

THREE RIVERS COLLEGE
Poplar Bluff, Missouri

For the Year Ended June 30, 2021 and 2020

ANNUAL FINANCIAL REPORT

BEUSSINK, HEY, ROE & STRODER, L.L.C.

Certified Public Accountants

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BEUSSINK, HEY, ROE & STRODER, L.L.C.

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, the fiduciary fund information, and the discretely presented component unit of Three Rivers College as of and for the years ended June 30, 2021 and 2020, 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, the fiduciary fund information, and the discretely presented component unit of Three Rivers College as of June 30, 2021 and 2020, and the respective changes in financial position and its cash flows for the years then ended in accordance accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 10 and the Schedule of Proportionate Share of Net Pension Liability and Related Ratios, Schedule of Employer Contributions, and Schedule of Changes in the College's Total OPEB Liability and Related Ratios on pages 49 through 51 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 audits were 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 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 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 combining financial statements and the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2021 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 solely 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 effectiveness of Three Rivers College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Three Rivers College's internal control over financial reporting and compliance.

BEUSSINK, HEY, ROE & STRODER, L.L.C.

Beussink, Hey, Roe & Stroder, L.L.C.

Cape Girardeau, Missouri
November 15, 2021

REQUIRED SUPPLEMENTARY INFORMATION

Three Rivers College

Management's Discussion and Analysis (Unaudited) For the Year Ended June 30, 2021

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 Governmental 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 are 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, 2021, 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.

Three Rivers College

Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2021

Table 1
Comparative Statement of Net Position

	<u>2021</u>	<u>2020</u>
Assets		
Current	26,164,911	26,340,166
Land	5,490,786	5,490,786
Construction in progress	422,425	-
Capital assets, net	38,153,297	39,293,057
Housing capital assets, net	1,961,295	2,136,746
Other non-current assets	<u>7,470,181</u>	<u>6,069,593</u>
Total Assets	<u>79,662,895</u>	<u>79,330,348</u>
Deferred Outflows of Resources		
OPEB Deferrals	233,621	254,153
Pension deferrals	<u>5,443,751</u>	<u>4,643,081</u>
Total Deferred Outflows of Resources	<u>5,677,372</u>	<u>4,897,234</u>
Liabilities		
Long-term debt	17,775,963	22,038,175
Other current liabilities	6,347,137	6,361,123
Other non-current liabilities	<u>17,059,162</u>	<u>13,977,277</u>
Total Liabilities	<u>41,182,262</u>	<u>42,376,575</u>
Deferred Inflows of Resources		
Pension, benefits and trust deferrals	<u>10,220,641</u>	<u>10,126,397</u>
Total Deferred Inflows of Resources	<u>10,220,641</u>	<u>10,126,397</u>
Net Position		
Net investment in capital assets	28,513,289	28,288,463
Net investment in housing capital assets	1,961,295	(3,567,133)
Restricted		
Non-expendable	321,760	330,710
Expendable	102,103	102,938
Unrestricted	<u>3,038,917</u>	<u>6,569,632</u>
Total Net Position	<u>33,937,364</u>	<u>31,724,610</u>

Three Rivers College

Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2021

Total assets increased while total liabilities decreased in the current year. Total assets increased by approximately \$332,547 while total liabilities decreased by approximately \$1,194,313. Assets were increased primarily due to an increase in receivables from federal grants and an increase in the value of a restricted beneficiary trust (*see note 3*). Liabilities decreased primarily due to a reduction in long term debt.

Statement of Revenues, Expenses and Changes in Net Position

This statement presents the College's results of operations for the year ended June 30, 2021. 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, 2021 and 2020.

	<u>2021</u>	<u>2020</u>
Operating revenues	5,028,630	5,238,632
Operating expenses	<u>(28,349,887)</u>	<u>(23,992,803)</u>
Operating Loss	(23,321,257)	(18,754,171)
Non-operating revenues	26,152,406	22,351,905
Gain (loss) on sale of asset	16,321	(4,719)
Gift returns	(8,878)	(52,779)
Interest expense	<u>(625,838)</u>	<u>(671,233)</u>
Change in Net Position	2,212,754	2,869,003
Net Position, Beginning of Year	<u>31,724,610</u>	<u>28,855,607</u>
Net Position, End of year	<u>33,937,364</u>	<u>31,724,610</u>

Three Rivers College

Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2021

For purposes of comparison, the schedule of the College's revenues, both operating and non-operating, for the years ended June 30, 2021 and 2020, are presented here.

	<u>2021</u>	<u>2020</u>
Operating Revenues		
Student tuitions and fees	3,010,068	3,155,966
Auxiliary enterprises	1,845,472	1,844,535
Other	<u>173,090</u>	<u>238,131</u>
Total	<u>5,028,630</u>	<u>5,238,632</u>
Non-Operating Revenues		
Property taxes	2,306,846	2,271,409
State aid and grants	8,357,606	9,522,525
Federal grants and contracts	15,056,807	9,754,310
Other	<u>431,147</u>	<u>803,661</u>
Total	<u>26,152,406</u>	<u>22,351,905</u>

Tuition and fees decreased by approximately \$145,898. This is due to a decrease in overall enrollment. State aid and grants decreased \$1,164,919 because of state funding for building improvements at the Crisp Technology Center in 2020. Federal grants and contracts increased \$5,302,497 primarily due to funds received to respond to the pandemic disruption.

Three Rivers College

Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2021

The following schedule presents operating expenses of the College by function for the years ended June 30, 2021 and 2020.

	<u>2021</u>	<u>2020</u>
Operating Expenses		
Instruction	8,425,376	7,761,670
Student services	2,807,800	2,949,311
Academic support	1,429,688	1,542,295
Institutional support	6,539,776	3,871,929
Operation and management of plant	1,746,828	1,805,054
Financial aid and scholarships	3,087,043	1,825,642
Auxiliary enterprises	1,884,524	1,843,261
Depreciation and amortization	<u>2,428,852</u>	<u>2,393,641</u>
Total Operating Expenses	<u>28,349,887</u>	<u>23,992,803</u>
Non-Operating Expenses		
(Gain) loss on sale of assets	(16,321)	4,719
Gift returns	8,878	52,779
Interest	<u>625,838</u>	<u>671,233</u>
Total Non-Operating Expenses	<u>618,395</u>	<u>728,731</u>

The cost of operations increased 18% compared to a 4% decrease in operational revenues. This was primarily due to increased expenses related to the pandemic response funded by federal grants.

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, 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>
Net Cash Provided By/(Used In):		
Operating activities	(21,042,988)	(16,515,849)
Investing activities	269,653	355,781
Non-capital financing activities	25,906,397	22,009,242
Capital and related financing activities	<u>(6,441,723)</u>	<u>(3,179,319)</u>
Net Change in Cash	(1,308,661)	2,669,885
Cash and Cash Equivalents, Beginning of Year	<u>17,535,453</u>	<u>14,865,598</u>
Cash and Cash Equivalents, End of Year	<u>16,226,792</u>	<u>17,535,453</u>

Three Rivers College

Management's Discussion and Analysis (Unaudited) For the Year Ended June 30, 2021

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.

Analysis

The College realized a decrease of approximately 4.6% in tuition and fees due to an overall decrease in enrollment. The College's rates remain competitive and among the lowest in the state.

During the year ended June 30, 2021, the College had an increase in net position of approximately \$2,212,000 as a result of federal support of the pandemic response. During the year ended June 30, 2020, the College had an increase in net position of approximately \$2,869,000 as a result of sponsored capital improvements to the Crisp Technology Center and increased online enrollment.

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, 2021 amounts to \$46 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 decrease (including additions and deductions) of \$892,786, or 1.9%, under last year. Major additions include parking and roadway improvements as well as projects in progress to improve the softball and baseball fields.

