THE COMMUNITY COLLEGE DISTRICT OF JEFFERSON COUNTY, MISSOURI

Independent Auditor's Reports, Audited Financial Statements and Supplementary Schedules as of and for the Year Ended June 30, 2016 (with summarized comparative financial information for June 30, 2015)

THE COMMUNITY COLLEGE DISTRICT OF JEFFERSON COUNTY, MISSOURI

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Daniel Jones
& Associates
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of
Community College District of
Jefferson County, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of the Community College District of Jefferson County, Missouri (the "College"), the blended component unit – Viking Woods, and the College's discretely presented component unit – Jefferson College Foundation, Inc. as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents. The prior year summarized comparative financial information has been derived from the College's 2015 financial statements and, in our report dated December 21, 2015, we expressed an unqualified opinion on those financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Community College District of Jefferson County, Missouri, the blended component unit, and the discretely presented component unit, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-16 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the College's basic financial statements. The schedule of expenditures of state awards and the schedule of expenditures of federal awards, as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule of Expenditures of Federal Awards and Schedule of Expenditures of State Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic 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 and Schedule of Expenditures of State Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2016, 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 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 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.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

December 20, 2016

THE COMMUNITY COLLEGE DISTRICT OF JEFFERSON COUNTY, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2016 (UNAUDITED)

Introduction

Management's discussion and analysis is an overview of the financial position and financial activities of The Community College of Jefferson County, Missouri (the "College"). The College's management prepared this discussion. It should be read in conjunction with the financial statements and notes that follow.

The College prepared the financial statements in accordance with Government Accounting Standards Board ("GASB") principles. The College has implemented GASB Statement No. 35, *Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities.* GASB Statement No. 35 establishes standards for external financial reporting for public colleges and universities and requires that financial statements be presented on a consolidated basis to focus on the College as a whole.

There are three financial statements presented: the statements of net position; the statements of revenues, expenses, and changes in net position; and the statements of cash flows.

Financial Highlights

The College's financial position at June 30, 2016 shows assets at $68.8 million, liabilities at $43.2 million, and net position at $25.6 million. Net position represents the balance in the College's assets after liabilities are deducted. Net Position decreased by $3 million during fiscal year 2016. The most significant changes in the net position during fiscal year 2016 occurred due to the Department of Education Title IV Audit Settlement $1.8 million and a $1.1 million adjustment for GASB 68 net Deferred Inflow / Outflow of Resources.

Statements of Net Position

The statements of net position present the assets, liabilities, and net position of the College at the end of the fiscal years June 30, 2016, 2015 and 2014. The purpose of the statements is to present a snapshot of the financial condition of the College. Total net position, which are the difference between total assets and total liabilities, is one of the indicators of the current financial condition of the College.

The assets and liabilities are categorized between Current, Non-current and Deferred Inflows / Outflows of Resources. The difference is that Current Assets and Liabilities mature or become payable within the normal 12 month accounting/operating cycle versus non-current which mature or become payable after 12 months. Deferred Inflows / Outflows are a result of the implementation of GASB 68.

For example, at June 30, 2016, the College's current assets consist primarily of cash, investments and receivables while non-current assets consist primarily of capital assets. Capital assets are the property, plant, and equipment owned by the College, net of any related accumulated depreciation.

Net Position is presented in four major categories. The first is invested in capital assets net of related debt, which represents the College's equity in its property, plant and equipment. The second category is Expendable, the third category is Nonexpendable while fourth is unrestricted.

Expendable assets are funds that are limited in terms of the purpose for which the funds can be spent. Nonexpendable assets are endowments for which only the earnings can be spent as specified by the endowment covenants.

Unrestricted net position are available to the College for any lawful purpose. The College's Net Position is as follows:

	2016	**2015**	**2014**
Current assets	$25,999,490	$27,782,311	$27,893,596
Non-current assets	37,676,846	37,460,425	38,855,857
Deferred Outflows of Resources	5,092,887	2,803,846	-
Total Assets	68,769,223	68,046,582	66,749,453
Current Liabilities	$ 5,552,375	$ 4,726,330	$ 4,621,789
Non-current liabilities	32,955,602	28,349,959	17,488,232
Non Deferred Inflows of Resources	4,664,797	6,148,223	-
Total Liabilities	43,172,774	39,224,512	22,110,021
Invested in capital assets - net of related debt	$25,439,949	$23,997,184	23,223,779
Restricted:			
Expendable	14,447,835	14,725,303	12,665,583
Nonexpendable	697,682	694,311	691,751
Unrestricted	(14,989,017)	(10,594,728)	8,058,319
Total Net Assets	$25,596,449	$28,822,070	$44,639,432

Statements of Revenues, Expenses, and Changes in Net Position

The statements of revenues, expenses, and changes in net position present the College's financial results for the fiscal year. The statements include the College's revenues and expenses, both operating and non-operating.

The change in Current and Non-current Liabilities is a restatement of Deferred Tuition from Current Liabilities to Non-current Liabilities.

Operating revenues and expenses are those for which the College directly exchanges goods and services. Non-operating revenues and expenses are those that exclude specific, direct exchanges of goods and services. Local property tax revenue and state aid are two examples of non-operating revenues where the local taxpayers and state legislature do not directly receive goods and services for the revenue. For the years ended June 30, 2016, 2015 and 2014, a summarized version of the College's revenues, expenses and changes in net position are as follows:

	2016	2015	2014
Operating revenue	$ 9,443,118	$10,885,942	$10,445,466
Operating expenses	(42,627,952)	39,904,713	41,470,803
Operating Loss	($33,184,834)	($29,018,771)	$31,025,337
Non-operating revenue, net	$29,959,213	$31,112,968	$31,097,968
Increase (decrease) in net assets	($3,225,621)	$2,094,197	$72,631
Net Position – Beginning of Year	$28,822,070	$26,727,873	$43,848,546
Prior Year Adjustment			(17,193,304)
Net Position – End of Year	$25,596,449	$28,822,070	$26,727,873

The College's fiscal year 2016, 2015, 2014 revenues, both operating and non-operating, are as follows:

Operating Revenues:	2016	2015	2014
Tuition & fees – net of scholarship allowances	$ 7,198,380	$ 8,416,530	$ 8,146,376
Student housing revenue	624,768	621,255	630,061
Other	1,619,970	1,848,157	1,669,029
Total	$ 9,443,118	$10,885,942	$10,445,466

Non-operating revenue (expenses)	2016	2015	2014
Local Taxes	$10,422,674	$10,238,677	$10,002,608
State Aid	8,019,580	7,557,688	7,048,247
Grants & contracts	10,775,422	11,371,161	12,401,903
Interest Income	256,858	128,229	140,754
Interest expense on capital asset related debt	(453,633)	(492,647)	(830,268)
Other	938,312	2,309,860	2,322,535
Total	$29,959,213	$31,112,968	$31,085,779

During fiscal year 2016 tuition and fees net of discounts changed due to a change in the methodology in the calculation of Tuition Discounts. Grants and Contracts revenue decreased due to a reduction in federal and state funding. Tax revenue increased due to a small increase in assessed valuation. State Aid increased due to slightly improving economic conditions in Missouri.

Also in fiscal years 2016, 2015 & 2014 Grants & Contracts revenue was restated from operating to non-operating revenue.

During fiscal years 2016, 2015 and 2014, the operating expenses for the College are as follows:

Operating expenses:	**2016**	**2015**	**2014**
Salaries & Benefits	$28,978,614	$25,353,318	$26,687,310
Supplies, utilities and other services	1,959,313	6,722,912	6,933,016
Depreciation	4,296,268	1,916,790	1,899,850
Financial aid and scholarships	7,393,757	5,911,693	5,950,627
Total	$42,627,952	$39,904,713	$41,470,803

During fiscal year 2016 salaries and benefits increased due to a small increase in faculty & staff salaries and the filling of some vital vacancies in fiscal year 2016.

Statements of Cash Flows

The statements of cash flows present information about the cash activity of the College. The statements show the major sources and uses of cash. For the years ended June 30, 2016, 2015, and 2014, a summary of the statements of cash flows is as follows:

Cash provided (used) by:	**2016**	**2015**	**2014**
Operating activities	($32,988,212)	($29,020,949)	($31,635,364)
Capital and capital related financing activities	(1,903,095)	(1,272,124)	12,430,724
Noncapital financing activities	32,400,826	30,937,721	19,483,582
Investing activities	(1,766,374)	(3,424,382)	(1,894,460)
Net increase (decrease) in cash	(4,256,855)	(2,779,734)	($1,615,518)
Cash - beginning of the year	$15,421,586	$18,201,320	$19,816,837
Cash - end of the year	$11,164,731	$15,421,586	$18,201,319

Capital and Debt Activities

The College refinanced $3.98 million in our Leasehold Revenue Bonds during fiscal year 2014. This refinance will save the college just over $1 million in interest expenses over the next 10 years. The College did not issue any new debt in fiscal year 2016.

See accompanying financial statements for additional disclosures regarding capital and debt activities.

During fiscal year 2016, the College entered into a lease purchase agreement for four police vehicles at a cost of $105,369. The term of this lease is four years.

Significant Budget Variances

For fiscal year 2016, there were no material variances from budget except for the $1.8 million Title IV audit settlement. State Aid increased 6% due to Performance Funding.

STATE AID HISTORY

	Actual FY 2014	Actual FY 2015	Actual FY 2016	Budget FY 2017
Unrestricted				
General Revenue	$6,715,204	$7,224.645	$7,607,334	$8,100,000
Budget Stabilization Funds	-	-	-	-
Total Unrestricted	6,715,204	7,224,645	7,607,334	8,100,000
Restricted				
Maintenance & Repair HB3	333,043	333,043	333,043	333,000
Total Restricted	333,043	333,043	333,043	333,000
Total State Aid	$7,048,247	$7,557,688	$7,940,337	$8,433,000

TUITION HISTORY

	Actual FY 2014	Actual FY 2015	Actual FY 2016	Budget FY 2017
Tuition Rates				
In District	$ 95	$ 97	$ 97	$ 97
Out of District	143	146	146	146
Out of State	190	194	194	194
Technology Fee	3	3	3	3
Gross Tuition and Fee Revenue				
Unrestricted Funds				
Gross Tuition and Fees	$11,813,114	$11,463,343	$10,784,627	$10,654,738
Plant Funds				
Gross Tuition and Fees	959,382	893,908	825,901	867,300
All Funds				
Gross Tuition and Fees	$12,772,496	$12,357,251	$11,610,528	$11,522,038

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TAX RATES AND REVENUES HISTORY

Tax Rates

	Actual FY 2014	Actual FY 2015	Actual FY 2016	Budget FY 2017
Current Unrestricted	$.2602	$.2636	$.2602	$.2602
Plant	.0300	.0300	.0300	.0300
.0300	.0500	.0500	.0500	.0500
Total Tax Levy	$.3402	$.3436	$.3402	$.3402

Tax Revenue

	Actual FY 2014	Actual FY 2015	Actual FY 2016	Budget FY 2017
Current Unrestricted	$ 7,649,736	$ 7,855,561	$ 7,971,498	$ 787,700
Plant	882,333	893,669	919,191	931,300
Capital Projects	1,470,539	1,489,448	1,531,985	1,585,700
Total Tax Revenue	$10,002,608	$10,238,678	$10,422,674	$10,394,700

The Following is the College's approved budget for Fiscal Year 2017.

