THREE RIVERS COMMUNITY COLLEGE
POPLAR BLUFF, MISSOURI

FINANCIAL STATEMENTS

JUNE 30, 2016 AND 2015

Three Rivers Community College
Table of Contents
June 30, 2016 and 2015

CONTENTS

Three Rivers Community College
Table of Contents
June 30, 2016 and 2015

KMT

KRAFT, MILES & TATUM, LLC
CERTIFIED PUBLIC ACCOUNTANTS

1650 WEST HARPER, POPLAR BLUFF, MISSOURI 63901-4196
(573)-785-6438
FAX (573) 785-0114

INDEPENDENT AUDITORS' REPORT

Board of Trustees
Three Rivers Community College
Poplar Bluff, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of Three Rivers Community College and Three Rivers Endowment Trust, a discretely presented component unit of Three Rivers Community College as of and for the years ended June 30, 2016 and 2015, 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 an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The financial statements of Three Rivers Endowment Trust were not audited in accordance with *Government Auditing Standards*. 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 Three Rivers Community College as of June 30, 2016 and 2015, and the respective changes in financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 8 and the schedule of proportionate share of net pension liability and related ratios and schedule of employer contributions on pages 43 through 44 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government 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 Three Rivers Community College's basic financial statements. The combining financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The disclosures required by the lease participation certificates 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 is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* and is also not a required part of the basic financial statements.

The combining financial statements and the schedule of expenditures of federal 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 information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The disclosures required by the lease participation certificates have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 4, 2016, on our consideration of Three Rivers Community College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the 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 Three Rivers Community College's internal control over financial reporting and compliance.

Kraft, Miles & Tatum, LLC

Certified Public Accountants

November 4, 2016

Introduction

Management's discussion and analysis is an overview of the financial position and financial activities of Three Rivers Community College (the "College"). This discussion was prepared by the College's management and should be read in conjunction with the financial statements and notes that follow.

The financial statements were prepared in accordance with principles established by the Government Accounting Standards Board (GASB). These standards require that financial statements be presented on a consolidated basis to focus on the College as a whole.

There are three financial statements presented that are proprietary funds. These deal with day-to-day operations of the College. These statements are: the Statement of Net Position, the Statement of Revenues, Expenses and Changes in Net Position and the Statement of Cash Flows. In addition, there are two statements dealing with fiduciary assets which will be discussed later in this section, as well as two statements disclosing the activities of the component unit of the College.

Statement of Net Position

The Statement of Net Position presents the assets, liabilities and net position of the College as of June 30, 2016, the last day of the fiscal year. The general purpose of this statement is to present a "snapshot" of the financial condition of the College.

Assets and liabilities are categorized as either current or noncurrent. Current assets mature and current liabilities become payable within the normal twelve month accounting cycle. Noncurrent assets mature and noncurrent liabilities become payable beyond the twelve month period. The current assets of the College consist of cash and cash equivalents and various trade receivables. Noncurrent assets are primarily the College's capital assets, i.e. property, plant and equipment, net of depreciation.

Total net position, which is the difference between total assets plus deferred outflows of resources and total liabilities plus deferred inflows of resources, is one of the key indicators of the current financial condition of the College. Net position is presented in three major categories. The first is "net investment in capital assets" which simply represents the College's equity in its property, plant and equipment.

The second - restricted - is further divided between nonexpendable and expendable. Nonexpendable restricted net assets are endowments, which can never be spent. These endowments earn interest, which is used for scholarships. Expendable restricted net assets are available to be spent by the College after externally imposed stipulations have been fulfilled or after the passage of time.

Unrestricted net assets are available for any lawful purpose.

Table 1
Comparative Statement of Net Position

	2016	2015
Assets		
Current	$17,243,029	16,090,228
Land	5,490,786	5,329,286
Capital assets, net	28,958,817	28,015,632
Housing capital assets, net	2,740,500	2,911,803
Other non-current assets	830,860	2,416,973
Total Assets	55,263,992	54,763,922
Deferred Outflows of Resources		
Pension deferrals	5,262,107	2,304,348
Total Deferred Outflows of Resources	5,262,107	2,304,348
Liabilities		
Bonds, notes and leases payable	17,491,387	18,055,409
Other current liabilities	6,444,735	7,522,323
Other non-current liabilities	13,013,510	9,467,851
Total Liabilities	36,949,632	35,045,583
Deferred Inflows of Resources		
Pension deferrals	3,151,721	4,136,452
Total Deferred Inflows of Resources	3,151,721	4,136,452
Net Position		
Net investment in capital assets	21,258,724	21,300,071
Net investment in housing capital assets	(1,334,632)	(1,337,262)
Restricted		
Non-expendable	507,240	550,300
Expendable	125,117	163,267
Unrestricted	(131,703)	(2,790,141)
Total Net Position	$20,424,746	17,886,235

Both total assets and total liabilities increased in the current year. Total assets increased by approximately $500,000, while total liabilities increased by approximately $1,900,000. Assets were increased primarily due to continued investment in the Libla Athletic Complex and an increase in accounts receivable due to an increase in fees. Liabilities increased due to an increase in net pension liability related to the implementation of Governmental Accounting Standards Board ("GASB") Statement No. 68, *Accounting for Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* (See Note 6.)

Statement of Revenues, Expenses and Changes in Net Position

This statement presents the College's results of operations for the year ended June 30, 2016. It includes the College's revenues and expenses, both operating and non-operating. Operating revenues and expenses are those for which the College directly provides or receives goods and services. Non-operating revenues and expenses are those that exclude specific, direct exchanges of goods and services. Local property taxes and state aid are two examples of non-operating revenues where local taxpayers and the state legislature, respectively, do not directly receive goods or services in exchange for the revenue.

Following are summarized versions of the College's revenues, expenses and changes in net position for the years ended June 30, 2016 and 2015.

	2016	2015
Operating revenues	$15,473,312	14,547,864
Operating expenses	(24,364,558)	(23,919,817)
Operating Loss	(8,891,246)	(9,371,953)
Non-operating revenues	12,066,439	12,707,161
Gain (loss) on sale of asset	(2,230)	(83,249)
Gift returns	(46,550)	(60,347)
Interest expense	(587,902)	(591,354)
Change in Net Position	2,538,511	2,600,258
Net Position, Beginning of Year, restated (Note 16)	17,886,235	15,285,977
Net Position, End of Year	$20,424,746	17,886,235

For purposes of comparison, the schedule of the College's revenues, both operating and non-operating, for the years ended June 30, 2016 and 2015, are presented here.

	2016	2015
Operating Revenues		
Student tuitions and fees	$12,022,378	11,139,236
Auxiliary enterprises	3,181,382	3,124,592
Other	269,552	284,036
Total	$15,473,312	14,547,864
Non-Operating Revenues		
Donations	$ 26,495	
Property taxes	2,051,420	2,063,051
State aid and grants	6,532,081	5,668,845
Federal grants and contracts	3,292,300	4,862,911
Other	164,143	112,354
Total	$12,066,439	12,707,161

Tuition and fees increased by approximately $883,000. The increase is due to an overall increase in tuition and fee rates.

State aid and grants increased by approximately $863,000. This increase was due to an increase in state appropriations. Federal grants decreased by approximately $1,570,000, primarily due to the completion of the SEMA/FEMA safe rooms contained within the Poplar Bluff and Sikeston classroom buildings.

The following schedule presents operating expenses of the College by function for the years ended June 30, 2016 and 2015.

	2016	2015
Operating Expenses		
Instruction	$ 8,368,906	8,050,854
Student services	3,484,811	3,456,769
Academic support	2,200,782	2,098,052
Institutional support	3,397,183	3,396,112
Operation and management of plant	2,049,485	2,372,348
Financial aid and scholarships	786,530	671,228
Auxiliary enterprises	2,273,206	2,350,062
Depreciation and amortization	1,803,655	1,524,392
Total Operating Expenses	$24,364,558	23,919,817
Non-Operating Expenses		
(Gain) loss on sale of asset	$ 2,230	83,249
Gift returns	46,550	60,347
Interest	587,902	591,354
Total Non-Operating Expenses	$ 636,682	734,950

The cost of operations increased 2% compared to a 6% increase in operational revenues.

Statement of Cash Flows

This Statement of Cash Flows presents information about the cash activity of the College. It shows the major sources and uses of cash. Comparative summary statements of cash flows for the fiscal years ended June 30, 2016 and 2015 are as follows:

	2016	2015
Net Cash Provided (Used) By:		
Operating activities	$ (9,096,379)	(9,388,219)
Investing activities	63,905	49,553
Non-capital financing activities	11,926,000	12,592,586
Capital and related financing activities	(3,868,139)	(9,590,068)
Net Change in Cash	(974,613)	(6,336,148)
Cash and Cash Equivalents, Beginning of Year	9,926,613	16,262,761
Cash and Cash Equivalents, End of Year	$ 8,952,000	9,926,613

The balance between net cash used by operating and provided by non-capital financing activities reflects the College's continued judicious use of its major revenue sources-tuition, property taxes and state aid.

Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position

These statements are presented separately from the operating statements of the College discussed previously. The information contained in these statements deals with funds that have been contributed to the College subject to the requirement that a designated beneficiary receive a specified annual payment. When these payments end, the balance of the funds will be available for use by the College at a time specified in the trust agreement. The net position of the trust at June 30, 2016, totaled approximately $3,160,000, an decrease of approximately $29,000 from the prior year due primarily to benefits paid to beneficiaries.

The Statement of Fiduciary Net Position also contains a column titled "Agency Funds". These are funds held in trust by the College belonging to various organizations in the College.

