loss on investments	590,701	(645,839)
(Increase) in student accounts receivable	345,720	(313,744)
Decrease (increase) in other accounts receivable	(1,647,846)	236,665
Decrease (increase) in prepaid expenses	(88,262)	1,573,272
Increase in accounts payable, deposits and accrued expenses	1,271,043	1,888,616
Increase (decrease) in deferred revenue	<u>(30,000)</u>	<u>30,000</u>
Net cash provided by operating activities	<u>1,749,990</u>	<u>5,207,990</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(591,123)	(691,321)
Proceeds from sales of investments	(1,636,587)	2,228,711
Purchase of property and equipment	<u>(1,813,091)</u>	<u>(9,406,340)</u>
Net cash used by investing activities	<u>(4,040,801)</u>	<u>(7,868,950)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on note payable	<u>(412,265)</u>	<u>(500,000)</u>
Net cash used by financing activities	<u>(412,265)</u>	<u>(500,000)</u>
Net (decrease) in cash and cash equivalents	(2,703,076)	(3,160,960)
Cash and cash equivalents, beginning of the year	<u>2,327,938</u>	<u>5,488,898</u>
Cash and cash equivalents, end of the year	<u>\$ (375,138)</u>	<u>\$ 2,327,938</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash paid for interest costs	<u>\$ 410,422</u>	<u>\$ 704,168</u>
Reconciliation of cash and cash equivalents to the statements of financial position:		
Cash and cash equivalents	\$ 1,378,756	\$ 2,011,163
Restricted cash and cash equivalents	<u>119,050</u>	<u>316,775</u>
Total cash and cash equivalents	<u>\$ 1,497,806</u>	<u>\$ 2,327,938</u>

PAUL QUINN COLLEGE
NOTES TO THE COMBINED FINANCIAL STATEMENTS

NOTE 1 - DESCRIPTION OF THE ORGANIZATION

Paul Quinn College ("the College") is a private institution of higher education located in southeast Dallas, Texas that offers degree programs in the arts, sciences and professional studies at the undergraduate level. The College is primarily supported by contributions from the local community, tuition and fees from students and federal and state grants. The College is affiliated with the African Methodist Episcopal Church (the "AME Church").

On April 13, 2011, the Transnational Association of Christian Colleges and Schools (TRACS) granted the College accreditation status for a five year period through 2017 and reaffirmed the accreditation status through the year 2025. TRACS is recognized by both the United States Department of Education, and the Council for Higher Education Accreditation, as a national accrediting body for Christian institutions, colleges, universities, and seminaries. TRACS is also a member of the International Network for Quality Assurance Agencies in Higher Education. TRACS is a voluntary, non-profit, self-governing organization that provides accreditation to Christian postsecondary institutions offering associate, baccalaureate, and graduate degrees.

WE over Me, Co. ("the Company") an affiliate, was incorporated August 13, 2018, under the provisions of the Texas Business and Nonprofit Entity Act, as a nonprofit corporation and is exempted from income taxes under the provisions of the Internal Revenue Code Section 501(c)(3). The Company is classified as a Type III functionality integrated supporting organization under Internal Revenue Code 509(a)(3). The Company was created for the purpose of facilitating the construction of certain educational facilities at the College. The assets, liabilities, income and expenses of the Company have been combined in these financial statements, as required by generally accepted accounting principles.

The Company qualifies as a "Qualified Active Low-Income Community Business" (QALICB), pursuant to the terms of Code Section 45D and the Treasury Regulations, under the New Market Tax Credit Program (NMTC). The NMTC attracts private capital into low-income communities by permitting investors to receive a tax credit against their federal income tax in exchange for making equity investments in specialized financial intermediaries called Community Development Entities. The credits total 39 percent of the investment amount and is claimed over a period of seven years.

During fiscal year 2019, the College and the Company entered into various agreements under the NMTC to participate in the establishment, rehabilitation and development of the Trammell S. Crow Living and Learning Center, a mixed-use facility that will include student housing and commercial space situated on certain real property owned by the College on its main campus in Dallas, Texas.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Combination

The combined financial statements include the accounts of the College and the Company (an affiliate). All significant intercompany accounts and transactions have been eliminated.

Basis of Presentation

The significant accounting policies followed by the College are described below to enhance the usefulness of the financial statements to the reader. This summary of significant accounting policies of the College is presented to assist in understanding the financial statements. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of the financial statements.

PAUL QUINN COLLEGE
NOTES TO THE COMBINED FINANCIAL STATEMENTS

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Liquidity and Availability of Financial Assets

The College and Company financial assets available within one year of the statement of financial position date for general expenditure are as follows:

	2023		
	College	Company	Total
Cash and cash equivalents	\$ 1,378,756	\$ -	\$ 1,378,756
Student accounts receivable, net	797,116	-	797,116
Other receivables, net of restricted	4,517,131	-	4,517,131
Investments	<u>4,507,005</u>	<u>-</u>	<u>4,507,005</u>
Total	<u>\$ 11,200,008</u>	<u>\$ -</u>	<u>\$ 11,200,008</u>
	2022		
	College	Company	Total
Cash and cash equivalents	\$ 2,011,163	\$ -	\$ 2,011,163
Student accounts receivable, net	1,142,836	-	1,142,836
Other receivables, net of restricted	2,781,022	-	2,781,022
Investments	<u>4,180,517</u>	<u>-</u>	<u>4,180,517</u>
Total	<u>\$ 10,115,538</u>	<u>\$ -</u>	<u>\$ 10,115,538</u>

The contributions receivable are subject to implied time restrictions but are expected to be collected within one year. The College has a goal to maintain financial assets, which consist of cash and short-term investments, on hand to meet 60 days of normal operating expenses, which are, on average, approximately \$2,850,455. The College has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, as part of its liquidity management, cash in excess of daily requirements is invested in various short-term investments, including certificate of deposits and short-term treasury instruments.

Financial Statement Presentation

The College reports information regarding its financial position and results of operations according to two (2) classes of net assets: net assets without donor restrictions, and net assets with restrictions. A description of the two classes of net assets required by generally accepted accounting principles are as follows:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed restrictions. This class also includes restricted gifts received this year if their donor-imposed restrictions were met during the fiscal year.

Net assets with donor restrictions - Net assets subject to donor-imposed stipulations that may or will be met either by actions of the College and/or the passage of time and net assets subject to donor-imposed stipulations that should be maintained in perpetuity by the College. Generally, the donor of these assets permits the College to use all or part of the income earned on related investments for general or specific purposes.

PAUL QUINN COLLEGE
NOTES TO THE COMBINED FINANCIAL STATEMENTS

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Cash and Cash Equivalents

For purposes of the statements of cash flows, the College considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. Cash and cash equivalents include cash on hand, cash in banks and demand deposits.