BUDGET SUMMARY

		2014 Actuals	2015 Actuals	2016 Projected	2017 Budget
Revenues:					
	State Aid	$ 7,048,247	$ 7,557,688	$ 7,940,300	$ 9,286,000
	Tuition and fees	12,772,496	12,357,252	11,679,100	11,522,038
	Local Taxes	10,002,607	10,238,678	10,394,700	10,394,700
	Federal Grant Revenue	1,684,533	1,465,059	1,656,335	1,665,840
	State Grant Revenue	2,374,366	2,277,721	2,211,421	2,470,147
	Student Aid	11,052,333	10,418,127	9,179,760	9,182,406
	Sales & Services	910,828	1,114,046	868,500	1,222,250
	Adult Education	162,668	197,853	212,248	223,533
	Student Activities	38,459	45,734	34,600	23,800
	Organized Activities	42,913	65,613	37,000	37,000
	Auxiliary Enterprises	1,074,299	1,049,903	1,018,530	1,018,500
	Interest Income	140,709	128,229	105,660	145,400
	Other	2,741,644	2,858,634	3,128,100	2,855,900
Total Revenues		**$50,046,102**	**$49,774,537**	**$48,466,254**	**$50,047,514**
Expenditures:					
	Instructional	$15,364,911	$15,240,507	$15,853,177	$16,108,521
	Administration & General	8,843,709	7,480,288	10,254,169	10,244,291
	Plant oper and maint	3,364,407	3,241,675	5,667,975	8,029,711
	Grants & Scholarships	12,412,014	11,808,114	10,377,466	10,392,237
	Auxiliary Enterprises	1,313,750	1,138,621	1,043,543	500,561
	Academic Support	1,243,129	1,401,661	1,361,002	2,041,659
	Student Services	4,238,991	4,280,451	4,350,499	4,485,972
	Scholarships	1,246,139	1,189,884	1,098,635	963,800
	Public Service	94,646	94,309	191,695	154,656
Total Expenditures		**$48,121,696**	**$45,875,510**	**$50,198,161**	**$52,921,408**
	Net Revenue Less Expenses	1,924,406	3,899,027	(1,731,907)	(2,873,894)
	Transfers In/Out	(2,712,343)	(1,804,831)	-	-
	Net Increase/Decrease for YTD	(787,937)	2,094,196	(1,731,907)	(2,873,894)
	Beginning Net Assets	44,709,115	43,921,178	46,015,374	44,283,467
	Ending Net Assets	**$43,921,178**	**$46,015,374**	**$44,283,467**	**$41,409,573**

Current Unrestricted Fund

		2014 Actuals	2015 Actuals	2016 Projected	2017 Budget
Revenues:					
	State Aid	$ 6,715,204	$ 7,224,645	$ 7,607,300	$ 8,100,000
	Tuition and fees	11,813,114	11,463,343	10,794,100	10,654,738
	Local Taxes	7,649,736	7,855,561	7,877,700	7,877,700
	Federal Grant Revenue	26,997	24,596	24,500	24,500
	State Grant Revenue	599,831	505,626	550,000	550,000
	Student Aid	1,099,429	1,042,176	1,200,000	1,200,000
	Sales & Services	910,828	1,114,046	868,500	1,222,250
	Adult Education	-	-	-	-
	Student Activities	-	-	800	-
	Organized Activities	3,512	6,262	5,000	5,000
	Auxiliary Enterprises	338,425	293,098	272,000	272,000
	Interest Income	85,665	111,262	90,000	130,000
	Other	400,070	461,422	645,700	550,700
Total Revenues		**$29,642,811**	**$30,102,037**	**$29,935,600**	**$30,586,888**
Expenditures:					
	Instructional	$13,491,578	$13,780,376	$13,893,931	$13,986,242
	Admin & General	5,412,888	4,231,376	5,678,935	5,722,948
	Plant oper and maint	3,276,011	3,194,359	3,060,975	3,088,211
	Grants & Scholarships	1,140,561	1,068,373	1,144,875	1,155,000
	Auxiliary Enterprises	400,529	453,841	470,832	480,561
	Academic Support	1,097,462	1,257,271	1,288,020	1,340,892
	Student Services	3,807,566	3,749,718	3,796,649	3,945,509
	Scholarships	1,246,139	1,189,884	1,098,635	963,800
	Public Service	87,341	91,521	191,695	154,656
Total Expenditures		**$29,960,075**	**$29,016,719**	**$30,624,547**	**$30,837,819**
	Net Revenue Less Expenses	$(317,264)	$1,085,318	$(688,947)	$(250,931)
	Transfers In/Out	(181,156)	(626,982)	113,912	35,003
	Net Increase/Decrease for YTD	$(498,420)	$458,336	$(575,035)	$(215,928)
	Beginning Net Assets	8,580,031	8,081,611	8,539,947	7,964,912
	Ending Net Assets	**$8,081,611**	**$8,539,947**	**$7,964,912**	**$7,748,984**

THE COMMUNITY COLLEGE DISTRICT OF JEFFERSON COUNTY, MISSOURI
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(UNAUDITED)

Current Restricted Fund

		2014 Actuals	2015 Actuals	2016 Projected	2017 Budget
Revenues:					
	State Aid	$ 333,043	$ 333,043	$ 333,000	$ 1,186,000
	Tuition and fees	-	-	-	-
	Local Taxes	-	-	-	-
	Federal Grant Revenue	1,657,536	1,391,270	1,541,835	1,551,340
	State Grant Revenue	1,774,535	1,772,095	1,661,421	1,920,147
	Student Aid	9,952,904	9,375,951	7,979,760	7,982,406
	Sales & Services	-	-	-	-
	Adult Education	162,668	197,853	212,248	223,533
	Student Activities	38,459	45,734	33,800	23,800
	Organized Activities	39,401	59,351	32,000	32,000
	Auxiliary Enterprises	735,874	756,805	746,530	746,500
	Interest Income	28,570	26,516	12,870	12,800
	Other	2,236,334	2,372,212	2,482,400	2,305,200
Total Revenues		**$16,959,324**	**$16,330,830**	**$15,035,864**	**$15,983,726**
Expenditures:					
	Instructional	$ 1,567,484	$ 1,288,204	$ 1,661,085	$ 2,023,485
	Admin & General	2,740,353	2,386,191	2,527,100	2,467,100
	Plant oper and maint	38,747	17,609	615,000	1,519,000
	Grants & Scholarships	11,271,453	10,739,741	9,232,591	9,237,237
	Auxiliary Enterprises	912,189	659,282	572,711	20,000
	Academic Support	131,284	83,743	72,982	700,767
	Student Services	416,953	489,021	465,486	521,073
	Scholarships	-	-	-	-
	Public Service	7,305	-	-	-
Total Expenditures		**$17,085,768**	**$15,663,791**	**$15,146,955**	**$16,488,662**
	Net Revenue Less Expenses	$(126,444)	$667,039	$(111,091)	$(504,936)
	Transfers In/Out	(384,480)	105,325	307,980	504,936
	Net Increase/Decrease for YTD	$(510,924)	$772,364	$196,889	-
	Beginning Net Assets	622,558	111,634	883,998	1,080,887
	Ending Net Assets	**$111,634**	**$883,998**	**$1,080,887**	**$1,080,887**

THE COMMUNITY COLLEGE DISTRICT OF
JEFFERSON COUNTY, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2016
(UNAUDITED)

Plant Funds

		2014 Actuals	2015 Actuals	2016 Projected	2017 Budget
Revenues:					
	State Aid	$ -	$ -	$ -	$ -
	Tuition and fees	959,382	893,909	885,000	867,300
	Local Taxes	2,352,871	2,383,117	2,517,000	2,517,000
	Federal Grant Revenue	-	49,193	90,000	90,000
	State Grant Revenue	-	-	-	-
	Student Aid	-	-	-	-
	Sales & Services	-	-	-	-
	Adult Education	-	-	-	-
	Student Activities	-	-	-	-
	Organized Activities	-	-	-	-
	Auxiliary Enterprises	-	-	-	-
	Interest Income	185	217	190	-
	Other	105,240	25,000	-	-
Total Revenues		**$3,417,678**	**$3,351,436**	**$3,492,190**	**$3,474,300**
Expenditures:					
	Instructional	$ 305,849	$ 171,927	$ 298,161	$ 98,794
	Admin & General	690,468	862,721	2,048,134	2,054,243
	Plant oper and maint	49,649	29,707	1,992,000	3,422,500
	Grants & Scholarships	-	-	-	-
	Auxiliary Enterprises	1,032	25,498	-	-
	Academic Support	14,383	60,647	-	-
	Student Services	14,472	41,712	88,364	19,390
	Scholarships	-	-	-	-
	Public Service	-	2,788	-	-
Total Expenditures		**$1,075,853**	**$1,195,000**	**$4,426,659**	**$5,594,927**
	Net Revenue Less Expenses	2,341,825	2,156,436	(934,469)	(2,120,627)
	Transfers In/Out	(1,924,852)	(1,731,383)	(421,892)	(539,939)
	Net Increase/Decrease for YTD	416,973	425,053	(1,356,361)	(2,660,566)
	Beginning Net Assets	11,128,048	11,545,021	11,970,074	10,613,713
	Ending Net Assets	**$11,545,021**	**$11,970,074**	**$10,613,713**	**$7,953,147**

Other Funds

		2014 Actuals	2015 Actuals	2016 Projected	2017 Budget
Revenues:					
	State Aid	$ -	$ -	$ -	$ -
	Tuition and fees	-	-	-	-
	Local Taxes	-	-	-	-
	Federal Grant Revenue	-	-	-	-
	State Grant Revenue	-	-	-	-
	Student Aid	-	-	-	-
	Sales & Services	-	-	-	-
	Adult Education	-	-	-	-
	Student Activities	-	-	-	-
	Organized Activities	-	-	-	-
	Auxiliary Enterprises	-	-	-	-
	Interest Income	26,289	(9,766)	2,600	2,600
	Other	-	-	-	-
Total Revenues		**26,289**	**(9,766)**	**2,600**	**2,600**
Expenditures:					
	Instructional	-	-	-	-
	Admin & General	-	-	-	-
	Plant oper and maint	-	-	-	-
	Grants & Scholarships	-	-	-	-
	Auxiliary Enterprises	-	-	-	-
	Academic Support	-	-	-	-
	Student Services	-	-	-	-
	Scholarships	-	-	-	-
	Public Service	-	-	-	-
Total Expenditures		**-**	**-**	**-**	**-**
	Net Revenue Less Expenses	26,289	(9,766)	2,600	2,600
	Transfers In/Out	(23,552)	12,326	-	-
	Net Increase/Decrease for YTD	2,737	2,560	2,600	2,600
	Beginning Net Assets	684,672	687,409	689,969	692,569
	Ending Net Assets	**$687,409**	**$689,969**	**$692,569**	**$695,169**

Economic Outlook

State Aid, is expected to increase by approximately 6% due to additional performance funding and a modest increase in base funding authorized by the State legislature for fiscal year 2017.