Analysis

The College realized an increase of approximately 8% in tuition and fees due to a increase in tuition and fee rates. The College's rates remain competitive and among the lowest in the state.

In 2015, the college implemented Governmental Accounting Standards Board ("GASB") Statement No. 68, *Accounting for Financial Reporting for Pensions* (see Note 16) and resulted in a restatement of net position as of June 30, 2014 with a reduction of approximately $11,300,000. The College finished the year ended June 30, 2015 with an increase in net position of approximately $2,600,000 as investment in the construction and improvement of facilities continues. In the year ended June 30, 2016, the College had an increase in net position of approximately $2,500,000 as a result of increased tuition and fee rates and increased state funding.

The financial condition of the College remains sound. Adequate fund balances and reserves exist to continue to provide a quality educational experience.

Contacting the College's Financial Management

This financial report is designed to provide our constituents with a general overview of Three Rivers Community College's finances and to demonstrate the College's accountability for the resources it receives. Questions concerning this report or requests for additional financial information should be directed to Ms. Charlotte Eubank, Chief Financial Officer, 2080 Three Rivers Boulevard, Poplar Bluff, Missouri 63901.

Three Rivers Community College

Statements of Net Position

June 30, 2016 and 2015

		2016	2015
Assets			
Current Assets			
Cash and cash equivalents	$	8,121,140	7,509,640
Investments		43,725	40,236
Tuition and fees receivable, net		7,183,259	7,335,212
Rent receivable		107,262	120,216
Other receivables		1,264,489	527,498
Property taxes and other receivables		112,411	128,329
Inventory		215,187	238,144
Prepaid expenses		195,556	190,953
Total Current Assets		17,243,029	16,090,228
Non-Current Assets			
Restricted cash and cash equivalents		830,860	2,416,973
Land		5,490,786	5,329,286
Capital assets, net		28,958,817	28,015,632
Housing capital assets, net		2,740,500	2,911,803
Total Non-Current Assets		38,020,963	38,673,694
Total Assets		55,263,992	54,763,922
Deferred Outflows of Resources			
Pension deferrals		5,262,107	2,304,348
Total Deferred Outflows of Resources		5,262,107	2,304,348
Total Assets and Deferred Outflows of Resources	$	60,526,099	57,068,270

The accompanying notes are an integral part of these financial statements.

Three Rivers Community College
Statements of Net Position
June 30, 2016 and 2015

		2016	2015
Liabilities			
Current Liabilites			
Accounts payable	$	670,661	1,409,290
Accrued vacation, salaries, and retirement		558,813	556,069
Accrued interest		141,969	145,412
Student deposits		44,752	44,282
Unearned tuition and fees		5,026,367	5,359,430
Endowments and scholarships		2,173	1,343
Bonds, notes and leases payable		753,000	700,000
Incentive retirement payable			6,497
Total Current Liabilities		7,197,735	8,222,323
Non-Current Liabilities			
Net pension liability		11,846,110	8,465,951
Other post employment benefits		1,167,400	1,001,900
Bonds, notes, and leases payable		16,738,387	17,355,409
Total Non-Current Liabilities		29,751,897	26,823,260
Total Liabilities		36,949,632	35,045,583
Deferred Inflows of Resources			
Pension deferrals		3,151,721	4,136,452
Total Deferred Inflows of Resources		3,151,721	4,136,452
Net Position			
Net investment in capital assets		21,258,724	21,300,071
Net investment in housing capital assets		(1,334,632)	(1,337,262)
Restricted for nonexpendable:			
Scholarships and fellowships		507,240	550,300
Restricted for expendable:			
Scholarships and fellowships		125,117	163,267
Unrestricted		(131,703)	(2,790,141)
Total Net Position		20,424,746	17,886,235
Total Liabilities, Deferred Inflows of Resources and Net Postion	$	60,526,099	57,068,270

The accompanying notes are an integral part of these financial statements.

Three Rivers Community College

Statements of Revenues, Expenses, and
Changes in Net Position
Years Ended June 30, 2016 and 2015

	2016	2015
Operating Revenues		
Student tuitions and fees (net of scholarship allowances of $9,762,115 and $10,100,689)	$ 12,022,378	11,139,236
Auxiliary enterprises		
Housing	533,016	487,801
Bookstore	2,219,996	2,359,087
Student activities	428,370	277,704
Other operating revenues	269,552	284,036
Total Operating Revenues	15,473,312	14,547,864
Operating Expenses		
Instruction	8,368,906	8,050,854
Student services	3,484,811	3,456,769
Academic support	2,200,782	2,098,052
Institutional support	3,397,183	3,396,112
Operating and management of plant	2,049,485	2,372,348
Financial aid and scholarships	786,530	671,228
Auxiliary enterprises		
Housing	293,284	280,465
Bookstore	1,533,880	1,682,654
Student activities	446,042	386,943
Depreciation and amortization	1,803,655	1,524,392
Total Operating Expenses	24,364,558	23,919,817
Operating Income/(Loss)	(8,891,246)	(9,371,953)
Non-Operating Revenues/(Expenses)		
Donations	26,495	
Property taxes	2,051,420	2,063,051
State aid and grants	6,532,081	5,668,845
Federal grants and contracts	3,292,300	4,862,911
Investment gain	67,394	54,228
Contributions	96,749	58,126
Gift returns	(46,550)	(60,347)
Gain (loss) on sale of asset	(2,230)	(83,249)
Interest expense	(587,902)	(591,354)
Total Non-Operating Revenues/(Expenses)	11,429,757	11,972,211
Changes in Net Position	2,538,511	2,600,258
Net Position, Beginning of year, restated (Note 16)	17,886,235	15,285,977
Net Position, End of year	$ 20,424,746	17,886,235

The accompanying notes are an integral part of these financial statements.

Three Rivers Community College

Statements of Cash Flows

For the Years Ended June 30, 2016 and 2015

	2016	2015
Cash Flows from Operating Activities:		
Tuition and fees	$ 12,382,805	13,345,250
Payments to suppliers	(7,556,398)	(8,098,880)
Payments to employees	(14,297,975)	(14,810,847)
Receipts (refunds) of deposits	470	(15,094)
Auxiliary enterprise receipts	(1,341)	(168,997)
Other	376,060	360,349
Net cash used in operating activities	(9,096,379)	(9,388,219)
Cash Flows from Noncapital Financing Activities:		
Local property taxes	2,051,420	2,063,051
State aid and grants	6,532,081	5,668,845
Federal grants and contracts	3,292,300	4,862,911
Gift returns	(46,550)	(60,347)
Contributions	96,749	58,126
Net cash provided by noncapital financing activities	11,926,000	12,592,586
Cash Flows from Capital and Related Financing Activities:		
Debt service - interest payments	(591,344)	(587,493)
Debt service - principal payments	(700,000)	(400,000)
Proceeds from sale of asset		5,033
Aquisition of capital assets	(2,576,795)	(8,607,608)
Net cash used in capital and related financing activities	(3,868,139)	(9,590,068)
Cash Flows from Investing Activities:		
Interest and dividends	67,394	54,228
Purchase of investments	(3,489)	(4,675)
Net cash provided by investing activities	63,905	49,553
Net decrease in cash and cash equivalents	(974,613)	(6,336,148)
Cash, beginning of year	9,926,613	16,262,761
Cash, end of year	$ 8,952,000	9,926,613

The accompanying notes are an integral part of these financial statements.

Three Rivers Community College

Statements of Cash Flows - Continued

For the Years Ended June 30, 2016 and 2015

		2016	2015
Displayed as:			
Cash and cash equivalents	$	8,121,140	7,509,640
Restricted cash and cash equivalents		830,860	2,416,973
	$	8,952,000	9,926,613

		2016	2015
Reconciliation of operating income/(loss) to net cash provided by/(used in) operating activities			
Operating income/(loss)	$	(8,891,246)	(9,371,953)
Adjustments to reconcile operating income to net cash used in operating activities			
Depreciation and amortization		1,803,655	1,524,392
Bad debt, net		2,245,232	1,738,902
Changes in assets and liabilities			
(Increase)/decrease in assets:			
Tuition and fees receivable		(2,093,279)	(2,053,828)
Other receivables		(724,037)	707,348
Property taxes		15,918	(4,157)
Inventory		22,957	(25,389)
Prepaid expenses		(4,603)	(61,427)
Deferred outflows		(2,957,759)	(923,209)
Increase/(decrease) in:			
Accounts payable		(738,629)	(1,385,147)
Accrued vacation, salaries, and retirement		2,744	130
Student deposits		470	(15,094)
Unearned tuition and fees		(333,063)	400,217
Endowments and scholarships		830	(3,520)
Incentive retirement payable		(6,497)	(56,134)
Other post employment benefits		165,500	179,500
Deferred inflows		(984,731)	4,136,452
Net pension liability		3,380,159	(4,175,302)
Net cash used in operating activities	$	(9,096,379)	(9,388,219)

The accompanying notes are an integral part of these financial statements.