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

	<u>2021</u>	<u>2020</u>
Land	5,490,786	5,490,786
Construction in progress	422,425	-
Buildings and improvements	35,129,764	36,462,330
Furniture, fixtures, and equipment	2,038,201	2,285,979
Infrastructure and land improvements	2,679,722	2,390,880
Library materials	213,080	229,999
Leasehold improvements	<u>53,825</u>	<u>60,615</u>
Total	<u>46,027,803</u>	<u>46,920,589</u>

Three Rivers College

Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2021

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

Debt Administration

As of June 30, 2021, the College has a total of \$17.8 million in outstanding debt, a decrease of \$4,262,212 from the previous year.

Three Rivers College Outstanding Debt

	<u>2021</u>	<u>2020</u>
Lease Participation Certificates	15,240,000	19,485,000
Premiums (Discounts)	186,063	175,275
Notes Payable	<u>2,349,900</u>	<u>2,377,900</u>
Total	<u>17,775,963</u>	<u>22,038,175</u>

The decrease in outstanding debt resulted primarily from the repayment of Lease Participation Certificates, Series 2012A. 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, CPA, Chief Financial Officer, 2080 Three Rivers Boulevard, Poplar Bluff, Missouri 63901.

BASIC FINANCIAL STATEMENTS

STATEMENT 1

THREE RIVERS COLLEGE
Poplar Bluff, Missouri

STATEMENTS OF NET POSITION

As of June 30, 2021 and 2020

<u>ASSETS</u>	<u>2021</u>	<u>2020</u>
<u>CURRENT ASSETS:</u>		
Cash and Cash Equivalents	\$ 16,226,792	\$ 17,535,453
Tuition and Fees Receivable, Net of Allowances for Uncollectible Accounts of \$3,838,793 and \$3,752,724	5,908,218	6,241,921
Rent Receivable, Net of Allowances for Uncollectible Accounts of \$165,024 and \$174,814	242,533	75,130
Other Receivables, Net of Allowances for Uncollectible Accounts of \$66,085 and \$12,226	3,327,268	1,985,258
Property Taxes Receivable, Net of Allowances for Uncollectible Accounts of \$23,452 and \$25,659	82,737	106,310
Inventory	76,907	172,105
Prepaid Expenses	300,456	223,989
Total Current Assets	<u>\$ 26,164,911</u>	<u>\$ 26,340,166</u>
<u>NONCURRENT ASSETS:</u>		
Restricted Certificates of Deposit	\$ 321,760	\$ 330,709
Restricted Beneficiary Trusts	7,148,421	5,738,884
Land	5,490,786	5,490,786
Construction In Progress	422,425	-
Capital Assets, Net	38,153,297	39,293,057
Housing Capital Assets, Net	1,961,295	2,136,746
Total Noncurrent Assets	<u>\$ 53,497,984</u>	<u>\$ 52,990,182</u>
 TOTAL ASSETS	 <u>\$ 79,662,895</u>	 <u>\$ 79,330,348</u>
<u>DEFERRED OUTFLOWS OF RESOURCES:</u>		
Deferred Amounts Related to OPEB	\$ 233,621	\$ 254,153
Deferred Amounts Related to Pensions	5,443,751	4,643,081
 TOTAL DEFERRED OUTFLOWS OF RESOURCES	 <u>\$ 5,677,372</u>	 <u>\$ 4,897,234</u>
 TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	 <u>\$ 85,340,267</u>	 <u>\$ 84,227,582</u>

See Accompanying Notes to the Basic Financial Statements.

THREE RIVERS COLLEGE
Poplar Bluff, Missouri

STATEMENTS OF NET POSITION

As of June 30, 2021 and 2020

<u>LIABILITIES</u>	<u>2021</u>	<u>2020</u>
<u>CURRENT LIABILITIES:</u>		
Accounts Payable	\$ 454,757	\$ 606,550
Accrued Vacation, Salaries, and Retirement	561,891	560,855
Security Deposits	27,884	27,059
Unearned Revenue	5,173,574	5,005,458
Endowments and Scholarships	1,875	117
PPP Note Payable	2,349,900	2,349,900
Current Maturities of Long-Term Debt	905,000	1,123,000
Accrued Interest	<u>127,156</u>	<u>161,084</u>
Total Current Liabilities	<u>\$ 9,602,037</u>	<u>\$ 9,834,023</u>
<u>NONCURRENT LIABILITIES:</u>		
Net Pension Liability	\$ 15,413,834	\$ 12,466,533
Other Post Employee Benefits	1,645,328	1,510,744
Long-Term Debt	<u>14,521,063</u>	<u>18,565,275</u>
Total Noncurrent Liabilities	<u>\$ 31,580,225</u>	<u>\$ 32,542,552</u>
TOTAL LIABILITIES	<u>\$ 41,182,262</u>	<u>\$ 42,376,575</u>
<u>DEFERRED INFLOWS OF RESOURCES:</u>		
Deferred Amounts Related to OPEB	\$ 491,039	\$ 554,469
Deferred Amounts Related to Pensions	2,581,181	3,833,044
Deferred Amounts Related to Beneficiary Trusts	<u>7,148,421</u>	<u>5,738,884</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>\$ 10,220,641</u>	<u>\$ 10,126,397</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	\$ 28,513,289	\$ 28,288,463
Net Investment in Housing Capital Assets	1,961,295	(3,567,133)
Restricted for Nonexpendable:		
Scholarships and Fellowships	321,760	330,710
Restricted for Expendable:		
Scholarships and Fellowships	102,103	102,938
Unrestricted	<u>3,038,917</u>	<u>6,569,632</u>
TOTAL NET POSITION	<u>\$ 33,937,364</u>	<u>\$ 31,724,610</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	<u>\$ 85,340,267</u>	<u>\$ 84,227,582</u>

See Accompanying Notes to the Basic Financial Statements.

THREE RIVERS COLLEGE
Poplar Bluff, Missouri

STATEMENTS OF REVENUES,
EXPENSES, AND CHANGES IN NET POSITION

For the Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
<u>OPERATING REVENUES:</u>		
Student Tuition and Fees	\$ 10,260,837	\$ 10,639,251
Scholarship Allowances	(7,250,769)	(7,483,285)
Auxiliary Enterprises		
Housing	629,714	574,580
Scholarship Allowances	(296,093)	(294,885)
Bookstore	1,645,970	1,778,056
Scholarship Allowances	(687,667)	(769,096)
Student Activities	347,119	368,412
Other	206,429	187,468
Other Operating Revenues	173,090	238,131
TOTAL OPERATING REVENUES	<u>\$ 5,028,630</u>	<u>\$ 5,238,632</u>
<u>OPERATING EXPENSES:</u>		
Instruction	\$ 8,425,376	\$ 7,761,670
Student Services	2,807,800	2,949,311
Academic Support	1,429,688	1,542,295
Institutional Support	6,539,776	3,871,929
Operation and Maintenance of Plant	1,746,828	1,805,054
Financial Aid and Scholarships	3,087,043	1,825,642
Auxiliary Enterprises		
Housing	240,851	263,437
Bookstore	1,286,941	1,193,790
Student Activities	221,486	266,501
Other	135,246	119,533
Depreciation and Amortization	2,428,852	2,393,641
TOTAL OPERATING EXPENSES	<u>\$ 28,349,887</u>	<u>\$ 23,992,803</u>
NET OPERATING INCOME (LOSS)	<u>\$ (23,321,257)</u>	<u>\$ (18,754,171)</u>
<u>NONOPERATING REVENUES (EXPENSES):</u>		
Property Taxes	\$ 2,306,846	\$ 2,271,409
Private Grants	106,496	153,902
State Aid and Grants	8,357,606	9,522,525
Federal Grants and Contracts	15,056,807	9,754,310
Investment Gain (Loss)	260,704	309,143
Contributions	63,947	340,616
Gift Returns	(8,878)	(52,779)
Gain (Loss) on Sale of Asset	16,321	(4,719)
Interest Expense	(625,838)	(671,233)
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>\$ 25,534,011</u>	<u>\$ 21,623,174</u>
CHANGE IN NET POSITION	\$ 2,212,754	\$ 2,869,003
TOTAL NET POSITION, July 1,	<u>31,724,610</u>	<u>28,855,607</u>
TOTAL NET POSITION, June 30,	<u>\$ 33,937,364</u>	<u>\$ 31,724,610</u>

See Accompanying Notes to the Basic Financial Statements.

