MINERAL AREA COLLEGE
PARK HILLS, MISSOURI

FINANCIAL STATEMENTS

JUNE 30, 2015

TABLE OF CONTENTS

MINERAL AREA COLLEGE
Management's Discussion and Analysis
Year Ended June 30, 2015 (FY 2015)

Introduction

Management's discussion and analysis is an overview of the financial position and financial activities of Mineral Area College. It should be read in conjunction with the financial statements and notes that follow as a result of the independent audit performed by Boyer & Associates on the FY 2015 (July 1, 2014 through June 30, 2015) financial activities and conditions of the College.

The College prepared the financial statements in accordance with Government Accounting Standards Board (GASB) principles. During 2003, the College implemented GASB Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities.* GASB Statement No. 35 establishes standards for external financial reporting for public colleges and universities and requires that financial statements be presented on a combined or consolidated basis to focus on the College as a whole, rather than a series of separate individual funds. Previously, financial statements focused on the accountability of individual fund groups rather than on the College as a whole. The accompanying combined financial statements of the College include the accounts of the Junior College District of Mineral Area, the Mineral Area College Building Corporation (the Building Corporation), and College Park Apartments.

There are three financial statements presented, including: the Statement of Net Position, the Statement of Activities, and the Statement of Cash Flows. The emphasis of discussion about the financial statements is on the current year data. Comparative analysis of College-wide data has been presented since the implementation of GASB 35 for the 2003 school year.

Funds statements are still used to manage the College and for external reporting to various agencies including DESE and CBHE.

Statement of Net Position

The Statement of Net Position presents the assets, deferred outflows, liabilities, deferred inflows, and net position of the College at the end of the fiscal year, June 30, 2015. The purpose of the Statement of Net Position is to present a snapshot of the financial condition of the College. The total net position, which is the difference between total assets and deferred outflows and total liabilities and deferred inflows, is one of the indicators of the current financial condition of the College.

Net position is presented in three major categories. The first is invested in capital assets, which represents the College's equity in its property, plant, and equipment, net of related debt. The second is restricted net assets, which are restricted for capital projects, debt service and scholarships. The third is unrestricted net assets, which are available to the College for any lawful purpose.

Restricted net assets are funds that are limited in terms of the purpose and time for which the funds can be spent. Restricted net assets are further categorized between expendable and nonexpendable. Restricted expendable net assets are available to be spent by the College after externally imposed stipulations have been fulfilled or after the passage of time. Restricted non-expendable net assets are endowments for which only the interest portion can be spent.

The following chart of the College's net position on June 30, 2015, shows the unrestricted portion at $(2,832,196). The College has designated $170,841 as an endowment to be used solely to fund scholarships. The total net position of the College decreased by 65% for the year ending June 30, 2015. The beginning fund balance was restated by a decrease of $12,577,325 due to the new required GASB #68 *Accounting and Financial Reporting for Pension* to include the reporting of PSRS & PEERS liabilities. These changes are also included in the deferred outflows of $1.9 million increase, by $9 million increase to the liabilities, and $4.4 million increase to deferred inflows in the net position of the College. Additional information for this new requirement can be found in Footnote 7 on page 14 of the financial statements.

NET POSITION	**FY2014 (in millions)**	**FY2015 (in millions)**
Total Assets	$38.8	$37.4
Deferred Outflows	0.7	2.6
Total Liabilities	21.0	29.2
Deferred Inflows	0.1	4.5
Invested in Capital Assets	5.7	5.2
Restricted		
Expendable	1.5	1.7
Non-Expendable	2.2	2.2
Unrestricted		
Unrestricted	9.0	(2.8)
Total Net Assets	$18.4	$6.3

Statement of Activities

The Statement of Activities presents the College's financial results for the fiscal year ended June 30, 2015. The statement includes the College's revenues and expenses, both operating and non-operating.

Operating revenues and expenses are those for which the College directly exchanges goods and services. Non-operating revenues and expenses are those that exclude specific, direct exchanges of goods and services. Local property tax revenue and state aid are two examples of non-operating revenues where the local taxpayers and state legislature, respectively, do not directly receive goods and services for the revenue.

The following is a summarized version of the College's revenues, expenses, and changes in net assets for the year ended June 30, 2015.

NET ASSETS	2014 (in millions)	2015 (in millions)
Operating Revenues	$15.7	$15.2
Operating Expenditures	25.5	23.8
Operating Revenues (Under) Operating Expenditures	(9.8)	(8.6)
Non-Operating Revenues Less Expenditures	8.6	9.1
Increase in Net Assets	(1.2)	.5
Net Assets, Beginning of The Year	19.6	18.4
Prior Period Adjustment	(0.0)	(12.6)
Net Assets, End of The Year	$18.4	$6.3

One of the financial strengths of the College is the diverse stream of revenues, which supplement its student tuition and fees. Overall revenues (operating & non-operating) were comparable with the prior year. Operating revenues were down $500,000 but non-operating revenues were up $500,000. Actual student tuition increased by 1.93% in fiscal year 2015. Mineral Area College implemented reporting Pell grants that paid the tuition and fees as a reduction as prescribed by the National Association of College and University of Business officers (NACUBO) effective with the June 30, 2014 financial statements. The Pell grants allowance reported as an offset to tuition and fees for June 30, 2014 was $5,005,996 and $4,956,869 for June 30, 2015. These Pell grant amounts are reported in the federal grants in the operating revenue. Federal grants (excluding Pell grants) decreased by 4.2% with the College receiving $273,490 less from MOHEALTHWINS, MOMANWINS, and MOSTEMWINS grants from the Department of Labor. These three MOWINS grants are a consortium of Missouri's public community & technical colleges. MOHEALTHWINS grant was completed June 30, 2015. State aid increased by 7.8%.

The following is the College's FY 2015 revenues, both operating and non-operating.

REVENUES	FY2014 (in millions)	FY2015 (in Millions)
Operating Revenues		
Student Tuition	$3.1	$3.3
Auxiliary	3.4	3.4
Contracts & Grants	8.5	7.7
Other	0.7	0.8
Total Operating Revenue	15.7	15.2
Non-Operating Revenues		
Property Taxes	4.0	4.1
State Aid	4.8	5.1
Investments	0.1	0.1
Gifts and Grants	0.3	0.4
Interest on Debt	(0.6)	(0.6)
Total Non-Operating Revenue	8.6	9.1

The following chart shows the total operating expenses for the College during fiscal year ending June 30, 2015. Overall expenditures decreased by $1,654,762 or 6.7% from 2014. However, $1,108,820 of this decrease is due to implementation of the GASB #68 *Accounting for Financial Reporting for Pensions.* Retirement expenditures were 30% less than in 2014 because the pension reporting deducts all the PSRS & PEERS 2015 expenditures to be deferred to 2016 expenditures. Salaries were decreased by 2% because some retired employees' positions were not filled with new employees. Utilities and telephone were decreased by 2.6%. Travel was decreased by 3.5% due to a freeze at the beginning of July 2014 until December 2014. Supplies and services decreased by 6.5% due to a freeze put on expenditures in May 2015.

OPERATING EXPENSES	**FY2014 (in millions)**	**FY2015 (in Millions)**
Operating Expenditures		
Salaries and Benefits	$16.2	$15.4
Consulting Services	0.7	0.4
Supplies and Services	6.1	5.4
Depreciation	1.5	1.7
Utilities	1.0	.9
Total Operating Expenditures	$25.5	$23.8

In addition, the following chart shows the June 30, 2015, total expenses by functional allocation for the College. Instructional expenditures were decreased by 12%, support services decreased by 7.3%, institutional support decreased by 4%, & plant expenditures decreased by 10.3%. As stated earlier these decreases in expenditures were mainly due to the reporting requirements of GASB #68 to defer the retirement expenditures for 2015 until 2016 ($1,108,820). The additional reductions to salaries, travel, & supplies were due to freezes implemented by administration to curtail spending.

EXPENSES BY FUNCTION	**FY2014 (in millions)**	**FY2015 (in Millions)**
Operating Expenditures		
Instruction	$10.4	$9.2
Academic Support	2.2	2.2
Support Services	2.3	2.1
Institutional Support	3.9	3.7
Plant and Maintenance	2.4	2.1
Auxiliary Enterprises	2.8	2.8
Depreciation	1.5	1.7
Total Expenditures	$25.5	$23.8

Statement of Cash Flows

The Statement of Cash Flows presents information about the cash activity of the College. The statement shows the major sources and uses of cash. The following is a summary of the statement of cash flow for the year ending June 30, 2015. Overall cash flows increased by 18% due to the reduction of the investments. One of the $1,000,000 certificates of deposit was transferred from the investments to the MAC checking account to continue the fiscal year with a positive cash flow. The cash flow from the operations of the College increased by 12% from the prior year. Cash flows from the non-capital activities increased by 4% due to state appropriations. Cash flows from capital financing activities increased by 22% due to fewer capital assets acquisitions. Cash flow from investing activities increased due to the $1,000,000 certificate of deposit transferred to the checking account. Cash increased by $761,836 from 2014 to 2015.

	FY2014 (in millions)	FY2015 (in Millions)
Cash Provided (Used) By:		
Operating Activities	($9.1)	($8.0)
Non-Capital Financing Activities	9.2	9.6
Capital Financing Activities	(2.5)	(1.9)
Investing Activities	(0.2)	1.0
Net Change in Cash	(2.6)	.7
Cash, Beginning of the Year	6.8	4.2
Cash, End of the Year	$4.2	$4.9

Economic Outlook

For the second time in seven years, the State of Missouri is experiencing increased economic activity with actual state revenues exceeding the adopted consensus budget revenue adopted by Governor Jay Nixon and the Missouri General Assembly for the Fiscal Year (FY) 2015. The State of Missouri ended the year with a budget surplus ($250M) that carried over into FY 2016. Current state tax revenues are at an acceptable level as fiscal year-to-date net general revenue collections increased 3.6 percent compared to 2015, from $2.03 billion last year to $2.10 billion this year. Net general revenue collections for September 2015 increased by 1.6 percent compared to those for September 2014, from $828.5 million to 842.1 million.

Acting State Budget Director Dan Haug announced that Missouri will not be receiving a payment of approximately $50 million anticipated under the tobacco Master Settlement Agreement, based on a recent ruling by the Missouri Court of Appeals, Eastern District. Consequently, the Governor withheld $50 million from the FY2016 budget, none that directly impacted community colleges.