Three Rivers Community College
Statements of Fiduciary Net Position
For the Years Ended June 30, 2016 and 2015

	June 30, 2016		June 30, 2015	
Assets	Private Purpose Trusts	Agency Funds	Private Purpose Trusts	Agency Funds
Cash and cash equivalents	$	142,431	$	156,774
Beneficial interest in trust	3,160,240		3,189,200	
Total assets	3,160,240	142,431	3,189,200	156,774
Liabilities				
Deposits held in trust for others		142,431		156,774
Total liabilities		142,431		156,774
Net Position				
Unreserved	$ 3,160,240		$ 3,189,200	

Three Rivers Community College
Statements of Changes in Fiduciary Net Position
For the Years Ended June 30, 2016 and 2015

	Private Purpose Trusts Years Ended June 30,	
	2016	2015
Additions		
Interest income	$ 69,264	86,748
Realized gain/(loss) on investments	9,938	144,594
Total Additions	79,202	231,342
Deductions		
Benefits paid to beneficiaries	51,301	51,276
Unrealized (gain)/loss on investments	32,278	83,609
Administrative expense	24,583	25,882
Total Deductions	108,162	160,767
Changes in Net Position	(28,960)	70,575
Net Position, Beginning of year	3,189,200	3,118,625
Net Position, End of year	$ 3,160,240	3,189,200

The accompanying notes are an integral part of these financial statements.

Three Rivers Community College
Statements of Financial Position-Component Unit
Three Rivers Endowment Trust
For the Years Ended June 30, 2016 and 2015

	Years Ended June 30, 2016	Years Ended June 30, 2015
Assets		
Cash	$ 2,723,783	2,120,264
Contribution receivable	3,719,788	2,354,441
Certificates of deposit	72,262	71,015
Investments	1,373,232	1,123,675
Artwork	12,667	
Assets held for sale	257,000	257,000
Property and equipment, net		
Total Assets	$ 8,158,732	5,926,395
Liabilities And Net Assets		
Liabilities:		
Accounts payable	$ 525	
Total Liabilities	525	
Net Assets:		
Unrestricted	904,110	770,140
Temporarily restricted	6,837,287	4,714,882
Permanently restricted	416,810	441,373
Total Net Assets	8,158,207	5,926,395
Total Liabilities and Net Assets	$ 8,158,732	5,926,395

The accompanying notes are an integral part of these financial statements.

Three Rivers Community College
Statements of Activities-Component Unit
Three Rivers Endowment Trust
For the Years Ended June 30, 2016 and 2015

	Years Ended June 30,	
	2016	2015
Changes in Unrestricted Net Assets		
Revenues		
Contributions	$ 97,814	96,226
Donated items	12,667	
Fundraising events	27,987	15,740
License fee income		54,987
Miscellaneous	2,026	1,224
Net assets released from restrictions	35,974	33,140
Total Unrestricted Revenue	176,468	201,317
Expenses		
Program services	101,701	60,431
General and administrative	83,977	174,620
Fundraising	15,353	3,400
Total Expenses	201,031	238,451
Decrease in Unrestricted Net Assets	(24,563)	(37,134)
Changes in Temporarily Restricted Net Assets		
Contributions	2,199,180	3,618,399
Interest and dividend income	4,881	4,373
Investment gain	(45,682)	(17,338)
Net assets released from restrictions	(35,974)	(33,140)
Increase in Temporarily Restricted Net Assets	2,122,405	3,572,294
Changes in Permanently Restricted Net Assets		
Contributions	133,970	61,287
Increase in Permanently Restricted Net Assets	133,970	61,287
Change in Net Assets	2,231,812	3,596,447
Net Assets, Beginning of Year	5,926,395	2,329,948
Net Assets, End of Year	$ 8,158,207	5,926,395

The accompanying notes are an integral part of these financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Three Rivers Community College (the "College"), a public two-year institution, was established April 5, 1966, under the Missouri Junior College Act of 1961. The College provides academic transfer, occupational, technical, developmental, and continuing education courses to its four-county district, known as The Community College District of Poplar Bluff, Missouri, and many surrounding counties in Southeast Missouri. The six-member elected Board of Trustees establishes the policies and procedures by which the College is governed.

The accounting policies of the College conform to accounting principles generally accepted in the United States of America as applicable to colleges and universities.

Basis of Accounting

Proprietary Funds

For financial reporting purposes, the College is considered a special-purpose government engaged in business-type activities. Accordingly, the College's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. All significant intra-agency transactions have been eliminated.

Non-exchange transactions, in which the college receives value without directly giving equal value in return, includes property taxes; federal, state and local grants; state appropriations; and other contributions. On the accrual basis, revenue from property taxes is recognized in the period for which the levy is intended to finance. Revenue from grants, state appropriations, and other contributions is recognized when 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 specified purpose; and expenditure requirements, in which the resources are provided on a reimbursement basis.

Fiduciary Funds

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore cannot be used to support the College's own programs. Fiduciary fund reporting focuses on net position and changes in net position and also uses the economic resources measurement focus and the accrual basis of accounting.

The private purpose trusts of the College consist of funds contributed to the College by various grantors subject to the requirement that the college periodically pay specified amounts of the income earned on the assets to designated beneficiaries. Such payments terminate at a time specified in the agreements and the balance of the funds will be transferred to the College as designated by the grantor.

The agency fund accounts for assets held by the College in a purely custodial capacity. Since agency funds are custodial in nature (i.e. assets equal liabilities), they do not involve the measurement of results of operations.

Reporting Entity

As defined by generally accepted accounting principles established by GASB, the financial reporting entity consists of the primary government, as well as its blended component unit and discretely presented component units.

Blended Component Unit

Three Rivers Community College Building Corporation (the "Corporation") is a component unit incorporated on June 20, 1994, as a not-for-profit organization whose stated purpose is to operate exclusively for the benefit of Three Rivers Community College. Although the College is not legally responsible for the debt of the building corporation, the Corporation's sole source of revenue is from lease payments from the College.

The following financial information represents the condensed financial statements for the Three Rivers Community College Building Corporation.

Condensed Statements of Net Position

	2016	2015
Assets		
Current assets	$ 367,345	1,906,909
Capital assets	15,078,053	14,788,731
Total Assets	15,445,398	16,695,640
Liabilities		
Current liabilities	141,970	145,412
Noncurrent liabilities	17,351,387	18,055,409
Due to college	21,516	152,135
Total Liabilities	17,514,873	18,352,956
Net Position		
Net investment in capital assets	(2,069,475)	(1,657,315)
Total Net Position	$ (2,069,475)	(1,657,315)

Condensed Statements of Revenues, Expenses, and Changes in Net Position

	2016	2015
Operating Revenues (Expenses)		
Operating revenues	$ 1,295,855	989,002
Other operating expenses	(653,003)	(1,510)
Depreciation and amortization expense	(467,110)	(259,924)
Operating Income	175,742	727,568
Non-Operating Revenues (Expenses)		
Interest expense	(587,902)	(591,353)
Changes in Net Position	(412,160)	136,215
Beginning Net Position	(1,657,315)	(1,793,530)
Ending Net Position	$ (2,069,475)	(1,657,315)

Condensed Statements of Cash Flows

	2016	2015
Net Cash Provided By:		
Operating activities	$ 1,295,855	989,002
Capital and related financing activities	(2,835,419)	(7,517,395)
Net Change	(1,539,564)	(6,528,393)
Cash and Cash Equivalents, Beginning	1,906,909	8,435,302
Cash and Cash Equivalents, Ending	$ 367,345	1,906,909

Discretely Presented Component Unit

Three Rivers Endowment Trust

Three Rivers Endowment Trust ("the Trust") is a legally separate, tax exempt component unit of the College, created December 21, 2009. The purpose of the Trust is to encourage, promote, obtain and provide funds or property of any nature or kind for the advantage of the College and the encouragement and subsidization of its students and mission.

Under state law, neither the principal nor income generated by the assets of the Trust can be taken into consideration in determining the amount of state-appropriated funds allocated to the College. Third parties dealing with the College, the Missouri Coordinating Board of Higher Education, the State of Missouri, and the Federal Government (or any agency thereof) should not rely upon the financial statements of the Trust for any purpose without consideration of all of the foregoing conditions and limitations.

The directors of the Trust make all decisions regarding the business and affairs of the Trust, including, without limitations, distributions made to the College. Although the College does not control the timing or amount of receipts from the Trust, the majority of resources or income thereon that the Trust holds and invests are restricted to the activities of the College by the donors. Because these restricted resources held by the Trust can only be used by, or for the benefit of, the College, the Trust is considered a component unit of the College. The Trust is reported in separate financial statements because of the difference in its reporting model, as further described below.

The Trust is a private not-for-profit organization that reports its financial results in accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). Most significant to the Trust's operations and reporting model are FASB ASC 958-605 and FASB ASC 958-205. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the Trust's financial information in the College's financial reporting entity for these differences; however, significant note disclosures to the Trust's financial statements have been incorporated into the College's notes to the financial statements as described below.

The Trust maintains its accounts in accordance with the principles and practices of fund accounting. Fund accounting is the procedure by which resources for various purposes are classified for accounting purposes in accordance with activities or objectives specified by donors. Accordingly, net assets and changes therein are classified as follows:

<u>Permanently Restricted Net Assets</u>
Net assets subject to donor-imposed stipulations that they be maintained permanently by the Trust. Generally, the donors of these assets permit the Trust to use all or part of the income earned on related investments for general or specific purposes.

<u>Temporarily Restricted Net Assets</u>
Net assets subject to donor-imposed stipulations that will be met by actions of the Trust and/or passage of time.

<u>Unrestricted Net Assets</u>
Net assets not subject to donor-imposed restrictions.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Contributions, including unconditional promises to give, are recognized as revenue in the period received. Conditional promises to give are not recognized as revenue until the conditions on which they depend are substantially met.

Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted undesignated or unrestricted designated net assets unless their use is restricted by explicit donor stipulation or by law.

Investments are reported at fair value based upon quoted market prices.

