THE COMMUNITY COLLEGE DISTRICT OF JEFFERSON COUNTY, MISSOURI

Independent Auditors' Reports, Audited Financial Statements and Supplementary Schedules as of and for the Year Ended June 30, 2019 (with summarized comparative financial information for June 30, 2018)

THE COMMUNITY COLLEGE DISTRICT OF
JEFFERSON COUNTY, MISSOURI
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INDEPENDENT AUDITORS' 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 business-type activities 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, 2019, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

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.

Auditors' 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.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of the Community College District of Jefferson County, Missouri, as of June 30, 2019, 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

The comparative financial statements of the College for the year ended June 30, 2018, were audited by another auditor, who expressed an unmodified audit opinion on those audited financial statements in their report dated December 20, 2018. The summarized comparative information for the year ended June 30, 2018, was derived from those audited financial statements.

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 and required supplementary information on pages 51-53 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 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 November 27, 2019, 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 solely describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

Westbrook & Co., P.C.

Richmond, Missouri
November 27, 2019

THE COMMUNITY COLLEGE DISTRICT OF JEFFERSON COUNTY, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2019 (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, 2019 shows assets at $73.9 million, liabilities at $46.98 million, and net position at $26.93 million. Net position represents the balance in the College's assets after liabilities are deducted. Net position increased by $1.8 million during fiscal year 2019. The most significant changes in net position during fiscal year 2019 occurred due to lower salary and benefit expenses due to retirements and resignations and the increase in tuition and fees revenues.

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, 2019, 2018 and 2017. 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, 2019, 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:

	2019	2018	2017
Current assets	$22,973,215	$22,337,977	$25,101,734
Non-current assets	42,404,334	42,713,952	39,828,186
Deferred Outflows of Resources	8,528,933	10,593,965	10,316,826
Total Assets	73,906,482	75,645,894	75,246,746
Current Liabilities	$ 8,404,193	$ 8,001,310	$ 6,622,778
Non-current liabilities	35,046,605	35,463,393	37,301,401
Deferred Inflows of Resources	5,524,912	7,044,581	4,921,995
Total Liabilities	46,975,710	50,509,284	48,846,174
Invested in capital assets - net of related debt	$33,694,536	$32,345,048	$29,042,871
Restricted:			
Expendable	12,407,242	11,391,748	13,141,256
Nonexpendable	702,212	699,150	697,682
Unrestricted	(19,873,218)	(19,299,336)	(16,481,237)
Total Net Position	$26,930,772	$25,136,610	$26,400,572

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, 2019, 2018 and 2017, a summarized version of the College's revenues, expenses and changes in net position are as follows:

	2019	2018	2017
Operating revenue	$10,796,187	$10,488,256	$9,712,369
Operating expenses	(39,921,493)	(40,478,639)	(41,963,659)
Operating Loss	($29,125,306)	($29,990,383)	($32,251,290)
Non-operating revenue, net	$30,919,468	$31,100,012	$33,055,413
Increase (decrease) in net assets	$1,794,162	$1,109,629	$804,123
Net Position – Beginning of Year	$25,136,610	$26,400,572	$25,596,449
Prior Year Adjustment	-	(2,373,591)	-
Net Position – End of Year	$26,930,772	$25,136,610	$26,400,572

The College's fiscal year 2019, 2018, 2017 revenues, both operating and non-operating, are as follows:

Operating Revenues:	2019	2018	2017
Tuition & fees – net of scholarship allowances	$ 8,302,650	$ 7,694,293	$ 7,058,116
Student housing revenue, net	663,459	632,229	598,903
Other	1,830,078	2,161,734	2,055,350
Total	$ 10,796,187	$ 10,488,256	$ 9,712,369

Non-operating revenue (expenses)	2019	2018	2017
Local Taxes	$10,974,189	$10,884,671	$10,553,430
State Aid	7,650,035	7,652,417	9,829,076
Grants & contracts	8,792,704	9,937,640	10,112,645
Interest Income	253,013	114,033	94,917
Interest expense on capital asset related debt	(343,971)	(390,746)	(420,993)
Other	3,593,498	2,901,997	2,886,338
Total	$30,919,468	$31,100,012	$33,055,413

During fiscal year 2019 tuition and fees net of discounts changed due to an increase in the tuition rate. 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 remained relatively flat as compared to last year.

During fiscal years 2019, 2018 and 2017, the operating expenses for the College are as follows:

Operating expenses:	2019	2018	2017
Salaries & Benefits	$26,935,707	$27,264,092	$29,055,213
Supplies, utilities and other services	7,133,279	7,110,584	7,571,980
Depreciation	2,303,640	2,159,012	1,980,505
Financial aid and scholarships	3,548,867	3,944,951	3,355,961
Total	$39,921,493	$40,478,639	$41,963,659

During fiscal year 2019, salaries and benefits decreased due to a combination of lower medical claims paid out, a lower pension expense calculated under GASB 68 rules along with some positions not being filled. Financial Aid Scholarship expenses decreased due to an increase in Pell Grant tuition discounts.

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, 2019, 2018, and 2017, a summary of the statements of cash flows is as follows:

Cash provided (used) by:	2019	2018	2017
Operating activities	($28,267,779)	($28,645,341)	($31,181,841)
Capital and capital related financing activities	(1,702,947)	(3,701,433)	(4,031,405)
Noncapital financing activities	30,463,551	31,698,651	31,503,348
Investing activities	392,588	(1,288,505)	8,279,817
Net increase (decrease) in cash	$885,413	($1,936,628)	$4,569,919
Cash - beginning of the year	$13,798,022	$15,734,650	$11,164,731
Cash - end of the year	$14,683,435	$13,798,022	$15,734,650

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 2019.

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

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

During fiscal year 2017, the College entered into a direct borrowing agreement for a video display for the field house at a cost of $83,350. The term of this lease is eight years.

During fiscal year 2017, the College entered into a direct borrowing agreement for the library renovation at a cost of $1,200,000. The term of this lease is six years.

During fiscal year 2019, the College entered into a direct borrowing agreement for tasers and cartridges at a cost of $23,700. The term of this lease is five years.

Significant Budget Variances

For fiscal year 2019, there were no material variances from budget.

STATE AID HISTORY

	Actual FY 2017	Actual FY 2018	Actual FY 2019	Budget FY 2020
Unrestricted				
General Revenue	$7,453.096	$7,319,374	$7,316,992	$7,300,000
Budget Stabilization Funds	-	-	-	-
Total Unrestricted	7,453,096	7,319,374	7,316,992	7,300,000
Restricted				
Maintenance & Repair HB3	333,043	333,043	333,043	333,043
Total Restricted	333,043	333,043	333,043	333,043
Total State Aid	$7,786,139	$7,652,417	$7,650,035	$7,633,043

TUITION HISTORY

	Actual FY 2017	Actual FY 2018	Actual FY 2019	Budget FY 2020
Tuition Rates				
In District	$ 97	$ 105	$ 106	$ 112
Out of District	146	158	159	168
Out of State	194	210	212	224
Technology Fee	3	5	10	16
Gross Tuition and Fee Revenue				
Unrestricted Funds				
Gross Tuition and Fees	$10,722,562	$10,768,992	$11,066,637	$11,505,918
Plant Funds				
Gross Tuition and Fees	815,111	761,480	739,926	856,200
All Funds				
Gross Tuition and Fees	$11,537,673	$11,530,472	$11,806,563	$12,362,118

TAX RATES AND REVENUES HISTORY

Tax Rates

	Actual FY 2017	Actual FY 2018	Actual FY 2019	Budget FY 2020
Current Unrestricted	$.2606	$.2516	$.2516	$.2516
Plant	.0300	.0300	.0300	.0300
Capital Projects	.0500	.0500	.0500	.0500
Total Tax Levy	$.3406	$.3316	$.3316	$.3316

Tax Revenue

	Actual FY 2017	Actual FY 2018	Actual FY 2019	Budget FY 2020
Current Unrestricted	$ 8,097,502	$ 8,346,666	$ 8,327,030	$ 8,382,000
Plant	920,971	951,759	992,756	1,006,900
Capital Projects	1,534,957	1,586,246	1,654,403	1,682,300
Total Tax Revenue	$10,553,430	$10,884,671	$10,974,189	$11,071,200

THE COMMUNITY COLLEGE DISTRICT OF
JEFFERSON COUNTY, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019
(UNAUDITED)

The Following is the College's approved budget for Fiscal Year 2019.

BUDGET SUMMARY

		2017 Actuals	2018 Actuals	2019 Projected	2020 Budget
Revenues:					
	State Aid	$ 9,979,076	$ 7,652,417	$ 7,650,035	$ 7,633,043
	Tuition and fees	11,537,673	11,530,472	11,806,563	12,362,118
	Local Taxes	10,553,430	10,884,671	10,974,189	11,071,200
	Federal Grant Revenue	1,670,458	1,458,764	1,235,836	1,309,595
	State Grant Revenue	2,715,211	2,909,172	2,981,953	2,976,988
	Student Aid	8,777,385	8,822,161	8,334,614	7,945,799
	Sales & Services	1,097,530	1,244,251	982,169	1,328,000
	Adult Education	192,443	180,651	198,587	274,681
	Student Activities	63,633	55,319	39,896	37,830
	Organized Activities	61,836	87,920	79,742	67,100
	Auxiliary Enterprises	1,079,707	1,195,769	1,209,186	1,202,036
	Interest Income	94,919	114,333	253,014	147,500
	Other	3,273,370	3,464,295	3,916,446	3,204,700
Total Revenues		**$51,096,671**	**$49,600,195**	**$49,662,230**	**$49,560,590**
Expenditures:					
	Instructional	$16,137,446	$14,967,940	$15,036,667	$15,633,944
	Administration & General	10,537,329	9,522,385	9,049,380	10,891,694
	Plant Oper and Maint	3,418,520	3,611,396	3,662,417	5,442,348
	Grants & Scholarships	10,158,238	10,368,577	10,103,025	9,684,458
	Auxiliary Enterprises	1,147,287	1,261,889	1,227,330	1,312,460
	Academic Support	1,318,022	1,261,928	1,321,853	1,389,109
	Student Services	4,396,583	4,288,819	4,050,122	4,573,794
	Scholarships	1,163,574	1,102,500	1,163,939	1,099,400
	Public Service	161,798	106,857	120,243	47,500
Total Expenditures		**$48,438,797**	**$46,492,291**	**$45,734,976**	**$50,074,707**
	Net Revenue Less Expenses	$2,657,874	$3,107,904	$3,927,254	($514,117)
	Transfers In/Out	(1,853,751)	(1,998,275)	(2,142,580)	-
	Net Increase/Decrease for YTD	$804,123	$1,109,631	$1,784,674	($514,117)
	Beginning Net Asset	25,596,449	26,400,572	25,136,610	26,921,285
	Prior Period Adjustment	-	(2,373,591)	-	-
	Ending Net Assets	**$26,400,572**	**$25,136,610**	**$26,921,284**	**$26,407,168**