Assessed valuation has remained relatively flat. The College's administration believes that this trend will continue through 2018.

The College is expecting enrollment to decline 1% in fiscal year 2017 due to the reduction of funding available from the federal and state governments to provide educational benefits to students.

The Board of Trustees and Management will continue to maintain a close watch over its resources and be cautious in undertaking any multiyear financial commitments to ensure its ability to plan and react to future internal and external issues.

Contacting the College's Financial Management

This financial report is designed to provide the College's Board, State Officials, Legislature, tax payers, and other interested parties with a general overview of the College's finances and to demonstrate the College's accountability for the funding it receives. If you have questions about this report or need additional financial information, contact Richard Hardin, Controller, at 1000 Viking Drive, Hillsboro, MO 63050. The College's budgets and audited financial statements are available upon request.

Other

Management is not aware of any other currently known facts, decisions, or conditions that would have a significant effect on the College's financial position (net position or results of operations (revenues, expenses, and other changes in net position).

FINANCIAL STATEMENTS

THE COMMUNITY COLLEGE DISTRICT OF JEFFERSON COUNTY, MISSOURI
STATEMENT OF NET POSITION
AS OF JUNE 30, 2016
(With Summarized Comparative Financial Information as of June 30, 2015)

	Primary Government 2016	Component Unit Foundation 2016	Primary Government 2015	Component Unit Foundation 2015
ASSETS				
Current assets:				
Cash (Note 2)	$ 11,160,108	$ 543,110	$ 15,416,963	$ 1,081,004
Investments (Note 2)	8,469,042	1,183,540	5,415,816	1,256,363
Non-Depreciable Assets Held for Investment	-	535,000	-	535,000
Receivables:				
Student fees, net of allowance of $383,356 and $362,538, respectively	4,053,879	-	4,172,574	-
Government Program	1,217,877	-	1,712,818	-
Taxes, net of allowance of $21,471 and $22,224, respectively	510,877	-	436,947	-
Other	43,820	14,544	145,506	43,167
Supplies & material inventories	41,253	-	40,504	-
Prepaid expenses	502,634	-	441,183	-
Total Current assets	25,999,490	2,276,194	27,782,311	2,915,534
Restricted deposits (Note 2)	4,623	-	4,623	-
Restricted investments (Note 2)	812,288	-	709,476	-
Capital assets, net (Note 3)	36,859,935	-	36,746,326	-
TOTAL ASSETS	$ 63,676,336	$ 2,276,194	$ 65,242,736	$ 2,915,534
DEFERRED OUTFLOWS OF RESOURCES				
Deferred amounts related to state pension system	$ 5,092,887	$ -	$ 2,803,846	$ -
TOTAL DEFFERRED OUTFLOWS OF RESOURCES	$ 5,092,887	$ -	$ 2,803,846	$ -
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 68,769,223	$ 2,276,194	$ 68,046,582	$ 2,915,534
LIABILITIES				
Current liabilities:				
Accounts Payable	$ 1,314,814	$ -	$ 546,069	$ -
Payroll Liabilities Payable	1,792,249	-	1,776,382	-
Accrued Payroll Expenses	219,260	-	201,809	-
Accured Interest Payable	63,234	-	69,928	-
Current Portion of Bonds Payable	867,246	-	846,052	-
Current Portion of COPS	575,000	-	560,000	-
Current Portion of Capital Lease	24,284	-	-	-
Compensated Absences	696,288	-	726,090	-
Total Current liabilities	5,552,375	-	4,726,330	-
Deferred Inflows of Resources				
Deferred Aid and Tuition	4,555,542	-	4,678,731	-
Total Deferred Inflows of Resources	4,555,542	-	4,678,731	-
Noncurrent liabilities:				
Bonds Payable	6,780,846	-	7,648,091	-
COPS	3,120,000	-	3,695,000	-
Capital Lease Payable	52,610	-	-	-
Early Retirement Liability (Note 4)	105,338	-	12,434	-
Share of Missouri State Pension Liability	17,220,974	-	12,315,703	-
Title IV Settlement Liability	1,120,292	-	-	-
Total Noncurrent liabilities	28,400,060	-	23,671,228	-
TOTAL LIABILITIES	$ 38,507,977	$ -	$ 33,076,289	$ -
DEFERRED INFLOWS OF RESOURCES				
Deferred amounts related to state pension system	$ 4,664,797	$ -	$ 6,148,223	$ -
TOTAL DEFERRED INFLOWS OF RESOURCES	$ 4,664,797	$ -	$ 6,148,223	$ -
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	$ 43,172,774	$ -	$ 39,224,512	$ -
NET POSITION				
Net Position:				
Net investment in capital assets	25,439,949	-	23,997,184	-
Restricted:				
Expendable	14,447,835	1,543,229	14,725,303	1,287,919
Nonexpendable	697,682	513,518	694,311	751,149
Unrestricted	(14,989,017)	919,447	(10,594,728)	876,466
TOTAL NET POSITION	25,596,449	2,976,194	28,822,070	2,915,534
TOTAL LIABILITIES AND NET POSITION	$ 68,769,223	$ 2,976,194	$ 68,046,582	$ 2,915,534

The notes to the financial statements are an integral part of this statement.

THE COMMUNITY COLLEGE DISTRICT OF JEFFERSON COUNTY, MISSOURI
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2016
(With Summarized Comparative Financial Information as of June 30, 2015)

	Primary Government 2016	Component Unit Foundation 2016	Primary Government 2015	Component Unit Foundation 2015
OPERATING REVENUES				
Operating Revenues:				
Tuition and Fees (net of scholarships)	$ 7,198,380	$ -	$ 8,416,530	$ -
Student Housing Revenues (net of scholarships)	624,768	-	621,255	-
Other Operating Revenues	1,619,970	-	1,848,157	-
Total Operating Revenues	9,443,118	-	10,885,942	-
OPERATING EXPENSES				
Operating expenses:				
Salaries	19,919,564	-	19,156,969	-
Benefits	9,059,050	-	6,196,349	-
Financial Aid and Scholarships	4,296,268	-	5,911,693	-
Utilities	1,062,114	-	1,141,258	-
Supplies and Other Services	6,331,642	-	5,581,654	-
Depreciation	1,959,313	-	1,916,790	-
Total Operating Expenses	42,627,951	-	39,904,713	-
OPERATING INCOME / (LOSS)	(33,184,833)	-	(29,018,771)	-
NON-OPERATING REVENUES (EXPENSES):				
Regular State Aid	8,019,583	-	7,557,688	-
Local Taxes	10,422,674	-	10,238,677	-
Grants and Contracts	10,775,422	213,125	11,371,161	-
Investment Income	256,858	102,231	128,229	94,741
Interest Expense	(453,633)	-	(492,647)	-
Gain (Loss) on sale of assets	(193,644)	-	(268,301)	-
Gain (Loss) on marketable securities	-	78,534	-	(14,297)
Membership Fees	-	6,210	-	-
Events	-	93,239	-	-
Contributions - Net	-	109,251	-	565,963
Programs - scholarships	-	(430,336)	-	(26,705)
Administration	-	(19,158)	-	(45,043)
Fundraising	-	(70,778)	-	(70,301)
Capital Improvements	-	(9,427)	-	(25,000)
Instructional Programs	-	(4,800)	-	(21,908)
Professional Fees	-	(7,431)	-	-
Contributions	-		-	(156,717)
Title IV Settlement Expense	(1,823,827)	-	-	-
Other Nonoperating Revenues	2,955,779	-	2,578,161	-
Net Non-Operating Revenues (expenses)	29,959,212	60,660	31,112,968	300,733
Income Before Other Revenues Expenses Gains or Losses	(3,225,621)	60,660	2,094,197	300,733
NET POSITION				
Net Position - Beginning of Year	28,822,070	2,915,534	26,727,873	2,614,801
Net Position - End of Year	$ 25,596,449	$ 2,976,194	$ 28,822,070	$ 2,915,534

The notes to the financial statements are an integral part of this statement.

THE COMMUNITY COLLEGE DISTRICT OF JEFFERSON COUNTY, MISSOURI
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2016
(With Summarized Comparative Financial Information as of June 30, 2015)

	Primary Government 2016	Component Unit Foundation 2016	Primary Government 2015	Component Unit Foundation 2015
CASH FLOWS FROM OPERATING ACTIVITIES:				
Tuition and fees	$ 7,193,886	$ -	$ 8,443,242	$ -
Student Housing Revenue	624,768	-	621,255	-
Payments to Suppliers	(7,390,746)	-	(7,001,747)	-
Payments to Employees	(28,882,195)	-	(24,989,928)	-
Cash Payments for Insurance Claims and Fees	-	-	-	-
Financial aid and scholarships	(4,296,268)	-	(5,911,693)	-
Change in Net Assets	-	60,660	-	300,733
Gain (Loss) on marketable securities - Unrealized	-	78,534	-	(14,297)
Contributions restricted to endowment funds	-	(4,000)	-	(1,497)
Investment income restricted to endowment funds	-	(36,660)	-	(36,308)
Changes in assets and liabilites - (increase) or decrease in pledges receivable	-	28,623	-	521
Other receipts or expenses - net	(237,657)	-	(182,078)	-
Net cash provided by (used in) operating activities	(32,988,212)	127,157	(29,020,949)	249,152
CASH FLOWS FROM CAPITAL AND CAPITAL-RELATED FINANCING ACTIVITIES:				
Capital Contribution - Self-Insurance	-	-	-	-
Net purchased of capital assets & intagibles activities	(113,611)	-	637,052	-
Proceeds from sale of capital assets	-	-	-	-
Issuance of new debt	-	-	-	-
Principal paid on capital debt	(1,329,157)	-	(1,410,457)	-
Interest paid on capital debt	(460,327)	-	(498,719)	-
Cost of debt restructuring	-	-	-	-
Net cash provided by (used in) capital and capital-related financing activities	(1,903,095)	-	(1,272,124)	-
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Local taxes	10,348,744	-	10,264,610	-
State aid	8,019,583	-	7,557,688	-
Grants and Contracts	11,270,363	-	10,805,563	-
Proceeds from contributions restricted to endowment funds	-	4,000	-	1,497
Investment income restricted to endowment funds	-	36,660	-	36,308
Gifts received for other than capital purposes	2,762,136	-	2,309,860	-
Other receipts	-	-	-	-
Net cash provided by (used in) noncapital financing activities	32,400,826	40,660	30,937,721	37,805
CASH FLOWS FROM INVESTING ACTIVITES:				
Proceeds from sale and maturities of investments	(3,156,036)	-	(2,019,387)	-
(Increase) or decrease in marketable securities	-	(705,711)	-	54,952
Interest on investments	256,858	-	128,229	-
Net impact from implementation of GASB 68	1,132,804	-	(1,533,224)	-
Net cash provided by (used in) investing activities	(1,766,374)	(705,711)	(3,424,382)	54,952
INCREASE (DECREASE) IN CASH	(4,256,855)	(537,894)	(2,779,734)	341,909
CASH - Beginning of year	15,421,586	1,081,004	18,201,320	739,095
CASH - End of year	$ 11,164,731	$ 543,110	$ 15,421,586	$ 1,081,004
RECONCILIATION OF NET OPERATING REVENUE (EXPENSES) TO THE NET CASH FROM OPERATING ACTIVITIES:				
Operating Income (loss)	$ (33,679,774)	$ 60,660	$ (28,453,173)	$ 300,733
Adjustments to reconcile operating loss to cash flows from operating activities:				
Depreciation	1,959,313	-	1,916,790	-
Changes in assets and liabilities:				
Accounts receivable	641,392	28,623	(619,071)	521
Inventory, prepaid expenses, and other assets	(1,947,583)	37,874	(1,932,589)	(52,102)
Accounts payable	65,210	-	(288,970)	-
Payroll liabilities	33,317	-	315,107	-
Compensated absences	(29,802)	-	88,880	-
Deferred revenue	(123,189)	-	(7,326)	-
Early retirement liability	92,904	-	(40,597)	-
NET CASH PROVIDED BY (USED IN) RECONCILIATION OF NET OPERATING EXPENSES TO NET CASH FROM OPERATING ACTIVITIES	$ (32,988,212)	$ 127,157	$ (29,020,949)	$ 249,152

The notes to the financial statements are an integral part of this statement

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting policies of The Community College District of Jefferson County, Missouri (the "College"), conform to accounting principles generally accepted in the United States of America, which are appropriate to local government units of this type.