Questions concerning the component unit's financial information or requests for additional financial information should be directed to Three Rivers Endowment Trust, 2080 Three Rivers Boulevard, Poplar Bluff, Missouri 63901.

Omitted Component Unit

Three Rivers Booster Club

Three Rivers Booster Club (the "Club") is a legally separate, tax-exempt component unit of the College. The Club provides assistance and support to the Three Rivers Community College athletic programs and because the College is the exclusive beneficiary of the Club, its financial information is required to be presented. The Club is not a subsidiary or affiliate of the College. Moreover, the assets of the Club are the exclusive property of the Club and are not owned by the College. The College is not accountable for, and does not have ownership of, any of the financial or capital resources of the Club. In addition, the College does not have the power or authority to mortgage, pledge or encumber the assets of the Club. The financial activities of this omitted component unit are not considered material to the basic financial statements.

Questions concerning the component unit's financial information or requests for additional financial information should be directed to Three Rivers Booster Club, 1815 Zehm Avenue, Poplar Bluff, Missouri 63901.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses and other changes in net position during the reporting period. Actual results could differ from those estimates.

Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on November 1 and payable by December 31. The counties in the College's district collect the tax and remit it to the College. Delinquent property taxes are deemed to be uncollectible with the following percentages:

1 year	10%
2 years	20%
3 years	50%
4 years	60%
5 years	90%
Over 5 years	100%

The assessed valuation of the tangible taxable property for the calendar years 2015 and 2014 for purposes of local taxation was $868,924,222 and $823,274,640, respectively. The tax levy per $100 of the assessed valuation of tangible property for the calendar years 2015 and 2014 were set at $0.2352 and $0.2352, respectively.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the College considers all highly liquid instruments purchased with a maturity of three months or less to be cash equivalents.

Investments

Investments are stated at fair value based on quoted market prices.

Tuition and Fees Receivable

Accounts receivable consist of tuition and fee charges to students and charges for auxiliary enterprise services provided to students, faculty and staff. Accounts receivable are recorded net of estimated uncollectible amounts. Accounts outstanding are deemed to be uncollectible with the following percentages:

0-1 year	2%
1-2 years	30%
2-3 years	60%
3-5 years	75%
5-7 years	90%
Over 7 years	100%

Capital Assets

Capital assets include property, plant, equipment, and infrastructure assets such as roads and sidewalks. Capital assets are defined by the College as assets with an initial cost of $5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at cost at the date of acquisition, or fair value at the date of donation if acquired by gift. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant and equipment of the College are depreciated using the straight-line method over the following useful lives:

Buildings and improvements	20-40 years
Infrastructure	15-20 years
Land improvements	20 years
Library materials	10 years
Furniture, fixtures and equipment	5 years

Inventory

Inventory consists of bookstore merchandise and is stated at the lower of cost or market determined on the first-in, first-out basis.

Unearned Tuition and Fees

Unearned tuition and fees revenue represents the student fees and advances on grants and contract awards, which the College has not yet earned.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, Deferred Outflows of Resources, represents a consumption of net position that applies to a future period and so will not be recognized as an expense until then. The College has one item that meets the criterion for this category-pension deferrals that result from the implementation of GASB Statement 68. In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, Deferred Inflows of Resources, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The College has one item that meets the criterion for this category-pension deferrals that results from the implementation of GASB Statement 68. See Note 6.

Compensated Absences

The College records a liability for employees' vacation leave earned, but not yet taken. Employees are allowed to carry over a limited number of vacation days from year to year. Expense and related liability are recognized as vacation benefits are earned. The College has no commitment for accumulated sick leave and no liability is recorded.

Classification of Revenue

Operating revenues include activities that have the characteristics of exchange transactions, such as (1) student tuition and fees, and (2) sales and services of auxiliary enterprises. Non-operating revenue includes activities that have the characteristics of non-exchange transactions, such as (1) local property taxes, (2) state appropriations, (3) most federal, state, and local grants and contracts, and federal appropriations, and (4) gifts and contributions.

Federal Financial Assistance Programs

Major federally funded student financial aid programs in which the College participates include the Federal Pell Grant, Federal Supplemental Educational Opportunity Grant, Federal Work Study, and Federal Direct Student Loan Programs.

Scholarship Allowances

Student tuition and fee revenues, and certain other revenues from students, are reported as the net of scholarship allowances in the statement of revenues, expenses and changes in net position. Scholarship allowances are the difference between the stated charge for goods and services provided by the College and the amount that is paid by students and or/third parties making payments on the students' behalf. Certain governmental grants, such as Pell grants, and other federal, state or non-governmental programs, are recorded as either operating or non-operating revenues in the College's financial statements. To the extent that revenues from such programs are used to satisfy tuition and fees and other student charges, the College has recorded a scholarship allowance. The scholarship allowances on tuition, fees, and housing for the years ended June 30, 2016 and 2015, was $9,762,115 and $10,100,689, respectively.

Net Position

The College's net position is classified as follows:

Net Investment in Capital Assets
Represents the College's total investment in capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds, notes, or other borrowings attributable to the acquisition, construction, or improvement of those assets.

Restricted Net Assets-Nonexpendable
Includes permanent endowments that are required to be retained in perpetuity.

Restricted Net Assets-Expendable
Includes resources that the College is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties. When both restricted and unrestricted resources are available for use, it is the College's policy to use restricted resources first, then unrestricted resources when they are needed.

Unrestricted Net Assets
Includes resources derived from student tuition and fees, state appropriations, sales and services of educational departments, and auxiliary enterprises. These resources are used for transactions relating to the educational and general operations of the College and may be used at the discretion of the governing board to meet current expenses for any purpose.

Subsequent Events

The College issued lease participation certificates on October 12, 2016 for $5,985,000. The proceeds will be used to pay costs of various capital improvement projects, including but not limited to the construction, furnishing, and equipping of the Libla Family Sports Complex, which will consist of a two-story, approximately 60,400 square foot pre-engineered steel structure and an adjoining one-story, concrete SEMA/FEMA shelter.

The College offically changed it's name to "Three Rivers College" in the September 2016 board meeting.

The College has evaluated subsequent events through November 4, 2016, which is the date that the financial statements were available to be issued.

2. DEPOSITS AND INVESTMENTS

The Missouri Revised Statutes allow funds belonging to the College to be invested. College policy delegates this authority to the Treasurer of the Board of Trustees as permitted by Missouri law and limits the investments to certificates of deposit with banks within the College district and United States treasury bills.

Deposits

The carrying values of the College's bank accounts and certificates of deposit at June 30, 2016 and 2015, were $11,818,214 and $12,203,651, respectively, and the bank balances at June 30, 2016 and 2015, were $9,600,321 and $8,939,200, respectively, substantially all of which were covered by federal depository insurance and collateral held by the College's agent in the College's name. State law requires collateralization of all deposits with federal depository insurance; bonds and other obligations of the U.S. Treasury, U.S. agencies and instrumentalities or the State of Missouri; bonds of any city, county, school district, or special road district of the State of Missouri; bonds of any state; or a surety bond having an aggregate value of at least equal to the amount of the deposits.

Summary of Carrying Values

The carrying values of deposits and investments are included in the statements of net position as follows:

	2016	2015
Carrying Value		
Deposits	$11,818,214	12,203,651

Included in the following statements of net position captions:

	2016	2015
Proprietary Funds		
Cash and cash equivalents	$ 8,121,140	7,509,640
Restricted cash and cash equivalents	830,860	2,416,973
Fiduciary-Agency Funds		
Cash and cash equivalents	142,431	156,774
Component Unit-Endowment Trust		
Cash and cash equivalents	2,723,783	2,120,264
	$11,818,214	12,203,651

Investments

Investments consist of equity securities donated to the College.

3. BENEFICIAL INTEREST IN TRUST

As of June 30, 2016 and 2015, the College has $3,160,240 and $3,189,200, respectively, of beneficial interest in a charitable remainder annuity trust. The trust is maintained by an outside fiscal agent and is not under the control of the College. Under the terms of the trust agreement, the donor's designated beneficiary receives five percent of the initial fair market value of the assets in the trust during her lifetime.

Upon her death, the trust is to terminate and the remaining trust assets are to be distributed to the College for the establishment of an endowment fund. Assets held in the charitable trust are reported at fair market value in the College's Statement of Fiduciary Assets and changes in the fair value of the charitable trust are reflected in the Statement of Changes in Fiduciary Net Position.

4. LONG TERM OBLIGATIONS

The following is a summary of long-term obligation transactions for the College for the year ended June 30, 2016.

	Balance June 30, 2015	Additions	Deductions	Balance June 30, 2016	Current Portion
Lease Participation Certificates, Series 2012A	$ 4,250,000		175,000	4,075,000	175,000
Lease Participation Certificates, Series 2012B	5,175,000		225,000	4,950,000	225,000
Lease Participation Certificates, Series 2014	8,550,000		300,000	8,250,000	325,000
Premiums (Discounts)	80,409		4,022	76,387	
Note Payable		140,000		140,000	28,000
Other liabilities:					
Incentive retirement payable	6,497		6,497		
Net pension liability	8,465,951	3,380,159		11,846,110	
Other post employment benefits	1,001,900	165,500		1,167,400	
Total	$ 27,529,757	3,685,659	710,519	30,504,897	753,000

The following is a summary of long-term obligation transactions for the College for the year ended June 30, 2015.