Current Unrestricted Fund

		2017 Actuals	2018 Actuals	2019 Projected	2020 Budget
Revenues:					
	State Aid	$ 7,453,096	$ 7,319,374	$ 7,316,992	$ 7,300,000
	Tuition and fees	10,722,562	10,768,992	11,066,637	11,505,918
	Local Taxes	8,097,502	8,346,666	8,327,030	8,382,000
	Federal Grant Revenue	20,759	25,823	23,465	22,000
	State Grant Revenue	779,342	666,282	110,285	23,000
	Student Aid	1,389,971	1,596,388	1,859,220	1,800,000
	Sales & Services	1,097,530	1,244,251	982,169	1,328,000
	Adult Education	-	-	-	-
	Student Activities	1,575	-	-	-
	Organized Activities	5,969	11,368	22,151	17,000
	Auxiliary Enterprises	350,727	438,507	413,375	444,536
	Interest Income	110,819	109,176	177,915	100,000
	Other	575,147	414,720	411,390	376,000
Total Revenues		**$30,604,999**	**$30,941,547**	**$30,710,629**	**$31,298,454**
Expenditures:					
	Instructional	$14,425,932	$13,561,800	$12,963,211	$12,929,214
	Admin & General	7,138,960	6,053,729	5,747,338	6,088,074
	Plant Oper and Maint	3,044,393	3,191,319	3,299,424	3,251,949
	Grants & Scholarships	1,433,209	1,664,734	1,935,009	1,865,000
	Auxiliary Enterprises	491,602	516,649	513,980	552,958
	Academic Support	1,198,400	1,159,945	1,300,404	1,342,926
	Student Services	3,792,912	3,601,841	3,501,420	3,924,905
	Scholarships	1,163,574	1,102,500	1,163,939	1,099,400
	Public Service	156,481	101,461	95,051	47,500
Total Expenditures		**$32,845,463**	**$30,953,978**	**$30,519,776**	**$31,101,926**
	Net Revenue Less Expenses	($2,240,464)	($12,431)	190,853	$196,528
	Transfers In/Out	(66,178)	(268,447)	(186,523)	109,584
	Net Increase/Decrease for YTD	($2,306,642)	($280,878)	$4,330	$306,112
	Beginning Net Assets	(12,807,820)	(15,114,462)	(17,768,931)	(17,764,599)
	Prior Period Adjustment	-	(2,373,591)	-	-
	Ending Net Assets	**($15,114,462)**	**($17,768,931)**	**($17,764,601)**	**($17,458,487)**

THE COMMUNITY COLLEGE DISTRICT OF JEFFERSON COUNTY, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019
(UNAUDITED)

Current Restricted Fund

		2017 Actuals	2018 Actuals	2019 Projected	2020 Budget
Revenues:					
	State Aid	$ 2,375,980	$ 333,043	$ 333,043	$ 333,043
	Tuition and fees	-	-	-	-
	Local Taxes	-	-	-	-
	Federal Grant Revenue	1,649,699	1,432,941	1,212,370	1,287,595
	State Grant Revenue	1,935,869	2,235,400	2,871,668	2,953,988
	Student Aid	7,387,414	7,225,773	6,475,394	6,145,7996
	Sales & Services	-	-	-	-
	Adult Education	192,443	180,651	198,587	274,681
	Student Activities	62,058	55,319	39,896	37,830
	Organized Activities	55,867	76,552	57,591	50,100
	Auxiliary Enterprises	728,980	757,262	795,811	757,500
	Interest Income	31,859	28,536	34,331	17,400
	Other	2,643,123	2,830,105	2,801,689	2,778,700
Total Revenues		**$17,063,292**	**$15,155,582**	**$14,820,380**	**$14,636,636**
Expenditures:					
	Instructional	$ 1,588,061	$ 1,318,211	$ 1,863,255	$ 2,402,146
	Admin & General	2,799,976	2,673,799	2,711,116	2,786,600
	Plant Oper and Maint	265,416	208,935	71,841	666,086
	Grants & Scholarships	8,725,029	8,703,843	8,168,016	7,819,458
	Auxiliary Enterprises	650,041	649,695	708,923	759,502
	Academic Support	119,613	13,809	21,449	23,683
	Student Services	585,371	632,217	492,516	573,889
	Scholarships	-	-	-	-
	Public Service	4,773	5,396	17,971	-
Total Expenditures		**$14,738,280**	**$14,205,905**	**$14,055,087**	**$15,031,364**
	Net Revenue Less Expenses	$2,325,012	$949,677	$765,293	($394,728)
	Transfers In/Out	(2,206,571)	(641,402)	(318,774)	415,126
	Net Increase/Decrease for YTD	$118,441	$308,275	$446,519	$20,398
	Beginning Net Assets	1,379,860	1,498,301	1,806,577	2,253,096
	Ending Net Assets	**$1,498,301**	**$1,806,576**	**$2,253,096**	**$2,273,494**

THE COMMUNITY COLLEGE DISTRICT OF JEFFERSON COUNTY, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019
(UNAUDITED)

Plant Funds

		2017 Actuals	2018 Actuals	2019 Projected	2020 Budget
Revenues:					
	State Aid	$ 150,000	$ -	$ -	$ -
	Tuition and fees	815,111	761,480	739,926	856,200
	Local Taxes	2,455,928	2,538,005	2,647,159	2,689,200
	Federal Grant Revenue	-	-	-	-
	State Grant Revenue	-	7,490	-	-
	Student Aid	-	-	-	-
	Sales & Services	-	-	-	-
	Adult Education	-	-	-	-
	Student Activities	-	-	-	-
	Organized Activities	-	-	-	-
	Auxiliary Enterprises	-	-	-	-
	Interest Income	608	1,198	2,643	2,500
	Other	55,100	219,470	703,108	50,000
Total Revenues		**$3,476,747**	**$3,527,643**	**$4,092,836**	**$3,597,900**
Expenditures:					
	Instructional	$ 123,453	$ 87,929	$ 210,201	$ 302,584
	Admin & General	598,393	790,515	2,733,506	2,017,020
	Plant Oper and Maint	108,711	211,142	291,153	1,5214,313
	Grants & Scholarships	-	-	-	-
	Auxiliary Enterprises	5,644	95,545	4,427	-
	Academic Support	9	88,174	-	22,500
	Student Services	18,300	54,761	56,186	75,000
	Scholarships	-	-	-	-
	Public Service	544	-	7,220	-
Total Expenditures		**$855,054**	**$1,328,066**	**$3,302,693**	**$3,941,417**
	Net Revenue Less Expenses	$2,621,693	$2,199,577	$790,143	$(343,517)
	Transfers In/Out	(2,821,602)	(4,735,201)	(2,510,371)	(524,710)
	Net Increase/Decrease for YTD	($199,909)	($2,535,624)	($1,720,228)	($868,227)
	Beginning Net Assets	11,400,817	11,200,908	8,665,284	6,945,055
	Ending Net Assets	**$11,200,908**	**$8,665,284**	**$6,945,056**	**$6,076,828**

THE COMMUNITY COLLEGE DISTRICT OF
JEFFERSON COUNTY, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019
(UNAUDITED)

Other Funds

		2016 Actuals	2018 Actuals	2019 Projected	2020 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	(48,367)	(24,577)	38,384	27,600
	Other	-	-	-	-
Total Revenues		**($48,367)**	**($24,577)**	**$38,384**	**$27,600**
Expenditures:					
	Instructional	$ -	$ -	$ -	$ -
	Admin & General	-	4,342	-	-
	Plant Oper and Maint	-	-	-	-
	Grants & Scholarships	-	-	-	-
	Auxiliary Enterprises	-	-	-	-
	Academic Support	-	-	-	-
	Student Services	-	-	-	-
	Scholarships	-	-	-	-
	Public Service	-	-	-	-
Total Expenditures		$ -	$ 4,342	$ -	$ -
	Net Revenue Less Expenses	($48,367)	($28,919)	$38,384	$ 27,600
	Transfers In/Out	48,367	30,387	(35,321)	-
	Net Increase/Decrease for YTD	$ -	$ 1,468	$ 3,063	$ 27,600
	Beginning Net Assets	697,682	697,682	699,150	702,213
	Ending Net Assets	**$697,682**	**$699,150**	**$702,213**	**$729,813**

Economic Outlook

State Aid is expected to remain flat with the reduced level of funding to additional performance funding the College received for fiscal year 2019.

Property tax revenue has remained relatively flat. The College's administration believes that this will show a slight increase through 2020.

The College is expecting enrollment to decline about 4% in fiscal year 2020 due to an improvement in the economy and lower unemployment.

The Board of Trustees and Management will continue to maintain a close watch over its resources and be cognizant of long-term financial goals 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, taxpayers, 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 Daryl Gehbauer, VP of Finance and Administration, 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.