***Reporting Entity* –** The financial statements referred to above include the primary government of The Community College District of Jefferson County, Missouri, the blended component unit – Viking Woods, and the College's discretely presented component unit – Jefferson College Foundation, Inc. which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the College's legal entity.

***Discretely Presented Component Unit* -** The discretely presented component unit column in the basic financial statements includes the financial data of the College's other component unit. It is reported in separate columns in the financial statements to emphasize that it is legally separate from the College. The following entity is discretely presented in the basic financial statements as governmental fund types:

***Jefferson College Foundation, Inc.* –** The component unit's governing body is elected by its own board. The purpose of the component unit is to advance, encourage, assist and support the growth and development of the Community College District of Jefferson County. A complete copy of the audit report can be obtained by writing to Jefferson College Foundation, Inc., 1000 Viking Drive, Hillsboro, MO 63050.

Proprietary Funds - Proprietary funds include enterprise and internal service funds. Enterprise funds account for ongoing organizations and activities, which are similar to those often found in the private sector. The measurement focus is upon the determination of change in Net Position. Internal service funds are established to account for services furnished by a department of the College to other departments on a cost reimbursement basis. The College's self-insurance internal service fund accounts for transactions of the medical plan for the 2015/2016 year and medical and dental plans for the 2015/2016 year and beyond. The self-insurance financial information has been blended within the business-type activities.

Accrual Accounting and Basis for Reporting – The financial statements of the College are prepared in accordance with accounting principles generally accepted in the United States of America, as prescribed by the Governmental Accounting Standards Board ("GASB").

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The College's resources are classified for accounting and reporting purposes into the following net position categories:

Net Investment in Capital Assets – Capital assets are net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets.

Restricted:
Nonexpendable – Nonexpendable net position is subject to externally imposed stipulations that the College permanently maintains. Such items include the College's permanent endowment funds.

Expendable – Expendable net position is subject to externally imposed stipulations that can be fulfilled by actions of the College pursuant to those stipulations. When the College is able to utilize restricted expendable assets or unrestricted assets, it utilizes the restricted assets first.

Unrestricted – Unrestricted net position is assets that are not subject to externally imposed stipulations. Unrestricted net position may be designated for specific purposes by action of management or the Board of Trustees or may otherwise be limited by contractual agreements with outside parties.

Classification of Revenues – The College has classified its revenues as either operating or nonoperating revenues according to the following criteria:

Operating Revenues – Operating revenues include activities that have the characteristics of exchange transactions, such as student tuition and fees, sales and services of auxiliary enterprises, most federal, state, and local grants and contracts and federal appropriations, and interest on student loans. The College recognizes revenues net of discounts and allowances, when they are earned, and accordingly a pro rata portion of summer tuition and fees for June 30, 2016, and 2015, is recognized in operating revenues.

Nonoperating Revenues – Nonoperating revenues include activities that have the characteristics of nonexchange transactions, such as gifts and contributions, and other revenue sources that are defined as nonoperating revenues by GASB No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Government Entities That Use Proprietary Fund Accounting,* and GASB No. 34, such as state appropriations, local property taxes, and investment income.

Scholarship Allowances – The College provides tuition reductions by awarding scholarships from its own funds and certain federal student financial aid programs. These scholarship awards are recognized as reductions of tuition to the extent they offset amounts otherwise billable as tuition or fees. Amounts of awards in excess of tuition and fees are provided to the student and are recognized as scholarship expense.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

Investments – Investments are recorded at cost that approximates market and consist of repurchase agreements, certificates of deposit, a mutual bond fund, and government securities. The mutual fund assets are carried at fair value based on market quotations. Net unrealized gains (losses) are included in investment income in the statement of revenues, expenses, and changes in net position.

Restricted Investments – Restricted investments consist of two components, a reserve requirement on the Series 2004 Leasehold Refunding Revenue Bonds, and unspent bond proceeds on the Series 2005 Leasehold Revenue Bonds. The unspent bond proceeds are to be used for the construction of a new facility in the northern portion of the College's service area.

Tax Revenues and Receivables – Local tax revenues represent taxes levied within the fiscal year from Jefferson, Ste. Genevieve, and St. Francois Counties. Taxes receivable of $532,348 and $459,171 for fiscal years 2016 and 2015, respectively, represent uncollected delinquent taxes and protested taxes thereon from the 2002 to 2015 property tax levies net of an allowance for uncollectible amounts in the amounts of $21,471 and $22,224, respectively.

Supplies and Materials Inventories – These assets are stated at the lower of cost or market on a first-in, first-out basis.

Capital Assets – Land and improvements to land, buildings, furniture, equipment and software are recorded at cost at the date of acquisition, or if donated, at fair value at the date of gift. Depreciation of capital assets is provided on a straight-line basis over the estimated useful lives (3-40 years) of the respective assets. Net interest expense incurred during the construction of debt-financed facilities is included in the capitalization of the related facilities.

Compensated Absences – Amounts of vested or accumulated vacation leave are reported as accrued liabilities. Classified employees (i.e., professional and administrative staff) earn vacation during the current year, which can be taken in the subsequent years. However, no more than 40 days of earned but unused vacation time may be carried forward and used in subsequent years by an employee.

Amounts of vested or accumulated sick leave are also recorded in accrued liabilities. Sick leave is accumulated beginning with the employee's date of hire at the rate of one day for each complete month of service. All full-time employees hired after January 1, 2013, will accumulate sick leave up to a maximum of 120 days while all full-time employees hired before January 1, 2013, will accumulate leave with no maximum number of days.

Any unused earned sick leave, up to 90 days, accumulated by an employee at the time of their retirement, will be compensated at the rate of $15 per day. Upon termination of employment, employees forfeit any unused earned sick leave with the exception of those employees that are grandfathered under the Sick Leave Buy-Back Program. Those employees grandfathered under the Sick Leave Buy-Back Program will first be compensated for eligible days under the buy-back program then additional days will be compensated at the rate of $15 per day. The combination of buy-back program sick leave days and additional sick leave days at the rate of $15 per day will not exceed 90 days.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

Deferred Revenue – Deferred aid and tuition primarily consists of tuition and fees for the 2015-2016 school year billed in advance. The College recognizes tuition revenue for the portion of summer school falling in the fiscal year, the remainder of summer school tuition and fall tuition is deferred.

Use of Estimates – The preparation of general purpose 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 at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents - The College considers all liquid investments with original maturities of three months or less to be cash equivalents.

Student Fees Receivable – The College reported total student fees receivable of $4,296,448 and $4,349,517 for June 30, 2016, and 2015, respectively, with unapplied cash payments of $140,788 and $185,595, respectively, and allowances of $383,356 and $362,538, respectively.

Revenues-Exchange and Non-Exchange Transactions

Revenues resulting from exchange transactions, in which each party receives essentially equal value, are recorded on the accrual basis when the College receives the revenue.

Non-exchange transactions, in which the College receives value without directly giving value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are earned. Revenue from grants, entitlements and donations is recognized in the fiscal year in which the funds are earned and eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the College must provide local resources to be used for a specific purpose, and expenditure requirements, in which the resources are provided to the College on a reimbursement basis.

Available means collectible within the current period or soon enough thereafter to pay current liabilities. The College considers revenues to be available if they are collected within 60 days after the end of the current fiscal period. Property taxes, state and federal grants and interest associated with the current fiscal period are all considered to be susceptible to accrual.

Change in Accounting Principles

The College has adopted GASB Statement No. 72– *Fair Value Measurement and Application.* The objective is to improve guidance for determining fair value measurement for financial reporting purposes.

2. CASH AND INVESTMENTS

As of June 30, 2016, the College had deposits and investments as follows:

Type	2016 Maturities	2016 Cost
Unrestricted Deposits:		
Petty Cash and Postage Machines	N/A	$ 21,146
Demand Deposits	N/A	10,179,638
Restricted Deposits:		
Endowment Demand Deposits	N/A	4,623
Total Deposits		10,205,407
Unrestricted Investments:		
CD	06/21/2018	374,263
CD	04/30/2017	1,000,000
CD	01/12/2017	1,014,016
CD	09/08/2016	1,001,764
CD	09/08/2016	1,002,142
CD	12/08/2016	1,002,521
CD	07/27/2016	1,036,062
CD	08/19/2016	1,011,814
CD	03/20/2017	1,026,460
Restricted Investments:		
Endowment Bonds	07/15/2033	79,445
Endowment Bonds	09/01/2033	105,498
Endowment Bonds	06/15/2035	128,130
Endowment Bonds	06/08/2037	27,392
Endowment Bonds	09/15/2039	162,891
Endowment Bonds	05/15/2042	99,836
Endowment Bonds	12/15/2042	110,895
Endowment Bonds	07/15/2045	98,201
Total Investments		9,281,330
Total Deposits and Investments -		19,486,737
Deposits –Self Insurance	N/A	959,324
Total Deposits and Investments		$ 20,446,061

2. CASH AND INVESTMENTS (concluded)

Note – all of the College's investments in debt securities are issued in U.S. Government and agency securities.

Investments are recorded at cost, which approximates market. Repurchase agreements are recorded at fair value, which approximates market.

The College's repurchase agreements are held for safekeeping at the counter party financial institution's trust department in the College's name.

Interest Rate Risk – The College's investment policy minimizes the risk that the market value of securities mature to meet cash requirements for ongoing operations and investing operating funds primarily in short-term securities. Investments in banker's acceptance and commercial paper shall mature and become payable not more than 180 days from the date of purchase. All other investments shall mature and become payable not more than five years from the date of purchase.