	Balance June 30, 2014	Additions	Deductions	Balance June 30, 2015	Current Portion
Lease Participation Certificates, Series 2012A	$ 4,425,000		175,000	4,250,000	175,000
Lease Participation Certificates, Series 2012B	5,400,000		225,000	5,175,000	225,000
Lease Participation Certificates, Series 2014	8,550,000			8,550,000	300,000
Premiums (Discounts)	84,431		4,022	80,409	
Other liabilities:					
Incentive retirement payable	62,631	1,239	57,373	6,497	6,497
Net pension liability		8,465,951		8,465,951	
Other post employment benefits	822,400	179,500		1,001,900	
Total	$ 19,344,462	8,646,690	461,395	27,529,757	706,497

Debt Service Requirements to Maturity

The debt service requirements for the next five years, and thereafter, as of June 30, 2016, are as follows:

Year Ending June 30,	Principal	Interest	Total to be Paid
2017	753,000	577,344	1,330,344
2018	778,000	562,844	1,340,844
2019	803,000	544,344	1,347,344
2020	853,000	525,125	1,378,125
2021	878,000	503,625	1,381,625
2022-2026	4,700,000	2,136,594	6,836,594
2027-2031	5,775,000	1,245,782	7,020,782
2032-2036	2,875,000	204,501	3,079,501
	$ 17,415,000	6,300,159	23,715,159

Lease Participation Certificates - Series 2012A

On October 12, 2012, the College issued $4,600,000 of lease participation certificates. These certificates bear interest at 2.0% to 3.63%, due in semiannual installments, which began on April 1, 2013. Principal maturities will begin on April 1, 2014, and continue through 2032. These certificates were issued for the refinancing of the Series 2004 Student Housing Revenue Bonds.

Lease Participation Certificates - Series 2012B

On December 27, 2012, the College issued $5,400,000 of lease participation certificates. These certificates bear interest at 2.0% to 3.75%, due in semiannual installments, which began on April 1, 2013. Principal maturities will begin on April 1, 2015, and continue through 2033. These certificates are being used for the construction of the FEMA safe rooms within the new classroom buildings at Sikeston, Missouri and the Poplar Bluff campus.

Lease Participation Certificates - Series 2014

On April 15, 2014 the College issued $8,550,000 of lease participation certificates. These certificates bear interest at 2.0% to 4.125%, due in semiannual installments, which began on October 1, 2014. Principal maturities began on April 1, 2016, and continue through 2034. These certificates are being used for the construction of new classroom buildings at Sikeston, Missouri and the Poplar Bluff campus.

Note Payable

During the year ended June 30, 2016, the College purchased a piece of real estate for their Rodeo Program. The total cost of the purchase was $340,000. The College paid $200,000 at the time of closing and financed the remaining portion of the loan payable in five equal annual installments of $28,000. The note bears no interest rate but the computed interest expense is not material to the financial statements as a whole.

5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2016:

	Balance June 30, 2015	Additions	Retirements	Balance June 30, 2016
Capital assets, not being depreciated:				
Land	$ 5,329,286	161,500		5,490,786
Construction in progress	7,553,356	990,383	6,903,585	1,640,154
Total capital assets, not being depreciated	12,882,642	1,151,883	6,903,585	7,130,940
Capital assets, being depreciated:				
Buildings and improvements	32,682,310	7,160,307		39,842,617
Furniture, fixtures and equipment	10,431,144	1,090,078	43,972	11,477,250
Infrastructure and land improvements	1,216,624	139,226		1,355,850
Library materials	749,675	94,862		844,537
Leasehold improvements	783,644	10,519		794,163
Total capital assets, being depreciated	45,863,397	8,494,992	43,972	54,314,417
Less accumulated depreciation for:				
Buildings and improvements	11,276,055	1,061,989		12,338,044
Furniture, fixtures and equipment	8,900,254	599,143	41,741	9,457,656
Infrastructure and land improvements	1,010,730	49,194		1,059,924
Library materials	674,813	18,722		693,535
Leasehold improvements	627,466	78,629		706,095
Total accumulated depreciation	22,489,318	1,807,677	41,741	24,255,254
Total capital assets, being depreciated, net	23,374,079	6,687,315	2,231	30,059,163
Total capital assets, net	$ 36,256,721	7,839,198	6,905,816	37,190,103

Capital asset activity for the year ended June 30, 2015:

	Balance June 30, 2014	Additions	Retirements	Balance June 30, 2015
Capital assets, not being depreciated:				
Land	$ 5,329,286			5,329,286
Construction in progress	8,828,143	7,173,011	8,447,798	7,553,356
Total capital assets, not being depreciated	14,157,429	7,173,011	8,447,798	12,882,642
Capital assets, being depreciated:				
Buildings and improvements	22,734,900	9,963,473	16,063	32,682,310
Furniture, fixtures and equipment	9,808,267	627,877	5,000	10,431,144
Infrastructure and land improvements	1,216,624			1,216,624
Library materials	727,744	21,931		749,675
Leasehold improvements	1,520,581		736,937	783,644
Total capital assets, being depreciated	36,008,116	10,613,281	758,000	45,863,397
Less accumulated depreciation for:				
Buildings and improvements	10,748,354	543,764	16,063	11,276,055
Furniture, fixtures and equipment	8,158,101	747,153	5,000	8,900,254
Infrastructure and land improvements	865,540	145,190		1,010,730
Library materials	660,870	13,943		674,813
Leasehold improvements	553,572	78,364	4,470	627,466
Total accumulated depreciation	20,986,437	1,528,414	25,533	22,489,318
Total capital assets, being depreciated, net	15,021,679	9,084,867	732,467	23,374,079
Total capital assets, net	$ 29,179,108	16,257,878	9,180,265	36,256,721

6. PENSION 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 for Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*.

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

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 requirement 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.

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 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 PSRS.

Benefits Provided. PSRS is a defined benefit plan providing retirement, disability, and death/survivor benefits. Members are vested for service retirement benefits after accruing 5 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 5 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 lessor benefit factor. Members that are 3 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.

PEERS is a defined benefit plan providing service retirement and disability benefits to its members. Members are vested for service retirement benefits after accruing 5 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 1.61% benefit factor. Members qualifying for the "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 benefits are available with 5 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 lessor benefit factor. Members that are 3 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.

Summary Plan Descriptions detailing the provisions of the plans can be found on the Systems' website at www.psrs-peers.org.

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

Contributions. PSRS members were required to contribute 14.5% of their annual covered salary during fiscal years 2015 and 2016. Employers were required to match the contributions made by employees. The contribution rate is set each year by the PSRS Board of Trustees upon the recommendation of the independent actuary within the contribution restrictions set in Section 169.030 RSMo. The annual statutory increase in the total contribution rate may not exceed 1% of pay. Contributions for employees of the State of Missouri were made by the state in accordance with the actuarially determined contribution rate needed to fund current costs and prior service costs of state employees as authorized in Section 104.342.8 RSMo.

PEERS members were required to contribute 6.86% of their annual covered salary during fiscal years 2015 and 2016. Employers were required to match the contributions made by employees. The contribution rate is set each year by the PSRS Board of Trustees upon the recommendation of the independent actuary within the contribution restrictions set in Section 169.030 RSMo. The annual statutory increase in the total contribution rate may not exceed 0.5% of pay.

The College's contributions to PSRS and PEERS were $1,280,952 and $120,377, respectively, for the year ended June 30, 2016.

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

At June 30, 2016, the College recorded a liability of $11,210,894 for its proportionate share of PSRS' net pension liability and $635,216 for its proportionate share of PEERS' net pension liability. In total, the College recorded a net pension liability of $11,846,110. The net pension liability for the plans in total was measured as of June 30, 2015 and determined by an actuarial valuation as of that date. The College's proportionate share of the total net pension liability was based on the ratio of its actual contributions paid to PSRS and PEERS of $1,280,952 and $120,377, respectively, for the year ended June 30, 2015, relative to the actual contributions of $656,578,122 for PSRS and $102,864,099 for PEERS from all participating employers. At June 30, 2015, the College's proportionate share was 0.1942% for PSRS and 0.1201% for PEERS.

For the year ended June 30, 2016, the College recognized a pension expense of $768,171 for PSRS and $70,825 for PEERS, its proportionate share of the total pension expense.

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

	PSRS		**PEERS**	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Balance of deferred outflows and inflows due to:				
Differences between expected and actual experience	$ 1,286,094		41,175	8,903
Changes of assumptions				
Net difference between projected and actual earnings on pension plan investments	1,963,882	2,873,742	137,535	195,918
Changes in proportion and differences between employer contributions and proportionate share of contributions	425,346	59,679	6,746	13,479
Employer contributions subsequent to the measurement date	1,280,952		120,377	
Total	$ 4,956,274	2,933,421	305,833	218,300

Amounts reported as deferred outflows of resources resulting from contributions subsequent to the measurement date of June 30, 2015 will be recognized as a reduction to the net pension liability in the year ended June 30, 2017. Other amounts reported as collective deferred (inflows)/outflows of resources to be recognized in pension expense as follows:

Year Ending June 30:	PSRS	PEERS
2017	$ (131,115)	(21,320)
2018	(131,115)	(21,320)
2019	(131,115)	(20,468)
2020	826,799	30,264
2021	234,719	
Thereafter	73,728	
	$ (393,345)	(63,108)

Actuarial Assumptions

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

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

Measurement Date	June 30, 2015	
Valuation Date	June 30, 2015	
Expected Return on Investments	8.00%, net of investment expenses and including 2.5% inflation	
Inflation	2.50%	
Total Payroll Growth	PSRS	3.50% per annum, consisting of 2.50% inflation, 0.50% additional inflation due to the inclusion of health care costs in pension earnings, and 0.50% of real wage growth.
	PEERS	3.75% per annum, consisting of 2.50% inflation, 0.75% additional inflation due to the inclusion of health care costs in pension earnings, and 0.50% of real wage growth.
Future Salary Increases	PSRS	4.00%-10.00%, depending on service and including 2.50% inflation, 0.50% additional inflation due to the inclusion of health care costs in pension earnings, and real wage growth of 1.00% to 7.00%.
	PEERS	5.00%-12.00%, depending on service and including 2.50% inflation, 0.75% additional inflation due to the inclusion of health care costs in pension earnings, and real wage growth of 1.75% to 8.75%.