FINANCIAL STATEMENTS

THE COMMUNITY COLLEGE DISTRICT OF JEFFERSON COUNTY, MISSOURI
STATEMENT OF NET POSITION
AS OF JUNE 30, 2019
(With Summarized Comparative Financial Information as of June 30, 2018)

	Primary Government 2019	Component Unit Foundation 2019	Primary Government 2018	Component Unit Foundation 2018
ASSETS				
Current assets:				
Cash (Note 2)	$ 13,679,673	$ 474,173	$ 12,926,778	$ 993,783
Cash - Self Insurance	1,003,432	-	870,997	-
Investments (Note 2)	1,000,000	2,223,413	1,000,000	2,031,244
Non-Depreciable Assets Held for Investmen	-	-	-	535,000
Receivables:				
Student fees, net of allowance of $289,567 and $292,597, respectively	4,718,828	-	4,860,035	-
Government Program	1,546,632	-	1,768,866	-
Taxes, net of allowance of $21,679 and $22,217, respectively	461,382	-	441,931	-
Other	127,520	91,258	24,601	258,474
Supplies & material inventories	33,242	-	37,107	-
Prepaid expenses	402,506	11,648	407,661	-
Total Current assets	22,973,215	2,800,492	22,337,976	3,818,501
Restricted deposits (Note 2)	330	-	247	-
Restricted investments (Note 2)	771,609	-	736,288	-
Long-term Pledges Receivable	-	140,910	-	-
Capital assets, net (Note 3)	41,632,395	512,981	41,977,417	-
TOTAL ASSETS	$ 65,377,549	$ 3,454,383	$ 65,051,928	$ 3,818,501
DEFERRED OUTFLOWS OF RESOURCES				
Deferred amounts related to state pension system	$ 8,528,933	$ -	$ 10,593,966	$ -
TOTAL DEFFERRED OUTFLOWS OF RESOURCES	$ 8,528,933	$ -	$ 10,593,966	$ -
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 73,906,482	$ 3,454,383	$ 75,645,894	$ 3,818,501
LIABILITIES				
Current liabilities:				
Accounts Payable	$ 887,761	$ 15,000	$ 382,284	$ -
Payroll Liabilities Payable	4,939,114	-	4,564,642	-
Accrued Payroll Expenses	128,516	-	131,321	-
Accured Interest Payable	37,746	-	47,233	-
Current Portion of Bonds Payable	929,663	-	911,527	-
Current Portion of COPS	620,000	-	605,000	-
Current Portion of Direct Borrowings	179,059	-	180,795	-
Current Portion of Note Payable - Department of Education	-	-	498,522	-
Compensated Absences	682,334	-	679,986	-
Total Current liabilities	8,404,193	15,000	8,001,310	-
Deferred Inflows of Resources				
Deferred Aid and Tuition	5,239,581	-	5,309,624	-
Total Deferred Inflows of Resources	5,239,581	-	5,309,624	-
Noncurrent liabilities:				
Bonds Payable	4,055,592	-	4,985,255	-
COPS	1,305,000	-	1,925,000	-
Direct Borrowings	848,545	-	1,024,793	-
Note Payable - Department of Education	-	-	251,135	-
Early Retirement Liability (Note 4	15,177	-	14,407	-
Share of Missouri State Pension Liability	21,582,710	-	21,953,179	-
Total Noncurrent liabilities	27,807,024	-	30,153,769	-
TOTAL LIABILITIES	$ 41,450,798	$ 15,000	$ 43,464,703	$ -
DEFERRED INFLOWS OF RESOURCES				
Deferred amounts related to state pension system	$ 5,419,546	$ -	$ 6,921,885	$ -
Deferred amounts related to OPEB	105,366	-	122,696	-
TOTAL DEFERRED INFLOWS OF RESOURCES	$ 5,524,912	$ -	$ 7,044,581	$ -
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	$ 46,975,710	$ 15,000	$ 50,509,284	$ -
NET POSITION				
Net Position:				
Net investment in capital assets	33,694,536	-	32,345,048	-
Restricted:				
With Donor Restriction	-	1,701,931	-	2,192,121
Expendable	12,407,242	-	11,391,748	-
Nonexpendable	702,212	-	699,150	-
Unrestricted/Without Donor Restriction	(19,873,218)	1,737,452	(19,299,336)	1,626,380
TOTAL NET POSITION	26,930,772	3,439,383	25,136,610	3,818,501
TOTAL LIABILITIES AND NET POSITION	$ 73,906,482	$ 3,454,383	$ 75,645,894	$ 3,818,501

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, 2019
(With Summarized Comparative Financial Information as of June 30, 2018)

	Primary Government 2019	Component Unit Foundation 2019	Primary Government 2018	Component Unit Foundation 2018
OPERATING REVENUES				
Operating Revenues:				
Tuition and Fees (net of scholarships)	$ 8,302,650	$ -	$ 7,694,293	$ -
Student Housing Revenues (net of scholarships)	663,459	-	632,229	-
Other Operating Revenues	1,830,078	-	2,161,734	-
Total Operating Revenues	10,796,187	-	10,488,256	-
OPERATING EXPENSES				
Operating expenses:				
Salaries	18,317,726	88,123	18,640,221	-
Benefits	8,617,981	27,721	8,623,871	-
Financial Aid and Scholarships	3,548,867	-	3,944,951	-
Utilities	1,074,392	-	1,126,000	-
Supplies and Other Services	6,058,887	-	5,984,584	-
Depreciation	2,303,640	22,019	2,159,012	-
Total Operating Expenses	39,921,493	137,863	40,478,639	-
OPERATING INCOME / (LOSS)	(29,125,306)	(137,863)	(29,990,383)	-
NON-OPERATING REVENUES (EXPENSES):				
Regular State Aid	7,650,035	-	7,652,417	-
Local Taxes	10,974,189	-	10,884,671	-
Grants and Contracts	8,792,704	93,500	9,937,640	-
Investment Income	253,013	54,939	114,033	44,368
Interest Expense	(343,971)	-	(390,746)	-
Gain (Loss) on sale of assets	(8,054)	-	(226,861)	-
Gain (Loss) on marketable securities	-	230,266	-	5,846
Other Income	-	-	-	-
Library Renovation Income	-	50,895	-	495,787
Membership Fees	-	-	-	45
Events	-	125,998	-	101,839
Contributions - Net	-	361,762	-	342,114
Programs - scholarships	-	(237,739)	-	(214,703)
Administration	-	(9,823)	-	(1,800)
Advertising	-	(12,448)	-	(5,575)
Ault House	-	(2,551)	-	(3,940)
Awards & Recognition	-	(3,766)	-	(5,677)
Capital Improvements	-	(593,599)	-	(161,308)
Events	-	(82,833)	-	(76,682)
Financing & Investing	-	(110,050)	-	(17,708)
Instructional Programs	-	(14,828)	-	(22,628)
Professional Fees	-	(90,978)	-	(57,639)
Other Nonoperating Revenues	3,601,552	-	3,128,858	-
Net Non-Operating Revenues (expenses)	30,919,468	(241,255)	31,100,012	422,339
Income Before Other Revenues Expenses Gains or Losses	1,794,162	(379,118)	1,109,629	422,339
NET POSITION				
Net Position - Beginning of Year	25,136,610	3,818,501	26,400,572	3,396,162
Prior period adjustment - see note 19	-	-	(2,373,591)	-
Net Position - End of Year	$ 26,930,772	$ 3,439,383	$ 25,136,610	$ 3,818,501

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, 2019
(With Summarized Comparative Financial Information as of June 30, 2018)

	Primary Government 2019	Component Unit Foundation 2019	Primary Government 2018	Component Unit Foundation 2018
CASH FLOWS FROM OPERATING ACTIVITIES:				
Tuition and fees	$ 8,373,814	$ -	$ 7,713,335	$ -
Student Housing Revenue	663,459	-	632,229	-
Payments to Suppliers	(6,619,549)	-	(8,019,835)	-
Payments to Employees	(26,560,155)	-	(25,045,385)	-
Cash Payments for Insurance Claims and Fees	-	-	-	-
Financial aid and scholarships	(3,548,867)	-	(3,944,951)	-
Change in Net Assets	-	(379,118)	-	422,339
Gain (Loss) on marketable securities - Unrealized	-	(124,916)	-	5,845
Contributions restricted to endowment funds	-	516,949	-	(12,485)
Investment income restricted to endowment funds	-	(26,758)	-	(14,736)
Changes in assets and liabilites - (increase) or decrease in pledges receivable	-	32,306	-	(235,632)
Other receipts or expenses - net	(576,481)	19,371	19,266	-
Net cash provided by (used in) operating activities	(28,267,779)	37,834	(28,645,341)	165,331
CASH FLOWS FROM CAPITAL AND CAPITAL-RELATED FINANCING ACTIVITIES:				
Capital Contribution - Self-Insurance	-	-	-	-
Net purchased of capital assets & intagibles activities	345,022	-	(2,913,178)	-
Proceeds from sale of capital assets	-	-	-	-
Issuance of new debt	-	-	-	-
Principal paid on capital debt	(1,694,511)	-	(388,998)	-
Interest paid on capital debt	(353,458)	-	(399,257)	-
Cost of debt restructuring	-	-	-	-
Net cash provided by (used in) capital and capital-related financing activities	(1,702,947)	-	(3,701,433)	-
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Local taxes	10,954,738	-	10,878,255	-
State aid	7,650,035	-	7,652,417	-
Grants and Contracts	9,014,938	-	10,759,546	-
Proceeds from contributions restricted to endowment funds	-	(516,949)	-	12,485
Investment income restricted to endowment funds	-	26,758	-	14,736
Gifts received for other than capital purposes	3,593,497	-	2,901,997	-
Title IV Settlement	(749,657)	-	(493,564)	-
Net cash provided by (used in) noncapital financing activities	30,463,551	(490,191)	31,698,651	27,221
CASH FLOWS FROM INVESTING ACTIVITES:				
Proceeds from sale and maturities of investments	(35,321)	-	401,893	-
(Increase) or decrease in marketable securities	-	(67,253)	-	(32,052)
Interest on investments	253,014	-	114,033	-
Net impact of GASB 68	353,674	-	446,464	-
Net impact of GASB 75	(178,779)	-	(2,250,895)	-
Net cash provided by (used in) investing activities	392,588	(67,253)	(1,288,505)	(32,052)
INCREASE (DECREASE) IN CASH	885,413	(519,610)	(1,936,628)	160,500
CASH - Beginning of year	13,798,022	993,783	15,734,650	833,283
CASH - End of year	$ 14,683,435	$ 474,173	$ 13,798,022	$ 993,783
RECONCILIATION OF NET OPERATING REVENUE (EXPENSES) TO THE NET CASH FROM OPERATING ACTIVITIES:				
Operating Income (loss)	$ (29,125,306)	$ (379,118)	$ (30,812,289)	$ 422,339
Adjustments to reconcile operating loss to cash flows from operating activities:				
Depreciation	2,303,640	22,019	2,159,012	-
Changes in assets and liabilities:				
Accounts receivable	18,837	32,306	325,935	(235,632)
Inventory, prepaid expenses, and other assets	(2,275,169)	362,627	(2,025,882)	(21,376)
Accounts payable	504,710	-	(1,035,965)	-
Payroll liabilities	372,434	-	2,275,370	-
Compensated absences	2,348	-	(46,116)	-
Deferred revenue	(70,043)	-	525,141	-
Early retirement liability	770	-	(10,547)	-
NET CASH PROVIDED BY (USED IN) RECONCILIATION OF NET OPERATING EXPENSES TO NET CASH FROM OPERATING ACTIVITIES	$ (28,267,779)	$ 37,834	$ (28,645,341)	$ 165,331