The Presidents & Chancellors of the Missouri Community College Association continue to receive pressure from Governor Nixon and the General Assembly to hold tuition increases to a modest level. Even though there is improved economic activity in the State, pressure to hold the line on tuition continues to exist because of the doubling of tuition in public colleges over the past twelve years and to keep tuition rates affordable for Missouri residents.

The Coordinating Board for Higher Education with input from Governor Nixon, implemented a new performance funding model based on five policy questions.

1) Are students completing their certificate or degrees and/or transferring to a four-year college/university as successful completers? (KPI 1)

2) Are unprepared students successfully transitioning into college-level coursework? (KPI 2 & 3)

3) Are graduates of career/technical programs prepared to secure employment in their chosen field? (KPI 4)

4) Is state funding for community colleges appropriate for the total number of credit hours of instruction provided? (KPI 5)

The Missouri Department of Higher Education has adopted the following performance indicators for all community colleges.

Student Success and Progress

1. Three-year completion rate for first-time, full-time entering students. This measure includes students who successfully complete a certificate or degree of at least one year or longer or who successfully transfer to a four-year institution.

2. Percentage of developmental students who successfully complete their last developmental English course who then successfully complete their first college-level English course.

3. Percentage of developmental students who successfully complete their last developmental math course, who then successfully complete their first college-level math course.

Increased Degree Attainment and Quality of Student Learning

4. Percentage of career/technical graduates who pass their required licensure/certification examination.

Financial Responsibility and Efficiency

5. Requirement of public two-year institutions to address the financial responsibility and efficiency component of the model with institution-specific measures.

The Department of Higher Education is working with the community colleges on the development of a sixth performance measure pertaining to placement of all graduates. This new KPI is expected to be in place no later than FY2017. The community colleges are negotiating with the Department of Higher Education to modify KPIs #2 and #3 pertaining to developmental education.

The benchmark for each KPI is defined by improvement from the prior year (using a three-year rolling average) or by reaching a defined "sustained excellence" measure.

For FY2015, Mineral Area College met all five KPIs resulting in additional funding from the state compared to its sister institutions. In FY2016, Mineral Area College obtained 3 of the 5 KPIs, which was one better than expected. The College is on course to reach 3 to 6 KPIs for FY 2017. Most KPIs are measured for the fall period, therefore colleges can have advanced notice with budgeting planning efforts. However, there is a substantial lag time to measure results from improvement initiatives.

The state increased funding to the three main scholarship programs in FY2015 and is anticipated to increase again in FY2016.

The administration received the annual tax rate summary sheet from the State Auditor's Office on August 21. The State Auditor rolled back the College's tax rate from the Board approved rate of 47.72 to 47.63 cents per $100/assessed valuation.

On August 27, the College was notified of an error pertaining to the assessed valuation total from Ste. Genevieve County. However, the error does not impact the tax roll back stated on the August 21 letter from the State Auditor.

The original assessed valuation in the State Auditor letter of August 21 was up 3.48 percent from FY2015. The new notification now brings that down to a 3.14 percent increase. The administration projected a 1 percent increase for FY2015. The total assessed valuation increase (3.14 percent) is greater than the increase in consumer price index (0.8 percent) thus requiring the roll back per the Hancock Amendment.

There is some good news with this rollback. Even though the College's tax rate decreased from last year, the auditor is projecting that our total revenue collected will be about $54,000 greater than what was originally projected in the approved FY2015 budget.

Capital Asset and Debt Administration

Capital assets are defined as those items costing over $10,000 and which have a normal useful life of more than one year. The District has created replacement projects for its facilities and technology. The projects are updated annually and the funds are designated in the plant fund.

Below is a summary of the capital assets, net of depreciation as of June 30:

	2015	2014	Percent Change
Land	$385,066	$385,066	0
Buildings & Improvements	19,089,006	20,205,575	(5.5%)
Construction in Progress	0	0	0
Student Housing System	2,787,447	2,973,189	(6.2%)
Equipment & Vehicles	491,911	755,372	(34.9%)
Library Books	11,153	19,198	(41.9%)
Total Capital Assets	$22,764,583	$24,338,400	(6.5%)

There were no Building and Improvements additions in the fiscal year 2015. Depreciation on the building and improvements for the year totaled $1,116,568. Equipment purchases for 2015 totaled $135,332 consisting of mechanical & electrical fabrication learning systems for $52,096, a law enforcement driving simulator of $72,500, and a theatre light board of $10,736. The College also disposed of a 1989 Dodge van. Depreciation on equipment for the year 2015 was $398,793.

	6/30/2014	Issued	Retired	6/30/2015
Debt Outstanding	$18,786,367	0	$1,170,016	$17,616,351
Unamortized Costs	(679,099)	(0)	32,447	(646,652)
Total Debt Outstanding	$18,107,268	$0	$1,137,569	$16,969,699

As of June 30, 2015, the District had two general obligation bond issues outstanding, totaling $11,140,000. A note payable with the Department of Natural Resources balance on June 30, 2015 was $459,405. Refinancing in February 2008 was obtained for a revenue bond for college housing replaced with certificates of participation of $7,195,000. The balance on these certificates of participation on June 30, 2015 was $5,645,000. A capital lease for air conditioning for the field house was negotiated in January 2013 for $655,409 with a balance of $371,946 on June 30, 2015. Total long-term debt net of unamortized costs as of June 30, 2015, was $16,969,699.

Additional information on the District's capital assets and long-term debt can be found in Note 4, 5 and 6 respectively to the basic financial statements.

Dr. Steven J. Kurtz
President
Mineral Area College
November 3, 2015

Boyer & Associates, PC
Certified Public Accountants

(573) 431-6145 (573) 431-7500
Fax (573) 431-0677

P.O. Box 98 – 905 E. Main Street Park Hills, MO 63601

INDEPENDENT AUDITOR'S REPORT

November 10, 2015

Board of Trustees
Mineral Area College
Park Hills, MO 63601

Report on the Financial Statements

We have audited the accompanying financial statements, the business-type activities, and the discretely presented component unit, of Mineral Area College, as of and for the year ended June 30, 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.

Anditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 opinion.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit, of Mineral Area College, as of June 30, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages i through vii and the Other Post Retirement Benefits information on page 31 and the Disclosers For Missouri Retirement System page 32-33 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Mineral Area College's basic financial statements. The continuing disclosure information section has been presented for purposes of additional analysis and is 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 U.S. Office of Management and Budget Circular A-133, *Audit of States, Local Governments, and Non-Profit Organizations,* and is also not a required part of the basic financial statements.

The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The continuing disclosure information section has 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 them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards,* we have also issued our report dated November 10, 2015, on our consideration of Mineral Area College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Mineral Area College's internal control over financial reporting and compliance.

Boyer & Associates, PC

Boyer & Associates, PC
Certified Public Accountants

MINERAL AREA COLLEGE
STATEMENT OF NET POSITION
June 30, 2015

	College	Component Unit Foundation
ASSETS		
Cash and cash equivalents	$ 3,060,610	$ 10,410
Short-term investments	4,004,623	2,756,236
Accounts receivable, net	1,240,030	-
Inventories	843,414	-
Prepaid expense	171,071	-
Restricted cash	1,867,154	154,609
Restricted investments	3,424,297	-
Capital assets, net	22,764,583	-
Total assets	37,375,782	2,921,255
DEFERRED OUTFLOWS		
Pensions	1,911,578	
Deferred interest	604,035	-
Bond discounts	94,488	-
Total deferred outflows	2,610,101	-
LIABILITIES		
Accounts payable	213,238	-
Accrued liabilities	2,378,797	-
Accrued Net Pensions Liability	8,950,975	
Long-term liabilities:		
Due within one year	1,213,282	-
Capital lease obligations	5,673,366	-
Long-term debt	10,729,703	-
Total liabilities	29,159,361	-
DEFERRED INFLOWS		
Pensions	4,429,107	
Deferred revenue	2,500	-
Bond premiums	51,872	-
Total deferred inflows	4,483,479	-
NET POSITION		
Invested in capital assets, net of related debt	5,270,550	-
Restricted		
Nonexpendable		
Scholarships	2,208,906	558,043
Expendable		
Scholarships	353,939	-
Capital projects	258,680	154,609
Debt service	1,083,164	-
Unrestricted	(2,832,196)	2,208,603
Total net position	$ 6,343,043	$ 2,921,255

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

MINERAL AREA COLLEGE
STATEMENT OF ACTIVITIES
Year ended June 30, 2015

OPERATING REVENUES	College	Component Unit Foundation
Student tuition and fees (less scholarship allowances $6,476,627)	$ 3,340,469	$ -
Federal grants and contracts	7,065,466	-
State and local grants and contracts	681,502	-
Sales and services of educational departments	555,611	-
Auxiliary enterprises:		
Student housing	1,296,541	-
Bookstore	2,096,670	-
Other operating revenue	200,202	12,584
Total operating revenues	15,236,461	12,584
OPERATING EXPENSES		
Instruction	9,155,046	-
Academic support	2,204,259	-
Support services	2,091,178	-
Institutional support	3,730,524	97,998
Plant operations	2,124,655	-
Depreciation	1,709,148	-
Auxiliary enterprises:		
Student housing	1,180,006	-
Bookstore	1,649,784	-
Total operating expenses	23,844,600	97,998
Operating income (loss)	(8,608,139)	(85,414)
NON-OPERATING REVENUES (EXPENSES)		
State appropriations	5,122,689	-
County property taxes	4,110,041	-
Endowment gifts	4,539	-
Other gifts	368,233	54,576
Investment income (loss)	97,624	(144,707)
Interest and fees on capital asset related debt	(608,036)	-
Gain (loss) on sale of capital assets	136	157,087
Net non-operating revenues	9,095,226	66,956
INCREASE (DECREASE) IN NET ASSETS	487,087	(18,458)
Net position, beginning of year	18,433,281	2,939,713
Prior Period Adjustment	(12,577,325)	-
Net position, beginning of year as restated	5,855,956	2,939,713
Net position, end of year	$ 6,343,043	$ 2,921,255