Cost-of-Living Increases	PSRS	2.00% compounded annually, beginning on the second January after retirement and capped at 80% lifetime increase.
	PEERS	2.00% compounded annually, beginning on the fourth January after retirement and capped at 80% lifetime increase.
Mortality Assumption		
Actives:	RP 2000 Mortality Table set back one year for males and six years for females, then projected to 2016 using Scale AA.	
Non-Disabled Retirees, Beneficiaries and Survivors:	PSRS	RP 2000 Mortality Table set back one year for both males and females, then projected to 2016 using Scale AA.
	PEERS	RP 2000 Mortality Table set forward one year for males and no set back/forward for females, then projected to 2016 using Scale AA.
Disabled Retirees:	RP 2000 Disabled Mortality Table	
Changes in Actuarial Assumptions and Methods	There were no changes in actuarial assumptions or methods for the June 30, 2015 valuation.	
Fiduciary Net Position	The System issues a publicly available financial report that can be obtained at www.psrs-peers.org.	

Expected Rate of Return

The long-term expected rate of return on 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 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, 2015 is summarized below along with the long term geometric return. Geometric return (also referred to as the time weighted return) is considered standard practice within the investment management industry. Geometric returns represent the compounded rate of growth of a portfolio. The method eliminates the effects created by cashflows.

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

Discount Rate

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

Discount Rate Sensitivity

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

Discount Rate	1% Decrease (7.00%)	Current Rate (8.00%)	1% Increase (9.00%)
PSRS	$ 20,618,874	11,210,894	3,309,240
PEERS	1,282,397	635,216	88,081

Payable to the Pension Plan

The College reported a payable of $236,055 and $18,151 for the outstanding amount of contributions to PSRS and PEERS, respectively, required for the year ended June 30, 2016.

7. SEGMENT INFORMATION

The following financial information represents identifiable activities for which one or more revenue bonds or other revenue-backed debt is outstanding. The activities provided dormitory space to students of the College.

Condensed Statements of Net Position

	2016	2015
Assets		
Current assets	$ 539,424	276,207
Capital assets, net	2,740,500	2,911,803
Total Assets	3,279,924	3,188,010
Liabilities		
Current liabilities	82,296	269,498
Noncurrent liabilities	4,043,511	4,041,583
Due to other funds	1,308,002	967,239
Total Liabilities	5,433,809	5,278,320
Net Position		
Net investment in capital assets	(1,334,632)	(1,337,262)
Unrestricted	(819,251)	(753,048)
Total Net Position	$ (2,153,883)	(2,090,310)

Condensed Statements of Revenues, Expenses, and Changes in Net Position

	2016	2015
Operating Revenues (Expenses)		
Operating revenues	$ 533,016	487,801
Operating expenses	(293,284)	(280,465)
Depreciation and amortization expense	(173,232)	(173,229)
Operating Income	66,500	34,107
Non-Operating Revenues (Expenses)		
Interest income	1,161	631
Interest expense	(131,234)	(134,732)
Changes in Net Position	(63,573)	(99,994)
Beginning Net Position	(2,090,310)	(1,990,316)
Ending Net Position	$ (2,153,883)	(2,090,310)

Condensed Statements of Cash Flows

	2016	2015
Net Cash Provided By:		
Operating activities	$ 581,908	350,697
Capital and related financing activities	(307,094)	(310,593)
Investing activities	1,161	631
Net Change	275,975	40,735
Cash and Cash Equivalents, Beginning	152,353	111,618
Cash and Cash Equivalents, Ending	$ 428,328	152,353

8. RISK MANAGEMENT

The College is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The College has effectively managed risk through its insurance and various educational and prevention programs.

The College is a member of the Missouri United School Insurance Council (MUSIC), a protected self-insurance program of approximately 400 Missouri Public School Districts. The College does not pay premiums to purchase insurance policies but pays an assessment to be a member of a self-sustaining risk sharing group. Part of the assessment is used to purchase excess insurance for the group as a whole.

The College is a part of the SEMO Consortium. This consortium is made up of school districts in Southeast Missouri who have joined together for the purpose of purchasing employee benefits as a larger group to increase buying power and stabilize renewals. These are fully insured plans which means that the carriers assume the risk of the claims in return for the premiums that the College pays on a monthly basis.

9. CONTINGENCIES AND CLAIMS

The College, from time to time, receives information regarding potential claims against the College, including from students or employees. Management has represented that its insurance company is responsible for handling any and all such claims and believes the insurance coverage is adequate to protect the College in the event of a successful claim. An estimate of possible damage, if any, which the College would be liable for, cannot be made at this time.

10. POST EMPLOYMENT BENEFITS

The College maintained an early retirement incentive program for qualified employees. This policy was repealed as of June 30, 2010. As of June 30, 2016 the College has paid out all of the benefits on previous retirees. As of 2015, the College recognized a current liability of $6,496 and a non-current liability of $0 for the payment of the retirement incentive payouts.

11. OTHER POST EMPLOYMENT BENEFITS

The College allows retirees of the College to participate in the group health insurance plan with current employees. The College pays premiums applicable to the group as a whole. Retirees pay 100% of their premiums at the same rate as current employees without a specific contribution from the College. The premiums paid by the retirees may be lower than they would have been if the retirees were insured separately. This benefit is called an "implicit rate subsidy." To comply with the applicable provisions of GASB Code Section P50, the College records a liability, as calculated by an actuary, to recognize the additional cost to the College of the participating retirees who benefit from the lower group health insurance plan premium rates and, because of their age, are most likely not paying 100% of the true cost of the medical benefits they receive. The Three Rivers Community College Other Post-Employment Benefits Program is a single-employer plan and does not issue a stand-alone financial report.

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Entry Age Actuarial Accrued Liability	(b-a) Unfunded Accrued Liability (UAL)	(a/b) Funded Ratio
06/30/09	$ -	$ 2,582,000	$ 2,582,000	0%
06/30/11	$ -	$ 3,050,000	$ 3,050,000	0%
06/30/13	$ -	$ 2,754,000	$ 2,754,000	0%
06/30/15	$ -	$ 2,288,000	$ 2,288,000	0%

The results shown above are based on the baseline assumptions with respect to the medical inflation rate of 7.90% for the year ending June 30, 2016, and the discount rate of 3.75% per annum. The baseline discount rate assumes that the College will not prefund its retiree medical program. The discount rate is based on the expected earnings of the College's general fund.

Year Ended	Annual Required Contribution	Interest on Net OPEB Obligation	Adjustment to the ARC	Net OPEB Cost	Actual Contribution	Net OPEB Obligation
06/30/12	$210,200	$13,400	$11,100	$212,500	$92,000	$454,800
06/30/13	$243,300	$17,100	$15,200	$245,200	$56,100	$643,900
06/30/14	$243,300	$24,100	$21,500	$245,900	$64,800	$825,000
06/30/15	$236,100	$30,900	$30,500	$239,500	$59,600	$1,001,900
06/30/16	$236,100			$236,100	$70,660	$1,167,400

The Actuarial Accrued Liability is determined directly as the present value of benefits accrued to date, where the accrued benefits for each member is the pro-rata portion (based on services to date) of the projected benefit payable at death, disability, retirement, or termination.

Actuarial valuations of an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

To recognize the cost of benefits earned each year by retirees and to amortize the Unfunded Actuarial Accrued Liability over 30 years the College has recognized a liability in the amount of $1,167,400.

12. OFF-SITE CAMPUS LOCATIONS

The College has several off-site centers throughout Southern Missouri for freshman and sophomore college courses and career training. The leases for these off-site centers provide for minimum monthly rental payments. Future minimum lease payments under the agreements are as follows:

Year Ending June 30,	
2017	$ 98,070
2018	98,070
2019	98,070
2020	98,070
2021	49,035
	$ 441,315

13. FAIR VALUE MEASUREMENTS

FASB ASC 820-10 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820-10 are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2 Inputs to the valuation methodology are unadjusted quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input significant to the fair value measurement.

The following table sets forth by level, within the fair value hierarchy, the College's investments at fair values as of June 30, 2016.

	Fair Value	Level 1	Level 2	Level 3
Proprietary Funds:				
Certificates of deposit	$ 3,240,410		3,240,410	
Equities	43,725	43,725		
Total	$ 3,284,135	43,725	3,240,410	
Fiduciary Funds:				
Money market accounts	$ 28,877	28,877		
Federal government obligations	37,109	37,109		
Corporate bonds	445,594		445,594	
Mutual Funds	334,668	170,135	164,533	
Equities	2,313,992	2,313,992		
Total	$ 3,160,240	2,550,113	610,127	

The following table sets forth by level, within the fair value hierarchy, the Endowment Trust's investments at fair values as of June 30, 2016.

	Fair Value	Level 1	Level 2	Level 3
Component Unit:				
Mutual funds	$ 1,373,232	929,684	122,481	321,067
Total	$ 1,373,232	929,684	122,481	321,067

The following table sets forth by level, within the fair value hierarchy, the College's investments at fair values as of June 30, 2015.