Student Revenue and Accounts Receivable

The College recognizes revenue from student tuition and fees and room and board charges within the fiscal year in which the educational and other services are provided. The academic programs are delivered in the Fall (mid-August to mid-December) and Spring (mid-January to mid-May) terms.

Student accounts receivable are collectible from students of the College for tuition, fees, room and board and are recorded at their estimated net realizable value. The College establishes reserves for balances determined to be impaired or otherwise uncollectible. Receivables are reported at their gross value when earned and are reduced by the estimated portion that is expected to be uncollectible.

Student accounts receivable are reported net of allowances for doubtful accounts. The determination of such allowance for doubtful accounts is based upon an analysis of the receivables and reflects amounts which in management's judgment, are adequate to provide for potential uncollectible accounts or losses after giving consideration to the growth and composition of the receivable balances, current economic conditions, and past collection and loss experience.

Other Accounts Receivables

Other accounts receivable include grants receivable for amounts due to the College for expenditures relating to grant awards, principally from the U.S. government and unconditional promises to give. The amounts recorded represent the estimated net realizable value.

Investments and Beneficial Interest in Perpetual Trust

The College reports investments in equity securities with readily determinable market values and all investments in debt securities at fair value in the combined statement of financial position. Realized and unrealized gains and losses in investments are reported in the combined statement of activities. Investments received by gift or bequest, which are not reported at fair value, are carried at market value at the date of acquisition. If market value is not determinable at the date of acquisition, the asset received by gift or bequest is recorded at a nominal value. Purchased investments, which are not reported at fair value, are carried at cost unless there has been an impairment of value considered to be other than temporary.

The College is one of seven beneficiaries of a perpetual trust held and administered by others. The present value of the estimated future cash receipts from the trust (as measured by the fair value of the underlying investments) was recognized as an asset and recorded as unrestricted income, and the carrying value of the asset is adjusted for changes in the estimates of future receipts.

Property, Plant and Equipment

Property, plant, equipment, software, and library holdings, are recorded in the statement of financial position at historical cost or at fair value at date of donation, less accumulated depreciation. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the assets' useful lives are not capitalized.

PAUL QUINN COLLEGE
NOTES TO THE COMBINED FINANCIAL STATEMENTS

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

A capitalization threshold of \$500 is used for expenditures for property and equipment. Depreciation on property, plant and equipment is calculated on the straight-line method over the estimated useful lives of the assets, which range from 3 to 40 years as follows:

Building	10-40 years
Infrastructure improvements	5-30 years
Machinery and equipment	3-15 years
Furniture and fixtures	3-15 years

The College reports gifts of property and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those assets must be maintained, the College reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Interest Capitalization

Interest cost related to construction financing is capitalized from the time of borrowing until construction is substantially complete and the asset is placed in service. Interest earned on tax-exempt financing of construction cost, is offset against interest cost in establishing the capitalization rate.

Deferred Revenue

Deferred revenue consists mainly of funds received related to State grants that have not been matched to allowable expenditures as of June 30, 2023 and 2022 State funds are recognized as revenues, as allowable expenditures are incurred. Deferred tuition and fees, which are included in the deferred revenue balance, are those amounts received before services or products are provided to the payer, and are recognized as revenue at the beginning of each applicable semester.

Compensated Absences

College personnel accrue and are credited one (1) Paid Time Off (PTO) day per month within a fiscal year. Employees may take accrued PTO after completing 60 working days of employment. Employees who have completed one through three fiscal years of continuous employment accrue PTO at the rate of one day (8 hours) per month - up to 12 days per fiscal year. Employees who have completed four fiscal years and over of employment, accrue at the rate of the 1.25 days (10 hours) per month - up to 15 days per fiscal year.

Employees must take their PTO in the fiscal year it is earned. Annual PTO time not used may be forfeited.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Consequently, actual results could differ from those estimates. The significant estimates used by the College are disclosed in these footnotes to the accompanying financial statements.

PAUL QUINN COLLEGE
NOTES TO THE COMBINED FINANCIAL STATEMENTS

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Income Taxes

The College and affiliates are exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code ("the Code") whereby only unrelated business income, as defined by Section 512(a) (1) of the Code, is subject to federal income tax.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the College and Subsidiaries and recognize a tax liability (or asset) if it has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service.

Management has analyzed the tax positions taken by the College and affiliates, and has concluded that as of June 30, 2023, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the combined financial statements. The College and WE over Me, Co. is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

Fair Values of Financial Instruments

In valuing its investments in financial instruments, the College and affiliates follows the requirements of FASB Accounting Standards Codification (ASC 820) Fair Value Measurements and Disclosures (formerly FASB No. 157) which establishes a framework of measuring fair value instruments. ASC 820 establishes a fair value hierarchy which gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1), the significant other observable input (Level 2) and the lowest priority is given to significant unobservable input (Level 3).

The College and affiliate's investments and trust accounts are Level 1 valuations, and the real estate are Level 3.

Reclassifications

Certain reclassifications have been made to the 2022 financial statements herein to conform to the 2023 presentation. These reclassifications had no effect on the total net assets or the total change in net assets for 2022.

NOTE 3 - CONCENTRATION OF CREDIT AND MARKET RISK

The College and affiliates maintains cash accounts with several large financial institutions. All accounts at each financial institution are guaranteed by the FDIC up to \$250,000 per bank. The College and affiliates also places its cash equivalents and short-term investments in investment grade, short-term debt instruments and limits the amount of credit exposure to any one commercial issuer. The College and affiliates believes that although, at times, cash deposits may exceed federally insured limits, no significant concentration of credit risk exists with respect to these cash investments.

Financial instruments that potentially subject the College and affiliates to credit risk consist principally of student accounts receivable and student loans. Concentration of credit risk, however, is limited due to the large number of students comprising the College's enrollment base.

PAUL QUINN COLLEGE
NOTES TO THE COMBINED FINANCIAL STATEMENTS

NOTE 3 - CONCENTRATION OF CREDIT AND MARKET RISK (CONT'D)

A substantial portion of the College's revenues is derived from federal grants and contracts and Student Financial Assistance Programs, which to a significant extent, provide resources for payment of student accounts receivable.

The maximum loss the College would incur is the net realizable value of student accounts, grants, and contributions receivable, which at June 30, 2023 totaled \$5,225,985.