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 2018/2019 year and medical and dental plans for the 2018/2019 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, 2019, and 2018, 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 (continued)

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 $1 in order to keep an account open for the pass-through of principal and interest payments on the Series 2005 Leasehold Revenue Bonds through the Jefferson College Educational Facilities Authority.

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 $483,061 and $463,148 for fiscal years 2019 and 2018, respectively, represent uncollected delinquent taxes and protested taxes thereon from the 2008 to 2018 property tax levies net of an allowance for uncollectible amounts in the amounts of $21,679 and $22,217 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 2018-2019 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 $4,900,997 and $5,058,494 for June 30, 2019, and 2018, respectively, with unapplied cash payments of $107,398 and $94,138, respectively, and allowances of $289,567 and $292,597, respectively.

Government Receivable - The College reported total student fees receivable of $1,546,632 and $1,768,866 for June 30, 2019, and 2018, respectively, these represent federal and state awards that have yet to be received.

Prepaid Expenses - The College reported total prepaid expenses of $402,506 and $407,661 for June 30, 2019, and 2018, respectively.

Student Security Deposits - The College reported total student security deposits for Viking Woods of $43,000 and $44,750 for June 30, 2019, and 2018, 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.

2. CASH AND INVESTMENTS

As of June 30, 2019, the College had deposits and investments as follows:

Type	2019 Maturities	2019 Cost
Unrestricted Deposits:		
Petty Cash and Postage Machines	N/A	$ 29,408
Demand Deposits	N/A	13,650,265
Restricted Deposits:		
Endowment Demand Deposits	N/A	330
Total Deposits		13,680,003
Unrestricted Investments:		
CD	04/30/2020	1,000,000
Restricted Investments:		
Endowment Bonds	07/15/2033	76,969
Endowment Bonds	09/01/2033	101,635
Endowment Bonds	06/15/2035	120,794
Endowment Bonds	06/08/2037	26,327
Endowment Bonds	09/15/2039	154,590
Endowment Bonds	05/15/2042	97,006
Endowment Bonds	12/15/2042	107,193
Endowment Bonds	07/15/2045	87,095
Total Investments		1,771,609
Total Deposits and Investments -		15,451,612
Deposits –Self Insurance	N/A	1,003,432
Total Deposits and Investments		$ 16,455,044

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, 2019, the College's deposits bank balance was insured or collateralized as follows: the College had a total of $17,023,841 in cash and investment (bank balance) with a total of $813,720 in FDIC coverage and the remaining $16,210,121 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, 2019, are summarized as follows:

	June 30, 2018	Additions	Retirements	Adjustments See Note 19	Depreciation	June 30, 2019
Capital Assets Not Being Depreciated						
Land	$ 2,814,330	$ -	$ -	$ (25,030)	$ -	$ 2,789,300
Construction in Progress	-	-	-	-	-	-
Total Capital Assets Not Being Depreciated	$ 2,814,330	$ -	$ -	$ (25,030)	$ -	$ 2,789,300
Capital Assets Being Depreciated						
Land Improvements	$ 14,127,152	$ 398,993	$ -	$ 25,030	$ (405,032)	$ 14,551,175
Buildings	58,942,166	973,314	-	-	(1,317,465)	59,915,480
Furniture and equipment	7,515,824	498,643	(4,036)	-	(487,927)	8,010,431
Library Books	2,414,280	27,146	-	-	(37,730)	2,441,426
Software	610,739	68,577	(4,019)	-	(55,486)	675,297
Total Capital Assets Being Depreciated	83,610,161	1,966,672	(8,055)	25,030	-	85,593,809
Less - Accumulated Depreciation	(44,447,074)	-	-	-	(2,303,640)	(46,750,714)
Total Capital Assets Being Depreciated - Net	39,163,087	1,966,672	(8,055)	25,030	(2,303,640)	38,843,095
Total Capital Assets - Net	$ 41,977,417	$ 1,966,672	$ (8,055)	$ -	$ (2,303,640)	$ 41,632,395

Depreciation expense related to Land Improvements, Buildings, Furniture and Equipment, Library Books and Software was $2,303,640 for June 30, 2019 and $2,159,012 for June 30, 2018.

4. RETIREMENT PLANS

Summary of Significant Accounting Policies

Financial reporting information pertaining to the College'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.

4. RETIREMENT PLANS (continued)

Summary of Significant Accounting Policies (concluded)

Investments are reported at fair value on a trade date basis. The fiduciary net position is reflected in the measurement of the College's net pension liability, deferred outflows and inflows of resources related to pensions, 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.

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, 2014, 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.

Cost-of-Living Adjustments ("COLA"). The PSRS Board has established a policy of providing a 0.00% COLA for years in which the CPI increases between 0.00% and 2.00%, a 2.00% COLA for years in which CPI increases between 2.00% and 5.00%, and a COLA of 5.00% if the CPI increase is greater than 5.00%. If the CPI decreases, no COLA is provided.

4. RETIREMENT PLANS (continued)

General Information about the Pension Plan - PSRS (concluded)
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 years 2017, 2018 and 2019. 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 $1,702,947 for the year ended June 30, 2019.

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.

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 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.

4. RETIREMENT PLANS (continued)

General Information about the Pension Plan - PEERS (concluded)

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 0.00% COLA for years in which the CPI increases between 0.00% and 2.00%, a 2.00% COLA for years in which CPI increases between 2.00% and 5.00%, and a COLA of 5.00% if the CPI increase is greater than 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. PEERS members were required to contribute 6.86% of their annual covered salary during fiscal years 2017, 2018 and 2019. 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 $442,019 for the year ended June 30, 2019.

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

At June 30, 2019, the College recorded a liability of $18,725,220 for its proportionate share of PSRS' net pension liability and $2,857,490 for its proportionate share of PEERS' net pension liability. In total, the College recorded net pension liabilities of $21,582,710. The net pension liability for the plans in total was measured as of June 30, 2018, 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 paid to PSRS and PEERS of $1,754,249 and $422,062, respectively, for the year ended June 30, 2018, relative to the actual contributions of $697,214,371 for PSRS and $114,141,743 for PEERS from all participating employers. At June 30, 2018, the College's proportionate share was 0.2516% for PSRS and 0.3698% for PEERS.

For the year ended June 30, 2019, the College recognized a pension expense of $2,029,429 for PSRS and $500,557 for PEERS, its proportionate share of the total pension expense.

4. RETIREMENT PLANS (continued)

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

At June 30, 2019, the College reported deferred outflows of resources and deferred inflows of resources from the following sources related to PSRS and PEERS pension benefits:

Balance of Deferred Outflows and Inflows due to:	PSRS		PEERS		College Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
- Differences between expected and actual experience	$ 975,410	$ 883,387	$ 4,090	$ 66,940	$ 979,500	$ 950,327
- Changes of assumptions	3,417,496	-	440,320	-	3,857,816	-
- Net Difference between projected and actual earnings of pension plan investments	2,862,680	3,020,428	486,323	525,083	3,349,003	3,545,511
- Changes in proportion and differences between Employer contributions and proportionate share of contributions	161,240	677,571	19,924	246,137	181,164	923,708
- Employer contributions subsequent to the measurement date	-	-	-	-	-	-
Total	$ 7,416,826	$ 4,581,386	$ 950,657	$ 838,160	$ 8,367,483	$ 5,419,546

Amounts reported as deferred outflows of resources resulting from contribution subsequent to the measurement date of June 30, 2018, will be recognized as a reduction to the net pension liability in the year ended June 30, 2019. Other amounts reported as collective deferred (inflows)/outflows of resources are to be recognized in pension expense as follows:

Year ending June 30,	PSRS	PEERS	College Total
2020	$ 1,599,500	$ 235,403	$ 1,834,903
2021	901,678	71,937	973,615
2022	(346,136)	(161,192)	(507,328)
2023	436,025	(33,653)	402,372
2024	236,123	-	236,123
Thereafter	8,252	-	8,252
Total	$ 2,835,442	$ 112,495	$ 2,947,937

4. RETIREMENT PLANS (continued)

Actuarial Assumptions - PSRS and PEERS

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 Board of Trustees adopts actuarial assumptions, each of which individually represents a reasonable long-term estimate of anticipated experience for the Systems, derived from experience studies conducted every fifth year. The most recent comprehensive studies were completed in June 2018. All economic and demographic assumptions were reviewed and updated, where appropriate, based on the results of the study and effective with the June 30, 2018, valuation. Significant actuarial assumption and method changes are detailed below. For additional information please refer to the Systems' CAFR. The next experience studies are scheduled for 2021.