	Fair Value	Level 1	Level 2	Level 3
Proprietary Funds:				
Certificates of deposit	$ 3,257,044		3,257,044	
Equities	40,236	40,236		
Total	$ 3,297,280	40,236	3,257,044	
Fiduciary Funds:				
Money market accounts	$ 15,444	15,444		
Federal government obligations	35,907	35,907		
Corporate bonds	444,472		444,472	
Mutual Funds	857,038	692,766	164,272	
Equities	1,836,339	1,836,339		
Total	$ 3,189,200	2,580,456	608,744	

The following table sets forth by level, within the fair value hierarchy, the Endowment Trust's investments at fair values as of June 30, 2015.

	Fair Value	Level 1	Level 2	Level 3
Component Unit:				
Mutual funds	$ 1,123,675	753,714	97,551	272,410
Total	$ 1,123,675	753,714	97,551	272,410

14. ENDOWMENTS

The endowments of the College consist of individual donor-restricted funds established for scholarships. In accordance with generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. Permanently restricted endowment balances include the original value at the date of the gift. The remaining portion of the donor-restricted endowment fund that is not classified as permanently restricted net assets is classified as temporarily restricted net assets until awarded to an eligible student.

If a donor has not provided specific restrictions, state law permits the College to appropriate an amount of the endowment funds' net appreciation, realized and unrealized, as the College considers to be prudent. Barring specific donor restrictions otherwise, the College invests endowment funds in certificates of deposits.

At June 30, 2016, net appreciation of endowments was $105,393. Of which, $27,453 is classified as restricted nonexpendable and $77,940 as restricted expendable for scholarships.

15. DONATED PROPERTIES

In February 2015, a 2009 Freightliner Columbia semi-truck was donated to the College. An appraisal was not provided, but the College did research on similar models to find an estimated value. The asset is classified on the Statements of Net Position as "capital assets, net."

16. RESTATEMENT

In 2015, the College implemented Government Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions-(An Amendment of GASB Statement No. 27)*. This Statement improves accounting and financial reporting by state and local governments for pensions. With this implementation, the College has recognized deferred inflows and outflows related to the pensions. This restatement has been reported on the Statement of Revenues, Expenses, and Changes in Net Position. The changes to the beginning net position of 2015 is as follows:

	Current Fund	Plant Fund	Endowment and Similar Funds	Total
Net Position, June 30, 2014, originally reported	$ 21,643	25,948,227	576,221	26,546,091
GASB 68 Implementation	(11,260,114)			(11,260,114)
Net Position, June 30, 2014, restated	$(11,238,471)	25,948,227	576,221	15,285,977

Three Rivers Community College
Required Supplementary Information (Unaudited)
Schedules of Proportionate Share of the Net Position and Related Ratios
For the Year Ended June 30, 2016

Public School Retirement System of Missouri

Year Ended	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Actual Covered Member Payroll	Net Pension Liability as a Percentage of Covered Payroll	Fiduciary Net Position as a Percentage of Total Pension Liability
06/30/2015	0.1954%	8,016,432	8,693,284	92.21%	89.30%
06/30/2016	0.1942%	11,210,894	8,821,400	127.09%	85.78%

Public Education Employee Retirement System of Missouri

Year Ended	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Actual Covered Member Payroll	Net Pension Liability as a Percentage of Covered Payroll	Fiduciary Net Position as a Percentage of Total Pension Liability
06/30/2015	0.1231%	449,519	1,794,673	25.05%	91.33%
06/30/2016	0.1201%	635,216	1,800,578	35.28%	88.28%

Note: These schedules are intended to show information for ten years. 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.*

Three Rivers Community College
Required Supplementary Information (Unaudited)
Schedules of Employer Contributions
For the Year Ended June 30, 2016

Public School Retirement System of Missouri

Year Ended	Statutorily Required Contribution	Actual Employer Contributions	Contribution Excess/ (Deficiency)	Actual Covered Member Payroll	Contributions as a Percentage of Covered Payroll
06/30/2013	1,166,814	1,166,814	-	8,058,382	14.48%
06/30/2014	1,258,024	1,258,024	-	8,693,284	14.47%
06/30/2015	1,275,237	1,275,237	-	8,821,400	14.46%
06/30/2016	1,280,952	1,280,952	-	8,802,958	14.55%

Public Education Employee Retirement System of Missouri

Year Ended	Statutorily Required Contribution	Actual Employer Contributions	Contribution Excess/ (Deficiency)	Actual Covered Member Payroll	Contributions as a Percentage of Covered Payroll
06/30/2013	116,708	116,708	-	1,701,278	6.86%
06/30/2014	123,115	123,115	-	1,794,673	6.86%
06/30/2015	123,519	123,519	-	1,800,578	6.86%
06/30/2016	120,377	120,377	-	1,754,779	6.86%

Note: These schedules are intended to show information for ten years. 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.*

Three Rivers Community College

Disclosures Required By Lease Participation Certificates (Unaudited)

Year Ended June 30, 2016

Enrollment

The following table shows the enrollment of the College for the Fall semester for the last five years. This table includes only students taking courses for college credit, and does not include business and industry enrollments and other adult continuing education students.

Fall	Freshmen	Sophomores	Other	Total
2011	2,319	1,406	510	4,235
2012	2,587	1,531	534	4,652
2013	2,354	1,500	546	4,400
2014	2,200	1,488	513	4,201
2015	1,860	1,458	538	3,856

The following table shows the number of full-time equivalent students and the total annual student credit hours for the last five years.

Fall	FTE Students	Credit Hours
2011	2,950	44,248
2012	3,234	48,503
2013	3,140	47,102
2014	2,991	44,869
2015	2,767	41,501

Sources of Revenue

For the fiscal year ended June 30, 2016, the portion of the College's revenue from various sources were as follows:

Source	Amount	Percentage
Operating Revenue		
Tuition and fees	$ 12,022,378	43.7%
Auxiliary enterprises	2,648,366	9.6
Student housing revenue	533,016	1.9
Other operating revenue	269,552	1.0
Non Operating Revenue		
Donations	26,495	0.1
Property taxes	2,051,420	7.4
State aid and grants	6,532,081	23.4
Federal grants and contracts	3,292,300	12.3
Investment gain	67,394	0.2
Contributions	96,749	0.4
Total	$ 27,539,751	100%

Three Rivers Community College

Disclosures Required By Lease Participation Certificates (Unaudited)

Year Ended June 30, 2016

Tax Rates

The following table sets forth the College's tax rates per $100 of equalized assessed valuation for the following years:

Year	Tax Levy
2011	0.2355
2012	0.2413
2013	0.2413
2014	0.2352
2015	0.2352

Tax Levies and Collections

The following table sets forth information regarding property tax collections for the College for the last five years:

Year Ended	Total Adjusted Levy (per $100 of A.V.)	Assessed Valuation	Total Taxes Levied	Total Taxes Collected	Percentage of Total Assessment Collected
2011	0.2355	767,881,370	1,805,720	1,759,655	97.4
2012	0.2413	782,155,889	1,885,542	1,831,596	97.1
2013	0.2413	802,784,547	1,886,666	1,718,715	91.1
2014	0.2352	823,274,640	1,923,275	1,865,397	97.0
2015	0.2352	868,924,222	2,024,914	2,024,042	100.0

Three Rivers Community College

Combining Statement of Net Position

For the Year Ended June 30, 2016

	Current Fund	Plant Fund	Endowment and Similar Funds	Total
Assets				
Current Assets:				
Cash and cash equivalents	$ 3,638,977	4,438,123	44,040	8,121,140
Investments			43,725	43,725
Tuition and fees receivable, net of allowance for uncollectible accounts of $2,245,232	7,183,259			7,183,259
Rent receivable	107,262			107,262
Other receivables	1,257,076	7,413		1,264,489
Property taxes receivable, net of allowance for uncollectible taxes of $28,070	112,411			112,411
Inventory	215,187			215,187
Prepaid expenses	195,556			195,556
Total current assets	12,709,728	4,445,536	87,765	17,243,029
Noncurrent Assets:				
Restricted cash and cash equivalents		367,345	463,515	830,860
Land		5,490,786		5,490,786
Capital assets, net		28,958,817		28,958,817
Housing capital assets, net	2,740,500			2,740,500
Due from other funds		383,042		383,042
Total noncurrent assets	2,740,500	35,199,990	463,515	38,404,005
Total Assets	15,450,228	39,645,526	551,280	55,647,034
Deferred Outflows of Resources				
Pension deferrals	5,262,107			5,262,107
Total Deferred Outflows of Resources	5,262,107			5,262,107
Total Assets and Deferred Outflows of Resources	$ 20,712,335	39,645,526	551,280	60,909,141