NOTE 4 - FAIR VALUE MEASUREMENTS

Fair Values Measured on Recurring Basis

Fair values of assets measured on a recurring basis at June 30, 2023 and 2022, the College and affiliates investments were as follows:

<u>Description</u>	<u>2023</u>	<u>Fair Value at Reporting Date Using</u>		
		<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>
U.S. governmental obligations	\$ 1,476,229	\$ 1,476,229	\$ -	\$ -
Other	4,937	4,937	-	-
Corporate equities	2,836,383	2,836,383	-	-
Money markets	189,456	189,456	-	-
Beneficial interest in perpetual trust	3,447,467	-	-	3,447,467
Real estate investment trust	<u>309,000</u>	<u>-</u>	<u>-</u>	<u>309,000</u>
Total investments	<u>\$ 8,263,472</u>	<u>\$ 4,507,005</u>	<u>\$ -</u>	<u>\$ 3,756,467</u>

<u>Description</u>	<u>2022</u>	<u>Fair Value at Reporting Date Using</u>		
		<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>
U.S. governmental obligations	\$ 1,485,768	\$ 1,485,768	\$ -	\$ -
Other	560	560	-	-
Corporate equities	2,503,799	2,503,799	-	-
Money markets	190,390	190,390	-	-
Beneficial interest in perpetual trust	3,182,837	-	-	3,182,837
Real estate investment trust	<u>309,000</u>	<u>-</u>	<u>-</u>	<u>309,000</u>
Total investments	<u>\$ 7,672,354</u>	<u>\$ 4,180,517</u>	<u>\$ -</u>	<u>\$ 3,491,837</u>

Fair values for investments are determined by reference to quoted market prices and other relevant information generated by market transactions. There were no transfers between levels in the year ended June 30, 2023.

NOTE 5 - CHANGE IN PROPERTY, PLANT AND EQUIPMENT

Physical plant and equipment are stated at cost at date of acquisition or fair market value at date of donation, in the case of gifts. A summary of the changes in physical plant for the years ended June 30, 2022 and 2021, are as follows:

PAUL QUINN COLLEGE
NOTES TO THE COMBINED FINANCIAL STATEMENTS

NOTE 5 - CHANGE IN PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	<u>Balance</u> <u>7/1/2022</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>6/30/2023</u>
Land	\$ 1,012,213	-	-	\$ 1,012,213
Buildings	3,513,165	-	-	3,513,165
Building improvements	18,077,469	569,589	-	18,647,058
Furniture, fixtures and equipment	9,942,405	414,651	-	10,357,056
Computer software	1,409,055	106,022	-	1,515,077
Construction in progress	<u>24,938,131</u>	<u>-</u>	<u>-</u>	<u>24,938,131</u>
Total	58,892,438	1,090,262	-	59,982,700
Accumulated depreciation	<u>(24,232,108)</u>	<u>(1,385,526)</u>	<u>-</u>	<u>(25,617,634)</u>
Property, plant, and equipment (net)	<u>\$ 34,660,330</u>	<u>(295,264)</u>	<u>-</u>	<u>\$ 34,365,066</u>

	<u>Balance</u> <u>7/1/2021</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>6/30/2022</u>
Land	\$ 980,713	31,500	-	\$ 1,012,213
Buildings	3,513,165	-	-	3,513,165
Building improvements	18,077,469	-	-	18,077,469
Furniture, fixtures and equipment	9,942,405	-	-	9,942,405
Computer software	1,409,055	-	-	1,409,055
Construction in progress	<u>15,181,917</u>	<u>9,756,214</u>	<u>-</u>	<u>24,938,131</u>
Total	49,104,724	9,787,714	-	58,892,438
Accumulated depreciation	<u>(22,551,845)</u>	<u>(1,680,263)</u>	<u>-</u>	<u>(24,232,108)</u>
Property, plant, and equipment (net)	<u>\$ 26,552,879</u>	<u>8,107,451</u>	<u>-</u>	<u>\$ 34,660,330</u>

Depreciation expense totaled \$1,902,527 and \$1,680,263 for the years ended June 30, 2023 and 2022, respectively.

NOTE 6 - RECEIVABLES

Accounts receivable include certain federal grants and contracts, local grants and contracts, uncollected student tuition, fees, room and board charges and unconditional promises to give.

Student accounts receivable are reported net of allowance for doubtful accounts of \$ and \$, as of June 30, 2023 and 2022, respectively.

The following is a schedule of total accounts receivable as of June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Student accounts receivable	\$ <u>797,116</u>	\$ <u>1,142,836</u>
Net student accounts receivable	\$ <u>797,116</u>	\$ <u>1,142,836</u>
Other receivables:		
Grants and other receivable	\$ <u>4,428,867</u>	\$ <u>2,781,023</u>
Total other receivables	\$ <u>4,428,867</u>	\$ <u>2,781,023</u>

PAUL QUINN COLLEGE
NOTES TO THE COMBINED FINANCIAL STATEMENTS

NOTE 7 - PROMISE TO GIVE

Ground Lease

In April of 2019, the College' Board of Trustees approved the College's participation in the establishment, rehabilitation and development of the Trammell S. Crow Living and Learning Center, a mixed-use facility that will include student housing and commercial space (the Facilities). As a part of securing the funding for the Facilities, the College entered into a ground lease agreement with the Company dated April 23, 2019 which provides the site for the constructed Facilities. The lease term is 99 years and requires annual rent payment of \$1,000.

NOTE 8 - LONG-TERM DEBT

Lines of Credit (LOC)

The College extended its current line of credit agreement with Merrill Lynch Bank. Under the terms of the agreement the College can borrow from Merrill Lynch Bank amounts up to the maximum available credit line, which is equal to 85% of the value of the securities pledged as collateral for repayment of the loan. As of June 30, 2023, the balance of the line of credit was \$2,645,495. The loan agreement has no stated maturity date and interest is payable at a rate equal to the LIBOR plus 1%. The agreement stays in effect as long as the investment securities pledged remain as security. As of June 30, 2023, the interest rate was 1.180%.

Other Long-Term Liability

On July 1, 2017 the College signed an agreement with a food service provider to operate the Food Service facility. The agreement will remain in effect through June 30, 2027. The College received an advance from the food service provider of \$175,000 to renovate campus apartments. The College received a \$275,000 overall investment with the remaining \$100,000 for future cafe renovation. The agreement on the \$175,000 advance is amortized over a 10 year period.