The College's established investment policy has limited the College's investment portfolio to a weighted-average maturity that does not exceed three years.

Credit Risk – State law permits public colleges to invest in obligations of the State of Missouri or U.S. Government and obligations of government agencies that mature or become payable in one year or less from the date of issue. The College also invests some endowment funds, which are not subjected to these regulations, in the mutual bond fund and U.S. agencies. The College does not have a policy for credit risk.

Custodial Credit Risk – For an investment, custodial credit risk is the risk that, in the event of failure of the counter party, the College will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State law requires depository financial institutions to pledge as collateral for public funds on deposit by governmental unit securities which, when combined with Federal Deposit Insurance Corporation ("FDIC") insurance, are at least equal to the amount on deposit at all times. At June 30, 2016, the College's deposits bank balance was insured or collateralized as follows: the College had a total of $21,217,946 in cash (bank balance) with a total of $750,000 in FDIC coverage and the remaining $20,467,946 covered by pledged securities and government securities at various banks. The College does not have a policy for custodial credit risk.

Concentration of Credit Risks – The College places no limit on the amount the College may invest in any one issuer. More than 5% of the College's total unrestricted investments are with U.S. federal agencies.

3. CHANGES IN CAPITAL ASSETS

Changes in capital assets for the year ended June 30, 2016, are summarized as follows:

	June 30, 2015	Additions	Retirements	Depreciation	June 30, 2016
Capital Assets Not Being Depreciated					
Land	$ 2,814,330	$ -	$ -	$ -	$ 2,814,330
Construction in Progress	-	-	-	-	-
Total Capital Assets Not Being Depreciated	$ 2,814,330	$ -	$ -	$ -	$ 2,814,330
Capital Assets Being Depreciated					
Land Improvements	$ 13,309,146	$ 401,814	$ (119,934)	$ (275,524)	$ 13,591,026
Buildings	50,212,821	1,330,202	(111,607)	(947,476)	51,431,416
Furniture and equipment	6,816,449	442,046	(376,325)	(197,728)	6,882,170
Library Books	2,324,581	32,852	-	(37,953)	2,357,433
Software	555,416	59,652	(20,713)	(65,697)	594,355
Total Capital Assets Being Depreciated	73,218,413	2,266,566	(628,579)	-	74,856,400
Less - Accumulated Depreciation	(39,286,417)	-	-	(1,524,378)	(40,810,795)
Total Capital Assets Being Depreciated - Net	33,931,996	2,266,566	(628,579)	(1,524,378)	34,045,605
Total Capital Assets - Net	$ 36,746,326	$ 2,266,566	$ (628,579)	$ (1,524,378)	$ 36,859,935

4. RETIREMENT PLANS

Summary of Significant Accounting Policies

Financial reporting information pertaining to the District's participation in the Public School Retirement System of Missouri and the Public Education Employee Retirement System of Missouri (PSRS and PEERS, also referred to as the Systems) is prepared in accordance with Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statements No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*.

The fiduciary net position, as well as additions to and deductions from fiduciary net position, of PSRS and PEERS have been determined on the same basis as they are reported by the Systems. The financial statements were prepared using the accrual basis of accounting. Member and employer contributions are recognized when due, pursuant to formal commitments and statutory requirements. Benefits and refunds of employee contributions are recognized when due and payable in accordance with the statutes governing the Systems. Expenses are recognized when the liability is incurred, regardless of when payment is made. Investments are reported at fair value on a trade date basis. The fiduciary net position is reflected in the measurement of the District's net pension liability, deferred outflows and inflows of resources related to pensions,

4. RETIREMENT PLANS (continued)

Summary of Significant Accounting Policies (concluded)

and pension expense. A Comprehensive Annual Financial Report ("CAFR") can be obtained at www.psrs-peers.org.

General Information about the Pension Plan - PSRS

Plan Description. PSRS is a mandatory cost-sharing multiple employer retirement system for all full-time certificated employees and certain part-time certificated employees of all public school districts in Missouri (except the school districts of St. Louis and Kansas City) and all public community colleges. PSRS also includes certificated employees of PSRS, Missouri State Teachers' Association, Missouri State High School Activities Association, and certain employees of the state of Missouri who elected to remain covered by PSRS under legislation enacted in 1986, 1987 and 1989. The majority of PSRS members are exempt from Social Security contributions. In some instances, positions may be determined not to be exempt from Social Security contributions. Any PSRS member who is required to contribute to Social Security comes under the requirements of Section 169.070 (9) RSMo, known as the "2/3's statute." PSRS members required to contribute to Social Security are required to contribute two-thirds of the approved PSRS contribution rate and their employer is required to match the contribution. The members' benefits are further calculated at two-thirds the normal benefit amount. A Comprehensive Annual Financial Report ("CAFR") can be obtained at www.psrs-peers.org.

Benefits Provided. PSRS is a defined benefit plan providing retirement, disability, and death/survivor benefits. Members are vested for service retirement benefits after accruing five years of service. Individuals who (a) are at least age 60 and have a minimum of 5 years of service, (b) have 30 years of service, or (c) qualify for benefits under the "Rule of 80" (service and age total at least 80) are entitled to a monthly benefit for life, which is calculated using a 2.5% benefit factor. Beginning July 1, 2001, and ending July 1, 2015, a 2.55% benefit factor is used to calculate benefits for members who have 31 or more years of service. Actuarially age-reduced benefits are available for members with five to 24.9 years of service at age 55. Members who are younger than age 55 and who do not qualify under the "Rule of 80" but have between 25 and 29.9 years of service may retire with a lesser benefit factor. Members that are three years beyond normal retirement can elect to have their lifetime monthly benefits actuarially reduced in exchange for the right to also receive a one-time partial lump sum (PLSO) payment at retirement equal to 12, 24, or 36 times the Single Life benefit amount. A Summary Plan Description detailing the provisions of the plan can be found on PSRS' website at www.psrs-peers.org. Since the prior valuation date, the benefit provisions were amended to make permanent an early retirement benefit allowing members to retire at any age after 25 years of service.

4. RETIREMENT PLANS (continued)

General Information about the Pension Plan – PSRS (concluded)

Cost-of-Living Adjustments ("COLA"). The PSRS Board has established a policy of providing a 2.00% COLA for years in which the CPI increases between 0.00% and 5.00%. If the CPI increase is greater than 5.00%, the Board will provide a COLA of 5.00%. If the CPI decreases, no COLA is provided. For any member retiring on or after July 1, 2001, such adjustments commence on the second January after commencement of benefits and occur annually thereafter. The total of such increases may not exceed 80% of the original benefit for any member.

Contributions. PSRS members were required to contribute 14.5% of their annual covered salary during fiscal year 2016. Employers were required to match the contributions made by employees. The contribution rate is set each year by the PSRS Board of Trustees upon the recommendation of the independent actuary within the contribution restrictions set in Section 169.030 RSMo.

The annual statutory increase in the total contribution rate may not exceed 1% of pay. Contributions for employees of the State of Missouri were made by the state in accordance with the actuarially determined contribution rate needed to fund current costs and prior service costs of state employees as authorized in Section 104.342.8 RSMo.

The College's contributions to PSRS were $1,704,191 for the year ended June 30, 2016.

General Information about the Pension Plan - PEERS

Plan Description. PEERS is a mandatory cost-sharing multiple employer retirement system for all public school district employees (except the school districts of St. Louis and Kansas City), employees of the Missouri Association of School Administrators, and community college employees (except the Community College of St. Louis). Employees of covered districts who work 20 or more hours per week on a regular basis and who are not contributing members of the Public School Retirement System of Missouri (PSRS) must contribute to PEERS.

Employees of PSRS who do not hold Missouri educator certificates also contribute to PEERS. PEERS was established as a trust fund by an Act of the Missouri General Assembly effective October 13, 1965. Statutes governing the System are found in Sections 169.600 - 169.715 and Sections 169.560-169.595 RSMo. The statutes place responsibility for the operation of PEERS on the Board of Trustees of the Public School Retirement System of Missouri. A Comprehensive Annual Financial Report ("CAFR") can be obtained at www.psrs-peers.org.

Benefits Provided. PEERS is a defined benefit plan providing service retirement and disability benefits to its members. Members are vested for service retirement benefits after accruing five years of service. Individuals who (a) are at least age 60 and have a minimum of five years of service, (b) have 30 years of service, or (c) qualify for benefits under the “Rule of 80” (service and age total at least 80) are entitled to a monthly benefit for life, which is calculated using a 1.61% benefit factor. Members qualifying for "Rule of 80" or "30-and-out" are entitled to an additional

4. RETIREMENT PLANS (continued)

General Information about the Pension Plan – PEERS (Concluded)

temporary .8% benefit multiplier until reaching minimum Social Security age (currently age 62). Actuarially age-reduced retirement benefits are available with five years of service at age 55. Members who are younger than age 55 and who do not qualify under the "Rule of 80" but have between 25 and 29.9 years of service may retire with a lesser benefit factor. Members that are three years beyond normal retirement can elect to have their lifetime monthly benefits actuarially reduced in exchange for the right to also receive a one-time partial lump sum (PLSO) payment at retirement equal to 12, 24, or 36 times the Single Life benefit amount. A Summary Plan Description detailing the provisions of the plan can be found on PSRS' website at www.psrs-peers.org.

Cost-of-Living Adjustments (COLA). The PEERS Board has established a policy of providing a 2.00% COLA for years in which the CPI increases between 0.00% and 5.00%. If the CPI increase is greater than 5.00%, the Board will provide a COLA of 5.00%. If the CPI decreases, no COLA is provided. For any member, such adjustments commence on the fourth January after commencement of benefits and occur annually thereafter. The total of such increases may not exceed 80% of the original benefit for any member.

Contributions. PEERS members were required to contribute 6.86% of their annual covered salary during fiscal year 2016. Employers were required to match the contributions made by employees. The contribution rate is set each year by the PSRS Board of Trustees upon the recommendation of the independent actuary within the contribution restrictions set in Section 169.030 RSMo. The annual statutory increase in the total contribution rate may not exceed 0.5% of pay.

The College's contributions to PEERS were $434,618 for the year ended June 30, 2016.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - PSRS

At June 30, 2016, the College has a liability of $14,986,345 for its proportionate share of the net pension liability. The net pension liability for the plan in total was measured as of June 30, 2015, and determined by an actuarial valuation as of that date. The College's proportionate share of the total net pension liability was based on the ratio of its actual contributions of $1,704,191 paid to PSRS for the year ended June 30, 2015, relative to the actual contributions of $656,578 from all participating employers. At June 30, 2015, the College's proportionate share was 0.2596%.

4. RETIREMENT PLANS (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – PSRS (concluded)

For the year ended June 30, 2016, the College recognized a pension expense of $907,381, its proportionate share of the total pension expense.

