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CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Three Rivers College
Poplar Bluff, Missouri

Report on the Financial Statements
We have audited the accompanying financial statements of the business-type activities and the fiduciary fund information of Three Rivers College and Three Rivers Endowment Trust, a discretely presented component unit of Three Rivers College as of and for the years ended June 30, 2017 and 2016, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

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

Auditors' Responsibility
Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The financial statements of Three Rivers Endowment Trust were not audited in accordance with *Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Three Rivers College as of June 30, 2017 and 2016, and the respective changes in financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 9 and the schedule of proportionate share of net pension liability and related ratios and schedule of employer contributions on pages 45 through 46 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 10, 2017, on our consideration of Three Rivers College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Three Rivers College's internal control over financial reporting and compliance.

Kraft, Miles & Tatum, LLC

Certified Public Accountants
November 10, 2017

Introduction

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

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

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

Statement of Net Position

The Statement of Net Position presents the assets, liabilities and net position of the College as of June 30, 2017, the last day of the fiscal year. The general purpose of this statement is to present a "snapshot" of the financial condition of the College.

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

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

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

Unrestricted net assets are available for any lawful purpose.

Table 1
Comparative Statement of Net Position

	2017	2016
Assets		
Current	$18,135,914	17,243,029
Land	5,490,786	5,490,786
Capital assets, net	33,295,470	28,958,817
Housing capital assets, net	2,569,196	2,740,500
Other non-current assets	4,340,913	830,860
Total Assets	63,832,279	55,263,992
Deferred Outflows of Resources		
Pension deferrals	8,160,659	5,262,107
Total Deferred Outflows of Resources	8,160,659	5,262,107
Liabilities		
Long-term debt	22,855,459	17,491,387
Other current liabilities	6,911,541	6,444,735
Other non-current liabilities	16,443,473	13,013,510
Total Liabilities	46,210,473	36,949,632
Deferred Inflows of Resources		
Pension deferrals	3,374,699	3,151,721
Total Deferred Inflows of Resources	3,374,699	3,151,721
Net Position		
Net investment in capital assets	23,547,780	21,258,724
Net investment in housing capital assets	(1,332,004)	(1,334,632)
Restricted		
Non-expendable	500,121	507,240
Expendable	114,054	125,117
Unrestricted	(422,185)	(131,703)
Total Net Position	$22,407,766	20,424,746

Both total assets and total liabilities increased in the current year. Total assets increased by approximately $8,600,000, while total liabilities increased by approximately $9,300,000. Assets were increased primarily due to continued investment in the Libla Athletic Complex and an increase in restricted cash due unspent funds from the issuance of new debt. Liabilities increased due to an increase in net pension liability related to the implementation of Governmental Accounting Standards Board ("GASB") Statement No. 68, *Accounting for Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* (See Note 6), and also due to the issuance of Lease Participation Certificates, Series 2016.

Statement of Revenues, Expenses and Changes in Net Position

This statement presents the College's results of operations for the year ended June 30, 2017. It includes the College's revenues and expenses, both operating and non-operating. Operating revenues and expenses are those for which the College directly provides or receives goods and services. Non-operating revenues and expenses are those that exclude specific, direct exchanges of goods and services. Local property taxes and state aid are two examples of non-operating revenues where local taxpayers and the state legislature, respectively, do not directly receive goods or services in exchange for the revenue.

Following are summarized versions of the College's revenues, expenses and changes in net position for the years ended June 30, 2017 and 2016.

	2017	2016
Operating revenues	$14,722,125	15,473,312
Operating expenses	(25,214,577)	(24,364,558)
Operating Loss	(10,492,452)	(8,891,246)
Non-operating revenues	13,351,768	12,066,439
Gain (loss) on sale of asset	2,766	(2,230)
Gift returns	(61,068)	(46,550)
Debt issue costs	(120,856)	
Interest expense	(697,138)	(587,902)
Change in Net Position	1,983,020	2,538,511
Net Position, Beginning of Year	20,424,746	17,886,235
Net Position, End of Year	$22,407,766	20,424,746

For purposes of comparison, the schedule of the College's revenues, both operating and non-operating, for the years ended June 30, 2017 and 2016, are presented here.

	2017	2016
Operating Revenues		
Student tuitions and fees	$11,160,811	12,022,378
Auxiliary enterprises	3,245,715	3,181,382
Other	315,599	269,552
Total	$14,722,125	15,473,312
Non-Operating Revenues		
Donations	$ 52,362	26,495
Property taxes	2,181,774	2,051,420
State aid and grants	6,758,984	6,437,081
Federal grants and contracts	4,163,306	3,387,300
Other	195,342	164,143
Total	$13,351,768	12,066,439

Tuition and fees decreased by approximately $862,000. The decrease is due to an overall decrease in enrollment.

State aid and grants increased by approximately $227,000. This increase was due to an increase in state appropriations. Federal grants increased by approximately $871,000, primarily due to the construction of the SEMA/FEMA safe room adjoining the Libla Family Sports Complex.

The following schedule presents operating expenses of the College by function for the years ended June 30, 2017 and 2016.

	2017	2016
Operating Expenses		
Instruction	$ 9,160,194	8,509,758
Student services	3,464,841	3,378,953
Academic support	1,965,274	2,200,782
Institutional support	3,876,898	3,397,183
Operation and management of plant	1,849,687	2,014,491
Financial aid and scholarships	668,265	786,530
Auxiliary enterprises	2,382,710	2,273,206
Depreciation and amortization	1,846,708	1,803,655
Total Operating Expenses	$25,214,577	24,364,558
Non-Operating Expenses		
(Gain) loss on sale of asset	$ (2,766)	2,230
Gift returns	61,068	46,550
Debt issue costs	120,856	
Interest	697,138	587,902
Total Non-Operating Expenses	$ 876,296	636,682

The cost of operations increased 3% compared to a 5% decrease in operational revenues.

Statement of Cash Flows

This Statement of Cash Flows presents information about the cash activity of the College. It shows the major sources and uses of cash. Comparative summary statements of cash flows for the fiscal years ended June 30, 2017 and 2016 are as follows:

	2017	2016
Net Cash Provided By/(Used In):		
Operating activities	$ (6,853,098)	(9,096,379)
Investing activities	85,277	110,452
Non-capital financing activities	13,160,180	11,926,000
Capital and related financing activities	(1,372,010)	(3,868,139)
Net Change in Cash	5,020,349	(928,066)
Cash and Cash Equivalents, Beginning of Year	8,488,485	9,416,551
Cash and Cash Equivalents, End of Year	$13,508,834	8,488,485

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

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

These statements are presented separately from the operating statements of the College discussed previously. The information contained in these statements deals with funds that have been contributed to the College subject to the requirement that a designated beneficiary receive a specified annual payment. When these payments end, the balance of the funds will be available for use by the College at a time specified in the trust agreement. The net position of the trust at June 30, 2017, totaled approximately $3,478,000, an increase of approximately $318,000 from the prior year due primarily to investment gains.

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

Analysis

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

In the year ended June 30, 2016, the College had an increase in net position of approximately $2,500,000 as a result of increased tuition and fee rates and increased state funding. In the year ended June 30, 2017, the College had an increase in net position of approximately $2,000,000 as a result of increased state and federal funding.

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

Capital Asset and Debt Administration

Capital Assets

The College's investment in capital assets as of June 30, 2017 amounts to $41.4 million (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings, furniture and equipment, infrastructure, library materials, and leasehold improvements. This amount represents a net increase (including additions and deductions) of $4,165,349, or 11.6%, over last year. Major additions include the following: land improvements to the campus and the construction of the Libla Family Sports Complex.

Three Rivers College Capital Assets
(amounts expressed net of accumulated depreciation)

	2017	2016
Land	$ 5,490,786	5,490,786
Construction in progress	6,348,110	1,640,154
Buildings and improvements	26,778,298	27,504,573
Furniture, fixtures and equipment	1,849,108	2,019,594
Infrastructure and land improvements	598,415	295,926
Library materials	193,193	151,002
Leasehold improvements	97,542	88,068
Total	$ 41,355,452	37,190,103

For additional information on capital assets, see note 5 in the notes to the financial statements.