NMTC Loans

In April of 2019, the College' Board of Trustees approved the College's participation in the establishment, rehabilitation and development of the Trammell S. Crow Living and Learning Center, a mixed-use facility that will include student housing and commercial space (the Facilities). To finance the cost of construction the College participates in the NMTC program (see Note 1), which required a loan from Clearinghouse Community Development Financial Institution (CCDFI) in the amount of \$5,840,000 (CCDFI Source Loan) and Texas Mezzanine Fund (TMF Bridge Loan) in the amount of up to \$1,200,000. The proceeds from the loan were then lent to the Company for construction of the Facilities. The basic terms of the loans are as follows:

<u>Lender</u>	<u>Loan</u>	<u>Maturity Date</u>	<u>Payment Terms</u>	<u>Interest Rate</u>	<u>Amount</u>
CCDFI	CCDFI Source Loan	6/30/2024	Quarterly	1.00 %	\$ 5,840,000
Texas Mezzanine Fund	TMF Source Loan	6/30/2025	Quarterly	1.00 %	<u>1,200,000</u>
Total					<u>\$ 7,040,000</u>

PAUL QUINN COLLEGE
NOTES TO THE COMBINED FINANCIAL STATEMENTS

NOTE 8 - LONG-TERM DEBT (CONT'D)

Economic Injury Disaster Recovery Loan

The College applied for and received a Economic Injury Disaster Loan (EIDL) from the U.S. Small Business Administration (SBA) in the amount of \$150,000. The proceeds of the loan was used to pay certain obligations and operating expenses of the College as a result of losses from the Coronavirus pandemic. Under the terms of the loan, repayment is made monthly at \$641 per month, over a period of 30 years with interest at a rate of 2.75%. As a part of the SBA program, the College also received an additional EIDL advance of \$10,000, which is reported in government grants in the combined statement of activities.

Changes in Outstanding Debt

The College's changes in outstanding long-term debt at June 30, 2023 and 2022, is as follows:

	Balance 7/1/2022	Additions	Deductions	Balance 6/30/2023	Current Portion
Merrill Lynch Bank (LOC)	\$ 1,035,495	1,610,000	-	\$ 2,645,495	\$ 2,645,495
CCDFI Loan	5,645,086	-	(201,295)	5,443,791	-
TMF Loan	950,000	-	(32,083)	917,917	-
ABL Food Service	232,956	-	-	232,956	35,000
PQC Federal Relief	957,900	-	(957,900)	-	-
SBA EID Loan	150,000	-	(6,457)	143,543	-
NCIF Sub-CDE, LLC	3,576,500	-	-	3,576,500	-
NCIF Sub-CDE, LLC	<u>1,368,500</u>	<u>-</u>	<u>-</u>	<u>1,368,500</u>	<u>-</u>
Total long-term debt	<u>\$13,916,437</u>	<u>1,610,000</u>	<u>(1,197,735)</u>	<u>\$14,328,702</u>	<u>\$ 2,680,495</u>

	Balance 7/1/2021	Additions	Deductions	Balance 6/30/2022	Current Portion
Merrill Lynch Bank (LOC)	\$ 1,535,495	-	(500,000)	\$ 1,035,495	\$ 1,035,495
CCDFI Loan	5,840,000	-	(194,914)	5,645,086	-
TMF Loan	950,000	-	-	950,000	-
ABL Food Service	232,956	-	-	232,956	35,000
PQC Federal Relief	957,900	-	-	957,900	-
SBA EID Loan	150,000	-	-	150,000	-
NCIF Sub-CDE, LLC	3,576,500	-	-	3,576,500	-
NCIF Sub-CDE, LLC	<u>1,368,500</u>	<u>-</u>	<u>-</u>	<u>1,368,500</u>	<u>-</u>
Total long-term debt	<u>\$14,611,351</u>	<u>-</u>	<u>(694,914)</u>	<u>\$13,916,437</u>	<u>\$ 1,070,495</u>

NOTE 9 - NOTES PAYABLE - TERM LOANS

In April of 2019, the College' Board of Trustees approved the College's participation in the establishment, rehabilitation and development of the Trammell S. Crow Living and Learning Center, a mixed-use facility that will include student housing and commercial space (the Facilities). The Board approved permanent financing of up to \$16,235,000. The project budget for the Facilities is projected to be \$16,733,935. As a condition for permanent financing, the College was required to obtain temporary financing to fund the construction and equipping of the Facilities.

PAUL QUINN COLLEGE
NOTES TO THE COMBINED FINANCIAL STATEMENTS

NOTE 9 - NOTES PAYABLE - TERM LOANS (CONT'D)

In April of 2019, the Company entered into loan agreements with two (2) limited liability companies, pursuant to the provisions of the NMTC Program, for financing of the construction cost, with each of the two (2) companies executing loans in the following amounts:

Limited Liability Company	Loan	Maturity Date	Payment Terms	Interest Rate	Amount
TMF Sub-CDE 32, LLC	Loan A	3/31/2049	Quarterly	1.40 %	\$ 7,808,500
TMF Sub-CDE 32, LLC	Loan B	3/31/2049	Quarterly	1.00 %	3,576,500
NCIF Sub-CDE, LLC	Note A	4/30/2049	Quarterly	1.00 %	3,481,500
NCIF Sub-CDE, LLC	Note B	4/30/2049	Quarterly	1.00 %	<u>1,368,500</u>
Total					<u>\$ 16,235,000</u>

Funding for the loans to the limited liability companies was provided primarily under the NMTC Program by PNC New Markets Investment Partners, LLC (\$11,385,000) and Wells Fargo Community Investment Holdings, LLC (\$5,000,000).

The annual debt service requirements to retire the loans over the next five (5) years and to maturity is as follows:

TMF Sub-CDE 32, LLC

	Note A		Note B		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ -	\$ 109,521	\$ -	\$ 50,164	\$ -	\$ 159,685
2024	-	109,521	-	50,164	-	159,685
2025	-	109,521	-	50,164	-	159,685
2026	-	109,521	-	50,164	-	159,685
2027-2048	<u>7,808,500</u>	<u>1,309,231</u>	<u>3,576,500</u>	<u>599,652</u>	<u>1,385,000</u>	<u>1,908,883</u>
Total	<u>\$ 7,808,500</u>	<u>\$ 1,747,315</u>	<u>\$ 3,576,500</u>	<u>\$ 800,308</u>	<u>\$ 1,385,000</u>	<u>\$ 2,547,623</u>

NCIF Sub-CDE, LLC

	Note A		Note B		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ -	\$ 34,815	\$ -	\$ 13,685	\$ -	\$ 48,500
2024	-	34,815	-	13,685	-	48,500
2025	-	34,815	-	13,685	-	48,500
2026	-	34,815	-	13,685	-	48,500
2027-2048	<u>3,481,500</u>	<u>422,614</u>	<u>1,368,500</u>	<u>166,117</u>	<u>4,850,000</u>	<u>588,731</u>
Total	<u>\$ 3,481,500</u>	<u>\$ 561,874</u>	<u>\$ 1,368,500</u>	<u>\$ 220,857</u>	<u>\$ 4,850,000</u>	<u>\$ 782,731</u>

NOTE 10 - RELATED PARTIES

Several board members are affiliated with the African Methodist Episcopal Church (the "Church") including the board chairman. During 2023, the Church contributed approximately \$306,864 in support of the College.