MINERAL AREA COLLEGE
STATEMENT OF CASH FLOWS
Year ended June 30, 2015

	College	Component Unit Foundation
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments for tuition and fees	$ 8,171,289	$ -
Payments for grants and contracts	17,912,781	-
Payments for services	4,069,536	12,584
Payments to suppliers	(7,240,192)	(97,998)
Payments to employees	(15,685,611)	-
Payments for student financial aid	(15,244,861)	-
Net cash provided (used) by operating activities	(8,017,058)	(85,414)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
State appropriations	5,122,689	-
County property taxes	4,110,041	-
Gifts	372,772	54,576
Net provided by non-capital financing activities	9,605,502	54,576
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
Acquisition and construction of capital assets	(135,332)	-
Proceeds from sale of capital assets	136	-
Proceeds from sale of investments	-	157,087
Principal paid on capital debt and leases	(1,170,015)	-
Interest & bond fees paid on long-term debt	(608,036)	-
Net cash provided (used) by capital financing activities	(1,913,247)	157,087
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales of investments	7,114,137	2,800,514
Interest and dividends on investments	97,625	(144,707)
Purchase of investments	(6,125,123)	(2,756,235)
Net cash provided (used) by investing activities	1,086,639	(100,428)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	761,836	25,821
Cash and cash equivalents, beginning of year	4,165,928	139,198
Cash and cash equivalents, end of year	$ 4,927,764	$ 165,019
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES		
Operating income (loss)	(8,608,139)	(85,414)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Depreciation and amortization	1,741,596	-
Changes in assets and liabilities:		
Accounts receivable (net)	(317,948)	-
Inventory	(67,381)	-
Prepaid expenses	938	-
Pension Reporting GASB #68	(1,108,821)	-
Accounts payable	(26,201)	-
Accrued liabilities	371,433	-
Deferred revenue	(2,535)	-
Net cash used by operating activities	($ 8,017,058)	($ 85,414)

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Scholarship Allowances and Student Aid

Certain federal financial aid grants to students are reported as federal appropriations in operating revenue in the financial statements as prescribed by the National Association of College and University of Business Officers (NACUBO). Since certain of these grants (including Pell and Supplement Educational Opportunity Grants) are for the payment of students' tuition and fees, a like amount is reported as scholarship allowance which is reported as an offset to tuition and fees in the financial statements. Federal Work-Study grant expenses are reported as operating expenses as students work for compensation. Certain other student aid sources (loans, funds provided to students as awarded by third parties and Federal Direct Lending) are paid directly to the students or credited to the students' account and do not impact revenues or expenses reported in the financial statements.

Organization

The Junior College District of Mineral Area, Missouri (Mineral Area College) is located in Park Hills, Missouri. The District was created in 1965 by popular vote of the residents of six public school districts in St. Francois and Madison counties and portions of Washington, Ste. Genevieve, Perry and Jefferson counties. As the successor to Flat River Junior College (established in 1922), the District is the third oldest public junior college in Missouri. The District is a political subdivision of the State of Missouri, whose boundaries (and, thereby, the area in which the District levies taxes) consist of St. Francois County, Madison County and portions of Ste. Genevieve, Washington, Jefferson and Perry counties. The District also has satellite campuses in the communities of Fredericktown, Perryville, Winona and Potosi. The District's service region is significantly broader than its legal boundaries. The service region consists of all of St. Francois, Ste. Genevieve, Perry, Madison, Iron, Washington, Shannon and Texas counties.

The financial statements of Mineral Area College (the College) have been prepared in accordance with generally accepted accounting principles as applicable to governmental colleges and universities in the United States. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. To conform to these accounting principles, the College has adopted accounting policies which have been consistently applied in the preparation of the financial statements. The following is a summary of the more significant policies.

The Reporting Entity

The publicly elected, six-member board of trustees governs the College. Five trustees are elected by district and one is elected at large. The trustees serve six-year terms, with two trustees elected every other year.

Discretely Presented Component Unit: The College receives ongoing financial support from, Mineral Area College Foundation, Inc. (the foundation), a legally separate foundation which is included as a discretely presented component unit in the College's financial statements. The Foundation is a not-for-profit organization exempt from income taxes since December 1984 under Section 501(c)(3) of the Internal Revenue Code. Although the Foundation is legally separate from the College, its sole purpose is to receive donations and manage endowment funds to directly provide ongoing financial support to the College. Because of the significance of its financial relationship with the College, the Foundation is presented as a component unit in the College's financial statements.

Blended Component Unit: The College also established a nonprofit corporation, Mineral Area College Facility Development Authority, Inc., to provide for acquisition, construction, improvement, and financing of buildings and facilities of Mineral Area College, exclusively. As such, it is considered a blended component unit in the College's financial statements.

This is in accordance with Governmental Accounting Standards Board Statement No. 61, "The Financial Reporting Entity". The College has determined that it does not exercise significant influence or oversight responsibility over any other separately administered organization, which should be included as a component unit.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Statement Presentation

In November 1999, the Governmental Accounting Standards Board (GASB) issued Statement No. 35, "Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities." The College was required to adopt GASB No. 35 effective July 1, 2002. The financial statement presentation required by GASB No. 35 provides a comprehensive, entity-wide perspective that replaces the fund-group perspective previously required.

Basis of Accounting

For financial reporting purposes, the College is considered a special purpose government engaged only 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 the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred.

Cash Equivalents

The College considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Investments

Investments are stated at fair value.

Allowance for Doubtful Accounts

The College accounts for bad debts under the allowance method for financial statement purposes. Under the allowance method, a percentage of ending student accounts receivable balance is estimated to eventually prove uncollectible and is charged to bad debt expense in the current year.

Property and Equipment

Property and equipment are stated at cost. Donated assets are stated at fair value on the date donated. The College's investment in infrastructure assets, which is not material to the total of property and equipment, is recorded at cost and included in the costs of the related property. Capital assets (costing $10,000 or more) are depreciated using the straight-line method over their estimated useful lives as follows: buildings, 30 years; equipment, 5 years; and library books, 6 years. The costs of normal maintenance and repairs that do not add to asset value or materially extend useful lives are not capitalized.

Inventory

Inventories are reflected at the lower of cost or market and consist of books and supplies sold at the College bookstore.

Accumulated Compensated Absences

The cost of vacation and sick pay is accrued in the period it is earned and vests with the employee. Earned siek leave accumulates but does not vest with the employee until completion of ten years of service. Vacation leave vests as it is earned.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounting for Pension Liabilities ("PSRS")

Financial reporting information pertaining to the district's participation in the Public School Retirement System of Missouri ("PSRS") is prepared in accordance with Governmental Accounting Standards Board ("GASB) Statement No. 68, *Accounting and 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 have been determined on the same basis as they are reported by PSRS. 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 PSRS. Expenses are recognized when the liability is incurred, regardless of when payment is made. Investments are reported at fair value on a trade date basis. The fiduciary net position is reflected in the measurement of the district's net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense.

Accounting for Pension Liabilities ("PEERS")

Financial reporting information pertaining to our participation in the Public Education Employee Retirement System of Missouri ("PEERS") is prepared in accordance with Governmental Accounting Standards Board ("GASB) Statement No. 68, *Accounting and 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 PEERS have been determined on the same basis as they are reported by PEERS. 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 PSRS. Expenses are recognized when the liability is incurred, regardless of when payment is made. Investments are reported at fair value on a trade date basis. The fiduciary net position is reflected in the measurement of the district's net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense.

Change in Accounting Principle

Net position as of July 1, 2014, has been restated as follows for the implementation of GASB Statement No. 68, as amended by GASB Statement No.71.

Net Position as previously reported at June 30, 2014:	$18,433,281
Prior period adjustment:	
PSRS Net Pension Liability (measurement date as of June 30, 2013	(12,586,780)
PEERS Net Pension Liability (measurement date as of June 30, 2013	(1,496,241)
Deferred outflows:	
PSRS District contributions made during fiscal year 2014	235,775
PEERS District contributions made during fiscal year 2014	1,269,921
Total Prior period adjustment	(12,577,325)
Net position as restated, July 1, 2014	$ 5,855,956

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Classification of Revenues

The College has classified revenue as either operating or non-operating revenues according to the following criteria:

Operating revenues - Operating revenues include activities that have the characteristics of exchange transactions, such as (1) student tuition and fees, net of scholarship discounts and allowances, (2) sales and services of educational departments and auxiliary enterprises, (3) federal, state and local grants and contracts.

Non-operating revenues – Non-operating revenues include activities that have the characteristics of non-exchange transactions, such as state appropriations, investment income, property taxes, and gifts.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 and expenses during the reporting period. Actual results could differ from those estimates.

Restricted Assets

When both restricted and unrestricted resources are available for use, it is the College's policy to use restricted resources first, and then unrestricted resources as needed.

Management's Review of Subsequent Events

Management has reviewed subsequent events through November 10, 2015, the date in which the financial statements have been made available.

NOTE 2 - CASH AND INVESTMENTS

Deposits

Missouri Statutes require that depository institutions must collateralize funds of the College on deposit in financial institutions with appropriate securities to the extent not provided by FDIC insurance. At June 30, 2015, the deposits of Mineral Area College were entirely covered by federal depository insurance or by collateral held by the College's custodial bank in the College's name. The Foundation's deposits were all insured by federal depository insurance.

Investments

The College may invest in bonds of the State of Missouri or any wholly owned corporation of the United States, or in short-term obligations of the United States.

The Foundation may invest in equity and fixed income investments that it considers prudent in accordance with the Foundation's investment policy.

Investments for endowed scholarships and bond reserves are shown as noncurrent restricted assets.

NOTE 2 – CASH AND INVESTMENTS (Continued)

Investments at June 30, 2015, consisted of the following reported at fair value:

	College	Foundation
Certificated of Deposit	$ 7,312,932	$ 125,000
RBC Bank Deposit Program	-	14,341
Money Market Accounts	856	107,846
Government Securities	115,132	-
Fixed Income Funds	-	752,556
Mixed Assets Funds	-	136,387
Equity Securities	-	1,620,106
	$ 7,428,920	$ 2,756,236

Of the investments reported above for the Foundation, an unrestricted portion of $893,400 has been considered board designated under an agreement dated June 30, 2009, between that College and the Foundation.

Interest Rate Risk – In accordance with its investment policy, the College manages exposure to declines in fair value by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations and investing primarily in shorter-term securities.

Custodial Credit Risk – The College invests in government securities which are not subject to custodial credit risk. The Foundation invests in equity securities that according to the Foundation's investment policy are highly marketable and listed on or registered with the New York Stock Exchange, or the NASDAQ. These investments are highly diversified in nature.