Debt Adiminstration

As of June 30, 2017, the College has a total of $22.9 million of outstanding debt, an increase of $5,364,072 from the previous year.

Three Rivers College Outstanding Debt

	2017	2016
Lease Participation Certificates	$ 22,535,000	17,275,000
Premiums (Discounts)	208,459	76,387
Notes Payable	112,000	140,000
Total	$ 22,855,459	17,491,387

The increase in outstanding debt resulted from the issuance of $5,985,000 of Lease Participation Certificates for new projects, including the Libla Family Sports Compex. For additional information on debt administration, see note 4 in the notes to the financial statements.

Contacting the College's Financial Management

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

Three Rivers College
Statements of Net Position
June 30, 2017 and 2016

	2017	2016
Assets		
Current Assets		
Cash and cash equivalents	$ 9,612,241	8,121,140
Investments	55,801	43,725
Tuition and fees receivable, net	7,354,190	7,183,259
Rent receivable	93,273	107,262
Other receivables	563,620	1,264,489
Property taxes and other receivables	116,750	112,411
Inventory	152,875	215,187
Prepaid expenses	187,164	195,556
Total Current Assets	18,135,914	17,243,029
Non-Current Assets		
Restricted cash and cash equivalents	3,896,593	367,345
Restricted certificates of deposit	444,320	463,515
Land	5,490,786	5,490,786
Capital assets, net	33,295,470	28,958,817
Housing capital assets, net	2,569,196	2,740,500
Total Non-Current Assets	45,696,365	38,020,963
Total Assets	63,832,279	55,263,992
Deferred Outflows of Resources		
Pension deferrals	8,160,659	5,262,107
Total Deferred Outflows of Resources	8,160,659	5,262,107
Total Assets and Deferred Outflows of Resources	$ 71,992,938	60,526,099

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

Three Rivers College

Statements of Net Position
June 30, 2017 and 2016

		2017	2016
Liabilities			
Current Liabilites			
Accounts payable	$	1,094,702	670,661
Accrued vacation, salaries, and retirement		552,575	558,813
Accrued interest		180,810	141,969
Student deposits		47,573	44,752
Unearned tuition and fees		5,035,323	5,026,367
Endowments and scholarships		558	2,173
Current maturities of long-term debt		1,008,000	753,000
Total Current Liabilities		7,919,541	7,197,735
Non-Current Liabilities			
Net pension liability		15,137,973	11,846,110
Other post employment benefits		1,305,500	1,167,400
Long-term debt		21,847,459	16,738,387
Total Non-Current Liabilities		38,290,932	29,751,897
Total Liabilities		46,210,473	36,949,632
Deferred Inflows of Resources			
Pension deferrals		3,374,699	3,151,721
Total Deferred Inflows of Resources		3,374,699	3,151,721
Net Position			
Net investment in capital assets		23,547,780	21,258,724
Net investment in housing capital assets		(1,332,004)	(1,334,632)
Restricted for nonexpendable:			
Scholarships and fellowships		500,121	507,240
Restricted for expendable:			
Scholarships and fellowships		114,054	125,117
Unrestricted		(422,185)	(131,703)
Total Net Position		22,407,766	20,424,746
Total Liabilities, Deferred Inflows of Resources and Net Postion	$	71,992,938	60,526,099

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

Three Rivers College

Statements of Revenues, Expenses, and
Changes in Net Position
Years Ended June 30, 2017 and 2016

	2017	2016
Operating Revenues		
Student tuitions and fees (net of scholarship allowances of $8,702,925 and $9,762,115)	$ 11,160,811	12,022,378
Auxiliary enterprises		
Housing	604,825	533,016
Bookstore	2,194,435	2,219,996
Student activities	446,455	428,370
Other operating revenues	315,599	269,552
Total Operating Revenues	14,722,125	15,473,312
Operating Expenses		
Instruction	9,160,194	8,509,758
Student services	3,464,841	3,378,953
Academic support	1,965,274	2,200,782
Institutional support	3,876,898	3,397,183
Operating and management of plant	1,849,687	2,014,491
Financial aid and scholarships	668,265	786,530
Auxiliary enterprises		
Housing	339,006	293,284
Bookstore	1,632,464	1,533,880
Student activities	411,240	446,042
Depreciation and amortization	1,846,708	1,803,655
Total Operating Expenses	25,214,577	24,364,558
Operating Income/(Loss)	(10,492,452)	(8,891,246)
Non-Operating Revenues/(Expenses)		
Donations	52,362	26,495
Property taxes	2,181,774	2,051,420
State aid and grants	6,758,984	6,437,081
Federal grants and contracts	4,163,306	3,387,300
Investment gain	78,158	67,394
Contributions	117,184	96,749
Gift returns	(61,068)	(46,550)
Gain (loss) on sale of asset	2,766	(2,230)
Debt issue costs	(120,856)	
Interest expense	(697,138)	(587,902)
Total Non-Operating Revenues/(Expenses)	12,475,472	11,429,757
Changes in Net Position	1,983,020	2,538,511
Net Position, Beginning of year	20,424,746	17,886,235
Net Position, End of year	$ 22,407,766	20,424,746

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

Three Rivers College

Statements of Cash Flows

For the Years Ended June 30, 2017 and 2016

	2017	2016
Cash Flows from Operating Activities:		
Tuition and fees	$ 13,020,966	12,382,805
Payments to suppliers	(7,590,958)	(7,556,398)
Payments to employees	(12,902,721)	(14,297,975)
Receipts (refunds) of deposits	2,821	470
Auxiliary enterprise receipts	212,488	(1,341)
Other	404,306	376,060
Net cash used in operating activities	(6,853,098)	(9,096,379)
Cash Flows from Noncapital Financing Activities:		
Local property taxes	2,181,774	2,051,420
State aid and grants	6,856,954	6,532,081
Federal grants and contracts	4,065,336	3,292,300
Gift returns	(61,068)	(46,550)
Contributions	117,184	96,749
Net cash provided by noncapital financing activities	13,160,180	11,926,000
Cash Flows from Capital and Related Financing Activities:		
Debt service - interest payments	(658,297)	(591,344)
Debt service - principal payments	(753,000)	(700,000)
Proceeds from lease participation certificates	6,125,787	
Payments of debt issuance cost	(120,856)	
Proceeds from sale of asset	2,766	
Acquisition of capital assets	(5,968,410)	(2,576,795)
Net cash used in capital and related financing activities	(1,372,010)	(3,868,139)
Cash Flows from Investing Activities:		
Interest and dividends	78,158	67,394
Purchase of investments	(12,076)	(3,489)
Proceeds from maturity of certificates of deposit	19,195	46,547
Net cash provided by investing activities	85,277	110,452
Net increase/(decrease) in cash and cash equivalents	5,020,349	(928,066)
Cash, beginning of year	8,488,485	9,416,551
Cash, end of year	$ 13,508,834	8,488,485

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

Three Rivers College

Statements of Cash Flows - Continued

For the Years Ended June 30, 2017 and 2016

	2017	2016
Displayed as:		
Cash and cash equivalents	$ 9,612,241	8,121,140
Restricted cash and cash equivalents	3,896,593	367,345
	$ 13,508,834	8,488,485
Reconciliation of operating income/(loss) to net cash provided by/(used in) operating activities		
Operating income/(loss)	$ (10,492,452)	(8,891,246)
Adjustments to reconcile operating income to net cash used in operating activities		
Depreciation and amortization	1,846,708	1,803,655
Bad debt, net	2,740,221	2,245,232
Changes in assets and liabilities		
(Increase)/decrease in:		
Tuition and fees receivable	(2,911,152)	(2,093,279)
Other receivables	714,858	(724,037)
Property taxes	(4,339)	15,918
Inventory	62,312	22,957
Prepaid expenses	8,392	(4,603)
Deferred outflows	(2,898,552)	(2,957,759)
Increase/(decrease) in:		
Accounts payable	424,041	(738,629)
Accrued vacation, salaries, and retirement	(6,238)	2,744
Student deposits	2,821	470
Unearned tuition and fees	8,956	(333,063)
Endowments and scholarships	(1,615)	830
Incentive retirement payable		(6,497)
Other post employment benefits	138,100	165,500
Deferred inflows	222,978	(984,731)
Net pension liability	3,291,863	3,380,159
Net cash used in operating activities	$ (6,853,098)	(9,096,379)
Supplemental Disclosures:		
Non-cash capital and related financing activity		
Assets acquired through donations	$ 52,362	26,495