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

- Measurement Date	June 30, 2018
- Valuation Date	June 30, 2018
- Expected Return on Investments	7.50%, net of investment expenses and including 2.25% inflation
- Inflation	2.25%
- Total Payroll Growth - PSRS	2.75% per annum, consisting of 2.25% inflation, 0.25% real wage growth due to the inclusion of active health care costs in pensionable earnings, and 0.25% of real wage growth due to productivity.
- Total Payroll Growth - PEERS	3.25% per annum, consisting of 2.25% inflation, 0.50% real wage growth due to the inclusion of active health care costs in pensionable earnings, and 0.50% of real wage growth due to productivity.
- Future Salary Increases - PSRS	3.00% - 9.50%, depending on service and including 2.25% inflation, 0.25% real wage growth due to the inclusion of active health care costs in pensionable earnings, and 0.25% of real wage growth due to productivity.
- Future Salary Increases - PEERS	4.00% - 11.00%, depending on service and including 2.25% inflation, 0.50% real wage growth due to the inclusion of active health care costs in pensionable earnings, and 0.50% of real wage growth due to productivity.

4. RETIREMENT PLANS (continued)

Actuarial Assumptions - PSRS and PEERS (continued)

- Cost-of-Living Increases - Both

The long-term cost-of-living adjustment (COLA) assumed in the valuation is 1.25% to 1.65% over eight years beginning January 1, 2020. The COLA reflected for January 1, 2019, is 2.00%, in accordance with the actual COLA approved by the Board. This COLA assumption reflects an assumption that general inflation will increase from 1.85% to a normative inflation assumption of 2.25% over eight years.

It is also based on the current policy of the Board to grant a COLA on each January 1 as follows:

- If the June to June change in the CPI-U is less than 2% for consecutive one year periods, a cost-of-living increase of 2% will be granted when the cumulative increase is equal to or greater than 2%, at which point the cumulative increase in the CPI-U will be reset to zero. For the following year, the starting CPI-U will be based on the June value immediately preceding the January 1 at which the 2% cost-of-living increase is granted.

- If the June to June change in the CPI-U is greater than or equal to 2%, but less than 5%, a cost-of-living increase of 2% will be granted.

- If the June to June change in the CPI-U is greater than or equal to 5%, a cost-of-living increase of 5% will be granted.

- If the CPI decreases, no COLA is provided.

The COLA applies to service retirements and beneficiary annuities. The COLA does not apply to the benefits for in-service death payable to spouses (where the spouse is over age 60), and does not apply to the spouse with children pre-retirement death benefit, the dependent children pre-retirement death benefit, or the dependent parent death benefit. The total lifetime COLA cannot exceed 80% of the original benefit. PSRS members receive a COLA on the second January after retirement, while PEERS members receive a COLA on the fourth January after retirement.

4. RETIREMENT PLANS (continued)

Actuarial Assumptions - PSRS and PEERS (concluded)

- Mortality Assumption

Actives - PSRS:	RP 2006 White Collar Employee Mortality Table, multiplied by an adjustment factor of 0.75 at all ages for both males and females, with static projection using the 2014 SSA Improvement Scale to 2028.
Actives - PEERS:	RP 2006 Total Dataset Employee Mortality Table, multiplied by an adjustment factor of 0.75 at all ages for both males and females, with static projection using the 2014 SSA Improvement Scale to 2028.
Non-Disabled Retirees, Beneficiaries and Survivors - PSRS:	RP 2006 White Collar Mortality Tables with plan-specific experience adjustments and static projection to 2028 using the 2014 SSA Improvement Scale.
Non-Disabled Retirees, Beneficiaries and Survivors - PEERS:	RP 2006 Total Dataset Mortality Tables with plan-specific experience adjustments and static projection to 2028 using the 2014 SSA Improvement Scale.
Disabled Retirees - Both:	RP 2006 Disabled Retiree Mortality Tables with static projection using the 2014 SSA Improvement Scale.

Changes in Actuarial Assumptions and Methods

The investment return and COLA assumptions were updated by the Board as follows based on changes to the Board's funding policy adopted at the October 29, 2018, meeting:

PSRS & PEERS:

The investment return assumption was lowered from 7.60% to 7.50% per year.

Fiduciary Net Position

The Systems issues a publicly available financial report (CAFR) that can be obtained at www.psrs-peers.org.

4. RETIREMENT PLANS (continued)

Expected Rate of Return

The long-term expected rate of return on investments was determined in accordance with Actuarial Standard Practice (ASOP) No. 27, *Selection of Economic Assumptions for Measuring Pension Obligations*. ASOP No. 27 provides guidance on the selection of an appropriate assumed rate of return. The long-term expected rate of return on the Systems' 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 the Systems' target allocation as of June 30, 2018, 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.

Asset Class	Target Asset Allocation	Long-term Expected Real Return Arithmetic Basis	Weighted Long-term Expected Real Return Arithmetic Basis
U.S. Public Equity	27.0%	5.16%	1.39%
Public Credit	7.0%	2.17%	0.15%
Hedged Assets	6.0%	4.42%	0.27%
Non-U.S. Public Equity	15.0%	6.01%	0.90%
U.S. Treasuries	16.0%	0.96%	0.15%
U.S. TIPS	4.0%	0.80%	0.03%
Private Credit	4.0%	5.60%	0.22%
Private Equity	12.0%	9.86%	1.18%
Private Real Estate	9.0%	3.56%	0.32%
Total	100.0%		4.61%
Inflation			2.25%
Long-term arithmetical nominal return			6.86%
Effect of coverage matrix			0.64%
Long-term expected geometric return			7.50%

- Discount Rate

The discount rate used to measure the total pension liability was 7.50% as of June, 30, 2018, and is consistent with the long-term expected geometric return on plan investments. The actuarial assumed rate of return was 8.0% from 1980 through fiscal year 2016. The Board of Trustees adopted a new actuarial assumed rate of return of 7.75% effective with June 30, 2016, valuation based on the actuarial experience studies and asset-liability study conducted during the 2016 fiscal year. As previously discussed, the Board of Trustees further reduced the assumed rate of return to 7.6% effective with the June 30, 2018, valuation. 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.

4. RETIREMENT PLANS (concluded)

Expected Rate of Return (concluded)

- Discount Rate Sensitivity

The sensitivity of the College's net pension liability to changes in the discount rate is presented below. The College's net pension liability calculated using the discount rate of 7.60% is presented as well as the net pension liability using a discount rate that is 1.0% lower (6.60%) or 1.0% higher (8.60%) than the current rate.

Discount Rate	1% Decrease (6.50%)	Current Rate (7.50%)	1% Increase (8.50%)
PSRS Proportionate share of the Net Pension			
Liability / (Asset)	$33,566,357	$18,725,220	$6,390,688
PEERS Proportionate share of the Net Pension			
Liability / (Asset)	$5,380,978	$2,857,490	$741,051

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, 2019, was as follows:

		2019
Beginning of year	$	28,611
New participant liability		8,358
Payments		(14,204)
End of year		22,765
Less current portion (reported in accounts payable)		(7,588)
Early retirement liability	$	15,177

5. BONDS PAYABLE

Bonds payable by series of issuance for the year ended June 30, 2019, consisted of the following:

	Beginning Balance July 1, 2018	Issued	Payment	Ending Balance June 30, 2019	Amounts Due within one year
Series 2005 Leasehold Bonds	$ 3,656,782	$ -	$ (471,527)	$ 3,185,255	$ 489,663
Series 2014 Leasehold Bonds	2,240,000	-	(440,000)	1,800,000	440,000
Total	$ 5,896,782	$ -	$ (911,527)	$ 4,985,255	$ 929,663

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:

Years Ending June 30	Principal	Interest	Total
2020	$ 489,663	$ 111,977	$ 601,640
2021	508,497	93,143	601,640
2022	528,054	73,586	601,640
2023	548,364	53,276	601,640
2024	569,455	32,185	601,640
2025	541,222	10,283	551,505
Total	$ 3,185,255	$ 374,450	$ 3,559,705

Leasehold Refunding Revenue Bonds - On April 14, 2014, the College refinanced its Series 2004 Student Housing Revenue Bonds with $3,980,000 Series 2014 Leasehold Refunding Revenue Bonds through the Jefferson College Educational Facilities Lease Authority. The bonds mature with variable rates ranging from .40% in 2019 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
2020	$ 440,000	$ 43,705	$ 483,705
2021	455,000	34,905	489,905
2022	450,000	24,668	474,668
2023	455,000	12,967	467,967
Total	$ 1,800,000	$ 116,245	$ 1,916,245

6. CERTIFICATES OF PARTICIPATION

Certificates of Participation by series of issuance for the year ended June 30, 2019, consisted of the following:

	Beginning Balance July 1, 2018	Issued	Payment	Ending Balance June 30, 2019	Amounts Due within one year
Certificates of Participation:					
Series 2010 COPS	$ 2,530,000	$ -	$ (605,000)	$ 1,925,000	$ 620,000
Total	$ 2,530,000	$ -	$ (605,000)	$ 1,925,000	$ 620,000

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, 2019, the College was reimbursed for $53,781 in interest.

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

Years Ending June 30	Principal	Interest	Total
2020	$ 620,000	$ 107,277	$ 727,277
2021	245,000	75,038	320,038
2022	250,000	60,950	310,950
2023	260,000	46,575	306,575
2024	270,000	31,625	301,625
2025	280,000	16,100	296,100
Total	$ 1,925,000	$ 337,565	$ 2,262,565

7. DIRECT BORROWINGS

Direct borrowing by issuance for the year ended June 30, 2019, consisted of the following:

	Beginning Balance July 1, 2018	Issued	Payments	Ending Balance June 30, 2019	Amounts Due within one year
Ford Motor Company Explorers	$ 27,003	$ -	$ (27,003)	$ -	$ -
FS Leasing LLC Video Display	59,057	-	(9,123)	49,934	9,400
Enterprise Bank and Trust Library	1,119,528	-	(160,818)	958,710	164,919
Axon Enterprise, Inc. Tasers	-	23,700	(4,740)	18,960	4,740
Total	$ 1,205,588	$ 23,700	$ (201,684)	$ 1,027,604	$ 179,059

All outstanding leases from direct borrowings contain an event of default that changes the timing of the repayments of outstanding amounts to become immediately due if the College is unable to make payments.