Generally, credit risk is the risk that an issuer of debt type investments will not fulfill its obligation to the holder. Only $107,846 of the Foundation's investments is in money market mutual funds as rated by a nationally recognized organization. The fund rating for this mutual fund is AAAm. The College holds no other debt type investments.

Concentrations of credit risk – The College's investment policy does not allow the College to invest in debt securities that are not insured, registered or backed by the U.S. government.

Implementation of FSP FAS 117-1 – In August 2008, the Financial Accounting Standards Board (FASB) issued FASB Staff Position No. FAS 117-1, "Endowment of Not-for-Profit Organizations: Net Asset Classifications of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA), and "Enhanced Disclosures for All Endowment Funds" (FSP FAS 117-1). FSP FAS 117-1 provides guidance on the net asset classification of the donor-restricted endowment funds for a nonprofit organization that is subject to the enacted version of UPMIFA of 2006. FSP FSA 117-1 also requires additional disclosures about an organizations endowment funds (both donor-restricted endowment funds and board-designated endowment funds), whether or not the organization is subject to UPMIFA.

Mineral Area College Foundation, Inc., the discretely presented component unit, enacted UPMIFA effective July 1, 2009 the provisions of which apply to endowment funds existing or established after that date. The Organization adopted FSP FAS 117-1 for the year ended June 30, 2010. Management has determined that portions of the Organization's permanently restricted net assets meet the definition of endowment funds under UPMIFA.

NOTE 3 – RECEIVABLES

Receivables at June 30, 2015 were as follows:

Student Tuition	$ 202,399
Student Dorm Rental	7,710
Governmental Grants	759,638
Sales	180,869
Property Taxes	80,156
Investments	9,058
Central Methodist University	200
	$ 1,240,030

The above receivable balance is net of an allowance of bad debts of $1,163,033 for student tuition and an allowance of bad debts of $154,870 for housing charges that are deemed uncollectible.

Property Taxes

Property taxes are collected and remitted to the College by the six counties included in the District. Taxes levied annually on September 1 are due by December 31 and attach as an enforceable lien on January 1. Delinquent property taxes are accrued to the extent available through subsequent collections 60 days after June 30.

NOTE 4 - CAPITAL ASSETS

Property and equipment, by major class of asset, at June 30, 2015 were as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Depreciable Capital Assets				
Buildings & Improvements	$ 35,875,902	$ -	$ -	$ 35,875,902
Student Housing	5,818,400	-	-	5,818,400
Equipment	8,991,781	135,331	(2,000)	9,125,112
Library Books	1,278,673	-	-	1,278,673
Less Accumulated Depreciation	(28,011,422)	(1,709,148)	2,000	(29,718,570)
Total Depreciable Capital Assets, net	23,953,334	(1,573,817)	-	22,379,517
Nondepreciable Capital Assets				
Land	385,066	-	-	385,066
Construction in Progress	-	-	-	-
Total Nondepreciable Capital Assets	385,066	-	-	385,066
Total Capital Assets, net	$ 24,338,400	($ 1,573,817)	$ -	$ 22,764,583

The land for the Fredericktown, Missouri campus is being leased from Black River Electric Cooperative at no cost through January 1, 2060. The building being constructed by the College on the property will revert to Black River Electric Cooperative upon termination of the lease.

NOTE 5 - LONG-TERM DEBT

Long-term debt at June 30, 2015 consisted for the following:

General Obligation Bonds

On November 18, 2011, Mineral Area College issued general obligation bonds in the amount of $5,950,000 as a crossover refinancing. The crossover date was March 1, 2012. Interest on the 2010 issue accrues at rates varying from 2.0% to 2.3% and is payable semiannually on March 1 and September 1 with principal and interest payments beginning on March 1, 2011. The balance on these bonds on June 30, 2015 was $3,140,000.

On August 30, 2011, Mineral Area College issued voter-approved general obligation bonds of $8,000,000 for the purpose of renovating, improving and furnishing College buildings and related facilities. Specifically, the proceeds of this debt was used for improvements to the library and technology buildings and additions and improvements to the Fredericktown Outreach Center. Interest will be payable semiannually on March 1 and September 1 at interest rates ranging from 2.75% to 3.2%. Principal payments will begin in 2019 through 2026. The balance on these bonds on June 30, 2015 was $8,000,000.

Notes Payable

A note payable was entered into between Mineral Area College and The Missouri Department of Natural Resources for an energy loan in the amount of $1,112,834. The note commenced on February 1, 2005 and is payable in semiannual installments on August 1 and February 1 at an interest rate of 3.75% through February 1, 2020. The balance on this loan at June 30, 2015 was $459,405.

Changes in long-term debt during the year ended June 30, 2015 were as follows:

	Balance	Issued	Retired	Balance
Series 2010 G.O. Bonds	$ 3,865,000	$ -	$ 725,000	$ 3,140,000
Series 2011 G.O. Bonds	8,000,000	-	-	8,000,000
Notes Payable	536,201	-	76,796	459,405
	12,401,201	$ -	$ 801,796	11,599,405
Unamortized Premiums	62,632			51,872
	$ 12,463,833			$11,651,277

Scheduled maturities of long-term debt at June 30, 2015, were as follow:

	Principal	Interest	Total
2016	$ 869,703	$ 322,287	$ 1,191,990
2017	882,719	303,471	1,186,190
2018	935,850	282,340	1,218,190
2019	989,100	261,240	1,250,340
2020	1,042,473	236,267	1,278,740
2021-2024	4,329,560	640,694	4,970,254
2025-2026	2,550,000	122,610	2,672,610
	$ 11,599,405	$ 2,168,909	$ 13,768,314

NOTE 6 – CAPITAL LEASES

Certificates of Participation

Series 2008

On March 1, 2008 the College entered into a lease with Mineral Area College Facility Development Authority, Inc. (a related party) to provide funds to pay the costs of refunding the District's outstanding Student Housing System Revenue Bonds, Series 2000, issued in the original principal amount of $6,615,000. The Certificates of Participation were issued on March 1, 2008 at a discount and have maturity values of $7,195,000. The lease is renewable annually at the option of the College through September 1, 2031. Interest rates on the certificates range from 3.0% to 4.2%. At June 30, 2015 the balance on the lease was $5,645,000.

University Lease, A Division of California First National Bank

On January 10, 2013 the College entered into a lease with University Lease, a division of California First National Bank to provide funds to pay the cost of the Sechrest Field House HVAC Unit, roofing and Public Address System. Total property cost paid by University Lease was $655,409 with a final acceptance date of April 18, 2013. The lease term is 60 months with interest calculated at 2.85%. Monthly payments of $11,758 will be billed quarterly. The College paid University Lease a deposit of $11,758 on May 1, 2013 which will be applied to the final quarterly payment. The first quarterly payment of $35,274 was made June 28, 2013. The College paid University Lease rental payments of $43,172 from March to June 2013 which were not applied to the principal payment. At June 30, 2015 the balance on the lease was $371,946.

Changes in capital leases during the year ended June 30, 2015 were as follows:

	Beginning Balance	Issued	Retired	Ending Balance
2001 Certificates of Participation	$ 5,885,000	$ -	$ 240,000	$ 5,645,000
University Lease	500,166	-	128,220	371,946
	6,385,166	$ -	$ 368,220	6,016,946
Unamortized Discounts	(100,333)			(94,488)
Deferred Interest	(641,398)			(604,035)
	$ 5,643,435			$ 5,318,423

Leased land, buildings, and equipment under capital leases in capital assets at June 30, 2015, included the following:

College Park Dorms – 2008 Certificates of Participation	$5,572,254
Less: Accumulated Depreciation	(2,784,807)
Total	$2,787,447

Sechrest Fieldhouse HVAC Unit, Roofing and PA System	$ 655,409
Less: Accumulated Depreciation	(284,010)
Total	$ 371,399

NOTE 6 – CAPITAL LEASES (Continued)

Schedule maturities of capital leases at June 30, 2015, were as follows:

Year	Principal	Interest	Total
2016	$ 343,580	$ 224,809	$ 568,389
2017	389,745	215,540	605,285
2018	398,621	202,779	601,400
2019	270,000	191,028	461,028
2020	280,000	181,264	461,264
2021-2025	1,565,000	734,572	2,299,572
2026-2030	1,900,000	385,793	2,285,793
2031-2032	870,000	36,960	906,960
	$ 6,016,946	$ 2,172,745	$ 8,189,691

NOTE 7 - RETIREMENT PLAN

General Information about the Pension Plan ("PSRS")

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

NOTE 7 - RETIREMENT PLAN (Continued)

Benefits Provided. PSRS is a defined benefit plan providing retirement, disability, and death/survivor benefits. Members are vested for service retirement benefits after accruing five years of service. Individuals who (a) are at least age 60 and have a minimum of 5 years of service, (b) have 30 years of service, or (c) qualify for benefits under the "Rule of 80" (service and age total at least 80) are entitled to a monthly benefit for life, which is calculated using a 2.5% benefit factor. Beginning July 1, 2001, and ending July 1, 2014, a 2.55% benefit factor is used to calculate benefits for members who have 31 or more years of service. Actuarially age-reduced benefits are available for members with five to 24.9 years of service at age 55. Members who are younger than age 55 and who do not qualify under the "Rule of 80" but have between 25 and 29.9 years of service may retire with a lesser benefit factor. Members that are three years beyond normal retirement can elect to have their lifetime monthly benefits actuarially reduced in exchange for the right to also receive a one-time partial lump sum (PLSO) payment at retirement equal to 12, 24, or 36 times the Single Life benefit amount. A Summary Plan Description detailing the provisions of the plan can be found on PSRS' website at www.psrs-peers.org. Since the prior valuation date, the benefit provisions were amended to make permanent an early retirement benefit allowing members to retire at any age after 25 years of service.

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

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

The district's contributions to PSRS were $1,271,402 for the year ended June 30, 2015.

<u>Pension Liabilities, Pension Expenses, and Deferred Outflows of Resources and Deferred inflows of Resources Related to Pensions (PSRS)</u>

At June 30, 2015, the district recorded a liability of $8,090,279 for its proportionate share of the net pension liability. The net pension liability for the plan in total was measured as of June 30, 2014 and determined by an actuarial valuation as of that date. The district's proportionate share of the total net pension liability was based on the ratio of its actual contributions of $1,269,921 paid to PSRS for the year ended June 30, 2014 relative to the actual contributions of $643,964,894 from all participating employers. At June 30, 2014, the district's proportionate share was 0.1972%.