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

Three Rivers College

Statements of Fiduciary Net Position

For the Years Ended June 30, 2017 and 2016

	June 30, 2017		June 30, 2016	
Assets	Private Purpose Trusts	Agency Funds	Private Purpose Trusts	Agency Funds
Cash and cash equivalents	$	125,263	$	142,431
Beneficial interest in trust	3,478,489		3,160,240	
Total assets	3,478,489	125,263	3,160,240	142,431
Liabilities				
Deposits held in trust for others		125,263		142,431
Total liabilities		125,263		142,431
Net Position				
Unreserved	$ 3,478,489		$ 3,160,240	

Three Rivers College

Statements of Changes in Fiduciary Net Position

For the Years Ended June 30, 2017 and 2016

	Private Purpose Trusts Years Ended June 30, 2017	2016
Additions		
Interest income	$ 75,361	69,264
Realized gain/(loss) on investments	100,174	9,938
Total Additions	175,535	79,202
Deductions		
Benefits paid to beneficiaries	51,326	51,301
Unrealized (gain)/loss on investments	(221,190)	32,278
Asset changes	1,395	
Administrative expense	25,755	24,583
Total Deductions	(142,714)	108,162
Changes in Net Position	318,249	(28,960)
Net Position, Beginning of year	3,160,240	3,189,200
Net Position, End of year	$ 3,478,489	3,160,240

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

Three Rivers College

Statements of Financial Position-Component Unit

Three Rivers Endowment Trust

For the Years Ended June 30, 2017 and 2016

	Years Ended June 30, 2017	2016
Assets		
Cash	$ 3,475,289	2,723,783
Contribution receivable	2,936,506	3,719,788
Certificates of deposit	73,528	72,262
Investments	1,584,496	1,373,232
Artwork	12,667	12,667
Assets held for sale	257,000	257,000
Total Assets	$ 8,339,486	8,158,732
Liabilities And Net Assets		
Liabilities:		
Accounts payable	$ 250	525
Total Liabilities	250	525
Net Assets:		
Unrestricted	452,828	416,810
Temporarily restricted	6,917,136	6,837,287
Permanently restricted	969,272	904,110
Total Net Assets	8,339,236	8,158,207
Total Liabilities and Net Assets	$ 8,339,486	8,158,732

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

Three Rivers College
Statements of Activities-Component Unit
Three Rivers Endowment Trust
For the Years Ended June 30, 2017 and 2016

	Years Ended June 30, 2017	2016
Changes in Unrestricted Net Assets		
Revenues		
Contributions	$ 34,448	97,814
Donated items		12,667
Fundraising events	35,521	27,987
Bad debt recovered	41,818	
Miscellaneous	1,704	2,026
Net assets released from restrictions	121,131	35,974
Total Unrestricted Revenue	234,622	176,468
Expenses		
Program services	152,240	101,701
General and administrative	15,617	83,977
Fundraising	30,747	15,353
Total Expenses	198,604	201,031
Increase (decrease) in Unrestricted Net Assets	36,018	(24,563)
Changes in Temporarily Restricted Net Assets		
Contributions	73,904	2,199,180
Interest and dividend income	8,295	4,881
Investment gain	118,781	(45,682)
Net assets released from restrictions	(121,131)	(35,974)
Increase in Temporarily Restricted Net Assets	79,849	2,122,405
Changes in Permanently Restricted Net Assets		
Contributions	65,162	133,970
Increase in Permanently Restricted Net Assets	65,162	133,970
Change in Net Assets	181,029	2,231,812
Net Assets, Beginning of Year	8,158,207	5,926,395
Net Assets, End of Year	$ 8,339,236	8,158,207

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

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

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

Basis of Accounting

Proprietary Funds

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

Non-exchange transactions, in which the college receives value without directly giving equal value in return, includes property taxes; federal, state and local grants; state appropriations; and other contributions. On the accrual basis, revenue from property taxes is recognized in the period for which the levy is intended to finance. Revenue from grants, state appropriations, and other contributions is recognized when requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the College must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided on a reimbursement basis.

Fiduciary Funds

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

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

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

Reporting Entity

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

Blended Component Unit

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

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

Condensed Statements of Net Position

	2017	2016
Assets		
Current assets	$ 3,896,593	367,345
Capital assets	17,643,106	15,078,053
Total Assets	21,539,699	15,445,398
Liabilities		
Current liabilities	180,810	141,970
Noncurrent liabilities	22,743,459	17,351,387
Due to college	621,998	21,516
Total Liabilities	23,546,267	17,514,873
Net Position		
Net investment in capital assets	(2,006,568)	(2,069,475)
Total Net Position	$ (2,006,568)	(2,069,475)

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

	2017	2016
Operating Revenues (Expenses)		
Operating revenues	$ 1,389,311	1,295,855
Other operating expenses	(31,452)	(653,003)
Depreciation and amortization expense	(478,247)	(467,110)
Operating Income	879,612	175,742
Non-Operating Revenues (Expenses)		
Dividend income	1,291	
Interest expense	(697,140)	(587,902)
Debt issue costs	(120,856)	
Changes in Net Position	62,907	(412,160)
Beginning Net Position	(2,069,475)	(1,657,315)
Ending Net Position	$ (2,006,568)	(2,069,475)

Condensed Statements of Cash Flows

	2017	2016
Net Cash Provided By/(Used In):		
Operating activities	$ 1,390,603	1,295,855
Capital and related financing activities	2,138,645	(2,835,419)
Net Change	3,529,248	(1,539,564)
Cash and Cash Equivalents, Beginning	367,345	1,906,909
Cash and Cash Equivalents, Ending	$ 3,896,593	367,345

Discretely Presented Component Unit

Three Rivers Endowment Trust

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

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

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

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

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

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

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

Unrestricted Net Assets
Net assets not subject to donor-imposed restrictions.

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

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

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

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

Omitted Component Unit

Three Rivers Booster Club

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

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

Use of Estimates

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

Property Taxes

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

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

The assessed valuation of the tangible taxable property for the calendar years 2016 and 2015 for purposes of local taxation was $888,728,625 and $868,924,222 respectively. The tax levy per $100 of the assessed valuation of tangible property for the calendar years 2016 and 2015 were set at $0.2352 and $0.2352, respectively.

Cash and Cash Equivalents

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

Investments

Investments are measured at fair value on a recurring basis. Recurring fair value measurements are those that GASB Statements require or permit in the statement of net position at the end of each reporting period.

Tuition and Fees Receivable

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

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

Capital Assets

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

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

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

Inventory

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

Unearned Tuition and Fees

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

Deferred Outflows/Inflows of Resources

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

Compensated Absences

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

Classification of Revenue

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

Federal Financial Assistance Programs

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

Scholarship Allowances

Student tuition and fee revenues, and certain other revenues from students, are reported as the net of scholarship allowances in the statement of revenues, expenses and changes in net position. Scholarship allowances are the difference between the stated charge for goods and services provided by the College and the amount that is paid by students and or/third parties making payments on the students' behalf. Certain governmental grants, such as Pell grants, and other federal, state or non-governmental programs, are recorded as either operating or non-operating revenues in the College's financial statements. To the extent that revenues from such programs are used to satisfy tuition and fees and other student charges, the College has recorded a scholarship allowance. The scholarship allowances on tuition, fees, and housing for the years ended June 30, 2017 and 2016, was $8,702,925 and $9,762,115, respectively.

Net Position

The College's net position is classified as follows:

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

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

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

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

Subsequent Events

The College has evaluated subsequent events through November 10, 2017, which is the date that the financial statements were available to be issued.

Reclassification

Certain prior year amounts have been reclassified to conform with the current year presentation.