STATEMENT 3

THREE RIVERS COLLEGE
Poplar Bluff, MissouriSTATEMENTS OF CASH FLOWS

For the Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>		
Tuition and Fees	\$ 2,169,877	\$ 2,017,246
Payments to Suppliers	(9,864,153)	(5,802,616)
Payments to Employees	(13,317,930)	(13,000,045)
Receipts (Refunds) of Deposits	825	450
Auxiliary Enterprise Receipts	(206,455)	31,456
Other	<u>174,848</u>	<u>237,660</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ (21,042,988)</u>	<u>\$ (16,515,849)</u>
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</u>		
Local Property Taxes	\$ 2,330,419	\$ 2,290,668
Private Grants	106,496	153,902
State Aid and Grants	8,357,606	9,522,525
Federal Grants and Contracts	15,056,807	9,754,310
Gift Returns	(8,878)	(52,779)
Contributions	<u>63,947</u>	<u>340,616</u>
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>\$ 25,906,397</u>	<u>\$ 22,009,242</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u>		
Debt Service - Interest Payments	\$ (659,766)	\$ (678,291)
Debt Service - Principal Payments	(4,273,000)	(1,093,000)
Proceeds from Note Payable	-	2,349,900
Acquisition of Capital Assets	<u>(1,508,957)</u>	<u>(3,757,928)</u>
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>\$ (6,441,723)</u>	<u>\$ (3,179,319)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>		
Interest and Dividends	\$ 260,704	\$ 309,143
Proceeds from Maturity of Certificates of Deposit	<u>8,949</u>	<u>46,638</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>\$ 269,653</u>	<u>\$ 355,781</u>
NET CHANGE IN CASH	\$ (1,308,661)	\$ 2,669,855
CASH, July 1,	<u>17,535,453</u>	<u>14,865,598</u>
CASH, June 30,	<u>\$ 16,226,792</u>	<u>\$ 17,535,453</u>

See Accompanying Notes to the Basic Financial Statements.

THREE RIVERS COLLEGE
Poplar Bluff, Missouri

STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 2021 and 2020

RECONCILIATION OF OPERATING INCOME (LOSS) TO NET

<u>CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</u>	<u>2021</u>	<u>2020</u>
Operating Income (Loss)	\$ (23,321,257)	\$ (18,754,171)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:		
Depreciation and Amortization	2,428,852	2,393,641
Changes in Assets and Liabilities:		
(Increase)/Decrease In:		
Tuition and Fees Receivable	333,703	785,234
Rent Receivable	(167,403)	30,182
Other Receivables	(1,342,010)	(1,572,293)
Inventory	95,198	(30,600)
Prepaid Expenses	(76,467)	(35,402)
Deferred Outflows	(780,138)	1,670,555
Beneficiary Trusts	(1,409,537)	(263,760)
Increase/(Decrease) In:		
Accounts Payable	(151,793)	101,510
Accrued Vacation, Salaries, and Retirement	1,036	17,198
Security Deposits	825	450
Unearned Revenue	168,116	(351,661)
Endowments and Scholarships	1,758	(471)
Other Post Employee Benefits	134,584	(235,986)
Deferred Inflows	94,244	567,740
Net Pension Liability	<u>2,947,301</u>	<u>(838,015)</u>
 NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	 <u>\$ (21,042,988)</u>	 <u>\$ (16,515,849)</u>

See Accompanying Notes to the Basic Financial Statements.

THREE RIVERS COLLEGE
Poplar Bluff, Missouri

STATEMENTS OF FIDUCIARY NET POSITION

As of June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
	<u>Custodial Funds</u>	<u>Custodial Funds</u>
<u>ASSETS:</u>		
Cash and Cash Equivalents	\$ 380,597	\$ 322,246
Total Assets	<u>\$ 380,597</u>	<u>\$ 322,246</u>
<u>LIABILITIES:</u>		
Accounts Payable	\$ 178	\$ 2
Total Liabilities	<u>\$ 178</u>	<u>\$ 2</u>
<u>NET POSITION:</u>		
Net Position Held In Trust	<u>\$ 380,419</u>	<u>\$ 322,244</u>

See Accompanying Notes to the Basic Financial Statements.

THREE RIVERS COLLEGE
Poplar Bluff, Missouri

STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION

As of June 30, 2021 and 2020

	2021	2020
	Custodial Funds	Custodial Funds
<u>ADDITIONS:</u>		
Fundraising	\$ 208,611	\$ 341,366
Total Additions	\$ 208,611	\$ 341,366
 <u>DEDUCTIONS:</u>		
Fundraising	\$ 150,436	\$ 322,303
Total Deductions	\$ 150,436	\$ 322,303
Change in Net Position	58,175	19,063
Net Position, July 1	322,244	303,181
Net Position, June 30	380,419	322,244

See Accompanying Notes to the Basic Financial Statements.

THREE RIVERS COLLEGE
Poplar Bluff, Missouri

STATEMENTS OF FINANCIAL POSITION - COMPONENT UNIT
 Three Rivers Endowment Trust

For the Years Ended June 30, 2021 and 2020

ASSETS

<u>CURRENT ASSETS:</u>	<u>2021</u>	<u>2020</u>
Cash	\$ 644,448	\$ 170,146
Certificates of Deposit	157,180	155,482
Contributions Receivable, Net	992,588	1,448,069
Investments	2,831,644	1,849,515
Artwork	12,667	12,667
Assets Held for Sale	<u>257,000</u>	<u>257,000</u>
 TOTAL ASSETS	 <u>\$ 4,895,527</u>	 <u>\$ 3,892,879</u>

LIABILITIES AND NET ASSETS

<u>CURRENT LIABILITIES:</u>		
Accounts Payable	<u>\$ -</u>	<u>\$ -</u>
 TOTAL LIABILITIES	 <u>\$ -</u>	 <u>\$ -</u>
 <u>NET ASSETS:</u>		
Net Assets with Donor Restrictions	\$ 4,167,939	\$ 3,241,703
Net Assets without Donor Restrictions	<u>727,588</u>	<u>651,176</u>
Total Net Assets	<u>\$ 4,895,527</u>	<u>\$ 3,892,879</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 4,895,527</u>	 <u>\$ 3,892,879</u>

See Accompanying Notes to the Basic Financial Statements.

THREE RIVERS COLLEGE
Poplar Bluff, Missouri

STATEMENTS OF ACTIVITIES - COMPONENT UNIT

Three Rivers Endowment Trust

For the Years Ended June 30, 2021 and 2020

Changes in Net Assets without Donor Restrictions	<u>2021</u>	<u>2020</u>
Revenues		
Contributions	\$ 83,762	\$ 58,815
Fundraising Events	29,307	18,436
Interest	4,000	5,738
In-Kind Revenue	-	1,750
Net Assets Released from Restrictions	<u>123,612</u>	<u>484,946</u>
Total Revenue without Donor Restrictions	<u>\$ 240,681</u>	<u>\$ 569,685</u>
Expenses		
Program Services	\$ 139,121	\$ 504,391
General and Administrative	10,294	2,726
Fundraising	<u>14,854</u>	<u>9,422</u>
Total Expenses	<u>\$ 164,269</u>	<u>\$ 516,539</u>
Increase (Decrease) in Net Assets without Donor Restrictions	<u>\$ 76,412</u>	<u>\$ 53,146</u>
Changes in Net Assets with Donor Restrictions		
Contributions	\$ 541,501	\$ 131,579
Investment Income	21,516	30,046
Investment Gain	472,138	(83,300)
Fundraising Events	674	4,355
Bad Debt Recovered	14,019	86,535
Net Assets Released from Restrictions	<u>(123,612)</u>	<u>(484,946)</u>
Increase (Decrease) in Net Assets with Donor Restrictions	<u>\$ 926,236</u>	<u>\$ (315,731)</u>
CHANGE IN NET ASSETS	\$ 1,002,648	\$ (262,585)
NET ASSETS, July 1,	<u>3,892,879</u>	<u>4,155,464</u>
NET ASSETS, June 30,	<u>\$ 4,895,527</u>	<u>\$ 3,892,879</u>

See Accompanying Notes to the Basic Financial Statements.