PAUL QUINN COLLEGE
NOTES TO THE COMBINED FINANCIAL STATEMENTS

NOTE 11 - COMMITMENTS AND CONTINGENCIES

The federal government awards the College various monies restricted for student financial aid. The monies are awarded through four federal programs: Federal Family Education Loan Program (FFELP), Federal Pell Grant (PELL), Federal Supplemental Education Opportunity Grant (FSEOG), and Federal Work Study (FWS). These programs provide eligible students a foundation of financial aid to assist with defraying the costs of post-secondary education. The College performs certain administrative functions that are required by federal regulations for participation in FFELP. If the College fails to perform these functions, it may be liable to repay the federal government any ineligible amounts.

The College participates in various other federal and state financial aid programs and must fulfill certain requirements to qualify for these programs. All federal and state programs are subject to review and audit by grantor agencies. Costs questioned as a result of audits may result in refunds to these governmental agencies.

NOTE 12 - NET ASSETS

Donor restricted net assets consist of funds held for sponsored programs for scholarships, educational support, accumulation of endowment gifts to be maintained in the perpetuity for support of scholarships and general education programs of \$7,541,678 and \$7,663,255, as of June 30, 2023 and 2022, respectively.

NOTE 13 - RETIREMENT PLAN

The College participates in the Teachers' Insurance Annuity Association ("TIAA") Retirement Plan as well as the Met Life Retirement Plan. Membership is available to faculty and administrative staff after one year of service. The President and upper level management are members of the TIAA plan, whereas the other eligible employees are members of the Met Life Plan. Contributions by plan participants are based on selective percentages and yearly compensation.

The College's contribution for the TIAA plan is up to 13% for those plan participants. The College's contributions for the years 2023 and 2022 were \$43,333 and \$304,232, respectively.

NOTE 14 - FEDERAL STUDENT FINANCIAL AID PROGRAM

Activity of the Federal Pell Grant program is not reflected in the Statement of Activities, as the transactions are considered to be agency transactions as defined by generally accepted accounting principles for colleges.

NOTE 15 - EXPENSES

Expenses are allocated functionally on a direct basis and reported in the statement of activities. Expenses by natural classification for the years ended June 30, 2023 and 2022, were as follows:

	<u>2023</u>	<u>2022</u>
EXPENSES AND LOSSES		
Salaries and wages	\$ 6,724,507	\$ 5,519,021
Operations and maintenance of facilities	2,355,772	2,752,320
Cost of auxiliary enterprises	2,728,829	2,554,044
Consulting and professional fees	683,342	975,360
Other operating	3,468,453	5,313,846
Depreciation and amortization	<u>1,902,527</u>	<u>1,680,263</u>
Total expenses and losses	<u>\$ 17,863,430</u>	<u>\$ 18,794,854</u>

PAUL QUINN COLLEGE
NOTES TO THE COMBINED FINANCIAL STATEMENTS

NOTE 16 - CONTINGENCY RESERVE

As a part of the Transnational Association of Christian Colleges accreditation requirement standards, the College is required to demonstrate that it has either a line of credit with a financial institution or a segregated contingency reserve in place that adequate to ensure operations at all times.

NOTE 17 - SUBSEQUENT EVENTS

Management of the College has evaluated subsequent events occurring after the combined financial statement of financial position through the date of January 26, 2024, the date the combined financial statements were available to be released. Based upon this evaluation the College has determined that no other material subsequent events have occurred which require adjustment to or disclosure in combined financial statements.

SUPPLEMENTAL SCHEDULES

**INDEPENDENT AUDITOR'S REPORT ON
SUPPLEMENTAL INFORMATION**

To the Board of Trustees of
Paul Quinn College
Dallas, Texas

We have audited the combined financial statements of the Paul Quinn College ("the College") and affiliates as of June 30, 2023 and for the year then ended and our report thereon appears on page 1 of this document. That audit was conducted for the purpose of forming an opinion on the combined financial statements taken as a whole. The combining information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements. The combining information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves and other additional procedures, in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining information is fairly stated, in all material respects, in relation to the combined financial statements taken as a whole. The combining information is presented for purposes of additional analysis of the combined financial statements rather than to present the financial position, results of operations and cash flows of the individual entities and is not a required part of the combined financial statements. Accordingly, we do not express an opinion on the financial position, results of operations and cash flows of the individual entities.

Our audit was conducted for the purpose of forming on the financial statement on the financial statement as a whole. The Financial Responsibility Supplemental Schedule, as required by *Title 34 U.S. Department of Education Part 668 - Student Assistance General Provisions Subpart L -Financial Responsibility, and National Association of Colleges and University Business Officers (NACUBO) Advisory Guidance 19.04 Financial Responsibility Standards*, on pages 29 through 33 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Birmingham, Alabama
January 26, 2024
Financial Responsibility Supplemental Schedule dated March 31, 2024

Banks, Finley White & Co.

PAUL QUINN COLLEGE
COMBINING STATEMENT OF FINANCIAL POSITION
June 30, 2023

	<u>Paul Quinn College</u>	<u>WE over Me, Co.</u>	<u>Elimination Entries</u>	<u>Combined Total</u>
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 1,378,756	\$ -	\$ -	\$ 1,378,756
Student accounts receivable, less allowance	797,116	-	-	797,116
Other receivables	3,981,269	447,598	-	4,428,867
Prepaid items	88,262	-	-	88,262
Investments, at market value	<u>4,507,005</u>	<u>-</u>	<u>-</u>	<u>4,507,005</u>
Total current assets	<u>10,752,408</u>	<u>447,598</u>	<u>-</u>	<u>11,200,006</u>
Noncurrent assets:				
Restricted cash and cash equivalents	-	119,050	-	119,050
Restricted investments	3,585,190	-	(3,585,190)	-
Real estate held for investment	309,000	-	-	309,000
Beneficial interest in trust funds	3,447,467	-	-	3,447,467
Property and equipment, net of accumulated depreciation	14,997,888	19,367,178	-	34,365,066
Other assets	<u>11,444,879</u>	<u>208,185</u>	<u>(11,290,000)</u>	<u>363,064</u>
Total assets	<u>\$ 44,536,832</u>	<u>\$ 20,142,011</u>	<u>\$(14,875,190)</u>	<u>\$ 49,803,653</u>
LIABILITIES AND NET ASSETS				
Current liabilities:				
Accounts payables and accrued expenses	\$ 3,727,665	\$ -	\$ -	\$ 3,727,665
Current portion of notes payable	<u>2,680,495</u>	<u>-</u>	<u>-</u>	<u>2,680,495</u>
Total current liabilities	<u>6,408,160</u>	<u>-</u>	<u>-</u>	<u>6,408,160</u>
Noncurrent liabilities:				
Notes payable, long-term portion	<u>6,703,207</u>	<u>16,235,000</u>	<u>(11,290,000)</u>	<u>11,648,207</u>
Total noncurrent liabilities	<u>6,703,207</u>	<u>16,235,000</u>	<u>(11,290,000)</u>	<u>11,648,207</u>
Total liabilities	<u>13,111,367</u>	<u>16,235,000</u>	<u>(11,290,000)</u>	<u>18,056,367</u>
Net Assets:				
Without donor restrictions	24,133,221	3,657,577	(3,585,190)	24,205,608
With donor restrictions	<u>7,292,244</u>	<u>249,434</u>	<u>-</u>	<u>7,541,678</u>
Total net assets	<u>31,425,465</u>	<u>3,907,011</u>	<u>(3,585,190)</u>	<u>31,747,286</u>
Total liabilities and net assets	<u>\$ 44,536,832</u>	<u>\$ 20,142,011</u>	<u>\$(14,875,190)</u>	<u>\$ 49,803,653</u>