2. DEPOSITS AND INVESTMENTS

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

Deposits

The carrying values of the College's bank accounts and certificates of deposit at June 30, 2017 and 2016, were $17,553,706 and $11,818,214, respectively, and the bank balances at June 30, 2017 and 2016, were $14,771,283 and $9,600,321, respectively, substantially all of which were covered by federal depository insurance and collateral held by the College's agent in the College's name. State law requires collateralization of all deposits with federal depository insurance; bonds and other obligations of the U.S. Treasury, U.S. agencies and instrumentalities or the State of Missouri; bonds of any city, county, school district, or special road district of the State of Missouri; bonds of any state; or a surety bond having an aggregate value of at least equal to the amount of the deposits.

Summary of Carrying Values

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

	2017	2016
Carrying Value		
Deposits	$17,553,706	11,818,214

Included in the following statements of net position captions:

	2017	2016
Proprietary Funds		
Cash and cash equivalents	$ 9,612,241	8,121,140
Restricted cash and cash equivalents	3,896,593	367,345
Restricted certificates of deposit	444,320	463,515
Fiduciary-Agency Funds		
Cash and cash equivalents	125,263	142,431
Component Unit-Endowment Trust		
Cash and cash equivalents	3,475,289	2,723,783
	$17,553,706	11,818,214

Investments

Investments consist of equity securities donated to the College.

3. BENEFICIAL INTEREST IN TRUST

As of June 30, 2017 and 2016, the College has $3,478,489 and $3,160,240, respectively, of beneficial interest in a charitable remainder annuity trust. The trust is maintained by an outside fiscal agent and is not under the control of the College. Under the terms of the trust agreement, the donor's designated beneficiary receives five percent of the initial fair market value of the assets in the trust during her lifetime.

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

4. LONG TERM DEBT

The following is a summary of long-term debt transactions for the College for the year ended June 30, 2017.

	Balance June 30, 2016	Additions	Deductions	Balance June 30, 2017	Current Portion
Lease Participation Certificates, Series 2012A	$ 4,075,000		175,000	3,900,000	175,000
Lease Participation Certificates, Series 2012B	4,950,000		225,000	4,725,000	225,000
Lease Participation Certificates, Series 2014	8,250,000		325,000	7,925,000	350,000
Lease Participation Certificates, Series 2016		5,985,000		5,985,000	230,000
Premiums (Discounts)	76,387	140,787	8,715	208,459	
Note Payable	140,000		28,000	112,000	28,000
Total	$ 17,491,387	6,125,787	761,715	22,855,459	1,008,000

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

	Balance June 30, 2015	Additions	Deductions	Balance June 30, 2016	Current Portion
Lease Participation Certificates, Series 2012A	$ 4,250,000		175,000	4,075,000	175,000
Lease Participation Certificates, Series 2012B	5,175,000		225,000	4,950,000	225,000
Lease Participation Certificates, Series 2014	8,550,000		300,000	8,250,000	325,000
Premiums (Discounts)	80,409		4,022	76,387	
Note Payable		140,000		140,000	28,000
Total	$ 18,055,409	140,000	704,022	17,491,387	753,000

Debt Service Requirements to Maturity

The debt service requirements for the next five years, and thereafter, as of June 30, 2017, are as follows:

Year Ending June 30,	Principal	Interest	Total to be Paid
2018	$ 1,008,000	731,844	1,739,844
2019	1,033,000	706,444	1,739,444
2020	1,093,000	680,175	1,773,175
2021	1,123,000	651,400	1,774,400
2022	1,105,000	620,650	1,725,650
2023-2027	6,310,000	2,580,376	8,890,376
2028-2032	7,550,000	1,423,250	8,973,250
2033-2037	3,425,000	230,250	3,655,250
	$ 22,647,000	7,624,389	30,271,389

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

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

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

Lease Participation Certificates - Series 2016
On October 12, 2016, the College issued $5,985,000 of lease participation certificates. These certificates bear interest at 2.0% to 3.0%, due in semiannual installments, which began on April 1, 2017. Principal maturities will begin on October 1, 2017, and continue through 2037. These certificates are being used for the construction of the Libla Family Sports Complex and an adjoining SEMA/FEMA shelter.

Note Payable

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

5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2017:

	Balance June 30, 2016	Additions	Retirements	Balance June 30, 2017
Capital assets, not being depreciated:				
Land	$ 5,490,786			5,490,786
Construction in progress	1,640,154	5,053,531	345,575	6,348,110
Total capital assets, not being depreciated	7,130,940	5,053,531	345,575	11,838,896
Capital assets, being depreciated:				
Buildings and improvements	39,842,617	368,595		40,211,212
Furniture, fixtures and equipment	11,477,250	498,480		11,975,730
Infrastructure and land improvements	1,355,850	377,937		1,733,787
Library materials	844,537	67,804		912,341
Leasehold improvements	794,163			794,163
Total capital assets, being depreciated	54,314,417	1,312,816		55,627,233
Less accumulated depreciation for:				
Buildings and improvements	12,338,044	1,094,870		13,432,914
Furniture, fixtures and equipment	9,457,656	668,966		10,126,622
Infrastructure and land improvements	1,059,924	75,448		1,135,372
Library materials	693,535	25,613		719,148
Leasehold improvements	706,095	32,786	42,260	696,621
Total accumulated depreciation	24,255,254	1,897,683	42,260	26,110,677
Total capital assets, being depreciated, net	30,059,163	(584,867)	(42,260)	29,516,556
Total capital assets, net	$ 37,190,103	4,468,664	303,315	41,355,452

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

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

6. PENSION PLANS

Summary of Significant Accounting Policies

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

The fiduciary net position as well as additions to and deductions from the fiduciary net position, of PSRS and PEERS have been determined on the same basis as they are reported by the Systems. The financial statements were prepared using the accrual basis of accounting. Member and employer contributions are recognized when due, pursuant to formal commitments and statutory requirements. Benefits and refunds of employee contributions are recognized when due and payable in accordance with the statutes governing the Systems. Expenses are recognized when the liability is incurred, regardless of when payment is made. Investments are reported at fair value. The fiduciary net position is reflected in the measurement of the College's net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense. A Comprehensive Annual Financial Report (CAFR) can be obtained at www.psrs-peers.org.

General Information about the Pension Plan

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

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

Benefits Provided. PSRS is a defined benefit plan providing retirement, disability, and death/survivor benefits. Members are vested for service retirement benefits after accruing 5 years of service. Individuals who (a) are at least age 60 and have a minimum of 5 years of service, (b) have 30 years of service, or (c) qualify for benefits under the "Rule of 80" (service and age total at least 80) are entitled to a monthly benefit for life, which is calculated using a 2.5% benefit factor. Beginning July 1, 2001 and ending July 1, 2014 a 2.55% benefit factor is used to calculate benefits for members who have 31 or more years of service. Actuarially age-reduced benefits are available for members with 5 to 24.9 years of service at age 55. Members who are younger than age 55 and who do not qualify under the "Rule of 80" but have between 25 and 29.9 years of service may retire with a lessor benefit factor.

Members that are 3 years beyond normal retirement can elect to have their lifetime monthly benefits actuarially reduced in exchange for the right to also receive a one-time partial lump sum (PLSO) payment at retirement equal to 12, 24, or 36 times the Single Life benefit amount.

PEERS is a defined benefit plan providing service retirement and disability benefits to its members. Members are vested for service retirement benefits after accruing 5 years of service. Individuals who (a) are at least age 60 and have a minimum of 5 years of service, (b) have 30 years of service, or (c) qualify for benefits under the "Rule of 80" (service and age total at least 80) are entitled to a monthly benefit for life, which is calculated using a 1.61% benefit factor. Members qualifying for the "Rule of 80" or "30-and-out" are entitled to an additional temporary 0.8% benefit multiplier until reaching minimum Social Security age (currently age 62). Actuarially age-reduced benefits are available with 5 years of service at age 55. Members who are younger than age 55 and who do not qualify under the "Rule of 80" but have between 25 and 29.9 years of service may retire with a lessor benefit factor. Members that are 3 years beyond normal retirement can elect to have their lifetime monthly benefits actuarially reduced in exchange for the right to also receive a one-time partial lump sum (PLSO) payment at retirement equal to 12, 24, or 36 times the Single Life benefit amount.

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

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

Contributions. PSRS members were required to contribute 14.5% of their annual covered salary during fiscal years 2015, 2016 and 2017. 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.