At June 30, 2016, the College reported deferred outflows of resources and deferred inflows of resources from the following sources related to PSRS benefits:

Balance of deferred outflows and inflows due to:	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,719,207	$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on plan investments	2,625,251	3,841,522
Changes in proportion and differences between employer contributions and proportionate share of contributions	52,620	90,599
Employer contributions subsequent to the measurement date	-	-
Total	$ 4,397,078	$ 3,932,121

Amounts reported as deferred outflows of resources to pensions resulting from contributions subsequent to the measurement date of June 30, 2015, will be recognized as a reduction to the net pension liability in the year ended June 30, 2016. Other amounts reported as collective deferred (inflows)/outflows of resources to be recognized in pension expense:

Year ended June 30:	
2017	$ (299,127)
2018	(299,127)
2019	(299,127)
2020	981,381
2021	261,603
Thereafter	119,354
Total	$ 464,957

4. RETIREMENT PLANS (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - PEERS

At June 30, 2016, the College has a liability of $2,234,629 for its proportionate share of the net pension liability. The net pension liability for the plan in total was measured as of June 30, 2015, and determined by an actuarial valuation as of that date. The College's proportionate share of the total net pension liability was based on the ratio of its actual contributions of $434,618 paid to PEERS for the year ended June 30, 2015, relative to the actual contributions of $102,864,099 from all participating employers. At June 30, 2015, the College's proportionate share was 0.4225%.

For the year ended June 30, 2016, the College recognized a pension expense of $280,720, its proportionate share of the total pension expense.

At June 30, 2016, the College reported deferred outflows of resources and deferred inflows of resources from the following sources related to PEERS benefits:

Balance of deferred outflows and inflows due to:	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 144,848	$ 31,320
Changes of assumptions	-	-
Net difference between projected and actual earnings on plan investments	483,834	689,220
Changes in proportion and differences between employer contributions and proportionate share of contributions	67,127	12,136
Employer contributions subsequent to the measurement date	-	-
Total	$ 695,809	$ 732,676

Amounts reported as deferred outflows of resources to pensions resulting from contributions subsequent to the measurement date of June 30, 2015, will be recognized as a reduction to the net pension liability in the year ended June 30, 2016. Other amounts reported as collective deferred (inflows)/outflows of resources to be recognized in pension expense:

Year ended June 30:	
2017	$ (49,317)
2018	(49,317)
2019	(63,473)
2020	125,240
2021	-
Thereafter	-
Total	$ (36,867)

4. RETIREMENT PLANS (continued)

Actuarial Assumptions - PSRS

Actuarial valuations of PSRS involves estimates of the reported amount and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and future salary increases. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The last experience study was conducted in 2011 and the next experience study is scheduled for 2016.

Significant actuarial assumptions and other inputs used to measure the total pension liability:

- Measurement Date	June 30, 2015
- Valuation Date	June 30, 2015
- Expected Return on Investments	8.00%, net of investment expenses and including 2.5% inflation
- Inflation	2.5%
- Total Payroll Growth	3.50% per annum, consisting of 2.50% inflation, 0.50% additional inflation due to the inclusion of health care costs in pension earnings, and 0.50% of real wage growth.
- Future Salary Increases	4.00% - 10.00%, depending on service and including 2.50% inflation, 0.50% additional inflation due to the inclusion of health care costs in pension earnings, and real wage growth of 1.00% to 7.00%.
- Cost-of-Living Increases	2.0% compounded annually, beginning on the second January after retirement and capped at 80% lifetime increase.

4. RETIREMENT PLANS (continued)

Actuarial Assumptions – PSRS (Concluded)

- Mortality Assumption

Actives:	RP 2000 Mortality Table set back one year for males and six years for females, then projected to 2016 using Scale AA.
Non-Disabled Retirees, Beneficiaries and Survivors:	RP 2000 Mortality Table set back one year for both males and females, then projected to 2016 using Scale AA.
Disabled Retirees:	RP 2000 Disabled Mortality Table

Changes in Actuarial Assumptions and Methods

There were no changes in actuarial assumptions or methods for the June 30, 2015, valuation.

Fiduciary Net Position:	PSRS issues a publicly available financial report that can be obtained at www.psrs-peers.org.

Actuarial Assumptions - PEERS

Actuarial valuations of PEERS involves estimates of the reported amount and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and future salary increases. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The last experience study was conducted in 2011, and the next experience study is scheduled for 2016.

Significant actuarial assumptions and other inputs used to measure the total pension liability:

- Measurement Date	June 30, 2015
- Valuation Date	June 30, 2015
- Expected Return on Investments	8.00%, net of investment expenses and including 2.5% inflation
- Inflation	2.5%
- Total Payroll Growth	3.75% per annum, consisting of 2.50% inflation, 0.75% additional inflation due to the inclusion of health care costs in pension earnings, and 0.50% of real wage growth.

4. RETIREMENT PLANS (continued)

Actuarial Assumptions – PEERS (Concluded)

- Future Salary Increases	5.00% - 12.00%, depending on service and including 2.50% inflation, 0.75% additional inflation due to the inclusion of health care costs in pension earnings, and real wage growth of 1.75% to 8.75%.
- Cost-of-Living Increases	2.0% compounded annually, beginning on the fourth January after retirement and capped at 80% lifetime increase.
- Mortality Assumption	
Actives:	RP 2000 Mortality Table set back one year for males and six years for females, then projected to 2016 using Scale AA.
Non-Disabled Retirees, Beneficiaries and Survivors:	RP 2000 Mortality Table set back one year for males and none for females, then projected to 2016 using Scale AA.
Disabled Retirees:	RP 2000 Disabled Mortality Table

Changes in Actuarial Assumptions and Methods

There were no changes in actuarial assumptions or methods for the June 30, 2015, valuation.

Fiduciary Net Position:	PEERS issues a publicly available financial report that can be obtained at www.psrs-peers.org.

Expected Rate of Return

The long-term expected rate of return on PSRS and PEERS' investments was determined using a building-block method in which best-estimate ranges of expected future real rates of returns (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PSRS and PEERS' target allocation as of June 30, 2015, is summarized below along with the long-term geometric return. Geometric return (also referred to as the time weighted return) is considered standard practice within the investment management industry. Geometric returns represent the compounded rate of growth of a portfolio. The method eliminates the effects created by cash flows.

4. RETIREMENT PLANS (continued)

Expected Rate of Return (Concluded)

Asset Class	Target Asset Allocation	Long-term Expected Real Return Arithmetic	Weighted Long-term Expected Real Return Arithmetic Basis
U.S. Public Equity	27.0%	5.85%	1.58%
Public Credit	12.0%	2.44%	0.29%
Hedged Assets	6.0%	5.22%	0.31%
Non-U.S. Public Equity	15.0%	6.64%	1.00%
U.S. Treasuries	16.0%	1.01%	0.16%
U.S. TIPS	4.0%	1.12%	0.04%
Private Credit	2.0%	7.61%	0.15%
Private Equity	10.5%	8.61%	0.90%
Private Real Estate	7.5%	4.60%	0.35%
Total	100.0%		4.78%
Inflation			2.50%
Long-term arithmetical nominal return			7.28%
Effect of coverage matrix			0.81%
Long-term expected geometric return			8.09%

- Discount Rate

The discount rate used to measure the total pension liability was 8.00% as of June, 30, 2015, and is consistent with the long-term expected geometric return on plan investments. The projection of cash flows used to determine the discount rate assumed that employer contributions would be made at the actuarially calculated rate computed in accordance with assumptions and methods stated in the funding policy adopted by the Board of Trustees, which requires payment of the normal cost and amortization of the unfunded actuarially accrued liability in level percent of employee payroll installments over 30 years utilizing a closed period, layered approach. Based on this assumption, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

- Discount Rate Sensitivity

The sensitivity of the College's net pension liability to changes in the discount rate is presented below. The District's net pension liability calculated using the discount rate of 8.0% is presented as well as the net pension liability using a discount rate that is 1.0% lower (7.0%) or 1.0% higher (9.0%) than the current rate.

Discount Rate	1% Decrease (7.00%)	Current Rate (8.00%)	1% Increase (9.00%)
PSRS Proportionate share of the Net Pension Liability / (Asset)	$27,562,614	$14,986,345	$4,423,680

4. RETIREMENT PLANS (continued)

Discount Rate	1% Decrease (7.00%)	Current Rate (8.00%)	1% Increase (9.00%)
PEERS Proportionate share of the Net Pension Liability / (Asset)	$4,511,347	$2,234,629	$309,860

Schedule of Proportionate Share of the Net Pension Liability and Related Ratios - PSRS

Year Ended	Proportion of the Net Pension Liability (Asset)	Proportionate Share Of the Net Pension Liability (Asset)	Actual Covered Member Payroll	Net Pension Liability (Asset) As a Percentage Of Covered Payroll	Fiduciary Net Position as A Percentage of Total Pension Liability
6/30/15	0.2622%	$10,756,833	$11,807,138	91.11%	89.34%
6/30/16	0.2596%	$14,986,345	$11,919,649	125.73%	85.78%

Schedule of Proportionate Share of the Net Pension Liability and Related Ratios - PEERS

Year Ended	Proportion of the Net Pension Liability (Asset)	Proportionate Share Of the Net Pension Liability (Asset)	Actual Covered Member Payroll	Net Pension Liability (Asset) As a Percentage Of Covered Payroll	Fiduciary Net Position as A Percentage of Total Pension Liability
6/30/15	0.4269%	$1,558,870	$6,225,586	25.04%	91.33%
6/30/16	0.4225%	$2,234,629	$6,335,539	35.27%	88.28%

Schedule of Employer Contributions - PSRS

Year Ended	Statutorily Required Contribution	Actual Employer Contributions	Contribution Excess/ (Deficiency)	Actual Covered Member Payroll	Contributions as a Percentage of Covered Payroll
6/30/14	$1,639,729	$1,639,729	$ -	$11,457,614	14.31%
6/30/15	1,688,596	1,688,596	-	11,807,138	14.30%
6/30/16	$1,704,191	1,704,191	-	11,919,649	14.30%

Schedule of Employer Contributions - PEERS

Year Ended	Statutorily Required Contribution	Actual Employer Contributions	Contribution Excess/ (Deficiency)	Actual Covered Member Payroll	Contributions as a Percentage of Covered Payroll
6/30/14	$392,291	$392,291	$ -	$5,718,535	6.86%
6/30/15	427,075	427,075	-	6,225,586	6.86%
6/30/16	$434,618	$434,618	-	6,335,539	6.86%

4. RETIREMENT PLANS (concluded)

The College has offered an early retirement plan that results in the payout of benefits based upon salary and years of service over four years. The activity in the long-term liability account for the year ended June 30, 2016, was as follows:

		2016
Beginning of year	$	59,594
New participant liability		177,289
Payments		(54,054)
End of year		182,829
Less current portion (reported in accounts payable)		(77,491)
Early retirement liability	$	105,338

5. BONDS PAYABLE

Bonds payable by series of issuance for the year ended June 30, 2016, consisted of the following:

	Beginning Balance July 1, 2015	Payments	Issued	Ending Balance June 30, 2016	Current Portion
Series 2005 Leasehold Bonds	$ 4,969,143	$ (421,052)	$ -	$ 4,548,091	$ 437,246
Series 2015 Leasehold Bonds	3,525,000	(425,000)	-	3,100,000	430,000
Total	$ 8,494,143	$ (846,052)	$ -	$ 7,648,091	$ 867,246

Leasehold Revenue Bonds – On May 19, 2005, the College issued $8,400,000 of Series 2005 Leasehold Revenue Bonds through the Jefferson College Educational Facilities Lease Authority. The bonds mature with a fixed rate of 3.78% ending in 2025. The proceeds went to expand the campus in the northern portion of the College's service area.