For the year ended June 30, 2015, the district recognized a pension expense of $287,344, its proportionate share of the total pension expense.

NOTE 7 - RETIREMENT PLAN (Continued)

At June 30, 2015, the district reported deferred outflows of resources and deferred inflows of resources from the following sources related to
PSRS pension benefits:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Balance of Deferred Outflows and Inflows Due to:		
Difference between expected and actual experience	$ 376,924	$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	3,890,848
Changes in proportion and differences between Employer contributions and proportionate share of contributions	-	-
Employer contributions subsequent to the measurement date	1,271,402	-
Total	$ 1,648,326	$ 3,890,848

$1,271,402 reported as deferred outflows of resources to pensions resulting from contribution subsequent to the measurement date of Juue 30, 2014 will be recognized as a reduction to the net pension liability in the year ended June 30, 2016. Other amounts reported as collective deferred (inflows) / outflows of resources to be recognized in pension expense:

Year Ended June 30	Amount
2016	($ 902,784)
2017	(902,784)
2018	(902,784)
2019	(902,784)
2020	69,928
Thereafter	27,272
	($ 3,513,937)

Actuarial Assumptions PSRS

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

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

Measurement Date	June 30, 2014
Valuation Date	June 30, 2014

NOTE 7 - RETIREMENT PLAN (Continued)

Expected Return of Investment	8.00%, net investment expenses and including 2.50% inflation
Inflation	2.50%
Total payroll Growth	3.50% per annum, consisting of 2.50% inflation, 0.50% additional inflation due to the inclusion of health care costs in pension earnings, and real wage growth of 1.00% to 7.00%
Future Salary Increases	4.00% - 10.00%, depending on service and including 2.50% inflation, 0.50% additional inflation due to the inclusion of health care costs in pension earnings, and real wage growth of 1.00% to 7.00%.
Cost-of-Living Increases	2.00% compounded annually, beginning on the second 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-Disable Retirees, Beneficiaries And Survivors:	RP Mortality Table set back one year for both males and females, then projected to 2016 using Scale AA.
Disabled Retirees:	RP 2000 Disabled Mortality Table
Changes in Actuarial Assumptions and Methods	There were no changes in actuarial assumptions or methods for the June 30, 2014 valuation.
Fiduciary Net Position	PSRS issues a publicly available financial report that can be obtained at www.psrs-peers.org.
Expected Rate of Return	The long-term expected rate of return on PSRS' investments was determined using a building-block method in which best-estimate ranges of expected future real rates of returns (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PSRS' target allocation as of June 30, 2014 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.

NOTE 7 - RETIREMENT PLAN (Continued)

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 %
Total	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, 2014, and is consistent with the long-term expected geometric return on plan investments. The projection of cash flows used to determine the discount rate assumed that employer contributions would be made at the actuarially calculated rate computed in accordance with assumptions and methods stated in the funding policy adopted by the Board of Trustees, which requires payment of the normal cost and amortization of the unfunded actuarially accrued liability in level percent of employee payroll installments over 30 years utilizing a closed period, layered approach. Based on this assumption, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

Discount Rate Sensitivity

The sensitivity of the district's net pension liability to changes in the discount rate is presented below. The district's net pension liability calculated using the discount rate of 8.00% is presented as well as the net pension liability using a discount rate that if 1.00% lower (7.00%) or 1.00% higher (9.00%) than the current rate.

Discount Rate	1% Decrease (7.00%)	Current Rate (8.00%)	1% Increase (9.00%)
Proportionate share of the Net Pension Liability/(Asset)	$ 17,131,246	$ 8,090,279	$ 506,942

NOTE 7 - RETIREMENT PLAN (Continued)

Funding Policy

Contribution rates for employees in the Public School Retirement System and employees in the Non-Teacher School Retirement System are 14.5 and 6.86 percent, respectively, of their covered earnings. The College is required to match the employee contributions. The College has made all required matching contributions for the fiscal years indicated below:

Year Ended June 30	PSRS	NTRS
2015	1,271,402	234,094
2014	1,269,921	256,711
2013	1,239,207	221,466

General Information about the Pension Plan (PEERS")

Plan Description. PEERS is a mandatory cost-sharing multiple employer retirement system for all public school district employees (except the school districts of St. Louis and Kansas City), employees of the Missouri Association of School Administrators, and community college employees (except the Community College of St. Louis). Employees of covered districts who work 20 or more hours per week on a regular basis and who are not contributing members of the Public School Retirement System of Missouri (PSRS) must contribute to PEERS. Employees of PSRS who do not hold Missouri educator certificates also contribute to PEERS. PEERS was established as a trust fund by an Act of the Missouri General Assembly effective October 13, 1965. Statutes governing the System are found in Sections 169.600 - 169.715 and Sections 169.560-169.595 RSMo. The statutes place responsibility for the operation of PEERS on the Board of Trustees of the Public School Retirement System of Missouri. A Comprehensive Annual Financial Report ("CAFR") can be obtained at www.psrs-peers.org.

Benefits Provided. PEERS is a defined benefit plan providing service retirement and disability benefits to its members. Members are vested for service retirement benefits after accruing five years of service. Individuals who (a) are at least age 60 and have a minimum of five years of service, (b) have 30 years of service, or (c) qualify for benefits under the "Rule of 80" (service and age total at least 80) are entitled to a monthly benefit for life, which is calculated using a 1.61% benefit factor. Members qualifying for "Rule of 80" or "30-and-out" are entitled to an additional temporary .8% benefit multiplier until reaching minimum Social Security age (currently age 62). Actuarially age-reduced retirement benefits are available with five years of service at age 55. Members who are younger than age 55 and who do not qualify under the "Rule of 80" but have between 25 and 29.9 years of service may retire with a lesser benefit factor. Members that are three years beyond normal retirement can elect to have their lifetime monthly benefits actuarially reduced in exchange for the right to also receive a one-time partial lump sum (PLSO) payment at retirement equal to 12, 24, or 36 times the Single Life benefit amount. A Summary Plan Description detailing the provisions of the plan can be found on PSRS' website at www.psrs-peers.org.

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

Contributions . PEERS members were required to contribute 6.86% of their annual covered salary during fiscal year 2015. 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.

NOTE 7 - RETIREMENT PLAN (Continued)

The district's contributions to PSRS were $234,094 for the year ended June 30, 2015.

Pension Liabilities, Pension Expenses, and Deferred Outflows of Resources and Deferred inflows of Resources Related to Pensions (PEERS)

At June 30, 2015, the district recorded a liability of $860,696 for its proportionate share of the net pension liability. The net pension liability for the plan in total was measured as of June 30, 2014 and determined by an actuarial valuation as of that date. The district's proportionate share of the total net pension liability was based on the ratio of its actual contributions of $235,775 paid to PEERS for the year ended June 30, 2014 relative to the actual contributions of $100,035,580 from all participating employers. At Juue 30, 2014, the district's proportiouate share was 0.2357%.

For the year ended June 30, 2015, the district recognized a pension expense of $109,339, its proportionate share of the total pension expense.

At June 30, 2015, the district reported deferred outflows of resources and deferred inflows of resources from the following sources related to
PEERS pension benefits:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Balance of Deferred Outflows and Inflows Due to:		
Difference between expected and actual experience	$ -	$ 25,599
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	512,660
Changes in proportion and differences between Employer contributions and proportionate share of contributions	29,158	-
Employer contributions subsequent to the measurement date	234,094	-
Total	$ 263,252	$ 538,259

NOTE 7 - RETIREMENT PLAN (Continued)

$234,094 reported as deferred outflows of resources to pensions resulting from contribution subsequent to the measurement date of June 30, 2014 will be recognized as a reduction to the net pension liability in the year ended June 30, 2016. Other amounts reported as collective deferred (inflows) / outflows of resources to be recognized in pension expense:

Year Ended June 30	Amount
2016	($ 127,035)
2017	(127,035)
2018	(127,035)
2019	(127,996)
2020	-
Thereafter	-
	($ 509,101)

Actuarial Assumptions

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

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

Measurement Date	June 30, 2014
Valuation Date	June 30, 2014
Expected Return of Investment	8.00%, net investment expenses and including 2.50% inflation
Inflation	2.50%
Total payroll Growth	3.75% per annum, consisting of 2.50% inflation, 0.75% additional inflation due to the inclusion of health care costs in pension earnings, and 0.50% of real wage growth
Future Salary Increases	5.00% - 12.00%, depending on service and including 2.50% inflation, 0.75% additional inflation due to the inclusion of health care costs in pension earnings, and real wage growth of 1.75% to 8.75%.
Cost-of-Living Increases	2.00% 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-Disable Retirees, Beneficiaries And Survivors:	RP Mortality Table set back one year for both males and females, then projected to 2016 using Scale AA.

NOTE 7 - RETIREMENT PLAN (Continued)

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, 2014 valuation.

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

Expected Rate of Return: The long-term expected rate of return on PEERS' investments was determined using a building-block method in which best-estimate ranges of expected future real rates of returns (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PEERS' target allocation as of June 30, 2014 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 %
Total	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%

NOTE 7 - RETIREMENT PLAN (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 8.00% as of June, 30, 2014, and is consistent with the long-term expected geometric return on plan investments. The projection of cash flows used to determine the discount rate assumed that employer contributions would be made at the actuarially calculated rate computed in accordance with assumptions and methods stated in the funding policy adopted by the Board of Trustees, which requires payment of the normal cost and amortization of the unfunded actuarially accrued liability in level percent of employee payroll installments over 30 years utilizing a closed period, layered approach. Based on this assumption, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

Discount Rate Sensitivity

The sensitivity of the district's net pension liability to changes in the discount rate is presented below. The district's net pension liability calculated using the discount rate of 8.00% is presented as well as the net pension liability using a discount rate that if 1.00% lower (7.00%) or 1.00% higher (9.00%) than the current rate.