PEERS members were required to contribute 6.86% of their annual covered salary during fiscal years 2015, 2016 and 2017. Employers were required to match the contributions made by employees. The contribution rate is set each year by the PSRS Board of Trustees upon the recommendation of the independent actuary within the contribution restrictions set in Section 169.030 RSMo. The annual statutory increase in the total contribution rate may not exceed 0.5% of pay.

The College's contributions to PSRS and PEERS were $1,283,975 and $113,842, respectively, for the year ended June 30, 2017.

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

At June 30, 2017, the College recorded a liability of $14,226,521 for its proportionate share of PSRS' net pension liability and $911,452 for its proportionate share of PEERS' net pension liability. In total, the College recorded a net pension liability of $15,137,973. The net pension liability for the plans in total was measured as of June 30, 2016 and determined by an actuarial valuation as of that date. The College's proportionate share of the total net pension liability was based on the ratio of its actual contributions paid to PSRS and PEERS of $1,280,952 and $120,377, respectively, for the year ended June 30, 2016, relative to the actual contributions of $669,858,142 for PSRS and $105,934,385 for PEERS from all participating employers. At June 30, 2016, the College's proportionate share was 0.1912% for PSRS and 0.1136% for PEERS.

For the year ended June 30, 2017, the College recognized a pension expense of $1,853,716 for PSRS and $160,391 for PEERS, its proportionate share of the total pension expense.

At June 30, 2017, the College reported deferred outflows of resources and deferred inflows of resources from the following sources related to PSRS and PEERS pension benefits:

	PSRS		PEERS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Balance of deferred outflows and inflows due to:				
Differences between expected and actual experience	$ 1,023,592	1,086,994	26,383	53,419
Changes of assumptions	160,907		54,286	
Net difference between projected and actual earnings on pension plan investments	4,834,295	1,886,233	331,313	123,543
Changes in proportion and differences between employer contributions and proportionate share of contributions	328,457	189,261	3,609	35,249
Employer contributions subsequent to the measurement date	1,283,975		113,842	
Total	$ 7,631,226	3,162,488	529,433	212,211

Amounts reported as deferred outflows of resources resulting from contributions subsequent to the measurement date of June 30, 2016 will be recognized as a reduction to the net pension liability in the year ended June 30, 2017. Other amounts reported as collective deferred (inflows)/outflows of resources to be recognized in pension expense as follows:

Year Ending June 30:	PSRS	PEERS
2018	$ 511,148	28,968
2019	511,148	29,630
2020	1,454,264	86,345
2021	870,417	58,437
2022	(115,315)	
Thereafter	(46,899)	
	$ 3,184,763	203,380

Actuarial Assumptions

Actuarial valuations of the Systems involve estimates of the reported amount and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and future salary increases. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Board of Trustees adopts actuarial assumptions, each of which individually represents a reasonable long-term estimate of anticipated experience for the Systems, derived from experience studies conducted every fifth year. The most recent comprehensive experience studies were completed in June 2016. All economic and demographic assumptions were reviewed and updated, where appropriate, based on the results of the study and effective with the June 30, 2016 valuation. Significant actuarial assumption and method changes are detailed below. For additional information please refer to the Systems' CAFR. The next experience studies are scheduled for 2021.

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

Measurement Date		June 30, 2016
Valuation Date		June 30, 2016
Expected Return on Investments		7.75%, net of investment expenses and including 2.25% inflation
Inflation		2.25%
Total Payroll Growth	PSRS	2.75% per annum, consisting of 2.25% inflation, 0.25% real wage growth due to the inclusion of health care costs in pensionable earnings, and 0.25% of real wage growth due to productivity.
	PEERS	3.25% per annum, consisting of 2.25% inflation, 0.50% real wage growth due to the inclusion of health care costs in pensionable earnings, and 0.50% of real wage growth due to productivity.
Future Salary Increases	PSRS	3.00%-9.50%, depending on service and including 2.25% inflation, 0.25% real wage growth due to the inclusion of health care costs in pensionable earnings, and 0.25% of real wage growth due to productivity.
	PEERS	4.00%-11.00%, depending on service and including 2.25% inflation, 0.50% real wage growth due to the inclusion of health care costs in pensionable earnings, and 0.50% of real wage growth due to productivity.

Cost-of-Living Increases	PSRS & PEERS	The long-term cost-of-living adjustment (COLA) assumed in the valuation is 1.50% per year, based on the current policy of the Board to grant a 0.00% COLA when annual inflation, as measured by the CPI-U index for a fiscal year, increases between 0.00% and 2.00% and to grant 2.00% when the increase is between 2.00% and 5.00%. The actuarial assumption increases from 1.00% to 1.50% over ten years (from fiscal year 2017 to fiscal year 2027). The COLA applies to service retirements and beneficiary annuities. The COLA does not apply to the benefits for in-service death payable to spouses (where the spouse is over age 60), and does not apply to the spouse with children pre-retirement death benefit, the dependent children pre-retirement death benefit, or the dependent parent death benefit. The total lifetime COLA cannot exceed 80% of the original benefit. PSRS members receive COLA on the second January after retirement, while PEERS members receive a COLA on the fourth January after retirement.
Mortality Assumption		
Actives:	PSRS	RP 2006 White Collar Employee Mortality Table, multiplied by an adjustment factor of 0.75 at all ages for both males and females, with static projection to 2014 SSA Improvement Scale to 2028.
	PEERS	RP 2006 Total Dataset Employee Mortality Table, multiplied by an adjustment factor of 0.75 at all ages for both males and females, with static projection to 2014 SSA Improvement Scale to 2028.
Non-Disabled Retirees, Beneficiaries and Survivors:	PSRS	RP 2006 White Collar Mortality Tables with plan-specific experience adjustments and static projection to 2028 using the 2014 SSA Improvement Scale.
	PEERS	RP 2006 Total Dataset Mortality Tables with plan-specific experience adjustments and static projection to 2028 using the 2014 SSA Improvement Scale.
Disabled Retirees:		RP 2006 Disabled Retiree Mortality Table with static projection to 2028 using the 2014 SSA Improvement Scale.
Changes in Actuarial Assumptions and Methods		An experience study was completed in June 2016 resulting in an update to the following assumptions:
	PSRS & PEERS	The inflation assumption decreased from 2.50% to 2.25% per year.
	PSRS	The payroll growth assumption decreased from 3.50% to 2.75% per year.
		The future salary increase assumption decreased from 4.00%-10.00%, depending on service to 3.00%-9.50%, depending on service.
		The investment return assumption decreased from 8.00% to 7.75% per year.

PSRS Cont.	The active mortality assumption changed from the RP 2000 Mortality Table set back one year for males and six years for females, then projected to 2016 using Scale AA to 75% of the RP-2006 While Collar Mortality Tables with static projection to 2028 using the 2014 SSA Improvement Scale.
	The non-disabled retiree mortality assumption changed from the RP 2000 Mortality Table set back one year for both males and females, then projected to 2016 using Scale AA to the RP-2006 White Collar Mortality Tables with plan-specific experience adjustments and static projection to 2028 using the 2014 SSA Improvement Scale.
	The disabled retiree mortality assumption changed from the RP 2000 Disabled Retiree Mortality Table to the RP 2006 Disabled Retiree Mortality Tables with static projection to 2028 using the 2014 SSA Improvement Scale.
PEERS	The payroll growth assumption decreased from 3.75% to 3.25% per year.
	The future salary increase assumption decreased from 5.00%-12.00%, depending on service to 4.00%-11.00%, depending on service.
	The investment return assumption decreased from 8.00% to 7.75% per year.
	The active mortality assumption changed from the RP 2000 Mortality Table set back one year for males and six years for females, then projected to 2016 using Scale AA to 75% of the RP-2006 Total Dataset Mortality Tables with static projection to 2028 using the 2014 SSA Improvement Scale.
	The non-disabled retiree mortality assumption changed from the RP 2000 Mortality Table set forward one year for males and no set back/forward for females, then projected to 2016 using Scale AA to the RP-2006 Total Dataset Mortality Tables with plan-specific experience adjustments and static projection to 2028 using the 2014 SSA Improvement Scale.
	The disabled retiree mortality assumption changed from the RP 2000 Disabled Retiree Mortality Table to the RP 2006 Disabled Retiree Mortality Tables with static projection to 2028 using the 2014 SSA Improvement Scale.
PSRS & PEERS	In addition, the Board adopted a new COLA policy during fiscal 2016 resulting in a decrease in the future COLA assumption from 2.00% per year to a variable, increasing assumption of 1.00%-1.50% over ten years beginning January 1, 2018.