A schedule of funds required for bond redemption and payment of future years' interest applicable to the College's Series 2005 Leasehold Revenue Bonds for capital expenditures is as follows:

5. BONDS PAYABLE (concluded)

Years Ending June 30	Principal	Interest	Total
2017	$ 437,246	$ 164,394	$ 601,640
2018	454,063	147,577	601,640
2019	471,527	130,113	601,640
2020	489,663	111,977	601,640
2021	508,497	93,143	601,640
2022-2025	2,187,095	169,329	2,356,424
Total	$ 4,548,091	$ 816,533	$ 5,364,624

Leasehold Refunding Revenue Bonds – On April 14, 2015, the College refinanced its Series 2004 Student Housing Revenue Bonds with $3,980,000 Series 2015 Leasehold Refunding Revenue Bonds through the Jefferson College Educational Facilities Lease Authority. The bonds mature with variable rates ranging from .40% in 2016 to 2.85% ending in 2023.

The schedule of funds required for bond redemption and payment of future years' interest applicable to the College's student housing revenue bonds debt is as follows:

Years Ending June 30	Principal	Interest	Total
2017	$ 430,000	$ 61,510	$ 491,510
2018	430,000	57,425	487,425
2019	440,000	51,405	491,405
2020	440,000	43,705	483,705
2021	455,000	34,905	489,905
2022-2024	905,000	37,635	942,635
Total	$ 3,100,000	$ 286,585	$ 3,386,585

6. CERTIFICATES OF PARTICIPATION

Certificates of Participation by series of issuance for the year ended June 30, 2016, consisted of the following:

	Beginning Balance July 1, 2015	Payments	Issued	Ending Balance June 30, 2016	Current Portion
Certificates of Participation:					
Series 2010 COPS	$ 4,255,000	$ (560,000)	$ -	$ 3,695,000	$ 575,000
Total	$ 4,255,000	$ (560,000)	$ -	$ 3,695,000	$ 575,000

6. CERTIFICATES OF PARTICIPATION (concluded)

Certificates of Participation – On June 2, 2010, the College entered into a lease with the Jefferson College Educational Facilities Lease Authority for $6,943,000 in certificates of participation. The COPS mature with variable rates ranging from 1.50% in 2011 to 5.75% ending 2025. The Federal government will reimburse the College for 35% of the interest paid on every interest payment. For the year ended June 30, 2016, the college was reimbursed for $44,845 in interest.

The schedule of funds required for payment of future years' principle and interest components applicable to the College's COPS rent payments are as follows:

Years Ending June 30	Principal	Interest	Total
2017	$ 575,000	$ 191,428	$ 766,428
2018	590,000	165,553	755,553
2019	605,000	137,527	742,527
2020	620,000	107,277	727,277
2021	245,000	75,038	320,038
2022-2025	1,060,000	155,250	1,215,250
Total	$ 3,695,000	$ 832,073	$ 4,527,073

7. CAPITAL LEASE

Capital Lease – On October 6, 2015, the College entered into a Capital lease with Ford Motor Credit Company, LLC for $105,369 for 4 2016 Ford Explorer Police Interceptors. The Lease has a rate of 5.45% and is for a term of 48 months.

The schedule of funds required for payment of future years' principle and interest components applicable to the College's Capital Lease payments are as follows:

Years Ending June 30	Principal	Interest	Total
2017	$ 24,284	$ 4,191	$ 28,475
2018	25,607	2,867	28,474
2019	27,003	1,472	28,475
Total	$ 76,894	$ 8,530	$ 85,424

8. NONEXPENDABLE NET POSITION

Nonexpendable net position originally represents a gift of the estate proceeds of Walter L. Mahler of approximately $510,000, less estate settlement fees of approximately $46,000. According to restrictions set by the College's Board of Trustees, the principal is maintained in the Endowment

8. NONEXPENDABLE NET POSITION (concluded)

Fund with 10% of the investment income to be returned to principal and 90% to be used for scholarships. The allocation percentages are evaluated annually by the Board of Trustees and revised as necessary. The value at June 30, 2016, is $537,886, the remaining $152,869 is in other endowments.

9. TAXES

Property taxes are attached as an enforceable lien on property as of January 1. Taxes are levied on November 1 and are payable by December 31. Jefferson, Ste. Genevieve, and St. Francois Counties collect the property taxes and remit them to the College.

The assessed valuation of the tangible taxable property, for purposes of local taxation within the College's District (which includes areas of three counties), as of January 1, 2016, and 2015, was $3,014,922,453 and $2,948,499,190 for Jefferson County, $6,885,592 and $6,676,909 for St. Francois County and $51,880 and $50,110 for Ste. Genevieve County, respectively, on which taxes were levied during fiscal years 2016 and 2015, respectively.

General	$	0.3402
Total	$	0.3402

The receipts of current and delinquent property taxes during the fiscal year ended June 30, 2016, aggregated approximately 101.27% of the current assessment computed on the basis of the levy as shown above.

10. CONTINGENCIES

Most grants and cost-reimbursable contracts specify the types of expenditures for which the grant or contract funds may be used. The expenditures made by the College under some of these grants and contracts are subject to audit. To date, the College has not been notified on any significant unallowable costs relating to its grants or contracts. In the opinion of management, adjustments for unallowable costs, if any, resulting from such audits will not be significant.

The College was involved in a pending lawsuit as of June 30, 2016, however all items have been resolved as of the audit report date. A provision has made in the financial statements as outlined below.

On November 30, 2012, the College received the U.S. Department of Education's program review report identifying findings concerning the administration of the College's student financial aid programs pursuant to Title IV of the Higher Education Act of 1965 (HEA). On October 30, 2013, the College submitted its response to the program review report. On September 9, 2016, the U.S. Department of Education issued a Final Program Review Determination, asserting that the College is liable for $2,288,462 (the "FPRD"). The FPRD has been appealed and on July 28, 2016 it was determined that the College owes $1,823,827. This amount has been booked within the financial statements with a long-term and short-term portion being represented.

11. GENERAL LIABILITY INSURANCE

The College participates in a public entity risk pool to insure against its general liability risks. The risk of loss is transferred to this risk pool, with the pool retaining the right to raise insurance premiums in the subsequent calendar year if claims experience is unfavorable. The insurance premium for the 2016 calendar year was $447,411. Management is aware of no events or circumstances that would generate a significant increase in future insurance premiums.

12. RELATED-PARTY TRANSACTIONS

The College is affiliated with Jefferson College Foundation, Inc. (the "Foundation"). The purpose of the Foundation is to advance, encourage, assist, and support the growth and development of the College. During the year ended June 30, 2016, the College received support from the Foundation as follows:

		2016
Scholarship and Instruction	$	145,448
Alumni Association		-
Capital Improvements		7,262
Administrative		5,210
Fundraisers		43,445
Grants		263,548
Total	$	464,913

As of June 30, 2016, the Foundation had no liability to the College.

13. OTHER POST-EMPLOYMENT BENEFITS

Plan Description

In addition to the pension benefits described in *Note 4*, the College administers the Jefferson College Other Post-Employment Benefits Program which is a single-employer defined benefit OPEB plan. The College provides health care benefits to employees who retire, or who have retired, and receive or are eligible to receive benefits under the retirement plans described in *Note 4*, as mandated by Section 169.590 of the Missouri Revised Statutes. Retirees who submit a signed written request for coverage under the plan within 31 days of the retirement date are eligible for coverage under the plan upon submission and approval of a written request and evidence of good health. Retirees are required to contribute the entire amount of premium necessary for their participation in the plan, which is funded on a pay-as-you-go basis. A stand-alone financial report is not available for the plan.

13. OTHER POST-EMPLOYMENT BENEFITS (continued)

Funding Policy

The contribution requirements of plan members and the College are established and may be amended by the state legislature. The required contribution is based on pay-as-you-go financing requirements. For fiscal year 2016, the College does not contribute for retirees to the plan and plan members receiving benefits contributed $212,500.00 through their required contribution according to the following tables.

MEDICAL PREMIUMS

	POS	QDHP	POS Out-Of-Area	QDHP Out-Of -Area
Retiree	$ 600	$ 450	$ 720	$ 540
Retiree & Spouse	$1,320	$ 918	$1,584	$1,102
Retiree & Children	$1,110	$ 798	$1,332	$ 958
Family	$1,770	$1,192	$2,124	$1,430

DENTAL AND LIFE INSURANCE PREMIUMS

	DENTAL	LIFE INSURANCE
Retiree	$31.37	$1.43*
Retiree & Spouse	$61.58	N/A
Retiree & Children	$78.48	N/A
Family	$108.95	N/A

*Grandfathered rate, new retirees are not subsidized by the College.

Annual OPEB Cost and Net OPEB Obligation – The College's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the *annual required contribution of the employer* (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the College's annual OPEB cost for the year, the amount actually contributed by members to the plan, and changes in the College's net OPEB obligation to the Community College District of Jefferson County Other Post-Employment Benefits Program (dollar amounts in thousands):

Annual required contribution	$ 444,100
Interest on net OPEB obligation	40,200
Adjustment to annual required contribution	(39,600)
Annual OPEB cost (expense)	444,700
Previous Years OPEB not yet paid	145,800
Contributions made	(212,500)
Increase in net OPEB obligation	378,000
Net OPEB obligation – beginning of year	925,700
Net OPEB obligation – end of year	$ 1,303,700

13. OTHER POST-EMPLOYMENT BENEFITS (continued)

The College's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the College are as follows (dollar amounts in thousands):

Schedule of Funding Process

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded Actuarial Accrued Liability (UAAL) (b-a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a) / c)
6/30/2009	$ -	$ 6,476,600	$ 6,476,600	0%	Not Avail.	Not Avail.
6/30/2011	$ -	$ 5,477,200	$ 5,477,200	0%	Not Avail.	Not Avail.
6/30/2013	$ -	$ 5,798,600	$ 5,798,600	0%	Not Avail.	Not Avail.
6/30/2015	$ -	$ 5,967,300	$ 5,967,300	0%	Not Avail.	Not Avail.