Discount Rate	1% Decrease (7.00%)	Current Rate (8.00%)	1% Increase (9.00%)
Proportionate share of the Net Pension Liability/(Asset)	$ 2,065,338	$ 860,696	($ 156,976)

Plan Description

All full-time and certain part-time employees of the College are participants either in the Public School Retirement System (PSRS) or the Non-Teacher School Employee Retirement System (NTRS), both of which are cost sharing multiple-employer System public employee retirement systems (PEERS), as required by the retirement law set forth in Chapter 169, Revised Statutes of Missouri. The plans provide retirement, disability, and death benefits. Benefits fully vest upon receiving five credited years of service. Both plans allow employees with at least five years of service to retire with full benefits at age 60 or with reduced benefits at age 55. Employees with 30 years of service may retire with full benefits at any age, and employees with 25 years of service may retire with full benefits at age 55.

The plans are multiemployer benefit plans and, as such, the College's portions of the actuarial present values of plan benefits and net assets available for plan benefits are not determinable. Both systems issue a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to either system at: P.O. Box 268, Jefferson City, Missouri 65102 or by calling 1-800-392-6848.

Funding Policy

Contribution rates for employees in the Public School Retirement System and employees in the Non-Teacher School Retirement System are 14.5 and 6.86 percent, respectively, of their covered earnings. The College is required to match the employee contributions. The College has made all required matching contributions for the fiscal years indicated below:

Year Ended June 30	PSRS	NTRS
2015	1,271,402	234,094
2014	1,269,921	256,711
2013	1,239,207	221,466

NOTE 8 - RISK MANAGEMENT

The College is a member of the Missouri United School Insurance Council (MUSIC), a public entity risk pool which provides protected self-insurance to member public school districts in Missouri. MUSIC is enabled by Missouri Statutes RSMo 537.620. Participating members pool risks through annual assessments based upon a number of factors, including the member's total annual payroll for the fiscal year. Parts of the assessments are used to purchase excess insurance contracts for the pool as a whole. Supplementary assessments to members are also provided by the Articles of Association in the event that the pool's loss fund and related reserves are unable to cover claims. These financial statements contain no provision of a liability for supplementary assessments.

MUSIC provides coverage for buildings, builder's risk, general liability, school board liability, automobiles, crime, workers' compensation, boiler and machinery, and a treasurer's bond. There have been no significant reductions in these coverages from the prior year. Also, in order to limit exposure to potential litigation settlements that exceed the sovereign immunity caps afforded to public entities in Missouri, the College has purchased an additional $2,000,000 in umbrella liability coverage beyond the $2,750,000 in primary coverage.

NOTE 9 - COMMITMENTS AND CONTINGENCIES

Grants

The College receives significant financial assistance from governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agency. Any disallowed claims resulting from such audits could become liabilities of the College. In the opinion of management, any such disallowed claims will not have a material effect on the financial statements.

NOTE 10 - OPERATING EXPENSES

Operating expenses by natural classification for the year ended June 30, 2015 were as follows:

Salaries and wages	$12,293,955
Employee benefits	2,661,501
Consulting	453,463
Travel	407,171
Utilities and telephone	940,882
Supplies and other services	4,851,791
Equipment not capitalized	526,689
Depreciation expenses	1,709,148
	$23,844,600

NOTE 11 – SEGMENT INFORMATION

Student Housing System

College Park, a student housing system, was constructed in 2001 through the issuance of the Series 2000 revenue bonds. These bonds were defeased in February, 2008 with certificates of participation. There is a debt service reserve of $472,259. The original bond resolution also contains a rate covenant to provide debt service coverage at a minimum required level. The Certificates of Participation that defeased this issue does not contain such a covenant. The College contributed $746,089 to the College Park net assets during the year.

Summarized financial information for College Park as of and for the year ended June 30, 2015 is presented as follows:

NOTE 11 - SEGMENT INFORMATION (Continued)

COLLEGE PARK STATEMENT OF NET POSITION

ASSETS	
Cash and cash equivalents	$ 33,881
Accounts receivable (net)	7,910
Prepaid expense	13,653
Investments - bond reserve	472,259
Property and equipment (net)	2,787,447
Total Assets	3,315,150
DEFERRED OUTFLOWS	
Discount & deferred interest	698,524
LIABILITIES	
Accounts payable	12,957
Accrued interest payable	73,852
Security deposits	28,500
Long-term liabilities:	
Due within one year	245,000
Due in more than one year	5,400,000
Total Liabilities	5,760,309
DEFERRED INFLOWS	-
NET POSITION	
Invested in capital assets, net of related debt	(2,232,881)
Restricted for debt service	472,258
Unrestricted	13,988
Total net position	($1,746,635)

NOTE 11 - SEGMENT INFORMATION (Continued)

COLLEGE PARK STATEMENT OF ACTIVITIES

OPERATING REVENUES	
Rental of facilities and meal plans	$1,262,460
Meal plan cost	(620,768)
Damage recovery assessment	1,775
Other operating revenues	30,966
Total operating revenues	674,433
OPERATING EXPENSES	
Wages and employee benefits	299,614
Utilities	149,249
Maintenance	38,986
Leasing and promotions	4,270
Supplies	22,576
Insurance	26,423
Audit cost and credit card fees	3,891
Bad Debt - Uncollectible dorm rental fees	21,929
Dorms and meal plans MAC paid for athletics	394,239
Depreciation	185,742
Total operating expenses	1,146,919
Operating income (loss)	(472,486)
NON-OPERATING REVENUES (EXPENSES)	
Investment income (loss)	1340
Interest on debt related to property	(261,406)
Bond fees and amortization	(8,845)
Total non-operating revenues (expenses)	(268,911)
DECREASE IN NET POSITION	(741,397)
Net position, beginning of year	(1,751,327)
Captital contributed	746,089
Net position, end of year	($1,746,635)

NOTE 11 - SEGMENT INFORMATION (Continued)

COLLEGE PARK STATEMENT OF CASH FLOWS

CASH FLOWS FROM OPERATION ACTIVITIES	
Payments from Renters and Meal Plan Participants	$1,271,196
Payment to vendors	(1,284,180)
Payments to employees	(299,614)
Other receipts	30,966
Net cash provided (used) by operating activities	(281,632)
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES	
Capital contributed by MAC General Fund	746,089
Principal on capital debt	(240,000)
Interest expense and bond fees paid on long-term debt	(232,888)
Net cash provided (used) by capital financing activities	273,201
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on investments	1,340
Net cash provided by investing activities	1,340
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(7,091)
Cash and cash equivalents, beginning of year	40,972
Cash and cash equivalents, end of year	$ 33,881
RECONCILIATION OF OPERATING INCOME TO NET CASH USED BY OPERATING ACTIVITIES	
Operating income (loss)	
Adjustment to reconcile operating income to net cash used by operating activities	($ 472,486)
Depreciation and amortization expense	191,587
Changes in assets and liabilities	
Accounts receivable, net	8,736
Prepaid expenses	(883)
Accounts payable	(3,570)
Accrued liabilities	(2,466)
Security deposits	(2,550)
Net cash provided (used) by operating activities	($ 281,632)

NOTE 12 – DONOR RESTRICTED ENDOWMENTS

The college has received multiple endowments from individuals for the purpose of providing scholarships. In most cases, the interest earnings of these endowments are available for spending under a total-return policy. However, donor restrictions must also be abided by. For the year ended Jnne 30, 2015, the net appreciation on investments of donor-restricted endowments (nonexpendable) was $21,304. At June 30, 2015, the net amount of accumulated appreciation available for authorization for expenditure was $105,851 and is reported as part of the expendable restricted net assets. The College's expendable endowments as of June 30, 2015 were $353,939 and its nonexpendable endowments were $2,208,906.

The Foundation's endowments consist of individual investments established for multiple purposes. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Foundation classifies as nonexpendable restricted net assets the original value of gifts donated to the permanent endowment and the original value of subsequent gifts to the permanent endowment. The earnings of permanent endowment funds are shown as expendable restricted net assets. The Foundation only invests endowments in low-risk investments to maintain the corpus of the endowment, unless otherwise instructed by the donor. The Foundation has a total-return policy on spending the earnings of the endowments, unless otherwise specified by the donors. The Foundation's nonexpendable endowments were $558,044.

NOTE 13 – BOARD DESIGNATED ENDOWMENTS

The College and Foundation both have board designated unrestricted donations as endowments as of June 30, 2015. The interest on these endowments is used to fund scholarships and instructional activities. The board designated endowments are presented as unrestricted net assets in accordance with GASB 34. At June 30, 2015, the College had $170,841 of board designated endowments.

NOTE 14 - OTHER POST EMPLOYMENT BENEFITS

The College follows GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, for the accounting related to other postemployment benefit plans. The plan does not issue a separate standalone financial report. This Statement establishes the following measurement and recognition disclosures:

Plan Description

The College sponsors the Mineral Area College Other Past-Employment Benefits Program, a single-employer plan. Employees who are eligible for normal or early retirement under PSRS or PEERS may cover spouses and eligible dependent children. Surviving spouses can continue coverage after retiree's death. Benefits include the following: Medical including prescription drugs, dental, vision and life insurance coverage. Retirees can continue coverage past Medicare eligibility age.

Funding Policy

Plan members receiving benefits contribute 100% of the total premiums. The cost of the premium varies based upon which insurances the retiree chooses to take. Medical insurance ranges from $573 to $908. Dental insurance premiums range from $27 to $34. Life insurance is $32 to $179 per retiree.

NOTE 14 - OTHER POST EMPLOYMENT BENEFITS (Continued)

Annual OPEB and Net OPEB Obligation

The College's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents the level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not exceed thirty years. The following table shows the components of the College's annual OPEB cost for the year, the amount actuarially contributed to the plan, and changes in the College's annual OPEB obligation at June 30, 2015:

Annual required contribution	$ 249,700
Interest on net OPEB Obligation	34,100
Adjustment to annual required contribution	(33,600)
Annual OPEB Cost	250,200
Actual contributions	(93,600)
Increase in net OPEB Obligation	156,600
Net OPEB obligation, beginning of year	910,200
Net OPEB obligation, end of year	$1,066,800

The College's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2015 follows:

	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
Fiscal year ended:			
June 30, 2015	250,200	37.41%	1,066,800
June 30, 2014	264,100	48.24%	910,200
June 30, 2013	264,300	37.34%	773,500

Funding Status and Funding Progress

As of June 30, 2015, the most recent actuarial valuation date, the plan was zero percent funded. The College's actuarial accrued liability for benefits was $3,515,100 and the actuarial value of assets was zero, resulting in an unfunded actuarial accrued liability (UAAL) of $3,515,100. The covered payroll (annual payroll of active employees covered by the plan) was $9,625,000 and the ratio of the UAAL to covered payroll was 36.5%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and the assumptions about the probability of occurrence of events far in the future. Examples include assumptions about the future employment, mortality, and the health care 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 to past expectations and new estimates are made about the future.