Fiduciary Net Position

The System issues a publicly available financial report that can be obtained at www.psrs-peers.org.

Expected Rate of Return

The long-term expected rate of return on investments was determined in accordance with Actuarial Standard of Practice (ASOP) No. 27, *Selection of Economic Assumptions for Measuring Pension Obligations.* ASOP No. 27 provides guidance on the selection of an appropriate assumed rate of return. The long-term expected rate of return on the Systems' investments was determined using a building-block method in which best-estimate ranges of expected future real rates of returns (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Systems' target allocation as of June 30, 2016 are 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%	5.16%	1.39%
Public Credit	7.0%	2.17%	0.15%
Hedged Assets	6.0%	4.42%	0.27%
Non-U.S. Public Equity	15.0%	6.01%	0.90%
U.S. Treasuries	16.0%	0.96%	0.15%
U.S. TIPS	4.0%	0.80%	0.03%
Private Credit	4.0%	5.60%	0.22%
Private Equity	12.0%	9.86%	1.18%
Private Real Estate	9.0%	3.56%	0.32%
	100.0%		4.61%
		Inflation	2.25%
		Long term arithmetical nominal return	6.86%
		Effect of covariance matrix	0.89%
		Long term expected geometric return	7.75%

Discount Rate

The long-term expected rate of return used to measure the total pension liability was 7.75% as of June 30, 2016, and is consistent with the long-term expected geometric return on plan investments. The actuarial assumed rate of return was 8.0% from 1980 through fiscal year 2016. The Board of Trustees adopted a new actuarial assumed rate of return of 7.75% based on the actuarial experience studies and asset-liability study conducted during the current year. The projection of cash flows used to determine the discount rate assumed that employer contributions would be made at the actuarially calculated rate computed in accordance with assumptions and methods stated in the funding policy adopted by the Board of Trustees, which requires payment of the normal cost and amortization of the unfunded actuarially accrued liability in level percent of employee payroll installments over 30 years utilizing a closed period, layered approach. Based on this assumption, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

Discount Rate Sensitivity

The sensitivity of the College's net pension liabilities to changes in the discount rate is presented below. The College's net pension liabilities calculated using the discount rate of 7.75% is presented as well as the net pension liabilities using a discount rate that is 1.0% lower (6.75%) or 1.0% higher (8.75%) than the current rate.

Discount Rate	1% Decrease (6.75%)	Current Rate (7.75%)	1% Increase (8.75%)
PSRS	$ 24,134,703	14,226,521	5,976,453
PEERS	1,585,048	911,452	346,140

Payable to the Pension Plan

The College reported a payable of $213,798 and $16,455 for the outstanding amount of contributions to PSRS and PEERS, respectively, required for the year ended June 30, 2017.

7. SEGMENT INFORMATION

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

Condensed Statements of Net Position

	2017	2016
Assets		
Current assets	$ 357,112	539,424
Capital assets, net	2,569,196	2,740,500
Total Assets	2,926,308	3,279,924
Liabilities		
Current liabilities	496,767	82,296
Noncurrent liabilities	3,695,439	4,043,511
Due to other funds	921,416	1,308,002
Total Liabilities	5,113,622	5,433,809
Net Position		
Net investment in capital assets	(1,332,004)	(1,334,632)
Unrestricted	(855,310)	(819,251)
Total Net Position	$ (2,187,314)	(2,153,883)

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

	2017	2016
Operating Revenues (Expenses)		
Operating revenues	$ 604,825	533,016
Operating expenses	(339,006)	(293,284)
Depreciation and amortization expense	(173,232)	(173,232)
Operating Income	92,587	66,500
Non-Operating Revenues (Expenses)		
Interest income	1,717	1,161
Interest expense	(127,735)	(131,234)
Changes in Net Position	(33,431)	(63,573)
Beginning Net Position	(2,153,883)	(2,090,310)
Ending Net Position	$ (2,187,314)	(2,153,883)

Condensed Statements of Cash Flows

	2017	2016
Net Cash Provided By/(Used In):		
Operating activities	$ 133,557	581,908
Capital and related financing activities	(303,594)	(307,094)
Investing activities	1,717	1,161
Net Change	(168,320)	275,975
Cash and Cash Equivalents, Beginning	428,328	152,353
Cash and Cash Equivalents, Ending	$ 260,008	428,328

8. RISK MANAGEMENT

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

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

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

9. CONTINGENCIES AND CLAIMS

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

10. OTHER POST EMPLOYMENT BENEFITS

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

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Entry Age Actuarial Accrued Liability	(b-a) Unfunded Accrued Liability (UAL)	(a/b) Funded Ratio
06/30/09	$ -	2,582,000	2,582,000	0%
06/30/11	-	3,050,000	3,050,000	0%
06/30/13	-	2,754,000	2,754,000	0%
06/30/15	-	2,288,000	2,288,000	0%
06/30/17	-	1,396,100	1,396,100	0%

The results shown above are based on the baseline assumptions with respect to the medical inflation rate of 7.50% for the year ending June 30, 2017, and the discount rate of 3.50% per annum. The baseline discount rate assumes that the College will not prefund its retiree medical program. The discount rate is based on the expected earnings of the College's general fund.

Year Ended	Annual Required Contribution	Interest on Net OPEB Obligation	Adjustment to the ARC	Net OPEB Cost	Actual Contribution	Net OPEB Obligation
06/30/13	$243,300	17,100	15,200	245,200	56,100	643,900
06/30/14	243,300	24,100	21,500	245,900	64,800	825,000
06/30/15	236,100	30,900	30,500	239,500	59,600	1,001,900
06/30/16	236,100			236,100	70,660	1,167,400
06/30/17	173,900	40,800	41,100	173,600	35,500	1,305,500

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

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

To recognize the cost of benefits earned each year by retirees and to amortize the Unfunded Actuarial Accrued Liability over 30 years the College has recognized a liability in the amount of $1,305,500.

11. EXTERNAL LOCATIONS

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

Year Ending June 30,	
2018	$ 98,070
2019	98,070
2020	98,070
2021	49,035
	$ 343,245

12. FAIR VALUE MEASUREMENTS

Investments for the College are stated at fair value. The fair value framework uses a hierarchy that prioritizes the inputs to the valuation techniques used to measure the fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

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

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

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

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

The following table sets forth by level within the fair value hierarchy, the College's investments at fair value as of June 30, 2017.

	Fair Value	Level 1	Level 2	Level 3
Proprietary Funds:				
Equities	$ 55,801	55,801		
Total	$ 55,801	55,801		
Fiduciary Funds:				
Money market accounts	$ 122,104	122,104		
Federal government obligations	36,237	36,237		
Corporate bonds	255,967		255,967	
Mutual funds	401,045	244,091	156,954	
Equities	2,663,136	2,663,136		
Total	$ 3,478,489	3,065,568	412,921	

The following table sets forth by level within the fair value hierarchy, the Endowment Trust's investments at fair value as of June 30, 2017.

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

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

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

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

	Fair Value	Level 1	Level 2	Level 3
Component Unit:				
Mutual funds	$ 1,584,496	1,152,245	147,860	284,391
Total	$ 1,584,496	1,152,245	147,860	284,391

13. ENDOWMENTS

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

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

At June 30, 2017, net appreciation of endowments was $117,860. Of which, $39,530 is classified as restricted nonexpendable and $78,330 as restricted expendable for scholarships.

14. DONATED PROPERTIES

In November 2016, batting cages were donated to the College. An appraisal was not provided, but the College did research on similar models to find an estimated value. The asset is classified on the Statements of Net Position as "capital assets, net."

In April 2017, the Endowment Trust paid for the construction and installation of a flag pole and brick and granite sign for the College at the Sikeston location. The total cost incurred by the Endowment Trust was capitalized by the College. The assets are classified on the Statements of Net Position as "capital assets, net."