THREE RIVERS COLLEGE
Poplar Bluff, Missouri

NOTES TO BASIC FINANCIAL STATEMENTS

For the Years Ended June 30, 2021 and 2020

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 custodial fund accounts for assets held by the College in a purely custodial capacity.

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 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

	2021	2020
Assets		
Current assets	\$ -0-	\$ -0-
Capital assets	18,639,003	19,285,326
Total Assets	\$ 18,639,003	\$ 19,285,326
Liabilities		
Current liabilities	\$ 127,156	\$ 161,084
Noncurrent liabilities	15,426,063	19,660,275
Total Liabilities	\$ 15,553,219	\$ 19,821,359
Net Position		
Net investment in capital assets	\$ 3,085,784	\$ (536,033)
Total Net Position	\$ 3,085,784	\$ (536,033)

**Condensed Statements of Revenues, Expenses,
And Changes in Net Position**

	2021	2020
Operating Revenues (Expenses)		
Operating revenues	\$ 4,910,904	\$ 1,749,303
Other operating expenses	(6,136)	(6,011)
Depreciation and amortization expense	(657,111)	(650,030)
Operating Income	\$ 4,247,657	\$ 1,093,262
Non-Operating Revenues (Expenses)		
Dividend income	\$ -0-	\$ -0-
Interest expense	(625,840)	(671,234)
Non-Operating Income	\$ (625,840)	\$ (671,234)
Changes in Net Position	\$ 3,621,817	\$ 422,028
Beginning Net Position	(536,033)	(958,061)
Ending Net Position	\$ 3,085,785	\$ (536,033)

Condensed Statements of Cash Flows

	2021	2020
Net Cash Provided By/(Used In):		
Operating activities	\$ 4,910,904	\$ 1,749,303
Capital and related financing activities	(4,910,904)	(1,749,303)
Net Change	\$ -0-	\$ -0-
Cash and Cash Equivalents, Beginning	-0-	-0-
Cash and Cash Equivalents, Ending	\$ -0-	\$ -0-

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:

Net Assets with Donor Restrictions

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

Net Assets without Donor Restrictions

Net assets not subject to donor-imposed restrictions.

Revenues are reported as increases in net assets without donor restrictions 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 net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions 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, 2080 Three Rivers Boulevard, 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 2020 and 2019 for purposes of local taxation was \$952,701,236 and \$935,624,463, respectively. The tax levy per \$100 of the assessed valuation of tangible property for the calendar years 2020 and 2019 was set at \$0.2355 and \$0.2355, 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 years	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 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 represent 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 will not be recognized as an expense until then. 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 will not be recognized as revenue until then. The College has three items that meet the criterion for this category-pension deferrals that results from the implementation of GASB Statement No. 68 (see Note 6); other post employment benefits deferrals that result from the implementation of GASB Statement No. 75 (see Note 17); and commitments under a split interest agreement resulting from the implementation of GASB Statement No. 81 (see Note 3).

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.

Pension Plan

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

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.psr-peers.org.

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 and fees, housing, and bookstore for the year ended June 30, 2021, were \$7,250,769, \$296,093, and \$687,667, respectively. The scholarship allowances on tuition and fees, housing, and bookstore for the year ended June 30, 2020 were \$7,483,285, \$294,885, and \$769,096, respectively.

Net Position

The College’s net position is classified as follows:

Net Investment in Capital Assets

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

Restricted Net Assets-Nonexpendable

Includes permanent endowments that are required to be retained in perpetuity.

Restricted Net Assets-Expendable

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

Unrestricted Net Assets

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

Subsequent Events

The College has evaluated subsequent events through November 15, 2021, which is the date that the financial statements were available to be issued.

2. DEPOSITS AND INVESTMENTS:

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

Deposits

The carrying values of the College’s bank accounts and certificates of deposit at June 30, 2021 and 2020, were \$17,726,352 and \$18,509,723, respectively, and the bank balances at June 30, 2021 and June 30, 2020, were \$18,057,244 and \$18,754,221, 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:

	<u>2021</u>	<u>2020</u>
Carrying Value		
Deposits	<u>\$ 17,726,352</u>	<u>\$18,509,723</u>

Included in the following statements of net position captions:

	<u>2021</u>	<u>2020</u>
Proprietary Funds		
Cash and cash equivalents	\$ 16,226,792	\$17,535,453
Subtract: Cash on hand	(4,425)	(4,313)
Restricted certificates of deposit	321,760	330,709
Fiduciary-Custodial Funds		
Cash and cash equivalents	380,597	322,246
Component Unit-Endowment Trust		
Cash and cash equivalents	644,448	170,146
Certificates of deposit	<u>157,180</u>	<u>155,482</u>
Total	<u>\$ 17,726,352</u>	<u>\$18,509,723</u>

3. BENEFICIAL INTEREST IN TRUST:

As of June 30, 2021 and 2020, the College has \$7,148,421 and \$5,738,884, respectively, of beneficial interest in charitable remainder annuity trusts. The trusts are maintained by outside fiscal agents and are not under the control of the College. Under the terms of the first 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. Under the terms of the second trust agreement, the donor's descendants remain the beneficiaries.

GASB Statement No. 81 *Irrevocable Split-Interest Agreements* was implemented in fiscal year 2018, resulting in assets held in the charitable trusts to be reported at fair market value in the College's Statement of Net Position and changes in the fair value of the charitable trusts to be reflected in the Statement of Revenues, Expense, and Changes in 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, 2021:

	Balance June 30, 2020	Additions	Deductions	Balance June 30, 2021	Current Portion
Lease Participation Certificates, Series 2012A	\$ 3,350,000	\$ -	\$3,350,000	\$ -	\$ -
Lease Participation Certificates, Series 2012B	4,000,000	-	250,000	3,750,000	250,000
Lease Participation Certificates, Series 2014	6,850,000	-	400,000	6,450,000	400,000
Lease Participation Certificates, Series 2016	5,285,000	-	245,000	5,040,000	255,000
Premiums (Discounts)	175,275	25,105	14,317	186,063	-
Note Payable	28,000	-	28,000	-	-
Total	<u>\$ 19,688,275</u>	<u>\$ 25,105</u>	<u>\$4,287,317</u>	<u>\$15,426,063</u>	<u>\$ 905,000</u>

The following is a summary of long-term debt transactions for the College for the year ended June 30, 2020:

	Balance June 30, 2019	Additions	Deductions	Balance June 30, 2020	Current Portion
Lease Participation Certificates, Series 2012A	\$ 3,550,000	\$ -	\$ 200,000	\$ 3,350,000	\$ 200,000
Lease Participation Certificates, Series 2012B	4,250,000	-	250,000	4,000,000	250,000
Lease Participation Certificates, Series 2014	7,225,000	-	375,000	6,850,000	400,000
Lease Participation Certificates, Series 2016	5,525,000	-	240,000	5,285,000	245,000
Premiums (Discounts)	186,337	3,255	14,317	175,275	-
Note Payable	56,000	-	28,000	28,000	28,000
Total	<u>\$20,792,337</u>	<u>\$ 3,255</u>	<u>\$1,107,317</u>	<u>\$19,688,275</u>	<u>\$1,123,000</u>

Debt Service Requirements to Maturity

The debt service requirements for the next five years, and thereafter, as of June 30, 2021, are as follows:

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total to be Paid</u>
2022	\$ 905,000	\$ 513,275	\$ 1,418,275
2023	935,000	487,300	1,422,300
2024	970,000	460,131	1,430,131
2025	1,005,000	432,969	1,437,969
2026	1,035,000	401,069	1,436,069
2027-2031	5,705,000	1,445,288	7,150,288
2032-2036	4,300,000	385,688	4,685,688
2037	385,000	5,775	390,775
	<u>\$15,240,000</u>	<u>\$4,131,495</u>	<u>\$19,371,495</u>

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 began on April 1, 2014 and continue through 2032. These certificates were issued for the refinancing of the Series 2004 Student Housing Revenue Bonds. These certificates were paid off in the year ended June 30, 2021.