NOTE 14 - OTHER POST EMPLOYMENT BENEFITS (Continued)

Actuarial Methods and Assumptions

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

In the June 30, 2015 actuarial valuation, the projected unit credit cost method was used. The annual health care cost trend rate of 6.4% is used initially, reduced by decrements to an ultimate rate of 4.5% after eighty-five years. The actuarial assumptions include a 3.75% rate for discounting liabilities per annum. This is the rate that the general fund reserves of the College are earning. The amortization period for the Unfunded Actuarial Accrued Liability (UAAL) should be reasonable related to the period of service over which retirees medical benefits are earned. For the Baseline results we have shown an open 30 year amortization period, which is the longest period permitted by GASB 45.

NOTE 15 – FAIR VALUE OF FINANCIAL INSTRUMENTS

Primary Government

Governmental Accounting Standards require disclosure of an estimate of fair value of certain financial instruments. The College's significant financial instruments are cash, accounts receivable, certificates of deposit, marketable equity securities, and other short-term assets and liabilities. These financial instruments are presented at fair value.

Discretely Presented Component Unit

The Mineral Area College Foundation, Inc. has adopted Statement of financial Accounting Standards No. 157, Fair Value Measurements, which was subsequently incorporated into the FASB Accounting Standards Codification (ASC) Topic 820. This standard defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. Topic 820 has been applied prospectively as of July 1, 2009.

Topic 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Topic 820 also established a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value.

Level 1 – Quoted prices in active markets for identical assets or liabilities.

Level 2 – Observable input others than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data or substantially the full term of the assets or liabilities.

Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

All assets of the Foundation were valued at June 30, 2015 using Level 1 inputs to measure fair value.

NOTE 16 – UNCERTAIN TAX POSITIONS

The Foundation's management is not aware of any uncertain tax positions, however, the information returns filed with the Internal Revenue Service for fiscal years 2012, 2013, and 2014 remain opened and subject to audit by the Internal Revenue Service.

REQUIRED SUPPLEMENTAL INFORMATION

MINERAL AREA COLLEGE
OTHER POST RETIREMENT BENEFIT INFORMATION
Year Ended June 30, 2015

The College's schedule of Funding Progress for the most recent and two preceding actuarial valuation dates and Schedule of Employer Contributions for the past seven years is as follows:

Schedule of Funding Process

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded Actuarial Accrued Liability (b-a)	Funded Ratio (a-b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
6/30/2009	$ -	$3,094,000	$3,094,000	0%	$ 7,553,000	41.0%
6/30/2011	-	3,004,000	3,004,000	0%	8,632,000	34.8%
6/30/2013	-	3,896,000	3,896,000	0%	12,334,000	31.6%
6/30/2015	-	3,515,000	3,515,000	0%	9,625,000	36.5%

Schedule of Employer Contributions

Fiscal year Ending June 30,	Annual Required Contribution	Interest on net OPEB Obligation	Adjustment to the ARC	Net OPEB Cost	Actual Contribution s	Net OPEB Obligation
2009	$257,000	$ -	$ -	$257,000	$100,400	$ 156,600
2010	257,000	-	-	257,000	104,600	309,000
2011	223,900	12,400	10,300	226,000	68,800	466,200
2012	223,900	18,600	15,500	227,000	85,300	607,900
2013	261,800	22,800	20,300	264,300	98,700	773,500
2014	261,800	29,000	26,700	264,100	127,400	910,200
2015	249,700	34,100	33,600	250,200	93,600	1,066,800

MINERAL AREA COLLEGE
DISCLOSURES FOR MISSOURI RETIREMENT SYSTEMS
Year Ended June 30, 2015

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

Year Ended	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Actual Covered Member Payroll	Net Pension Liability (Asset) as a Percentage of Covered Payroll	Fiduciary Net Position as a Percentage of Total Pension Liability
6-30-2015	.01972%	$8,090,279	$8,784,769	92.09%	89.30%

Schedule of Employer Contributions

Year Ended	Statutorily Required Contribution	Actual Employer Contributions	Contribution Excess/(Deficiency) (Deficiency)	Actual Covered Member payroll	Contributions as a Percentage of Covered Payroll
6/30/2013	$ 1,239,207	$ 1,239,207	$ -	$ 8,565,724	14.47%
6/30/2014	1,269,921	1,269,921	-	8,784,769	14.46%
6/30/2015	1,271,402	1,271,402	-	8,786,629	14.47%

MINERAL AREA COLLEGE
DISCLOSURES FOR MISSOURI RETIREMENT SYSTEMS
Year Ended June 30, 2015

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

Year Ended	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Actual Covered Member Payroll	Net Pension Liability (Asset) as a Percentage of Covered Payroll	Fiduciary Net Position as a Percentage of Total Pension Liability
6-30-2015	.01972%	$8,090,279	$8,784,769	92.09%	89.30%

Schedule of Employer Contributions

Year Ended	Statutorily Required Contribution	Actual Employer Contributions	Contribution Excess/(Deficiency) (Deficiency)	Actual Covered Member payroll	Contrubutions as a Percentage of Covered Payroll
6/30/2013	$ 221,466	$ 221,466	$ -	$ 3,228,371	6.86%
6/30/2014	235,775	235,775	-	3,436,951	6.86%
6/30/2015	234,094	234,094	-	3,412,445	6.86%

SUPPLEMENTAL INFORMATION

ENROLLMENT INFORMATION

The following table shows the enrollment of the College for the fall semester 2015 and the previous 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	Freshman	Sophomores	Other	Total
2010	1,814	1,305	872	3,991
2011	2,189	997	879	4,065
2012	1,678	1,183	914	3,775
2013	1,557	1,148	1,014	3,719
2014	1,493	1,088	1,268	3,849
2015	1,215	1,107	1,104	3,426

The following table shows the number of full-time equivalent students and the total annual student credit hours for the Fall Semester 2015 and the last five years.

Fall	FTE Students	Credit Hours
2010	2,871	43,068
2011	2,916	43,746
2012	2,751	41,266
2013	2,702	40,528
2014	2,875	43,122
2015	2,497	37,457

The District's projections of future enrollment for the next three fall semesters are as follows:

Fall	Enrollment
2016	3,443
2017	3,460
2018	3,480

The District's projections, of future enrollment, do not include 980 students enrolled in cooperative programs at the area career centers. In the Fall 2015 semester 564 of the student body were over 30 years old and the median age of the District's students was 22.

INSURANCE COVERAGE

The College is a member of the Missouri United School Insurance Council (MUSIC), which provides protected self-insurance to member school districts in Missouri. The following coverage was in effect at June 30, 2015.

Property & Inland Marine Coverage	Blanket replacement cost per statement of values
General Liability/Automobile Liability	$ 2,750,000 per occurrence
Umbrella Liability in excess of general liability	$ 2,000,000
Crime Coverage	$ 2,000,000 per occurrence
School Board Liability	$ 2,750,000 per occurrence/$5,000,000 annual aggregate per Member District
Worker's Compensation	$ 1,000,000 employer's liability
Treasurer's Bonds	$ 50,000
Equipment Breakdown Coverage	$ 100,000,000 per occurrence
Cyber Coverage	$ 2,000,000 per occurrence/$6,000,000 annual aggregate

COLLEGE PARK STUDENT HOUSING FACILITIES

Rental Rates

The following table shows the rental rates per apartment type in the student housing units during the fall and spring semesters for 2014- 2015:

	Nine Month Lease	Twelve Month Lease
Efficiency	$4,275	$5,700
Two-Bedroom	3,555	4,740
Four-Bedroom	3,105	4,140

Occupancy

Per daily leasing reports by Director of Student Housing, the following tables show the occupancy rates for non-staff apartments for the student housing units during the fall semester for each of the past five fiscal years (generally, occupancy is lower during the spring semester each fiscal year).

	2010	2011	2012	2013	2014
Efficiency	100%	75%	100%	25%	0.0%
Two-Bedroom	94.7%	91%	91%	89.2%	78.5%
Four-Bedroom	98%	96%	97%	97.4%	93.5%

Student Tuition and Fees

The following table sets forth the tuition and fee income for each of the last five years:

Year	Tuition and Fee Income
2010-2011	$ 8,286,348
2011-2012	$ 8,526,310
2012-2013	$ 8,408,860
2013-2014	$ 8,129,058
2014-2015	$ 8,297,338

Tuition and technology fee charges are established annually by the Board of Trustees. The total District charges for tuition and technology fees for an in-district resident for the 2014-2015 school year for regular semester of 15 credit hours was $1,455. The following table shows the District's in-district resident credit hour rate for tuition and technology fees for the current year and the prior five years:

Year	Credit Hour Rate
2010-2011	$83
2011-2012	$87
2012-2013	$92
2013-2014	$94
2014-2015	$97

For Missouri residents residing outside the boundaries of the District, the credit hour rate for tuition is $131, and for out-of-state students, the credit hour rate for tuition is $175.

TAX COLLECTION RECORD

The following table sets forth tax collection information for the District for the last five years (including State assessed railroad and utility property):

Fiscal Year Ended June 30,	Assessed Valuation	Levy (per $100 of Assessed Valuation	Total Taxes Levied	Current & Delinquent Taxes Collected	
				Amount	Percent
2011	771,817,111	.4720	3,642,977	3,705,536	101.72%
2012	811,681,499	.4720	3,831,137	3,955,013	103.23%
2013	822,439,678	.4753	3,909,056	3,965,589	101.45%
2014	850,966,852	.4753	4,044,645	4,076,340	100.78%
2015	852,215,872	.4772	4,066,774	4,110,041	101.06%

PROPERTY VALUATIONS

The following table shows the total assessed valuation and the estimated actual valuation by category, of all taxable tangible property (excluding State assessed railroad and utility property) situated in the District according to the assessment of January 1, 2014.