15. TAX ABATEMENTS

College property tax revenues were reduced by $106,766 under agreements entered into by the City of Poplar Bluff through its Enhanced Enterprise Zone Program and Industrial Development Program. These programs have a stated purpose of increasing business activity and employment in the City of Poplar Bluff. The amount of abatement is achieved through a reduction of assessed valuation for both programs.

Enhanced Enterprise Zone Program

Under agreements entered into by the City of Poplar Bluff, College property tax revenues were reduced by $96,028.

Industrial Development Program

Under agreements entered into by the City of Poplar Bluff, College property tax revenues were reduced by $10,738.

Exhibit 1

Three Rivers College

Required Supplementary Information (Unaudited)

Schedules of Proportionate Share of the Net Position and Related Ratios

For the Year Ended June 30, 2017

Public School Retirement System of Missouri

Year Ended	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Actual Covered Member Payroll	Net Pension Liability as a Percentage of Covered Payroll	Fiduciary Net Position as a Percentage of Total Pension Liability
06/30/2015	0.1954%	$ 8,016,432	8,693,284	92.21%	89.30%
06/30/2016	0.1942%	11,210,894	8,821,400	127.09%	85.78%
06/30/2017	0.1912%	14,226,521	8,849,934	160.75%	82.18%

Public Education Employee Retirement System of Missouri

Year Ended	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Actual Covered Member Payroll	Net Pension Liability as a Percentage of Covered Payroll	Fiduciary Net Position as a Percentage of Total Pension Liability
06/30/2015	0.1231%	$ 449,519	1,794,673	25.05%	91.33%
06/30/2016	0.1201%	635,216	1,800,578	35.28%	88.28%
06/30/2017	0.1136%	911,452	1,754,779	51.94%	83.32%

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

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

Three Rivers College
Required Supplementary Information (Unaudited)
Schedules of Employer Contributions
For the Year Ended June 30, 2017

Public School Retirement System of Missouri

Year Ended	Statutorily Required Contribution	Actual Employer Contributions	Contribution Excess/ (Deficiency)	Actual Covered Member Payroll	Contributions as a Percentage of Covered Payroll
06/30/2013	$ 1,166,814	1,166,814	-	8,058,382	14.48%
06/30/2014	1,258,024	1,258,024	-	8,693,284	14.47%
06/30/2015	1,275,237	1,275,237	-	8,821,400	14.46%
06/30/2016	1,280,952	1,280,952	-	8,849,934	14.47%
06/30/2017	1,283,975	1,283,975	-	8,817,123	14.56%

Public Education Employee Retirement System of Missouri

Year Ended	Statutorily Required Contribution	Actual Employer Contributions	Contribution Excess/ (Deficiency)	Actual Covered Member Payroll	Contributions as a Percentage of Covered Payroll
06/30/2013	$ 116,708	116,708	-	1,701,278	6.86%
06/30/2014	123,115	123,115	-	1,794,673	6.86%
06/30/2015	123,519	123,519	-	1,800,578	6.86%
06/30/2016	120,377	120,377	-	1,754,779	6.86%
06/30/2017	113,842	113,842	-	1,659,501	6.86%

Note: These schedules are intended to show information for ten years. Additional years will be displayed as they become available.
** The data provided in the schedules is based as of the measurement date of the System's net pension liability, which is as of the beginning of the District's fiscal year.*

Three Rivers College

Disclosures Required By Lease Participation Certificates (Unaudited)
Year Ended June 30, 2017

Enrollment

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

Fall	Freshmen	Sophomores	Other	Total
2012	2,587	1,531	534	4,652
2013	2,354	1,500	546	4,400
2014	2,200	1,488	513	4,201
2015	1,860	1,458	538	3,856
2016	1,689	1,337	479	3,505

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

Fall	FTE Students	Credit Hours
2012	3,234	48,503
2013	3,140	47,102
2014	2,991	44,869
2015	2,767	41,501
2016	2,460	36,893

Sources of Revenue

For the fiscal year ended June 30, 2017, the portion of the College's revenue from various sources were as follows:

Source	Amount	Percentage
Operating Revenue		
Tuition and fees	$ 11,160,811	39.8%
Auxiliary enterprises	2,640,890	9.4
Student housing revenue	604,825	2.2
Other operating revenue	315,599	1.1
Non Operating Revenue		
Donations	52,362	0.2
Property taxes	2,181,774	7.8
State aid and grants	6,758,984	24.4
Federal grants and contracts	4,163,306	14.4
Investment gain	78,158	0.3
Contributions	117,184	0.4
Total	$ 28,073,893	100%

Three Rivers College

Disclosures Required By Lease Participation Certificates (Unaudited)
Year Ended June 30, 2017

Tax Rates

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

Year	Tax Levy
2012	0.2413
2013	0.2413
2014	0.2352
2015	0.2352
2016	0.2352

Tax Levies and Collections

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

Year Ended	Total Adjusted Levy (per $100 of A.V.)	Assessed Valuation	Total Taxes Levied	Total Taxes Collected	Percentage of Total Assessment Collected
2012	0.2413	782,155,889	1,885,542	1,831,596	97.1
2013	0.2413	802,784,547	1,886,666	1,718,715	91.1
2014	0.2352	823,274,640	1,923,275	1,865,397	97.0
2015	0.2352	868,924,222	2,024,914	2,024,042	100.0
2016	0.2352	888,728,625	2,090,290	2,050,719	98.1

Three Rivers College

Combining Statement of Net Position

For the Year Ended June 30, 2017

	Current Fund	Plant Fund	Endowment and Similar Funds	Total
Assets				
Current Assets:				
Cash and cash equivalents	$ 5,093,741	4,472,930	45,570	9,612,241
Investments			55,801	55,801
Tuition and fees receivable, net of allowance for uncollectible accounts of $2,740,221	7,354,190			7,354,190
Rent receivable	93,273			93,273
Other receivables	557,799	5,821		563,620
Property taxes receivable, net of allowance for uncollectible taxes of $28,102	116,750			116,750
Inventory	152,875			152,875
Prepaid expenses	187,164			187,164
Total current assets	13,555,792	4,478,751	101,371	18,135,914
Noncurrent Assets:				
Restricted cash and cash equivalents		3,896,593		3,896,593
Restricted certificates of deposit			444,320	444,320
Land		5,490,786		5,490,786
Capital assets, net		33,295,470		33,295,470
Housing capital assets, net	2,569,196			2,569,196
Due from other funds		357,431		357,431
Total noncurrent assets	2,569,196	43,040,280	444,320	46,053,796
Total Assets	16,124,988	47,519,031	545,691	64,189,710
Deferred Outflows of Resources				
Pension deferrals	8,160,659			8,160,659
Total Deferred Outflows of Resources	8,160,659			8,160,659
Total Assets and Deferred Outflows of Resources	$ 24,285,647	47,519,031	545,691	72,350,369

Three Rivers College

Combining Statement of Net Position

For the Year Ended June 30, 2017

	Current Fund	Plant Fund	Endowment and Similar Funds	Total
Liabilities				
Current Liabilities:				
Accounts payable	$ 1,094,539		163	1,094,702
Accrued vacation, salaries, and retirement	552,575			552,575
Student deposits	47,573			47,573
Unearned tuition and fees	5,035,323			5,035,323
Endowments and scholarships			558	558
Current maturities of long-term debt	175,000	833,000		1,008,000
Liabilities payable from restricted assets:				
Accrued interest	30,761	150,049		180,810
Total current liabilities	6,935,771	983,049	721	7,919,541
Noncurrent Liabilities:				
Net pension liability	15,137,973			15,137,973
Other post employment benefits	1,305,500			1,305,500
Long-term debt	3,695,439	18,152,020		21,847,459
Due to other funds	337,832		19,599	357,431
Total noncurrent liabilities	20,476,744	18,152,020	19,599	38,648,363
Total Liabilities	27,412,515	19,135,069	20,320	46,567,904
Deferred Inflows of Resources				
Pension deferrals	3,374,699			3,374,699
Total Deferred Inflows of Resources	3,374,699			3,374,699
Net Position				
Net investment in capital assets		23,547,780		23,547,780
Net investment in housing capital assets	(1,332,004)			(1,332,004)
Restricted for nonexpendable:				
Scholarships and fellowships			500,121	500,121
Restricted for expendable:				
Scholarships and fellowships	114,054			114,054
Unrestricted	(5,283,617)	4,836,182	25,250	(422,185)
Total Net Position	(6,501,567)	28,383,962	525,371	22,407,766
Total Liabilities, Deferred Inflows of Resources, and Net Position	$24,285,647	47,519,031	545,691	72,350,369