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 began on April 1, 2015 and continue through 2033. These certificates were used for the construction of the SEMA/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 were 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 began on October 1, 2017 and continue through 2037. These certificates were used for the construction of the Libla Family Sports Complex and adjoining SEMA/FEMA safe room.

Note Payable

During the year ended June 30, 2016, the College purchased 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. The Note Payable was paid off during the year ended June 30, 2021.

5. PAYCHECK PROTECTION PROGRAM

On April 3rd, 2020, the College received loan proceeds in the amount of \$2,349,900 under the Paycheck Protection Program (“PPP”). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”), provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The loans and accrued interest are forgivable after the covered period as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the covered period.

The unforgiven portion of the PPP loan is payable over two years at an interest rate of 1%, with a deferral of payments for the first six months. The College did use the proceeds for purposes consistent with the program and, therefore the loan was forgiven in July, 2021.

6. CAPITAL ASSETS:

Capital asset activity for the year ended June 30, 2021:

	Balance June 30, 2020	Additions	Retirements	Balance June 30, 2021
Capital assets not being depreciated:				
Land	\$ 5,490,786	\$ -	\$ -	\$ 5,490,786
Construction in progress	<u>-</u>	<u>422,425</u>	<u>-</u>	<u>422,425</u>
Total capital assets not being depreciated	<u>5,490,786</u>	<u>422,425</u>	<u>-</u>	<u>5,913,211</u>
Capital assets being depreciated:				
Building and improvements	53,729,393	97,649	26,869	53,800,173
Furniture, fixtures, and equipment	14,427,959	545,184	357,207	14,615,936
Infrastructure and land improvements	3,774,937	449,438	-	4,224,375
Library materials	1,048,769	21,218	-	1,069,987
Leasehold improvements	<u>73,158</u>	<u>-</u>	<u>-</u>	<u>73,158</u>
Total capital assets being depreciated	<u>73,054,216</u>	<u>1,113,489</u>	<u>384,076</u>	<u>73,783,629</u>
Less accumulated depreciation for:				
Buildings and improvements	17,267,063	1,419,579	16,233	18,670,409
Furniture, fixtures, and equipment	12,141,980	792,962	357,207	12,577,735
Infrastructure and land improvements	1,384,057	160,596	-	1,544,653
Library materials	818,770	38,137	-	856,907
Leasehold improvements	<u>12,543</u>	<u>6,790</u>	<u>-</u>	<u>19,333</u>
Total accumulated depreciation	<u>31,624,413</u>	<u>2,418,064</u>	<u>373,440</u>	<u>33,669,037</u>
Total capital assets being depreciated, net	<u>41,429,803</u>	<u>(1,304,575)</u>	<u>10,636</u>	<u>40,114,592</u>
Total capital assets, net	<u>\$ 46,920,589</u>	<u>\$ (882,150)</u>	<u>\$ 10,636</u>	<u>\$ 46,027,803</u>

Capital asset activity for the year ended June 30, 2020:

	Balance June 30, 2019	Additions	Retirements	Balance June 30, 2020
Capital assets not being depreciated:				
Land	\$ 5,490,786	\$ -	\$ -	\$ 5,490,786
Construction in progress	<u>372,490</u>	<u>-</u>	<u>372,490</u>	<u>-</u>
Total capital assets not being depreciated	<u>5,863,276</u>	<u>-</u>	<u>372,490</u>	<u>5,490,786</u>
Capital assets being depreciated:				
Building and improvements	50,987,470	2,774,699	32,776	53,729,393
Furniture, fixtures, and equipment	13,696,613	820,186	88,840	14,427,959
Infrastructure and land improvements	3,263,451	511,486	-	3,774,937
Library materials	1,021,042	27,727	-	1,048,769
Leasehold improvements	<u>46,520</u>	<u>26,638</u>	<u>-</u>	<u>73,158</u>
Total capital assets being depreciated	<u>69,015,096</u>	<u>4,160,736</u>	<u>121,616</u>	<u>73,054,216</u>
Less accumulated depreciation for:				
Buildings and improvements	15,907,391	1,374,421	14,749	17,267,063
Furniture, fixtures, and equipment	11,365,323	848,486	71,829	12,141,980
Infrastructure and land improvements	1,245,035	139,022	-	1,384,057
Library materials	781,899	36,871	-	818,770
Leasehold improvements	<u>6,641</u>	<u>5,902</u>	<u>-</u>	<u>12,543</u>
Total accumulated depreciation	<u>29,306,289</u>	<u>2,404,702</u>	<u>86,578</u>	<u>31,624,413</u>
Total capital assets being depreciated, net	<u>39,708,807</u>	<u>1,756,034</u>	<u>35,038</u>	<u>41,429,803</u>
Total capital assets, net	<u>\$45,572,083</u>	<u>\$ 1,756,034</u>	<u>\$ 407,528</u>	<u>\$46,920,589</u>

7. PENSION PLAN:

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 the Systems, Missouri State Teachers' Association, Missouri State High School Activities Association, and certain employees of the state of Missouri who elected to remain covered by PSRS under legislation enacted in 1986, 1987, and 1989. The majority of PSRS members are exempt from Social Security contributions. In some instances, positions may be determined not to be exempt from Social Security contributions. Any PSRS member who is required to contribute to Social Security comes under the requirements of Section 169.070 (9) RSMo, known as the "two-thirds 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 non-certified 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 the Systems 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 five years of service. Individuals who (a) are at least age 60 and have a minimum of 5 years of service, (b) have 30 years of service, or (c) qualify for benefits under the “Rule of 80” (service and age total at least 80) are entitled to a monthly benefit for life, which is calculated using a 2.5 percent benefit factor. Actuarially age-reduced benefits are available for members with five to 24.9 years of service at age 55. Members who are younger than age 55 and who do not qualify under the “Rule of 80” but have between 25 and 29.9 years of service may retire with a lesser benefit factor. Members that are three years beyond normal retirement can elect to have their lifetime monthly benefits actuarially reduced in exchange for the right to also receive a one-time partial lump sum (PLSO) payment at retirement equal to 12, 24, or 36 times the Single Life benefit amount.

PEERS is a defined benefit plan providing retirement, disability, and death benefits to its members. Members are vested for service retirement benefits after accruing five years of service. Individuals who (a) are at least age 60 and have a minimum of five years of service, (b) have 30 years of service, or (c) qualify for benefits under the “Rule of 80” (service and age total at least 80) are entitled to a monthly benefit for life, which is calculated using a 1.61% benefit factor. Members qualifying for "Rule of 80" or "30-and-out" are entitled to an additional temporary benefit until reaching minimum Social Security age (currently age 62), which is calculated using a 0.8 percent benefit factor. Actuarially age-reduced retirement benefits are available with five to 24.9 years of service at age 55. Members who are younger than age 55 and who do not qualify under the “Rule of 80” but have between 25 and 29.9 years of service may retire with a lesser benefit factor. Members that are three years beyond normal retirement can elect to have their lifetime monthly benefits actuarially reduced in exchange for the right to also receive a one-time partial lump sum (PLSO) payment at retirement equal to 12, 24, or 36 times the Single Life benefit amount.

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 COLAs to both PSRS and PEERS members as follows:

- If the June to June change in the Consumer Price Index for All Urban Consumers (CPI-U) is less than 2% for consecutive one-year periods, a cost-of-living increase of 2% will be granted when the cumulative increase is equal to or greater than 2%, at which point the cumulative increase in the CPI-U will be reset to zero. For the following year, the starting CPI-U will be based on the June value immediately preceding the January 1 at which the 2% cost-of-living increase is granted.
- If the June to June change in the CPI-U is greater than or equal to 2%, but less than 5%, a cost-of-living increase of 2% will be granted.
- If the June to June change in the CPI-U is greater than or equal to 5%, a cost-of-living increase of 5% will be granted.
- If the CPI decreases, no COLA is provided.