Schedule of Employer Contributions

Fiscal Year Ending June 30,	Annual Required Contribution	Interest on Net OPEB Obligation	Adjustment to the ARC	Net OPEB Cost	Annual Contribution	Net OPEB Obligation
2011	$ 363,600	$ 11,000	$ 9,200	$ 365,400	$ 125,300	$ 516,200
2012	$ 363,600	$ 20,600	$ 17,200	$ 367,000	$ 140,600	$ 742,600
2013	$ 353,500	$ 27,800	$ 24,800	$ 356,500	$ 173,400	$ 925,700
2014	$ 353,500	$ 34,700	$ 31,900	$ 356,300	$ 210,500	$ 1,071,500
2015	$ 444,100	$ 40,200	$ 39,600	$ 444,700	$ 212,500	$ 1,303,700

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectation and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions – Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the June 30, 2016, actuarial valuation, the projected unit credit cost method was used. The actuarial assumptions included an interest rate for discounting liabilities of 3.75% per annum, initial inflation rate of 6.8% for medical and 5.0% for dental, ultimate inflation rate of 4.5% for medical and 4.3% for dental, years until ultimate inflation rate is 70 for medical and 4 for dental,

13. OTHER POST-EMPLOYMENT BENEFITS (concluded)

payroll inflation rate of 3.00% per annum, and the RP 2000 Mortality Table. Turnover rates are based on gender and length of service for the first five years and gender and age thereafter.

Retirement assumptions begin at age 50 with rates of eligibility for early retirement and eligibility for normal/unreduced.

In the financial statements, this liability was combined with other payroll liabilities as follows:

Regular Payroll Liabilities	$	488,549
OPEB Liabilities		1,303,700
Total Payroll Liabilities	$	1,792,249

14. SELF-INSURANCE

The College has a self-insurance plan which covers substantially all employees' (and their dependents) medical and dental expenses. The College has purchased excess loss insurance coverage to protect it from any excessive liabilities. The College has a $125,000 per insured specific deductible and a total of $1,000,000 in aggregate.

15. SUBSEQUENT EVENTS

There are no subsequent events to report as of the audit report date.

SUPPLEMENTAL SCHEDULES

THE COMMUNITY COLLEGE DISTRICT OF
JEFFERSON COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2016

I – SUMMARY OF AUDITOR'S RESULTS:

A. Financial Statements

1. Type of auditor's report issued: Unmodified

2. Internal control over financial reporting:

   a. Material weakness(es) identified? ____ Yes __X__ No

   b. Significant deficiency(ies) identified? ____ Yes __X__ None Reported

3. Noncompliance material to financial statements noted? ____ Yes __X__ No

B. Federal Awards

1. Internal control over major federal programs:

   a. Material weakness(es) identified? ____ Yes __X__ No

   b. Significant deficiency(ies) identified? ____ Yes __X__ None Reported

2. Type of auditor's report issued on compliance for major federal programs: Unmodified

3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? ____ Yes __X__ No

4. Identification of major federal programs:

CFDA Number(s):	Name of Federal Program or Cluster
84.063, 84.033, 84.268, 84.007	Student Financial Aid Cluster
84.048	Vocational Education – Carl Perkins
84.042	TRIO

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

6. Auditee qualified as low-risk auditee? ____ Yes __X__ No

II – FINANCIAL STATEMENT FINDINGS SECTION

There were no audit findings related to internal control or compliance for the financial statements for the year ended June 30, 2016.

III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS SECTION – MAJOR FEDERAL AWARD PROGRAMS AUDIT

There were no audit findings related to internal control, compliance, questioned costs, or fraud that related to federal awards for the year ended June 30, 2016.

THE COMMUNITY COLLEGE DISTRICT OF
JEFFERSON COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2016

IV – FINANCIAL STATEMENT FINDINGS SECTION – PREVIOUS YEAR

There were no audit findings related to internal control or compliance for the financial statements for the year ended June 30, 2015.

V – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS SECTION – PREVIOUS YEAR

There were no audit findings related to internal control, compliance, questioned costs, or fraud that related to federal awards for the year ended June 30, 2015.

THE COMMUNITY COLLEGE DISTRICT OF JEFFERSON COUNTY, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2016

Federal Grantor Program Title	Federal CFDA Number	Grant Number	Project Period	Passed Through to Subrecipients	Expenditures
DEPARTMENT OF EDUCATION					
Student Financial Aid Cluster:					
Pell Grant Program	84.063	P063P131738	07/01/15-06/30/16	$ -	$ 7,523,884
Pell Grant Administrative Allowance	84.063	P063Q131738	07/01/15-06/30/16	-	11,820
College Work Study (CWS)	84.033	P033A132325	07/01/15-06/30/16	-	113,912
Federal Direct Student Loans	84.268	N/A	07/01/15-06/30/16	-	5,317,499
Supplemental Educational Opportunity Grant (SEOG)	84.007	P007A132325	07/01/15-06/30/15	-	111,848
Total Student Financial Aid Cluster				-	13,078,963
Other Student Financial Aid:					
TRIO	84.042	P042A100059	07/01/15-06/30/16	-	260,068
Passes through the Missouri Department of Elementary and Secondary Education:					
Vocational Education - Carl Perkins	84.048	N/A	07/01/15-06/30/16	22,952	682,023
Adult Basic Education	84.002	N/A	07/01/15-06/30/16	-	209,498
U. S. DEPARTMENT OF VETERANS AFFAIRS:					
V.A. Vocational Rehabilitation	64.116	N/A	07/01/15-06/30/16	-	42,320
V. A. Reporting Fee	64.116	N/A	07/01/15-06/30/16	-	1,359
Total V.A. Federal Expenditures				-	43,679
DEPARTMENT OF LABOR:					
Passes Through the Missouri Office of Job Training					
WIA Youth	17.259	N/A	07/01/15-06/30/16	-	98,937
WIA Adult	17.258	N/A	07/01/15-06/30/16	-	95,354
WIA Dislocated Worker	17.260	N/A	07/01/15-06/30/16	-	108,174
Total WIA Programs passed throught the Missouri Office of Job Training				-	302,465
Passes Through Metropolitan Community College					
TAA-CCCT Grant	17.282	TC 26470-14-60-A-29	07/01/15-06/30/16	-	461,551
Total TAA-CCCT Grant Cluster				-	461,551
DEPARTMENT OF HEALTH AND HUMAN SERVICES:					
Passes through the Missouri Department of Elementary and Secondary Education -					
Early Childhood Child Care (ECCC)	93.575	N/A	07/01/15-06/30/16	-	20,000
DEPARTMENT OF AGRICULTURE					
Passes through the Missouri Department of Health					
Child and Adult Care Food Program	10.558	ERS46-14	07/01/15-06/30/16	-	9,797
Total Expenditures of Federal Awards				$ 22,952	$ 15,068,044

The notes to the Schedule of Expenditures of Federal Awards are an integral part of this statement.

THE COMMUNITY COLLEGE DISTRICT OF
JEFFERSON COUNTY, MISSOURI
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2016

NOTE 1 – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of the Community College District of Jefferson County, Missouri under programs of the federal government for the year ended June 30, 2016. 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). Because the Schedule presents only a selected portion of the operations of the Community College District of Jefferson County, Missouri, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Community College District of Jefferson County, Missouri.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported in accordance with Generally Accepted Accounting Principles. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments,* or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 amounts reported as expenditures in prior years.

NOTE 3 – INDIRECT COST RATE

The District has elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 4 – RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports except for changes made to reflect amounts in accordance with generally accepted accounting principles.

NOTE 5 –MATCHING REVENUES

For those funds that have matching revenues and state funding, federal expenditures were determined by deducting matching revenues from total expenditures.

NOTE 6 – NON-CASH PROGRAMS

There were not any non-cash programs for the year ended June 30, 2016.

NOTE 7 – SUBRECIPIENTS

The College provided federal awards to subrecipients during the year ended June 30, 2016, as presented below:

Entity	Grant	CFDA#	Amount
Northwest R-I School District	Vocational Education - Carl Perkins	84.048	$ 4,600
Grandview R-II School District	Vocational Education - Carl Perkins	84.048	637
Hillsboro R-III School District	Vocational Education - Carl Perkins	84.048	1,956
Dunklin R-V School District	Vocational Education - Carl Perkins	84.048	1,136
Festus R-VI School District	Vocational Education - Carl Perkins	84.048	1,811
Jefferson County R-VI School District	Vocational Education - Carl Perkins	84.048	503
Windsor C-1 School District	Vocational Education - Carl Perkins	84.048	1,603
Fox C-6 School District	Vocational Education - Carl Perkins	84.048	6,823
Crystal City 47 School District	Vocational Education - Carl Perkins	84.048	400
Desoto 73 School District	Vocational Education - Carl Perkins	84.048	2,216
Kingston K-14 School District	Vocational Education - Carl Perkins	84.048	1,267
Total			**$ 22,952**

NOTE 8 – OTHER INFORMATION

1. The College also participates in the Federal Family Education Loan Program (CFDA 84.268), which includes the Stafford Loan Program and the PLUS Loan Program. Loans were as follows:

Student Loan Program	Amount	Volume
Stafford Subsidized	$ 2,579,455	850
Stafford Unsubsidized	2,712,405	832
PLUS	25,639	9
Total and ***Unduplicated Headcount***	$ 5,317,499	1,059

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

Independent Auditor's Report

To the Board of Trustees of the
Community College District of
Jefferson County, Missouri

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, the blended component unit and the discretely presented component unit of The Community College District of Jefferson County, Missouri (the "College") as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated December 20, 2016.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

December 20, 2016

Daniel Jones
& Associates
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

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

Independent Auditor's Report

To the Board of Trustees of the
Community College District of
Jefferson County, Missouri

Report on Compliance for Each Major Federal Program

We have audited the Community College District of Jefferson County, Missouri's ("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 the College's major federal programs for the year ended June 30, 2016. 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.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the College's major federal programs based on our audit of the types of compliance requirements referred to above. 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the College's compliance.

Opinion on Each Major Federal Program

In our opinion, the College complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

Report on Internal Control Over Compliance

Management of the College is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the College's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the College's 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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

December 20, 2016

SUPPLEMENTAL STATE AWARD SCHEDULES

THE COMMUNITY COLLEGE DISTRICT OF JEFFERSON COUNTY, MISSOURI
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2016

Grantor	Project Period	Expenditures
Passes through the Missouri Department of Elementary and Secondary Education:		
Vocational Educational Salaries	7/1/15-6/30/16	$ 284,780
Vocational Formula	7/1/15-6/30/16	171,629
Homemaker Fee Waivers	7/1/15-6/30/16	3,743
Vocational Aid Base Grant	7/1/15-6/30/16	21,299
Adult Basic Education	7/1/15-6/30/16	74,757
Enhancement Grant	7/1/15-6/30/16	289.885
Total Department of Elementary and Secondary Education		846,093
Passes through the Missouri Department of Social Services:		
Rehabilitation Services for the Blind	7/1/15-6/30/16	12,257
Total Department of Social Services		12,257
Passes through the Missouri Department of Higher Education:		
A+ Program	7/1/15-6/30/16	1,384,428
Loan Default Prevention Grant	7/1/15-6/30/16	25,000
Total Department of Higher Education		1,409,428
Passes through the Missouri Department of Vocational Rehabilitation :		
Missouri Vocational Rehabilitation	7/1/15-6/30/16	11,845
Total Department of Vocational Rehabilitation		11,845
Passes through the Missouri Department of Economic Development:		
Trade Act	7/1/15-6/30/16	49,230
Customized Training	7/1/15-6/30/16	276,000
Total Department of Economic Development		325,230
Total State Awards		$ 2,604,853