PAUL QUINN COLLEGE
COMBINING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
For the year ended June 30, 2023

	<u>Paul Quinn College</u>			<u>WE over Me, Co.</u>			<u>Elimination Entries</u>	<u>Combined Total</u>
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>		
Revenues, Gains and Other Support								
Student tuition and fees (net of scholarship allowance of \$3,415,443)	\$ 4,049,517	\$ -	\$ 4,049,517	\$ -	\$ -	\$ -	\$ -	\$ 4,049,517
Government grants	5,770,222	-	5,770,222	-	-	-	-	5,770,222
Private gifts and grants	774,383	2,745,539	3,519,922	-	-	-	-	3,519,922
Sales and services of auxiliary enterprises	2,630,775	-	2,630,775	-	-	-	-	2,630,775
Other income	176,923	-	176,923	-	399,996	399,996	-	576,919
Interest and investment income	128,793	-	128,793	1,592	-	1,592	-	130,385
Realized and unrealized gains on investments	-	590,701	590,701	-	-	-	-	590,701
Net assets released from restrictions	3,336,240	(3,336,240)	-	-	-	-	-	-
Total operating revenues	<u>16,866,853</u>	<u>-</u>	<u>16,866,853</u>	<u>1,592</u>	<u>399,996</u>	<u>401,588</u>	<u>-</u>	<u>17,268,441</u>
Expenses and Losses								
Instruction	3,214,460	-	3,214,460	-	-	-	-	3,214,460
Academic support	3,537,165	-	3,537,165	-	-	-	-	3,537,165
Institutional support	4,328,778	-	4,328,778	523,165	-	523,165	-	4,851,943
Student services	2,465,023	-	2,465,023	-	-	-	-	2,465,023
Auxiliary enterprises	3,794,839	-	3,794,839	-	-	-	-	3,794,839
Total expenses and losses	<u>17,340,265</u>	<u>-</u>	<u>17,340,265</u>	<u>523,165</u>	<u>-</u>	<u>523,165</u>	<u>-</u>	<u>17,863,430</u>
Change in net assets	<u>(473,412)</u>	<u>-</u>	<u>(473,412)</u>	<u>(521,573)</u>	<u>399,996</u>	<u>(121,577)</u>	<u>-</u>	<u>(594,989)</u>
Net assets - beginning of the year	<u>24,606,633</u>	<u>7,292,244</u>	<u>31,898,877</u>	<u>844,238</u>	<u>799,992</u>	<u>1,644,232</u>	<u>(1,200,834)</u>	<u>32,342,275</u>
Net assets - end of the year	<u>\$ 24,133,221</u>	<u>\$ 7,292,244</u>	<u>\$ 31,425,465</u>	<u>\$ 322,665</u>	<u>\$ 1,199,988</u>	<u>\$1,522,655</u>	<u>\$ (1,200,834)</u>	<u>\$ 31,747,286</u>

PAUL QUINN COLLEGE
COMBINING STATEMENT OF CASH FLOWS
For the year ended June 30, 2023

	Paul Quinn College	WE over Me, Co.	Elimination Entries	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Change in net assets	\$ (473,412)	\$ (121,577)	\$ -	\$ (594,989)
Adjustments to reconcile change in net assets to net cash provided by operating activities:				
Depreciation	1,387,882	514,645	-	1,902,527
Bad debt expense	1,096	-	-	1,096
Net unrealized and realized gains on investments	590,701	-	-	590,701
Decrease in student accounts receivable	345,720	-	-	345,720
(Increase)/decrease in other accounts receivable	(1,390,250)	(257,596)	-	(1,647,846)
(Increase) in prepaid items, and other assets	(88,262)	-	-	(88,262)
Increase in accounts payable, and accrued expenses	1,271,043	-	-	1,271,043
Decrease in deferred revenue	(30,000)	-	-	(30,000)
Total adjustments	<u>2,087,930</u>	<u>257,049</u>	<u>-</u>	<u>2,344,979</u>
Net cash provided by operating activities	<u>1,614,518</u>	<u>135,472</u>	<u>-</u>	<u>1,749,990</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of investments	(591,118)	-	-	(591,118)
Proceeds from sales of investments	(1,636,587)	-	-	(1,636,587)
Purchase of property and equipment	<u>(1,479,895)</u>	<u>(333,196)</u>	<u>-</u>	<u>(1,813,091)</u>
Net cash used by investing activities	<u>(3,707,600)</u>	<u>(333,196)</u>	<u>-</u>	<u>(4,040,796)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Payments on notes payable	<u>(412,265)</u>	<u>-</u>	<u>-</u>	<u>(412,265)</u>
Net cash used by noncapital financing activities	(412,265)	-	-	(412,265)
Net increase (decrease) in cash	(2,505,347)	(197,724)	-	(2,703,071)
Cash and cash equivalents, beginning of the year	<u>2,011,162</u>	<u>316,774</u>	<u>-</u>	<u>2,327,936</u>
Cash and cash equivalents, end of the year	<u>\$ (494,185)</u>	<u>\$ 119,050</u>	<u>\$ -</u>	<u>\$ (375,135)</u>

PAUL QUINN COLLEGE
FINANCIAL RESPONSIBILITY SUPPLEMENTAL SCHEDULE
For the year ended June 30, 2023

PRIMARY RESERVE RATIO

<u>Lines</u>		<u>Adjusted Equity</u>		
29	Statement of Financial Position - Net Assets	Total net assets	\$ -	\$ 31,747,286
28	Statement of Financial Position - Net Assets with donor restrictions	Total assets	7,541,678	-
27	Statement of Financial Position - Net Assets without donor restrictions	Net assets with donor restrictions	-	24,205,608
8	-Statement of Financial Position Beneficial Interest in Perpetual Trust	Permanently restricted net assets	-	309,000
18	- Statement of Financial Position- Property, Plant and Equipment, net	Property, plant and equipment net including construction in progress	34,365,066	-
Property Note A	Notes of the Financial Statements - Statement of Financial Position- Property, Plant and Equipment, net pre-implementation	Property, plant and equipment pre-implementation	-	30,872,036
Property Note B	Notes of the Financial Statements - Statement of Financial Position- Property, Plant -post implementation with outstanding debt	Property, plant and equipment post implementation including construction in progress with outstanding debt	3,493,030	-
Debt Note A	Statement of Financial Position - Notes Payable and lines of credit for L-T purposes	Long-term debt - for long term purposes	14,328,702	-
Debt Note A	Balance Sheet - Notes payable and Lines of Credit (both current and long-term)	Long-term debt - for long term purposes pre-implementation	-	14,328,702
46	Statement of Activities -Total Expenses and Losses	<u>Total Expenses and Losses</u>	-	17,863,430