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 percent of their annual covered salary during fiscal years 2019, 2020, and 2021. 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 percent of pay.

PEERS members were required to contribute 6.86 percent of their annual covered salary during fiscal years 2019, 2020, and 2021. 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 percent of pay.

The College's contributions to PSRS and PEERS were \$1,170,257 and \$129,994, respectively, for the year ended June 30, 2021.

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

At June 30, 2021, the College recorded a liability of \$14,324,896 for its proportionate share of the PSRS net pension liability and \$1,088,965 for its proportionate share of the PEERS net pension. In total the College recorded net pension liabilities of \$15,413,834. The net pension liability for the plans in total was measured as of June 30, 2020 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 \$1,161,054 and \$138,538, respectively, for the year ended June 30,

2020, relative to the total contributions of \$723,970,206 for PSRS and \$123,440,288 for PEERS from all participating employers. At June 30, 2020, the College's proportionate share was 0.1604 percent for PSRS and 0.1122 percent for PEERS.

For the year ended June 30, 2021, the College recognized a pension expense of \$1,961,522 for PSRS and \$233,498 for PEERS, its proportionate share of the total pension expense.

At June 30, 2021, the College reported deferred outflows of resources and deferred inflows of resources from the following sources related to PSRS and PEERS pension benefits:

PSRS:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Balance of Deferred Outflows and Inflows Due to:		
Differences between expected and actual experience	\$ 233,503	\$ 587,292
Changes of assumptions	1,176,766	-
Net difference between projected and actual earnings on pension plan investments	2,264,783	724,107
Changes in proportion and differences between employer contributions and proportionate share of contributions	218,523	1,170,933
Employer contributions subsequent to the measurement date	<u>1,170,257</u>	<u>-</u>
Total	<u>\$ 5,063,832</u>	<u>\$ 2,482,332</u>

PEERS:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Balance of Deferred Outflows and Inflows Due to:		
Differences between expected and actual experience	\$ -	\$ 16,261
Changes of assumptions	11,093	-
Net difference between projected and actual earnings on pension plan investments	196,130	59,912
Changes in proportion and differences between employer contributions and proportionate share of contributions	42,702	22,676
Employer contributions subsequent to the measurement date	<u>129,994</u>	<u>-</u>
Total	<u>\$ 379,919</u>	<u>\$ 98,849</u>

COLLEGE TOTAL:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Balance of Deferred Outflows and Inflows Due to:		
Differences between expected and actual experience	\$ 233,503	\$ 603,553
Changes of assumptions	1,187,858	-
Net difference between projected and actual earnings on pension plan investments	2,460,913	784,019
Changes in proportion and differences between employer contributions and proportionate share of contributions	261,225	1,193,609
Employer contributions subsequent to the measurement date	<u>1,300,252</u>	<u>-</u>
Total	<u>\$ 5,443,751</u>	<u>\$ 2,581,181</u>

Amounts reported as deferred outflows of resources resulting from contribution subsequent to the measurement date of June 30, 2020, will be recognized as a reduction to the net pension liability in the year ended June 30, 2022. Other amounts reported as collective deferred (inflows)/outflows of resources are to be recognized in pension expense as follows:

Year Ended June 30:

	<u>PSRS</u>	<u>PEERS</u>	<u>College Total</u>
2022	\$1,183,010	\$151,472	\$1,334,482
2023	551,780	39,681	591,461
2024	451,135	46,879	498,014
2025	349,248	43,038	392,286
2026	46,327	-0-	46,327
Thereafter	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
	\$2,581,500	\$281,070	\$2,862,570

Actuarial Assumptions

Actuarial valuations of the Systems involve assumptions about probability of occurrence of events far into the future in order to estimate the reported amounts. Examples include assumptions about future employment, salary increases, and mortality. 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 and from Board policies concerning investments and COLAs. 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 studies and effective with the June 30, 2016 valuation. For the June 30, 2017 valuations, the investment rate of return was reduced from 7.75 percent to 7.60 percent, and the assumption for the annual cost-of-living adjustments was updated in accordance with the funding policies amended by the Board of Trustees at their November 2017 meeting. For the June 30, 2018 valuation, the investment rate of return assumption was further reduced from 7.60 percent to 7.50 percent. No additional assumption changes have occurred. Significant actuarial assumption and methods are detailed below. For additional information, please refer to the Systems' Comprehensive Annual Financial Report (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, 2020
Valuation Date	June 30, 2020
Expected Return on Investments	7.50 percent net of investment expenses and including 2.25 percent inflation
Inflation	2.25 percent
Total Payroll Growth	
PSRS:	2.75 percent per annum, consisting of 2.25 percent inflation, 0.25 percent real wage growth due to the inclusion of active health care costs in pensionable earnings, and 0.25 percent of real wage growth due to productivity.
PEERS:	3.25 percent per annum, consisting of 2.25 percent inflation, 0.50 percent real wage growth due to the inclusion of active health care costs in pensionable earnings, and 0.50 percent of real wage growth due to productivity.
Future Salary Increases	
PSRS:	3.00 percent - 9.50 percent, depending on service and including 2.25 percent inflation, 0.25 percent real wage growth due to the inclusion of active health care costs in pensionable earnings, and 0.25 percent of real wage growth due to productivity, and real wage growth for merit, promotion, and seniority of 0.25 percent to 6.75 percent.
PEERS:	4.00 percent - 11.00 percent, depending on service and including 2.25 percent inflation, 0.50 percent real wage growth due to the inclusion of active health care costs in pensionable earnings, and 0.50 percent of real wage growth due to productivity, and real wage growth for merit, promotion, and seniority of 0.75 percent to 7.75 percent.

Cost-of-Living Increases
PSRS & PEERS

The annual COLA assumed in the valuation increases from 1.30 percent to 1.65 percent over eight years, beginning January 1, 2022. The COLA reflected for January 1, 2020 is 2.00 percent, in accordance with the actual COLA approved by the Board. This COLA assumption reflects an assumption that general inflation will increase from 1.95 percent to a normative inflation assumption of 2.25 percent over six years. It is also based on the current policy of the Board to grant a COLA on each January 1 as follows:

- If the June to June change in the CPI-U is less than 2 percent for consecutive one-year periods, a cost-of-living increase of 2 percent will be granted when the cumulative increase is equal to or greater than 2 percent, at which point the cumulative increase in the CPI-U will be reset to zero. For the following year, the starting CPI-U will be based on the June value immediately preceding the January 1 at which the 2 percent cost-of-living increase is granted.
- If the June to June change in the CPI-U is greater than or equal to 2 percent, but less than 5 percent, a cost-of-living increase of 2 percent will be granted.
- If the June to June change in the CPI-U is greater than or equal to 5 percent, a cost-of-living increase of 5 percent will be granted.
- If the CPI decreases, no COLA is provided.

The COLA applies to service retirements and beneficiary annuities. The COLA does not apply to the benefits for in-service death payable to spouses (where the spouse is over age 60), and does not apply to the spouse with children pre-retirement death benefit, the dependent children pre-retirement death benefit, or the dependent parent death benefit. The total lifetime COLA cannot exceed 80

percent of the original benefit. PSRS members receive a COLA on the second January after retirement, while PEERS members receive a COLA on the fourth January after retirement.

Mortality Assumptions

Actives:

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

PSRS & PEERS	RP-2006 Disabled Retiree Mortality Tables with static projection to 2028 using the 2014 SSA Improvement Scale.
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Changes in Actuarial Assumptions And Methods

PSRS & PEERS	There have been no assumption changes since the June 30, 2018 valuations.
Fiduciary Net Position	The Systems issue a publicly available financial report (CAFR) 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, <i>Selection of Economic Assumptions for Measuring Pension Obligations</i> . ASOP No. 27 provides guidance on the selection of an appropriate assumed rate of return. The long-term expected rate of return on the Systems' investments was determined using a building-block method in which best-estimate ranges of expected future real rates of returns (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Systems' target allocation as of June 30, 2020 are summarized below.