7. DIRECT BORROWINGS (continued)

Direct Borrowing - On October 6, 2015, the College entered into a direct borrowing with Ford Motor Credit Company, LLC for $105,369 for four 2019 Ford Explorer Police Interceptors. The lease has a rate of 5.45% and is for a term of 48 months with annual payments of $28,475. This lease was paid off in the current fiscal year.

Direct Borrowing - On January 12, 2017, the College entered into a direct borrowing with FS Leasing LLC for $83,350 for the purchase of a video display. The lease has a rate of 2.99% and is for a term of 96 months with the first payment of $15,445 followed by monthly payments of $10,914.

The schedule of funds required for payment of future years' principal and interest components applicable to the College's direct borrowing payments are as follows:

Years Ending June 30	Principal	Interest	Total
2020	$ 9,400	$ 1,514	$ 10,914
2021	9,682	1,232	10,914
2022	9,978	936	10,914
2023	10,281	633	10,914
2024	10,593	321	10,914
Total	$ 49,934	$ 4,636	$ 54,570

Direct Borrowing - On December 1, 2017, the College entered into a direct borrowing with Enterprise Bank and Trust for $1,200,000 for funds to renovate the Library. The lease has a rate of 2.52% and is for a term of 72 months with monthly payments of $15,630.

The schedule of funds required for payment of future years' principal and interest components applicable to the College's direct borrowing payments are as follows:

Years Ending June 30	Principal	Interest	Total
2020	$ 164,919	$ 22,635	$ 187,554
2021	169,242	18,312	187,554
2022	173,617	13,937	187,554
2023	178,105	9,449	187,554
2024	182,699	4,855	187,554
2025	90,128	659	90,787
Total	$ 958,710	$ 69,847	$ 1,028,557

7. DIRECT BORROWINGS (concluded)

Direct Borrowing - On December 20, 2018, the College entered into a direct borrowing with Axon Enterprise, Inc. for $23,700 for the purchase of tasers for the campus police. The lease has a rate of 0% and is for a term of 5 years with annual payments of $4,740.

The schedule of funds required for payment of future years' principal and interest components applicable to the College's direct borrowing payments are as follows:

Years Ending June 30	Principal	Interest	Total
2020	$ 4,740	$ -	$ 4,740
2021	4,740	-	4,740
2022	4,740	-	4,740
2023	4,740	-	4.740
Total	$ 18,960	$ -	$ 18,960

8. NOTES PAYABLE

Notes payable for the year ended June 30, 2019, consisted of the following:

	Beginning Balance July 1, 2018	Issued	Payments	Ending Balance June 30, 2019	Amounts Due within one year
Notes Payable:					
Note Payable U.S. Department of Education	$ 749,657	$ -	$ (749,657)	$ -	$ -
Total	$ 749,657	$ -	$ (749,657)	$ -	$ -

Notes Payable - On July 28, 2016, the College entered into a Note Payable with the United States Department of Education to repay $1,823,827 for not taking attendance for students receiving Student Financial Aid. The loan called for a $200,000 down payment at signing, $41,978 monthly payments starting February 1, 2019, through January 1, 2020, and has a rate of 1.00% for its term of 36 months. The College paid the note off early during the fiscal year.

9. OPERATING LEASES

Operating Lease - On May 16, 2016, the College entered into an operating lease with Pitney Bowes for postage machines. The lease is for 60 months and has payments of $1,985 due quarterly.

Operating Lease - On August 9, 2016, the College entered into an operating lease with U.S Bank for copier machines. The lease is for 60 months and has payments of $1,961 due monthly.

9. OPERATING LEASES (Concluded)

The schedule of funds required for payment of future years' payments applicable to the College's Operating Lease payments are as follows:

Years Ending June 30	Postage Machine	Copier Equipment	Total
2020	$ 7,940	$ 23,532	$ 31,472
2021	7,940	23,532	31,472
2022	-	1,961	1,961
Total	$ 15,880	$ 49,025	$ 64,905

10. 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 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, 2019, is $547,291. The remaining $154,921 is in other endowments.

11. 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, 2019, and 2018, was $3,377,033,411 and $3,256,283,124 for Jefferson County, $7,387,869 and $7,309,978 for St. Francois County and $52,660 and $49,950 for Ste. Genevieve County, respectively, on which taxes were levied during fiscal years 2019 and 2018, respectively.

General	$ 0.3316
Total	$ 0.3316

The receipts of current and delinquent property taxes during the fiscal year ended June 30, 2019, aggregated approximately 97.74% of the current assessment computed on the basis of the levy as shown above.

12. 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 not involved in any pending lawsuits as of the audit report date, they were however notified of possible litigation regarding one matter that is open and still being investigated.

13. 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 2019 calendar year was $423,876. Management is aware of no events or circumstances that would generate a significant increase in future insurance premiums.

14. RELATED-PARTY TRANSACTIONS AND IN-KIND CONTRIBUTIONS

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, 2019, the College received support from the Foundation and paid in-kind contributions as follows: Scholarship and Instruction $126,469, Capital Improvements $591,277, Fundraisers $20,390, and Grants $97,858, for a total of $835,994. For the year ended June 30, 2019 the College contributed in-kind contributions to the Foundation as follows: Administrative $21,257, Salaries, $88,123, Fringe Benefits, $27,720, and Contractors $62,026 for a total of $199,396.

As of June 30, 2019, the Foundation had no liability to the College, however, the College had a liability of $6,000 to the Foundation.

15. OTHER POST-EMPLOYMENT BENEFITS

Plan Description

In addition to providing the pension benefits described above, the College provides continuation of medical, dental and vision insurance coverage to employees who are eligible for retirement under a single employer plan. Retirees who elect to participate must pay the premium in effect for the current plan year or any subsequent year at the premium rates in effect at that time. Since the retirees pay the premium for each year, the College's share of any premium cost is determined on the basis of a blended rate or implicit rate subsidy calculation. A stand-alone financial report is not available for the plan.

15. OTHER POST-EMPLOYMENT BENEFITS (continued)

Funding Policy

The College currently pays for the implicit rate subsidy associated with these post-employment health care benefits on a pay-as-you-go basis. The College determines contribution requirements and may be amended by the College. As of June 30, 2019, no trust fund has been established for the funding of the plan's post-employment benefit obligation, resulting in the classification of the entire liability as unfunded.

Covered Employees

The College has the following employees covered by the Plan as of June 30, 2017.

Actives	281
Retirees and Surviving Spouses *	88
Spouses of Current Retirees (with medical)	6
Total	375

* Includes 34, 62 and 24 retirees with medical, dental, and subsidized life insurance coverage respectively.

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

As of June 30, 2019, the College reported a liability of $4,452,342 for its net OPEB liability. The net OPEB liability was measured as of June 30, 2019. The total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation as of June 30, 2017.

For the year ended June 30, 2019, the College recognized OPEB expense of $370,390, which consisted of $202,261 in service costs, $162,655 in interest on total OPEB liability and $5,474 in recognition of assumption changes or inputs.

15. OTHER POST-EMPLOYMENT BENEFITS (continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (concluded)

At June 30, 2019, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Changes in Total OPEB Liability	Increase (Decrease) Total OPEB Liability	Deferred Inflows	Deferred Outflows	Total OPEB Liability Plus Net Deferrals
Balance as of June 30, 2018	$ (4,096,414)	$ (122,696)	$ -	$ (4,219,110)
Changes for the year:				
Service cost	(202,261)	-	-	(202,261)
Interest on total OPEB liability	(162,655)	-	-	(162,655)
Effect of plan changes	-	-	-	-
Effect of economic/demographic gains or losses	-	-	-	-
Effect of assumptions changes or inputs	(184,253)	-	184,253	-
Benefit payments	193,241	-	-	193,241
Recognition of liability gains or losses	-	-	(22,804)	(22,804)
Recognition of assumption changes or inputs	-	17,330	-	17,330
Annual expense	-	-	-	-
Balance as of June 30, 2019	$ (4,452,342)	$ (105,366)	$ 161,449	(4,396,259)

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

Year ended June 30:	
2020	$ 5,474
2021	5,474
2022	5,474
2023	5,474
2024	5,474
Thereafter *	28,713

* Note that additional future deferred inflows and outflows of resources may impact these numbers.

15. OTHER POST-EMPLOYMENT BENEFITS (continued)

Actuarial Methods and Assumptions

The College does not pre-fund benefits. The current funding policy is to pay benefits directly from general assets on a pay-as-you-go basis and there is not a trust for accumulating plan assets. The following actuarial methods and assumptions were used in the June 30, 2019 accounting valuation.

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

Valuation Timing	Actuarial valuations are performed biennially as of June 30 for accounting purposes only. The most recent valuation was performed as of June 30, 2017.
Actuarial Cost Method	Entry Age Normal
Inflation	2.30%
Salary Increases	3.00%
Discount Rate	3.50% per annum based on the 20 year bond GO index at the fiscal year end. The rate for the prior fiscal year was 3.87%
Healthcare Cost Trend Rates	Medical cost trend rate of 7.5% for 2017, gradually decreasing to an ultimate rate of 4.1% for 2074 and beyond.
Mortality	RP-2014 Mortality for Employees and Healthy Annuitants, with generational projection per Scale MP-2016.