	Assessed Valuation	Rate	Estimated Actual Value
Real Estate:			
Residential	$ 448,570,173	.19	$ 2,360,895,647
Agricultural	14,122,300	.12	117,685,833
Commercial	129,125,160	.32	403,516,125
Total Real Estate	591,817,633		2,882,097,605
Personal Property:			
Locally Assessed Railroad and	172,120,946	.33	521,578,624
Utility Property:			
Real Estate	1,890,350	.32	5,907,344
Personal Property	1,756,493	.33	5,322,706
State Assessed Railroad and Utility Property:			
Real Estate	75,279,940	.32	235,249,813
Personal Property	9,350,510	.33	28,334,879
Total	$ 852,215,872		$ 3,678,490,971

History of Property Valuations: The total assessed valuation of all taxable property situated in the District, including valuation estimates for State assessed railroad and utility property. According to the assessments of January 1 in each of the past five calendar years has been as follows:

Year	Assessed Valuation	Percent Increase
2010	771,817,111	(2.39%)
2011	811,681,499	5.17%
2012	822,439,678	1.33%
2013	850,966,852	3.47%
2014	852,215,872	1.40%

MINERAL AREA COLLEGE

CONTINUING DISCLOSURE UNDER SEC RULE NO.240.15C2-12

Year Ended June 30, 2015

COMPARATIVE SUMMARY OF CURRENT FUNDS - REVENUES AND EXPENDITURES

	Fiscal Year Ended June 30,				
	2011	2012	2013	2014	2015
REVENUES:					
Educational and General					
Student Tuition and Fees	$ 9,618,383	$ 9,826,314	$ 9,880,090	$ 9,636,478	$ 9,817,095
State Appropations	5,062,405	4,715,836	4,700,200	4,750,981	5,122,689
Governmental Grant and Contracts	2,598,163	2,901,747	3,087,505	3,443,500	2,790,099
Sales and Services	386,705	414,680	402,604	392,103	395,517
Investment Income	116,089	116,616	53,340	48,252	45,965
Property Taxes	2,389,487	2,551,379	2,567,970	2,639,837	2,667,315
Gifts and Private Grants	439,121	842,663	665,433	305,340	293,195
Other Sources	146,248	259,004	163,426	275,005	321,633
Total Education and General	20,756,601	21,628,239	21,520,568	21,491,496	21,453,508
Auxillary Enterprises	3,338,615	3,689,510	3,654,419	3,428,075	3,393,211
TOTAL REVENUES	24,095,216	25,317,749	25,174,987	24,919,571	24,846,719
EXPENDITURES:					
Educational and General					
Instruction	9,248,555	9,758,524	10,260,813	10,404,387	9,155,045
Academic Support	2,211,586	2,209,106	2,241,298	2,252,512	2,204,259
Support Services	2,231,581	2,202,656	2,196,258	2,256,364	2,091,178
Plant Operations	2,305,654	2,200,028	2,133,949	2,157,918	2,019,925
Administration and General	3,503,283	3,461,584	3,690,884	3,885,646	3,730,523
Scholarships	1,332,034	1,300,004	1,471,231	1,507,420	1,519,758
Total Education and General	20,832,693	21,131,902	21,994,433	22,464,247	20,720,688
Auxillary Enterprises	2,506,202	2,951,209	2,940,940	2,866,046	2,829,791
Interest and Fees on Indebtedness	305,492	298,438	284,684	277,671	261,406
TOTAL EXPENDITURES	23,644,387	24,381,549	25,220,057	25,607,964	23,811,885
NET INCREASE IN NET ASSETS	$ 450,829	$ 936,200	($ 45,070)	($ 688,393)	$ 1,034,834

Summary Statement of Receipts, Expenditures and Fund Balance
The following table shows a summary of historic statements of revenues, expenses and changes in net assets of the District for the fiscal years ended June 30, 2013 through 2015.

	Fiscal Year Ended June 30,		
	2013	2014	2015
OPERATING REVENUES:			
Student Tuition and Fees*	$ 8,408,859	$ 3,123,062	$ 3,340,469
Federal Grants and Contracts	2,026,907	7,376,445	7,065,466
State and Logal Grants and Contracts	1,060,598	1,073,051	681,502
Sales and Services of Educational Departments	621,923	505,033	555,611
Auxiliary Enterprises:			
Student Housing	1,313,529	1,340,720	1,296,541
Bookstore	2,340,890	2,087,354	2,096,670
Other Operating Revenues	163,426	203,712	200,202
TOTAL OPERATING REVENUES	15,936,132	15,709,377	15,236,461
OPERATING EXPENSES:			
Instruction	10,260,813	10,404,387	9,155,046
Academic Support	2,241,298	2,252,512	2,204,259
Support Services	2,196,258	2,256,363	2,091,178
Institutional Support	3,654,905	3,885,646	3,730,524
Plant Operations	2,462,057	2,368,028	2,124,655
Depreciation	1,489,306	1,466,380	1,709,148
Auxiliary Enterprises:			
Student Housing	1,125,941	1,245,016	1,180,006
Bookstore	1,814,999	1,621,030	1,649,784
TOTAL OPERATING EXPENSES	25,245,577	25,499,362	23,844,600
TOTAL OPERATING REVENUES (EXPENSES)	(9,309,445)	(9,789,985)	(8,608,139)
NONOPERATING REVENUES (EXPENSES)			
State Appropriations	4,700,200	4,750,981	5,122,689
County Property Taxes	3,965,589	4,076,340	4,110,041
Gifts	280,793	339,637	372,772
Cozean Library - Transferred from Foundation	160,738	-	-
Scholarships - Transferred from Foundation	202,654	-	-
Investment Income	87,132	95,623	97,624
Interest and Fees on Capital Asset-Related Debt	(503,103)	(635,875)	(608,036)
Sale of Capital Assets	4,466	470	136
TOTAL NONOPERATING REXENUES (EXPENSES)	8,898,469	8,627,176	9,095,226
INCREASE IN NET ASSETS	(410,976)	(1,162,809)	487,087
NET ASSETS, BEGINNING OF YEAR	20,309,871	19,596,090	18,433,281
Prior Period Adjustment	(302,805)	-	(12,577,325)
NET ASSETS, BEGINNING OF YEAR AS RESTATED	20,007,066	19,596,090	5,855,956
NET ASSETS, END OF YEAR	$19,596,090	$18,433,281	$ 6,343,043

* This figure is net of scholarship allowances totaling $1,471,231 in 2013, $6,513,416 in 2014 and $6,476,627 in 2015.

FEDERAL AWARDS

MINERAL AREA COLLEGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2015

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Federal Expenditures
U.S. Department of Education		
Student Financial Assistance Cluster		
Federal Work-Study Program	84.033	$ 71,247
Federal Pell Grant Program	84.063	7,743,241
Federal S.E.O.G.	84.007	80,500
Federal Direct Student Loans	84.268	5,352,440
TRIO Cluster		
TRIO - Student Support Services	84.042	268,563
TRIO - Talent Search Program	84.044	443,972
TRIO - Upward Bound	84.047	569,674
Passed through Missouri Department of Elementary and Secondary Education:		
Vocational Education - Basic Grants to States - Perkins	84.048	303,638
Total Department of Education		14,833,275
Corporation for National and Community Services		
Americorps	94.006	462
U.S. Department of Labor		
Trade Adjustment Assistance Community College and Career Training (TAACCT) Grants:		
MO Health WINS	17.282	178,746
MO Manufacturing WINS	17.282	264,547
MO STEM WINS	17.282	56,432
Total Department of Labor		499,725
TOTAL EXPENDITURES OF FEDERAL AWARDS		$15,333,462

MINERAL AREA COLLEGE
NOTES TO SCHEDULE OF FEDERAL AWARDS
Year Ended June 30, 2015

NOTE 1 – GENERAL

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal award programs of Mineral Area College. All federal awards received directly from federal agencies or passed through other government agencies are included on the schedule.

NOTE 2 – BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting as described in Note 1 to the College's basic financial statement.

Boyer & Associates, PC
Certified Public Accountants

(573) 431-6145 (573) 431-7500
Fax (573) 431-0677

P.O. Box 98 – 905 E. Main Street Park Hills, MO 63601

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

November 10, 2015

Board of Trustees
Mineral Area College
Park Hills, MO 63601

We have audited, in accordance with the auditing standard generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business type activities, and the discretely presented component unit, of Mineral Area College as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated November 10, 2015.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Mineral Area 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 Mineral Area College's internal control. Accordingly, we do not express an opinion on the effectiveness of Mineral Area 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 that 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 and that we consider to be material weaknesses. However, material weakness may exist that have not been identified.

Compliance and Other Matters

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

Boyer & Associates, PC

Boyer & Associates, PC
Certified Public Accountants

Boyer & Associates, PC
Certified Public Accountants

(573) 431-6145 (573) 431-7500
Fax (573) 431-0677

P.O. Box 98 – 905 E. Main Street Park Hills, MO 63601

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

November 10, 2015

Board of Trustees
Mineral Area College
Park Hills, MO 63601

Report on Compliance for Each Major Federal Program

We have audited Mineral Area College compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have direct and material effect on each of Mineral Area College's major federal programs for the year ended June 30, 2015. Mineral Area College's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Mineral Area 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations.* Those standards and OMB Circular A-133 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 Mineral Area 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 Mineral Area College's compliance.

Opinion on Each Major Federal Program

In our opinion, Mineral Area College complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

Report on Internal Control over Compliance

Management of Mineral Area 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 Mineral Area 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 OMB Circular A-133, 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 Mineral Area 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 weaknesses 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 weakness 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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Boyer & Associates, PC

Boyer & Associates, PC
Certified Public Accountants

MINERAL AREA COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2015

I. SUMMARY OF AUDITORS' RESULTS

Financial Statements

- An unqualified report was issued on the financial statements of the Mineral Area College

Internal control over financial reporting:

- Material weakness(es) identified: _____yes __x__no

- Significant deficiency(ies) identified that are not considered to be material weaknesses? _____yes __x__none reported

Noncompliance material to financial statements noted? _____yes __x__no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified: _____yes __x__no

- Significant deficiency(ies) identified that are not considered to be material weaknesses? _____yes __x__none reported

- An unmodified report was issued on compliance for major programs.

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133? _____yes __x__no

Identification of major programs:

CDFA#	PROGRAM
84.033	Student Financial Assistance Cluster
84.042	TRIO Cluster

Dollar threshold used to distinguish between type A and type B programs $300,000

Auditee qualified as low-risk auditee? _____yes __x__no

II. FINANCIAL STATEMENT FINDING

- There were no findings.

MINERAL AREA COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2015

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

- There were no findings.