Asset Class	Allocation	Basis
U.S. Public Equity	23.0%	4.81%
Public Credit	0.0%	0.80%
Hedged Assets	6.0%	2.39%
Non-U.S. Public Equity	16.0%	6.88%
U.S. Treasuries	20.0%	-0.02%
U.S. TIPS	0.0%	0.29%
Private Credit	8.0%	5.61%
Private Equity	16.0%	10.90%
Private Real Estate	11.0%	7.47%
Total	100.0%	

Discount Rate

The long-term expected rate of return used to measure the total pension liability was 7.50 percent as of June 30, 2020, and is consistent with the long-term expected geometric return on plan investments. The actuarial assumed rate of return was 8.0 percent from 1980 through fiscal year 2016. The Board of Trustees adopted a new actuarial assumed rate of return of 7.75 percent effective with the June 30, 2016 valuation based on the actuarial experience studies and asset-liability study conducted during the 2016 fiscal year. As previously discussed, the Board of Trustees further reduced the assumed rate of return to 7.60 percent effective with the June 30, 2017 valuation, and to 7.50 percent effective with the June 30, 2018 valuation. The projection of cash flows used to determine the discount rate assumed that employer contributions would be made at the actuarially calculated rate computed in accordance with assumptions and methods stated in the funding policy adopted by the Board of Trustees, which requires payment of the normal cost and amortization of the unfunded actuarially accrued liability in level percent of employee payroll installments over 30 years utilizing a closed period, layered approach. Based on this assumption, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

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 7.50 percent is presented, as well as the net pension liabilities using a discount rate that is 1.0 percent lower (6.50%) or 1.0 percent higher (8.50%) than the current rate.

Discount Rate		1% Decrease (6.50%)	Current Rate (7.50%)	1% Increase (8.50%)
PSRS	Proportionate share of the Net Pension Liability/(Asset)	\$ 24,308,536	\$ 14,324,869	\$ 6,022,170
PEERS	Proportionate share of the Net Pension Liability/(Asset)	\$ 1,919,072	\$ 1,088,965	\$ 392,455

Payable to the Pension Plan

The College reported a payable of \$169,286 and \$62,094 for the outstanding amount of contributions to PSRS and PEERS, respectively, required for the year ended June 30, 2021.

8. 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 provide dormitory space to students of the College.

Condensed Statements of Net Position

	<u>2021</u>	<u>2020</u>
Assets		
Current assets	\$ 442,213	\$ 123,991
Capital assets, net	<u>1,965,445</u>	<u>2,085,022</u>
Total Assets	<u>\$ 2,407,658</u>	<u>\$ 2,209,013</u>
Liabilities		
Current liabilities	\$ -	\$ 279,781
Noncurrent liabilities	-	3,128,151
Due to other funds	<u>5,033,003</u>	<u>1,478,246</u>
Total Liabilities	<u>\$ 5,033,003</u>	<u>\$ 4,886,178</u>
Net Position		
Net investment in capital assets	\$ 1,965,446	\$ (1,043,128)
Unrestricted	<u>(4,590,791)</u>	<u>(1,634,037)</u>
Total Net Position	<u>\$ (2,625,345)</u>	<u>\$ (2,677,165)</u>

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

	2021	2020
Operating Revenues (Expenses)		
Operating revenues	\$ 629,714	\$ 493,741
Operating expenses	(260,624)	(289,001)
Depreciation and amortization expense	(199,228)	(173,228)
Operating Income	\$ 169,862	\$ 31,512
Non-Operating Revenues (Expenses)		
Interest income	\$ 3,562	\$ 2,273
Interest expense	(121,604)	(88,495)
Non-Operating Income	\$ (118,042)	\$ (86,222)
Changes in Net Position	\$ 51,820	\$ (54,710)
Beginning Net Position	(2,677,165)	(2,622,455)
Ending Net Position	\$ (2,625,345)	\$ (2,677,165)

Condensed Statements of Cash Flows

	2021	2020
Net Cash Provided By (Used In)		
Operating activities	\$ 406,050	\$ 139,996
Capital and related financing activities	(258,936)	(258,936)
Investing activities	3,562	2,273
Net Change	\$ 150,676	\$ (116,667)
Cash and Cash Equivalents, Beginning	44,236	160,903
Cash and Cash Equivalents, Ending	\$ 194,912	\$ 44,236

9. 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 Schools 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.

10. 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.

11. OTHER POST EMPLOYMENT BENEFITS:

Plan Description:

The College's defined benefit OPEB plan, Three Rivers College Other Post-Employment Benefits Program, administers a single employer defined benefit plan for all full-time employees of the College. This plan does not issue a stand-alone financial report.

Benefits Provided:

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 percent 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 they retirees were insured separately. This benefit is called an "implicit rate subsidy."

Employees Covered by Benefit Terms:

As of June 30, 2021, the following employees were covered by the benefit terms:

Retirees and Surviving Spouses	18
Spouses of Current Retirees	6
Active	<u>157</u>
Total	181

Total OPEB Liability:

The College's total OPEB liability of \$1,645,328 was measured as of June 30, 2021, and was determined by an actuarial valuation date of June 30, 2020 and then projected forward to the measurement date.

Actuarial Assumptions and Other Inputs:

Inflation	2.30%
Salary Increases	3.00%
Discount Rate	2.16%
Mortality	Pub-2010 Teachers Mortality for Employees and Health Annuitants, with generational projection per Scale MP-2019.
Actuarial Cost Method	Entry Age Normal

The discount rate was based on 20 Year Bond GO Index.

The plan has not had a formal actuarial experience study performed.

Sensitivity of Net OPEB Liability to Changes in the Single Discount Rate

The following presents the total OPEB liability of the College, calculated using the discount rate of 2.16%, as well as what the College's total OPEB liability would be if it were calculated using a discount rate that is one percentage point higher (3.16%) or lower (1.16%) than the current rate:

Sensitivity of Net OPEB Liability as of June 30, 2021, to the Current Single Discount Rate Assumption			
	1% Decrease	Current Single Discount Rate Assumption	1% Increase
Net OPEB liability	\$ 1,861,735	\$ 1,645,328	\$ 1,464,993

Sensitivity of Net OPEB Liability to Changes in the Healthcare Cost Trend Rate

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

Sensitivity of Net OPEB Liability as of June 30, 2021, to the Healthcare Cost Trend Rate Assumption			
	1% Decrease	Healthcare Cost Trend Rates Rate Assumption	1% Increase
Net OPEB liability	\$ 1,396,913	\$ 1,645,328	\$ 1,963,460

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB:

For the year ended June 30, 2021, the College recognized OPEB expense of \$130,376. At June 30, 2021, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows Resources</u>
Differences between expected and actual experience	\$(455,667)	\$ -
Changes of assumptions or other inputs	<u>(35,372)</u>	<u>233,621</u>
Total	<u>\$(491,039)</u>	<u>\$ 233,621</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the College's OPEB expense as follows:

Year Ended June 30:	
2022	\$ (33,100)
2023	(33,100)
2024	(33,100)
2025	(33,100)
2026	(33,100)
Thereafter	<u>(91,918)</u>
Total	<u>\$(257,418)</u>

12. 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 <u>June 30,</u>	
2022	\$ 100,000
2023	100,000
2024	100,000
2025	<u>75,000</u>
Total	<u>\$ 375,000</u>

13. 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 investment at fair values as of June 30, 2021.

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Fiduciary Funds:				
Money market accounts	\$ 76,401	\$ 76,401	\$ -0-	\$ -0-
Federal governmental obligations	39,031	39,031	-0-	-0-
Corporate bonds	402,903	-0-	402,903	-0-
Mutual fund	1,023,818	771,118	252,700	-0-
Equities	<u>5,606,268</u>	<u>5,606,268</u>	<u>-0-</u>	<u>-0-</u>
Total	<u>\$ 7,148,421</u>	<u>\$ 6,492,818</u>	<u>\$ 655,603</u>	<u>\$ -0-</u>

The following table sets forth by level within the fair value hierarchy, the Endowment Trust’s investments at fair value as of June 30, 2021.