Three Rivers College

Combining Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2017

	Current Fund	Plant Fund	Endowment and Similar Funds	Total
Operating Revenues:				
Student tuition and fees (net of scholarship allowances of $8,702,925)	$ 11,160,811			11,160,811
Auxiliary enterprises				
Housing	604,825			604,825
Bookstore	2,194,435			2,194,435
Student activities	446,455			446,455
Other operating revenues	315,599			315,599
Total Operating Revenues	14,722,125			14,722,125
Operating Expenses:				
Instruction	9,160,194			9,160,194
Student services	3,464,841			3,464,841
Academic support	1,965,274			1,965,274
Institutional support	3,876,898			3,876,898
Operation and maintenance of plant	1,849,687			1,849,687
Financial aid and scholarships	668,265			668,265
Auxiliary enterprises				
Housing	339,006			339,006
Bookstore	1,632,464			1,632,464
Student activities	411,238			411,238
Depreciation and amortization	173,232	1,673,478		1,846,710
Total Operating Expenses	23,541,099	1,673,478		25,214,577
Operating Income (Loss)	(8,818,974)	(1,673,478)		(10,492,452)
Nonoperating Revenues (Expenses):				
Donations		52,362		52,362
Property taxes	2,181,774			2,181,774
State aid and grants	6,758,984			6,758,984
Federal grants and contracts	4,163,306			4,163,306
Investment gain (loss)	32,186	33,895	12,077	78,158
Contributions	117,184			117,184
Gift returns	(16,873)	(25,000)	(19,195)	(61,068)
Gain (loss) on sale of asset		2,766		2,766
Debt issue costs		(120,856)		(120,856)
Interest expense	(127,731)	(569,407)		(697,138)
Total Nonoperating Revenues/(Expenses)	13,108,830	(626,240)	(7,118)	12,475,472
Income before Transfers	4,289,856	(2,299,718)	(7,118)	1,983,020
Transfers	(4,596,378)	4,596,378		
Changes in Net Position	(306,522)	2,296,660	(7,118)	1,983,020
Net Position, June 30, 2016	(6,195,045)	26,087,302	532,489	20,424,746
Net Position, June 30, 2017	$ (6,501,567)	28,383,962	525,371	22,407,766

See Independent Auditors' Report

KMT

KRAFT, MILES & TATUM, LLC
CERTIFIED PUBLIC ACCOUNTANTS

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

Board of Trustees
Three Rivers College
Poplar Bluff, Missouri 63901

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of Three Rivers College and Three Rivers Endowment Trust, a discretely presented component unit of Three Rivers College, as of and for the year ended June 30, 2017, and the related notes to the financial statements which collectively comprise Three Rivers College's basic financial statements and have issued our report thereon dated November 10, 2017. The financial statements of the Three Rivers Endowment Trust were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting of instances of reportable noncompliance associated with the Three Rivers Endowment Trust.

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

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

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

Compliance and Other Matters
As part of obtaining reasonable assurance about whether Three Rivers College's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Kraft, Miles & Tatum, LLC

Certified Public Accountants
November 10, 2017

KMT

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

Board of Trustees
Three Rivers College
Poplar Bluff, Missouri

Report on Compliance for Each Major Federal Program
We have audited Three Rivers College's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the College's major federal programs for the year ended June 30, 2017. Three Rivers College's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

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

Auditors' Responsibility
Our responsibility is to express an opinion on compliance for each of Three Rivers College's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Three Rivers College's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion of Each Major Federal Program
In our opinion, Three Rivers College complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

Report on Internal Control Over Compliance

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

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

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

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

Kraft, Miles & Tatum, LLC

Certified Public Accountants
November 10, 2017

Three Rivers College
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2017

Federal Grantor Pass-Through Grantor Program Title	Federal CFDA Number	Agency or Pass-Through Number		Federal Disbursements/ Expenditures	Amount Provided to Subrecipients
U.S. Department of Education					
Direct Program					
Student Financial Aid Cluster					
Federal Pell Grant Program	84.063	P063P162541	$ 8,100,693		
Federal Work Study Program	84.033	P033A162389	135,926		
Federal Supplemental Education Opportunity Grant	84.007	P007A162389	106,117		
Federal Direct Student Loans	84.268	P268K172541	4,963,988		
Total Student Financial Aid Cluster				13,306,724	
TRIO Cluster					
TRIO-Student Support Services	84.042	P042A450849	267,049		
TRIO-Talent Search	84.044	P044A110093	439,817		
Total TRIO Cluster				706,866	
Higher Education Institution Aid (Title III)	84.031	P031A100089		128,344	
Pass through: Missouri Department of Elementary and Secondary Education					
Career & Technical Education-Basic Grants to States	84.048	200-200		354,666	32,540
Pass through: State of Missouri					
Rehabilitation Training-State Vocational Rehabilitation	84.265			41,785	
Total U.S. Department of Education				14,538,385	32,540
Delta Regional Authority					
Direct Program					
Delta Area Economic Development	90.201	MO-50506		103,000	
Total Delta Regional Authority				103,000	

The accompanying notes are an integral part of this schedule

Three Rivers College

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2017

Federal Grantor Pass-Through Grantor Program Title	Federal CFDA Number	Agency or Pass-Through Number	Federal Disbursements/ Expenditures		Amount Provided to Subrecipients
U.S. Department of Labor					
Direct Program					
Trade Adj Assistance Community College & Career Grants	17.282	TC-25129-13-60-A-29	459,724		
Pass through: Metropolitan Community College					
Trade Adj Assistance Community College & Career Grants	17.282	TC-26470-14-60-A-29	365,603	825,327	
Pass through: Missouri Division of Workforce Development					
Trade Adjustment Assistance	17.245			594,538	
WIA Cluster					
WIA Dislocated Worker Formula Grant	17.278		13,612		
Total WIA Cluster				13,612	
Total U.S. Department of Labor				1,433,477	
U.S. Department of Homeland Security					
Pass through: State of Missouri					
Hazard Mitigation Grant	97.039	FEMA-DR-1980-MO #0066		1,670,889	
Total U.S. Department of Homeland Security				1,670,889	
U.S. Department of Veterans Affairs					
Pass through: Missouri Department of Social Services					
Vocational Rehabilitation for Disabled Veterans	64.116			46,166	
Post-9/11 Veterans Educational Assistance	64.027			125,174	
Total U.S. Department of Veterans Affairs				171,340	
Total Federal Financial Assistance				$ 17,917,091	32,540

The accompanying notes are an integral part of this schedule

Three Rivers College

Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2017

1. BASIS OF PRESENTATION

   The accompanying schedule of expenditures of federal awards (the "Schedule") included the grant activity of Three Rivers College under programs of the federal government for the year ended June 30, 2017. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the College, it is not intended to and does not present the financial position, changes in net position or cash flows of Three Rivers College.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3. INDIRECT COST RATE

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

Three Rivers College

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2017

Part I - Summary of Auditors' Results

An unmodified opinion was issued on the financial statements of Three Rivers College, for the year ended June 30, 2017.

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

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

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

An unmodified opinion was issued on compliance for major programs.

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

The major programs and CFDA numbers tested during the year ended June 30, 2017 were:

Student Financial Aid Cluster	
Federal Pell Grant Program	84.063
Federal Supplemental Educational Opportunity Grant	84.007
Federal Work Study Program	84.033
Federal Direct Student Loans	84.268
Trade Adjustment Assistance Community College & Career Training	17.282
Hazard Mitigation Grant Program	97.039

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

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

Part II - Findings Related to the Financial Statements

There were no findings for the financial statements for the year ended June 30, 2017.

Part III - Findings Related to Federal Awards

There were no findings for federal awards for the year ended June 30, 2017.

Schedule 7

Three Rivers College

Schedule of Resolution of Prior Year Audit Findings

For the Year Ended June 30, 2017

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