Three Rivers Community College

Combining Statement of Net Position

For the Year Ended June 30, 2016

	Current Fund	Plant Fund	Endowment and Similar Funds	Total
Liabilities				
Current Liabilities:				
Accounts payable	$ 670,432		229	670,661
Accrued vacation, salaries, and retirement	558,813			558,813
Student deposits	44,752			44,752
Unearned tuition and fees	5,026,367			5,026,367
Endowments and scholarships			2,173	2,173
Bonds, notes and lease payable	175,000	578,000		753,000
Liabilities payable from restricted assets:				
Accrued interest	31,621	110,348		141,969
Total current liabilities	6,506,985	688,348	2,402	7,197,735
Noncurrent Liabilities:				
Net pension liability	11,846,110			11,846,110
Other post employment benefits	1,167,400			1,167,400
Bonds, notes and leases payable	3,868,511	12,869,876		16,738,387
Due to other funds	366,653		16,389	383,042
Total noncurrent liabilities	17,248,674	12,869,876	16,389	30,134,939
Total Liabilities	23,755,659	13,558,224	18,791	37,332,674
Deferred Inflows of Resources				
Pension deferrals	3,151,721			3,151,721
Total Deferred Inflows of Resources	3,151,721			3,151,721
Net Position				
Net investment in capital assets		21,258,724		21,258,724
Net investment in housing capital assets	(1,334,632)			(1,334,632)
Restricted for nonexpendable:				
Scholarships and fellowships			507,240	507,240
Restricted for expendable:				
Scholarships and fellowships	125,117			125,117
Unrestricted	(4,985,530)	4,828,578	25,249	(131,703)
Total Net Position	(6,195,045)	26,087,302	532,489	20,424,746
Total Liabilities, Deferred Inflows of Resources, and Net Position	$ 20,712,335	39,645,526	551,280	60,909,141

Three Rivers Community College

Combining Statement of Revenues,
Expenses and Changes in Net Position
For the Year Ended June 30, 2016

	Current Fund	Plant Fund	Endowment and Similar Funds	Total
Operating Revenues:				
Student tuition and fees (net of scholarship allowances of $9,762,115)	$ 12,022,378			12,022,378
Auxiliary enterprises				
Housing	533,016			533,016
Bookstore	2,219,996			2,219,996
Student activities	428,370			428,370
Other operating revenues	269,552			269,552
Total Operating Revenues	15,473,312			15,473,312
Operating Expenses:				
Instruction	8,368,906			8,368,906
Student services	3,484,811			3,484,811
Academic support	2,200,782			2,200,782
Institutional support	3,397,183			3,397,183
Operation and maintenance of plant	2,048,826	659		2,049,485
Financial aid and scholarships	786,530			786,530
Auxiliary enterprises				
Housing	293,284			293,284
Bookstore	1,533,880			1,533,880
Student activities	446,042			446,042
Depreciation and amortization	173,232	1,630,423		1,803,655
Total Operating Expenses	22,733,476	1,631,082		24,364,558
Operating Income (Loss)	(7,260,164)	(1,631,082)		(8,891,246)
Nonoperating Revenues (Expenses):				
Donations		26,495		26,495
Property taxes	2,051,420			2,051,420
State aid and grants	6,532,081			6,532,081
Federal grants and contracts	3,292,300			3,292,300
Investment gain (loss)	26,370	37,536	3,488	67,394
Contributions	96,749			96,749
Gift returns			(46,550)	(46,550)
Gain (loss) on sale of asset		(2,230)		(2,230)
Interest expense	(131,234)	(456,668)		(587,902)
Total Nonoperating Revenues/(Expenses)	11,867,686	(394,867)	(43,062)	11,429,757
Income before Transfers	4,607,522	(2,025,949)	(43,062)	2,538,511
Transfers	(2,022,140)	2,022,140		
Changes in Net Position	2,585,382	(3,809)	(43,062)	2,538,511
Net Position, June 30, 2015	(8,780,427)	26,091,111	575,551	17,886,235
Net Position, June 30, 2016	$ (6,195,045)	26,087,302	532,489	20,424,746

KMT

KRAFT, MILES & TATUM, LLC
CERTIFIED PUBLIC ACCOUNTANTS

1650 WEST HARPER, POPLAR BLUFF, MISSOURI 63901-4196
(573)-785-6438
FAX (573) 785-0114

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

Board of Trustees
Three Rivers Community College
Poplar Bluff, Missouri 63901

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 of Three Rivers Community College and Three Rivers Endowment Trust, a discretely presented component unit of Three Rivers Community College, as of and for the year ended June 30, 2016, and the related notes to the financial statements which collectively comprise Three Rivers Community College's basic financial statements and have issued our report thereon dated November 4, 2016. The financial statements of the Three Rivers Endowment Trust were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting of instances of reportable noncompliance associated with the Three Rivers Endowment Trust.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Three Rivers Community 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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Three Rivers Community College's internal control. Accordingly, we do not express an opinion on the effectiveness of Three Rivers Community College's internal control.

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

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

Compliance and Other Matters
As part of obtaining reasonable assurance about whether Three Rivers Community 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Kraft, Miles & Tatum, LLC

Certified Public Accountants
November 4, 2016

KMT

KRAFT, MILES & TATUM, LLC
CERTIFIED PUBLIC ACCOUNTANTS

1650 WEST HARPER, POPLAR BLUFF, MISSOURI 63901-4196
(573)-785-6438
FAX (573) 785-0114

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

Board of Trustees
Three Rivers Community College
Poplar Bluff, Missouri

Report on Compliance for Each Major Federal Program
We have audited Three Rivers Community College's compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of the College's major federal programs for the year ended June 30, 2016. Three Rivers Community College's major federal programs are identified in the summary of auditors' 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.

Auditors' Responsibility
Our responsibility is to express an opinion on compliance for each of Three Rivers Community 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 Three Rivers Community College'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 Three Rivers Community College's compliance.

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

Report on Internal Control Over Compliance
Management of Three Rivers Community College is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the College's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the College's internal control over compliance

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

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

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

Kraft, Miles & Tatum, LLC

Certified Public Accountants
November 4, 2016

Three Rivers Community College
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2016

Federal Grantor Pass-Through Grantor Program Title	Federal CFDA Number	Agency or Pass-Through Number	Federal Disbursements/ Expenditures	Amount Provided to Subrecipients
U.S. Department of Education				
Direct Program				
Student Financial Aid Cluster				
Federal Pell Grant Program	84.063		$ 9,595,550	
Federal Work Study Program	84.033		104,305	
Federal Supplemental Education Opportunity Grant	84.007		90,751	
Federal Direct Student Loans	84.268		6,233,790	
TRIO Cluster				
TRIO-Student Support Services	84.042		291,746	
TRIO-Talent Search	84.044		372,991	
Higher Education Institution Aid (Title III)	84.031A	P031A100089	532,632	
Pass through: Missouri Department of Elementary and Secondary Education				
Career & Technical Education-Basic Grants to States	84.048		451,383	
Pass through: State of Missouri				
Rehabilitation Training-State Vocational Rehabilitation	84.265		45,780	
Total U.S. Department of Education			17,718,928	
Delta Regional Authority				
Direct Program				
Delta Area Economic Development	90.201	MO-12020	95,000	
Total Delta Regional Authority			95,000	

The accompanying notes are an integral part of this schedule

Schedule 4

Three Rivers Community College

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2016

Federal Grantor Pass-Through Grantor Program Title	Federal CFDA Number	Agency or Pass-Through Number	Federal Disbursements/ Expenditures	Amount Provided to Subrecipients
U.S. Department of Labor				
Direct Program				
Trade Adj Assistance Community College & Career Grants	17.282	TC-25129-13-60-A-29	1,038,744	
Trade Adj Assistance Community College & Career Grants	17.282	TC-26470-14-60-A-29	106,997	
Pass through: Missouri Division of Workforce Development				
Trade Adjustment Assistance	17.245		409,714	
WIA Cluster				
WIA Dislocated Worker Formula Grant	17.278		27,145	
Total U.S. Department of Labor			1,582,600	
U.S. Department of Homeland Security				
Pass through: State of Missouri				
Hazard Mitigation Grant	97.039	FEMA-DR-1934-MO #0066	170,740	
Total U.S. Department of Homeland Security			170,740	
U.S. Department of Veterans Affairs				
Pass through: Missouri Department of Social Services				
Vocational Rehabilitation for Disabled Veterans	64.116		94,659	
Post-9/11 Veterans Educational Assistance	64.027		192,873	
Total U.S. Department of Veterans Affairs			287,532	
Total Federal Financial Assistance			$ 19,854,800	

The accompanying notes are an integral part of this schedule

Three Rivers Community College
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2016

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") included the grant activity of Three Rivers Community College under programs of the federal government for the year ended June 30, 2016. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) 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 College, it is not intended to and does not present the financial position, changes in net position or cash flows of Three Rivers Community College.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Pass-through entity identifying numbers are presented where available.

3. INDIRECT COST RATE

The College did not elect to use the 10% deminimis cost rate as allowed under Uniform Guidance.

Three Rivers Community College
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2016

Part I - Summary of Auditors' Results

An unmodified opinion was issued on the financial statements of Three Rivers Community College, for the year ended June 30, 2016.

No material weaknesses in internal control were disclosed by the audit of the financial statements of Three Rivers Community College.

The audit did not disclose any noncompliance which is material to the financial statements of Three Rivers Community College.

No material weaknesses in internal control over major programs of Three Rivers Community College, were disclosed.

An unmodified opinion was issued on compliance for major programs.

The audit did not disclose any audit findings which are required to be reported in accordance with 2 CFR 200.516(a).

The major programs and CFDA numbers tested during the year ended June 30, 2016 were:

Federal Pell Grant Program	84.063
Federal Supplemental Educational Opportunity Grant	84.007
Federal Work Study Program	84.033
Federal Direct Student Loans	84.268
Trade Adjustment Assistance	17.245

The dollar threshold used to distinguish between Type A and Type B programs was $750,000.

Three Rivers Community College was determined to be a low-risk auditee.

Part II - Findings Related to the Financial Statements

There were no findings for the financial statements for the year ended June 30, 2016.

Part III - Findings Related to Federal Awards

There were no findings for federal awards for the year ended June 30, 2016.

Three Rivers Community College

Schedule of Resolution of Prior Year Audit Findings
For the Year Ended June 30, 2016

No unresolved findings or questioned costs remain from the previous year.