15. OTHER POST-EMPLOYMENT BENEFITS (continued)

Actuarial Methods and Assumptions (continued)

Medical Premium Inflation Rate

Year	Medical	Year	Medical
2017	7.50%	2045	5.40%
2018	6.00%	2050	5.30%
2019	5.50%	2055	5.20%
2020	5.20%	2060	5.10%
2025	4.90%	2065	4.90%
2030	4.90%	2070	4.40%
2035	5.60%	2074+	4.10%
2040	5.50%		

Dental Premium Inflation Rate

Initial inflation rate	5.00%
Ultimate inflation rate	4.10%
Yearly decrease in inflation rate	0.225%
Year until ultimate inflation rate	4

The healthcare trends used in this valuation are based on long term healthcare trends generated by the Getzen Model. The Getzen Model is the result of research sponsored by the Society of Actuaries and completed by a committee of economists and actuaries. This model is the current industry standard for projecting long term medical trends. Inputs to the model are consistent with the assumptions used in deriving the discount rate used in the valuation.

Turnover Rates based on length of service:

Service	Rate
0	23.4%
1	15.1%
2	11.1%
3	9.2%
4	7.7%
5	6.4%
10	3.3%
15	2.0%
20	1.0%

15. OTHER POST-EMPLOYMENT BENEFITS (continued)

Actuarial Methods and Assumptions (continued)

Retirement

	Rate	
Age	Eligible For Early Retirement	Eligible For Normal/ Unreduced
50-54	0.00%	20.0%
55-59	4.00%	20.0%
60-64	N/A	25.0%
65-69	N/A	35.0%
70&up	N/A	100.0%

Future Retiree Coverage

65% of employees who retire prior to age 65 are assumed to elect medical coverage under the plan.

Medicare eligible retirees:
All participants are assumed to be eligible for Medicare. Medicare eligible retirees are assumed to discontinue coverage under the plan when they reach age 65.

Non Medicare eligible retirees:
50% of teachers hired prior to 1986 are assumed to never be eligible for Medicare. These employees are assumed to continue coverage under the plan after age 65. 50% of retired teachers , hired prior to 1986 and currently under age 65 are assumed to not be eligible for Medicare. These retirees are assumed to continue coverage under the plan after age 65.

Dental Coverage:
Dental coverage is assumed to be elected at a rate of 65%.

Life Coverage:
Life Insurance for future retirees is assumed to not be subsidized. Grandfathered retirees are assumed to continue coverage at their current face amount and premium. These assumptions are based on statistics provided by the College and Milliman guidelines.

Future Dependent Coverage:
Current active members are assumed to elect spouse coverage at retirement as follows. All female spouses are assumed to be 3 years younger than males.

	Male	Female
Medical	25%	25%

No dependent children are assumed to be covered in retirement.

15. OTHER POST-EMPLOYMENT BENEFITS (concluded)

Actuarial Methods and Assumptions (concluded)

Certain actuarial demographic assumptions are based on the assumptions used in the valuation of the Public School and Public Educational Employees Retirement Systems of Missouri.

Sensitivity Analysis

The following presents the total OPEB liability of the College, calculated using the discount rate of 3.50%, as well as what the College's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.50%) or 1 percentage point higher (4.50%) than the current rate.

	1% Decrease (2.50%)	Discount Rate (3.50%)	1% Increase (4.50%)
Total OPEB liability	$5,016,474	$4,452,342	$3,980,437

The following presents the total OPEB liability of the College, calculated using the current healthcare cost trend rates as well as what the College's total OPEB liability would be if it were calculated using trend rates that are 1 percentage point lower or 1 percentage point higher than the current trend rates.

	1% Decrease	Current Trend Rate	1% Increase
Total OPEB liability	$3,855,761	$4,452,342	$5,187,906

16. 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 $2,707,104 in aggregate.

17. SUBSEQUENT EVENTS

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

18. TAX ABATEMENT

The College is involved, through Jefferson County, in a tax abatement agreement with local businesses under a Tax Increment Finance District or (TIF). Missouri Revised Statute 99.845 gives municipalities the right to create TIFs for a defined area of land that is deemed blighted by the municipality. In short, after a TIF is established by ordinance, bonds are issued to cover the costs of demolition/environmental cleanup/utilities/roadways, and the assessed values of the parcels within the TIF are statutorily frozen by the Assessor's office, using the certified values for the year the ordinance was passed to form a base value for the TIF.

For the year ended June 30, 2019, the College abated property taxes totaling $55,791 under this program, including the following tax abatements.

- A TIF property tax abatement to S&D Hillsboro, LLC under the program described above. The abatement amounted to $1,349.

- A TIF property tax abatement to DEM Hillsboro LLC under the program described above. The abatement amounted to $1,324.

- A TIF property tax abatement to A Highway 21 LLC under the program described above. The abatement amounted to $3.

- A TIF property tax abatement to CDF & CNF Holdings LLC under the program described above. The abatement amounted to $43.

- A TIF property tax abatement to CDF Herculaneum Holdings LLC under the program described above. The abatement amounted to $125.

- A TIF property tax abatement to Herky Hilltop Plaza LLC under the program described above. The abatement amounted to $46.

- A TIF property tax abatement to Moss Enterprise Inc. under the program described above. The abatement amounted to $1,339.

- A TIF property tax abatement to Gloss under the program described above. The abatement amounted to $846.

- A TIF property tax abatement to THF Arnold Triangle Dev LLC under the program described above. The abatement amounted to $28,428.

- A TIF property tax abatement to Caddel Harold and Rosemarie under the program described above. The abatement amounted to $492.

- A TIF property tax abatement to Dierbergs Arnold under the program described above. The abatement amounted to $6,683.

18. TAX ABATEMENT (continued)

- A TIF property tax abatement to Value Place, Arnold, LLC under the program described above. The abatement amounted to $3,281.
- A TIF property tax abatement to Outfront Media under the program described above. The abatement amounted to $60.
- A TIF property tax abatement to Jennemann Lance LLC under the program described above. The abatement amounted to $21.
- A TIF property tax abatement to JSZ Estate Corp under the program described above. The abatement amounted to $991.
- A TIF property tax abatement to Zelch Arnold LLC under the program described above. The abatement amounted to $175.
- A TIF property tax abatement to Atomic Fireworks under the program described above. The abatement amounted to $95.
- A TIF property tax abatement to Arnold Crossroads LLC under the program described above. The abatement amounted to $4,955.
- A TIF property tax abatement to Banyan Jeffco LLC under the program described above. The abatement amounted to $282.
- A TIF property tax abatement to McDonald’s USA LLC under the program described above. The abatement amounted to $505.
- A TIF property tax abatement to Steak N Shake Operations, Inc. under the program described above. The abatement amounted to $437.
- A TIF property tax abatement to BL&Z Investments LLC under the program described above. The abatement amounted to $67.
- A TIF property tax abatement to DDC Hotels, Inc. under the program described above. The abatement amounted to $672.
- A TIF property tax abatement to Drury Development Corp. under the program described above. The abatement amounted to $3,572.

18. TAX ABATEMENT (concluded)

The City of Arnold authorized the following tax abatement through Chapter 100 bonds during December 2012 and December 2015, in the amounts of $88,000,000 and $150,000,000 for the purpose of supporting the local industry which is Metal Container Corporation, a subsidiary of A-B InBev. The abatement was to provide financing to support two expansions of the can plant operated by Metal Container Corporation. As the assessment of value of this abatement is not within the scope of Jefferson County Assessor's office, it is undetermined the amount which is abated through this issuance.

19. ADJUSTMENTS TO CAPITAL ASSETS

For the year ended June 30, 2019 there were adjustments made between categories of capital assets for the following reasons:

Adjustment	Land	Land Improvements	Total
2010 Survey never depreciated	$ (8,327)	$ 8,327	$ -
Brockmiller Construction Land Improvement *	(7,720)	7,720	-
Brockmiller Construction Land Improvement *	(8,353)	8,353	-
Brockmiller Construction Total Transposed *	(630)	630	-
Total	$ 25,030	$ 25,030	$ -

* Denotes Adjustment from prior audit only.

20. COMMITMENTS

The College has entered into contracts for various projects around the College including the Child Development Center renovation and roof improvements on various buildings around the College. As of June 30, 2019, the College was committed to $914,767 of remaining costs.

REQUIRED SUPPLEMENTARY INFORMATION

THE COMMUNITY COLLEGE DISTRICT OF
JEFFERSON COUNTY, MISSOURI
SCHEDULES OF PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY AND RELATED RATIOS – PSRS AND PEERS
FOR THE YEAR ENDED JUNE 30, 2019

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
6/30/14	0.2622%	$10,756,953	$11,807,138	91.11%	89.34%
6/30/15	0.2596%	$14,986,345	$11,919,649	125.73%	85.78%
6/30/16	0.2646%	$19,687,957	$12,361,572	159.27%	82.18%
6/30/17	0.2618%	$18,905,953	$12,490,959	151.36%	83.77%
6/30/18	0.2516%	$18,725,220	$12,226,742	153.15%	84.06%

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
6/30/14	0.4269%	$1,558,893	$ 6,225,586	25.04%	91.33%
6/30/15	0.4225%	$2,234,629	$ 6,335,539	35.27%	88.28%
6/30/16	0.4414%	$3,541,508	$ 6,816,773	51.96%	83.32%
6/30/17	0.3994%	$3,047,226	$ 6,417,940	47.48%	85.35%
6/30/18	0.3698%	$2,857,490	$ 6,152,508	46.44%	86.06%

Note: These schedules are intended to show information for ten year. Additional years will be displayed as they become available.

*The data provided in the schedules is based as of the measurement date of the System's net pension liability, which is as of the beginning of the district's fiscal year.

THE COMMUNITY COLLEGE DISTRICT OF JEFFERSON COUNTY, MISSOURI SCHEDULE OF EMPLOYER CONTRIBUTIONS – PSRS AND PEERS FOR THE YEAR ENDED JUNE 30, 2019

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
6/30/13	$1,639,729	$1,639,729	$ -	$11,457,614	14.31%
6/30/14	1,688,596	1,688,596	-	11,807,138	14.30%
6/30/15	1,704,191	1,704,191	-	11,919,649	14.30%
6/30/16	1,772,351	1,772,351	-	12,361,572	14.34%
6/30/17	1,791,021	1,791,021	-	12,490,959	14.34%
6/30/18	1,754,249	1,754,249	-	12,226,742	14.35%

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
6/30/13	$392,291	$392,291	$ -	$5,718,535	6.86%
6/30/14	427,075	427,075	-	6,225,586	6.86%
6/30/15	434,618	434,618	-	6,335,539	6.86%
6/30/16	467,630	467,630	-	6,816,773	6.86%
6/30/17	440,271	440,271	-	6,417,940	6.86%
6/30/18	422,062	422,062	-	6,152,508	6.86%

These schedules are intended to show information for ten years. Additional years will be displayed as they become available.