EQUITY RATIO

<u>Lines</u>		<u>Modified Equity</u>		
29	Statement of Financial Position - Net Assets	Total net assets	\$ -	\$ 31,747,286
28	Statement of Financial Position - Net Assets with donor restrictions	Total assets	7,541,678	-
27	Statement of Financial Position - Net Assets without donor restrictions	Net assets with donor restrictions	-	24,205,608
18	Statement of Financial Position-Total Assets	Total assets	-	49,803,653

NET INCOME RATIO

<u>Lines</u>				
48 column A	Statement of Activities -Net Income	Changes in net assets without donor restrictions	\$ -	\$ (594,989)
40	Statement of Activities -Revenues Gains and Other Support	Total revenues and gains	-	17,268,441

PAUL QUINN COLLEGE
FINANCIAL RESPONSIBILITY SUPPLEMENTAL SCHEDULE
For the year ended June 30, 2023

STATEMENT OF FINANCIAL POSITION

<u>Lines</u>	ASSET	
	Current Assets	
1	Cash and cash equivalents	\$ 1,378,756
2	Student accounts receivable- net	797,116
3	Other accounts receivable- net	4,428,867
4	Prepaid Items	88,262
5	Investments, at market value	<u>4,507,005</u>
6	Total current assets	<u>11,200,006</u>
	Noncurrent assets:	
7	Restricted cash and cash equivalents	119,050
8	Real estate held for investments	309,000
9	Beneficial interest in trust funds	3,447,467
10	Other assets	<u>363,064</u>
11	Total noncurrent assets	<u>4,238,581</u>
12	Building and improvements	22,160,223
13	Equipment and vehicles	10,357,056
14	Computer software	1,515,077
15	Land	1,012,213
16	Construction in Process	5,570,953
17	Accumulated depreciation	(25,617,634)
18	Total property plant and equipment	<u>34,365,066</u>
19	Total noncurrent assets	<u>38,603,647</u>
20	Total assets	<u>\$ 49,803,653</u>
	LIABILITIES	
	Current liabilities:	
21	Accounts payable and other payables	\$ 3,727,665
22	Notes payable -current portion	2,680,495
23	Capital lease obligations	-
24	Deferred revenue	-
25	Total current liabilities	<u>6,408,160</u>
	Noncurrent liabilities:	
24	Notes payable, noncurrent portion	<u>11,648,207</u>
25	Total noncurrent liabilities	<u>11,648,207</u>
26	Total liabilities	<u>18,056,367</u>
	NET ASSETS	
27	Without donor restrictions	24,205,608
28	With donor restrictions	<u>7,541,678</u>
29	Total net assets	<u>31,747,286</u>
30	Total liabilities and net assets	<u>\$ 49,803,653</u>

**PAUL QUINN COLLEGE
FINANCIAL RESPONSIBILITY SUPPLEMENTAL SCHEDULE
For the year ended June 30, 2023**

Notes on Statement of Financial Position

Note for Line 12,13,14,15,16,17 (Net property, plant and equipment)

A	Pre-Implementation Property, plant and equipment	\$	30,872,036
B	Post-Implementation Property, plant and equipment		3,493,030
	Furniture, fixtures and equipment deletions	\$	3,493,030 -
	Total		<u>\$ 34,365,066</u>

- A** - This is the ending balance on the last financial statement submission prior to the implementation of the regulation, less any depreciation or disposal.
- B** - This is the balance of assets purchased after the implementation of the regulation that was purchased by obtaining debt.
- C** - Asset value of the Construction in progress
-

Note for Lines 22 and 26 Long-term debt for long-term purposes)

A	Pre-Implementation Long-term debt	\$	14,328,702
	Total		<u>\$ 14,328,702</u>

- A** - This is the ending balance on the last financial statement submission prior to the implementation of the regulation --Less in payment
- B** - This is the balance of assets purchased after the implementation of the regulation that was purchased by obtaining debt.
- C** - Asset value of the Construction in progress

PAUL QUINN COLLEGE
FINANCIAL RESPONSIBILITY SUPPLEMENTAL SCHEDULE
For the year ended June 30, 2023

COMBINED STATEMENT OF ACTIVITIES

<u>Lines</u>	<u>(A)</u> Net Assets without Donor Restrictions	<u>(B)</u> Net Assets with Donor Restrictions	<u>(C)</u> Total
REVENUES AND GAINS			
31	\$ 4,049,517	\$ -	\$ 4,049,517
32	5,770,222	-	5,770,222
33	774,383	2,745,539	3,519,922
34	176,923	399,996	576,919
35	-	590,701	590,701
36	128,793	1,592	130,385
37	2,630,775	-	2,630,775
38	13,530,613	3,737,828	17,268,441
	Net assets released from restrictions:		
39	3,336,240	(3,336,240)	-
40	16,866,853	401,588	17,268,441
EXPENSES			
41	3,214,460	-	3,214,460
42	3,537,165	-	3,537,165
43	2,465,023	-	2,465,023
44	4,328,778	523,165	4,851,943
45	3,794,839	-	3,794,839
46	17,340,265	523,165	17,863,430
47	(473,412)	(121,577)	(594,989)
48	(473,412)	(121,577)	(594,989)
49	24,606,633	7,735,642	32,342,275
50	\$ 24,133,221	\$ 7,614,065	\$ 31,747,286

**PAUL QUINN COLLEGE
FINANCIAL RESPONSIBILITY SUPPLEMENTAL SCHEDULE
For the year ended June 30, 2023**

CALCULATING COMPOSITE SCORE

*Primary Reserve Ratio = Expendable Net Assets/ Total Expenses and Losses	29-8-16-24 46 column C	\$ 5,582,960 \$ 17,340,265	<u>0.3220</u>
*Equity Ratio = Modified Equity/Net Assets/ Modified Asset	29 18	\$ 31,747,286 \$ 49,803,653	<u>0.6374</u>
Change in Net Asses without Donor Restrictions/ Total revenues, gains and other support	47 Column A 38 Column A	\$ (473,412) \$ 16,866,853	<u>(0.0281)</u>

*All pre-implementation right-of-use assets and liabilities are removed from total assets and total liabilities

Step 1: Calculate the strength factor score for each ratio by using the following algorithms:

- Primary reserve strength factor = score 10 x the primary reserve ratio results
- Equity strength factor score = 6x the equity ratio result
- Net Income strength factor score = 1+(50 x net income ratio result)

If the strength factor score for any ratio is greater than or equal to 3 the strength factor for that ratio is 3

If the strength factor for any ratio is less than or equal to -1 the strength factor score for that ratio is -1

Step 2: Calculated the weighted score for each ratio and calculate the composite score by adding the three weighted scores:

- Primary Reserve strength factor score ~ 40% x the primary reserve strength factor score
- Equity strength factor score ~ 40% x the equity strength factor score
- Net Income weighted score ~ 20% x the net income factor score
- Round the composite score to one digit after decimal point to determine the final score

RATIO	<u>Ratio</u>	<u>Strength Factor</u>	<u>Weight</u>	<u>Composite Score</u>
Primary Reserve Ratio	<u>0.3220</u>	<u>3.0000</u>	<u>0.40 %</u>	<u>1.2000</u>
Equity Ratio	<u>0.6374</u>	<u>3.0000</u>	<u>0.40 %</u>	<u>1.2000</u>
Net Income Ratio	<u>(0.0281)</u>	<u>3.0000</u>	<u>0.20 %</u>	<u>0.6000</u>
				<u>3.0 %</u>

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

To the Board of Trustees of Paul Quinn College
Dallas, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Paul Quinn College ("the College") (a nonprofit organization), which comprise the combined statement of financial position as of June 30, 2023, and the related combined statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 26, 2024.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the College's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement 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.

Birmingham, Alabama

January 26, 2024

Banks, Finley White & Co.

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Trustees of Paul Quinn College
Dallas, Texas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Paul Quinn College's ("the College") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of College's major federal programs for the year ended June 30, 2023. The College's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Paul Quinn College complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the College's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists.



The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Colleges's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

Other Matters

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

Government Auditing Standards requires the auditor to perform limited procedures on the College's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. the College's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

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



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

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

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

Birmingham, Alabama
January 26, 2024

Banks, Finley White & Co.

PAUL QUINN COLLEGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended June 30, 2023

Federal Grantor/Pass-Through Grantor/Program Title	Assistance listing Number	Contract Number	Expenditures
U.S. Department of Education			
Student Financial Aid Cluster:			
Federal Supplemental Education Opportunity Grant	84.007	P007A184096	\$ 237,032
Federal Work-Study Program (FWS)	84.033	P033A184096	858,158
Federal PELL Grant Program	84.063	P063P1822999	2,723,621
Federal Family Education Loans Program	84.032	P268K192299	<u>1,948,007</u>
Total Student Financial Aid			<u>5,766,818</u>
TRIO Cluster:			
TRIO-Student Support Services	84.042	P042A151707	255,504
TRIO-Upward Bound	84.047	P047A171219	<u>331,821</u>
Total TRIO			<u>587,325</u>
Other Direct Programs:			
CARES - HEERF-1	84.425	P425E202296	885,468
Higher Education-Institutional Aid (Title III)	84.031	P031B170024	1,860,830
Title III SAFRA	84.031	P031B150006	<u>268,151</u>
Total Other Direct Programs			<u>3,014,449</u>
Total U.S. Department of Education			<u>9,368,592</u>
U.S. Department of Commerce			
Connecting Minority Community Pilot	11.028	48-09-C13049	<u>455,546</u>
Total Expenditures of Federal Awards			<u>9,824,138</u>

PAUL QUINN COLLEGE
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Paul Quinn College ("the College") and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniformed Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to the amounts as expenditures in prior years. The College has elected to use the 10-percent de minimis indirect cost rate allowed under the Uniformed Guidance.

**PAUL QUINN COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2023**

Section I--Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Significant deficiencies identified? Yes No
- Significant deficiencies identified that are not considered to be material weaknesses? Yes None reported

Noncompliance material to financial statements noted?

Yes No

Federal Awards

Internal control over major programs:

- Significant deficiencies identified? Yes No
- Significant deficiencies identified that are not considered to be material weaknesses? Yes None reported

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

Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 200.515 of the Uniform Guidance?

Yes No

Identification of major programs:

Federal Assistance Listing

Name of Federal Program or Cluster

84.007, 84.033, 84.063
84.032
84.425

Student Financial Assistance Cluster
Federal Family Education Loans
Education Stabilization Fund

Dollar threshold used to distinguish between Type A and type B programs:

\$750,000

Auditee qualified as low-risk auditee?

Yes No

Section II--Financial Statement Findings

No findings in current year

Section III--Federal Award Findings and Questioned Costs

No findings in current year

SCHEDULE OF ASSETS (HELD AT END OF YEAR)

GA

Paul Quinn College
01-JUL-22 to 30-JUN-23

11-JUL-23 19:07:15

INVESTMENT OPTION	MATURITY DATE	INTEREST RATE	COST OF ASSETS	CURRENT VALUE
1METGO			337.14	2,006.31
1METGS			112.38	355.45
1METTI			604.05	2,482.21
1FIDGRW			5,332.27	36,752.02
1METMX			255.72	1,156.69
1METLV			224.76	697.66
1METGRW			5,518.31	27,420.70
1METSM			5,348.36	16,780.18
1METTR			1,107.34	1,830.62
1METDVS			40,529.66	113,660.75
1METHV			61.18	214.54
1METESI			4,327.84	10,660.01
1METSC			5,815.50	40,004.38
1FIA		3.150	173,478.62	187,198.00
			243,053.13	441,219.52

Attachment to Form 5500, Schedule H, Part 4, Item I
EIN # 741238438

LEGEND

INVESTMENT OPTION:

1METGO	American Funds (R) Gro Fund 2	1METGS	American Funds (R) VIS Glob Sm Cap CL 2
1METTI	American Funds Growth-Income Fund 2	1FIDGRW	Fidelity (R) VIP Growth
1METMX	BHFT MetLife Mid Cap Stock Index Class A	1METLV	BHFT MFS Value Class A
1METGRW	BHFT BH/Wellington Large Cap Research A	1METSM	BHFTI Morgan Stanley Discovery Port A
1METTR	BHFT PIMCO Total Return Class A	1METDVS	BHFT Brighthouse/Wellington Balanced A
1METHV	BHFT Brighthouse/Artisan Mid Cap Value A	1METESI	BHFT MetLife Stock Index Class A
1METSC	BHFT T Rowe Price Small Cap Growth A	1FIA	Fixed Interest Account

COST OF ASSETS: The original cost of the assets in each investment option as of the last day of the plan year

CURRENT VALUE: The value of all assets in each investment option as of the last day of the plan year