**THE COMMUNITY COLLEGE DISTRICT OF
JEFFERSON COUNTY, MISSOURI
SCHEDULE OF FUNDING PROGRESS AND SCHEDULE OF
EMPLOYER CONTRIBUTIONS – OTHER POST EMPLOYMENT BENEFITS
FOR THE YEAR ENDED JUNE 30, 2019**

Schedule of Funding Progress – Other Post Employment Benefits

Actuarial Valuation Date	Actuarial Value of Assets	Total OPEB Liability	Net OPEB Liability	Funded Ratio	Annual Covered Payroll	Net OPEB Liability as a Percentage of Covered Payroll
6/30/13	$ -	$5,798,600	$5,798,600	- %	$14,770,806	39.25%
6/30/15	$ -	$5,967,300	$5,967,300	- %	$15,347,638	38.88%
6/30/17	$ -	$4,046,091	$4,046,091	- %	$15,859,515	25.51%
6/30/18	$ -	$4,096,414	$4,096,414	- %	$15,407,521	26.59%
6/30/19	$ -	$4,452,342	$4,452,342	- %	$14,955,563	29.77%

Schedule of Employer Contributions – Other Post Employment Benefits

Year Ended June 30	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency/ (Excess)	Covered Payroll	Contribution as A Percentage Of Covered Payroll
6/30/19	$549,169	$193,241	$ 355,928	$14,955,563	1.29%
6/30/18	$215,527	$165,204	$ 50,323	$15,407,521	1.07%
6/30/17	$332,700	$165,200	$ 167,500	$15,859,515	1.04%
6/30/16	$443,300	$242,000	$ 201,300	$16,358,434	1.48%
6/30/15	$444,700	$212,500	$ 232,200	$15,347,638	1.38%
6/30/14	$356,300	$210,500	$ 145,800	$15,099,568	1.39%
6/30/13	$356,500	$173,400	$ 183,100	$14,770,806	1.17%

Beginning fiscal year ending 2018, the ADC is calculated in accordance with the Employer’s funding policy, if one exists. Prior to fiscal year ending 2018, the ADC is equal to the Annual OPEB Expense as calculated under GASB No. 45. Under GASB 45 valuations were performed biannually.

SUPPLEMENTARY INFORMATION

THE COMMUNITY COLLEGE DISTRICT OF JEFFERSON COUNTY, MISSOURI
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2019

Grantor	Project Period		Expenditures
Passes through the Missouri Department of Elementary and Secondary Education:			
CTE Base Funding	7/1/18-6/30/19	$	319,024
CTE Performance Funding	7/1/18-6/30/19		220,984
Homemaker Fee Waivers	7/1/18-6/30/19		3,743
Adult Basic Education	7/1/18-6/30/19		32,878
CTE Improvement Grant – Health Sciences	7/1/18-6/30/19		14,843
Enhancement Grant	7/1/18-6/30/19		434,329
Total Department of Elementary and Secondary Education			1,025,801
Passes through the Missouri Department of Social Services:			
Rehabilitation Services for the Blind	7/1/18-6/30/19		11,358
SkillUP	7/1/18-6/30/19		42,955
Total Department of Social Services			54,313
Passes through the Missouri Department of Higher Education:			
A+ Program	7/1/18-6/30/19		1,792,737
Peer Counseling Grant	7/1/18-6/30/19		1,840
Total Department of Higher Education			1,794,577
Passes through the Missouri Department of Vocational Rehabilitation:			
Missouri Vocational Rehabilitation	7/1/18-6/30/19		34,578
Total Department of Vocational Rehabilitation			34,578
Passes through the Missouri Department of Economic Development:			
Trade Act	7/1/18-6/30/19		16,685
Customized Training	7/1/18-6/30/19		110,285
Total Department of Economic Development			126,970
Total State Awards		$	3,036,239

THE COMMUNITY COLLEGE DISTRICT OF JEFFERSON COUNTY, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2019

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Project Period	Passed Through to Sub recipients	Federal Expenditures
U.S. DEPARTMENT OF EDUCATION:					
Student Financial Aid Cluster:					
Pell Grant Program	84.063		07/01/18-06/30/19	$ -	$ 5,794,225
Pell Grant Administrative Allowance	84.063		07/01/18-06/30/19	-	8,655
College Work Study (CWS)	84.033		07/01/18-06/30/19	-	125,571
Federal Direct Student Loans	84.268		07/01/18-06/30/19	-	3,330,034
Supplemental Educational Opportunity Grant (SEOG)	84.007		07/01/18-06/30/19	-	125,340
Total Student Financial Aid Cluster				-	9,383,825
Other Student Financial Aid:					
TRIO	84.042		07/01/18-06/30/19	-	278,902
Passes through the Missouri Department of Elementary and Secondary Education:					
Vocational Education - Carl Perkins	84.048	145-145	07/01/18-06/30/19	255	708,767
Adult Basic Education	84.002	145-145	07/01/18-06/30/19	-	165,709
Total DESE Expenditures				255	874,476
TOTAL U.S. DEPARTMENT OF EDUCATION				255	10,537,203
U.S. DEPARTMENT OF JUSTICE:					
Grants to Reduce Domestic Violence, Dating Violence, Sexual Assault, and Stalking on Campus	16.525		07/01/18-06/30/19	-	43,063
TOTAL U.S. DEPARTMENT OF JUSTICE				-	43,063
U.S. DEPARTMENT OF LABOR:					
WIOA Cluster:					
Direct:					
MoRAP WIOA Discretionary	17.258		07/01/18-06/30/19	-	12,732
MoRAP WIOA Discretionary (CAMO)	17.258		07/01/18-06/30/19	-	58,947
Total MoRAP WIAO Discretionary				-	71,679
Passes Through the Missouri Office of Job Training					
WIA Adult	17.258	AA-30771-17-60-A-29	07/01/18-06/30/19	-	39,867
WIA Youth	17.259	AA-30771-17-60-A-29	07/01/18-06/30/19	-	68,768
WIA Dislocated Worker	17.278	AA-30771-17-60-A-29	07/01/18-06/30/19	-	21,797
Total WIA Programs passed through the Missouri Office of Job Training				-	130,432
Total WIOA Cluster				-	202,111
Passes Through Metropolitan Community College					
TAA-CCCT Grant	17.282	TC 26470-14-60-A-29	07/01/18-06/30/19	-	36,627
Total TAA-CCCT Grant Cluster				-	36,627
Passes Through Division of Workforce Development					
Apprenticeship USA Grant	17.285	AP-30081-16-60-A-29	07/01/18-06/30/19	-	9,777
Total Apprenticeship USA Grant				-	9,777
TOTAL U.S. DEPARTMENT OF LABOR				-	248,515
U.S. DEPARTMENT OF AGRICULTURE:					
Passes through the Missouri Department of Health					
Child and Adult Care Food Program	10.558	ERS46111072	07/01/18-06/30/19	-	14,810
				-	14,810
SNAP Cluster:					
Passes Through Ozarks Technical Community College					
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SkillUP)	10.561	CS160897001	07/01/18-06/30/19	-	42,954
				-	42,954
TOTAL U.S. DEPARTMENT OF AGRICULTURE				-	57,764

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
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2019

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Project Period	Passed Through to Sub recipients	Federal Expenditures
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:					
CCDF Cluster:					
Passes through the Missouri Department					
of Elementary and Secondary Education -					
Early Childhood Child Care (ECCC)	93.575	145-145	07/01/18-06/30/19	-	20,000
				-	20,000
TANF Cluster:					
Passes Through the Missouri Office of Job Training					
Temporary Assistance for Needy Families	93.558	956930283	07/01/18-06/30/19	-	10,798
Passes through the Missouri Department of Social					
Services to Jeff/Franklin Community Action Corp					
Temporary Assistance for Needy Families	93.558	CS190278001	07/01/18-06/30/19	-	14,629
Passes through the Missouri Department of Economic					
Development to Office of Job Training and Central Ozarks					
Private Industry Council					
Temporary Assistance for Needy Families	93.558	M00592	07/01/18-06/30/19	-	5,466
Total TANF Cluster				-	30,893
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				-	50,893
Total Expenditures of Federal Awards				$ 255	$ 10,937,438

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

THE COMMUNITY COLLEGE DISTRICT OF
JEFFERSON COUNTY, MISSOURI
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2019

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, 2019. 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 U.S. generally accepted accounting principles. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3 – INDIRECT COST RATE

The District has not 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 U.S. 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, 2019.

INTERNAL CONTROL AND COMPLIANCE

WESTBROOK & CO., P.C.
Certified Public Accountants

749 Driskill Drive
Richmond, MO 64085

18 North Folger
Carrollton, MO 64633

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

To the Board of Trustees of 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 of the business-type activities 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, 2019, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated November 27, 2019.

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.

Member, American Institute of Certified Public Accountants; Missouri Society of Certified Public Accountants

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Fax: Richmond: (816) 470-7100 Carrollton: (660) 542-3959
Website: www.westbrookcpa.com

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.

Westbrook & Co., P.C.

Richmond, Missouri
November 27, 2019

WESTBROOK & CO., P.C.
Certified Public Accountants

749 Driskill Drive
Richmond, MO 64085

18 North Folger
Carrollton, MO 64633

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

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, 2019. 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.

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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, 2019.

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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the 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.

Westbrook & Co., P.C.

Richmond, Missouri
November 27, 2019

THE COMMUNITY COLLEGE DISTRICT OF
JEFFERSON COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2019

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

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

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

II – FINANCIAL STATEMENT FINDINGS SECTION

None

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

None