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Component Unit:				
Mutual funds	<u>\$ 2,831,644</u>	<u>\$ 2,486,677</u>	<u>\$ -0-</u>	<u>\$ 344,967</u>

The following table sets forth by level within the fair value hierarchy, the College’s investments at fair value as of June 30, 2020.

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Proprietary Funds:				
Money market accounts	\$ 306,248	\$ 306,248	\$ -0-	\$ -0-
Federal governmental obligations	40,008	40,008	-0-	-0-
Corporate bonds	405,763	-0-	405,763	-0-
Mutual fund	763,938	538,446	225,492	-0-
Equities	<u>4,222,927</u>	<u>4,222,927</u>	<u>-0-</u>	<u>-0-</u>
Total	<u>\$ 5,738,884</u>	<u>\$ 5,107,629</u>	<u>\$ 631,255</u>	<u>\$ -0-</u>

The following table sets forth by level within the fair value hierarchy, the Endowment Trust's investments at fair value as of June 30, 2020.

Component Unit:	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Mutual funds	\$ <u>1,849,515</u>	\$ <u>1,554,350</u>	\$ <u>-0-</u>	\$ <u>295,165</u>

14. ENDOWMENTS:

The endowments of the College consist of individual donor-restricted funds established for scholarships. In accordance with generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. Permanently restricted endowment balance includes 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, 2021 and 2020, net appreciation of endowments was \$61,056 and \$66,896, respectively. Of these amounts \$61,056 and \$66,896 are classified as restricted expendable for scholarships.

15. TAX ABATEMENTS:

College property tax revenues were reduced by \$108,824 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 \$99,219.

Industrial Development Program

Under agreements entered into by the City of Poplar Bluff, College property tax revenues were reduced by \$9,605.

REQUIRED SUPPLEMENTARY INFORMATION

THREE RIVERS COLLEGE
Poplar Bluff, Missouri

SCHEDULES OF PROPORTIONATE SHARE OF THE NET PENSION
 LIABILITY AND RELATED RATIOS

For the Year Ended June 30, 2021

Public School Retirement System of Missouri

Year Ended*	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Actual Covered Member Payroll	Net Pension Liability (Asset) as a Percentage of Covered Payroll	Fiduciary Net Position as a Percentage of Total Pension Liability
6/30/2014	0.1954%	\$ 8,016,432	\$ 8,693,284	92.21%	89.34%
6/30/2015	0.1942%	11,210,894	8,821,400	127.09%	85.78%
6/30/2016	0.1912%	14,226,521	8,849,934	160.75%	82.18%
6/30/2017	0.1877%	13,554,803	8,873,916	152.75%	83.77%
6/30/2018	0.1683%	12,525,654	8,091,385	154.80%	84.06%
6/30/2019	0.1565%	11,549,810	7,695,627	150.08%	84.62%
6/30/2020	0.1604%	14,324,869	8,036,099	178.26%	82.01%

Public Education Employee Retirement System of Missouri

Year Ended*	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Actual Covered Member Payroll	Net Pension Liability (Asset) as a Percentage of Covered Payroll	Fiduciary Net Position as a Percentage of Total Pension Liability
6/30/2014	0.1231%	\$ 449,519	\$ 1,794,673	25.05%	91.33%
6/30/2015	0.1201%	635,216	1,800,578	35.28%	88.28%
6/30/2016	0.1136%	911,453	1,754,779	51.94%	83.32%
6/30/2017	0.1033%	788,128	1,659,501	47.49%	85.35%
6/30/2018	0.1008%	778,894	1,677,876	46.42%	86.06%
6/30/2019	0.1159%	916,724	1,807,444	50.72%	86.38%
6/30/2020	0.1122%	1,088,965	2,019,505	53.92%	84.06%

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 Systems' net pension liability, which is as of the beginning of the District's fiscal year.*

See Accompanying Notes to the Basic Financial Statements.

THREE RIVERS COLLEGE
Poplar Bluff, Missouri

SCHEDULES OF EMPLOYER CONTRIBUTIONS

For the Year Ended June 30, 2021

Public School Retirement System of Missouri

Year Ending	Statutorily Required Contribution	Actual Employer Contribution	Contribution Excess/(Deficiency)	Actual Covered Member Payroll	Contributions as a Percentage of Covered Payroll
6/30/2013	\$ 1,166,814	\$ 1,166,814	\$ -	\$ 8,058,382	14.48%
6/30/2014	1,258,024	1,258,024	-	8,693,284	14.47%
6/30/2015	1,275,237	1,275,237	-	8,821,400	14.46%
6/30/2016	1,280,952	1,280,952	-	8,849,934	14.47%
6/30/2017	1,283,975	1,283,975	-	8,873,916	14.47%
6/30/2018	1,173,251	1,173,251	-	8,091,385	14.50%
6/30/2019	1,113,906	1,113,906	-	7,695,627	14.47%
6/30/2020	1,161,054	1,161,054	-	8,036,099	14.45%

Public Education Employee Retirement System of Missouri

Year Ending	Statutorily Required Contribution	Actual Employer Contribution	Contribution Excess/(Deficiency)	Actual Covered Member Payroll	Contributions as a Percentage of Covered Payroll
6/30/2013	\$ 116,708	\$ 116,708	\$ -	\$ 1,701,278	6.86%
6/30/2014	123,115	123,115	-	1,794,673	6.86%
6/30/2015	123,519	123,519	-	1,800,578	6.86%
6/30/2016	120,377	120,377	-	1,754,779	6.86%
6/30/2017	113,842	113,842	-	1,659,501	6.86%
6/30/2018	115,101	115,101	-	1,677,876	6.86%
6/30/2019	138,010	138,010	-	1,807,444	7.64%
6/30/2020	138,538	138,538	-	2,019,505	6.86%

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

See Accompanying Notes to the Basic Financial Statements.

THREE RIVERS COLLEGE

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN THE COLLEGE'S TOTAL OPEB LIABILITY AND RELATED RATIOS

June 30, 2021

Calendar Year Ended June 30,	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability				
Service Costs	\$ 130,376	\$ 95,778	\$ 128,349	\$ 131,808
Interest on Total OPEB Liability	35,813	63,893	62,798	54,998
Effect of Plan Changes	-	-	-	-
Effect of Economic/Demographic Gains or Losses	-	(570,735)	-	-
Effect of Assumptions Changes or Inputs	9,798	209,397	82,331	(58,956)
Benefit Payments	<u>(41,403)</u>	<u>(34,319)</u>	<u>(41,780)</u>	<u>(34,207)</u>
Net Change in Total OPEB Liability	134,584	(235,986)	231,698	93,643
Total OPEB Liability - Beginning	<u>1,510,744</u>	<u>1,746,730</u>	<u>1,515,032</u>	<u>1,421,389</u>
Total OPEB Liability - Ending	<u>\$ 1,645,328</u>	<u>\$ 1,510,744</u>	<u>\$ 1,746,730</u>	<u>\$ 1,515,032</u>
 Covered Employee Payroll	 9,906,613	 10,012,067	 8,265,475	 9,942,499
 Total OPEB Liability as a Percentage of Covered Employee Payroll	 16.61%	 15.09%	 21.13%	 15.24%

*Notes to the Schedule:**This schedule is presented to illustrate the requirement to show information for 10 years.**However, recalculations of prior years are not required, and if prior years are not reported in accordance with the current GASB standards, they should not be reported.*

SUPPLEMENTARY INFORMATION

THREE RIVERS COLLEGE
Poplar Bluff, Missouri

Disclosures Required by Lease Participation Certificates (Unaudited)

For the Year Ended June 30, 2021

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.

<u>Fall</u>	<u>Freshmen</u>	<u>Sophomores</u>	<u>Other</u>	<u>Total</u>
2016	1,689	1,337	479	3,505
2017	1,514	1,236	476	3,226
2018	1,368	1,183	525	3,076
2019	1,253	1,112	602	2,967
2020	1,230	1,040	489	2,759

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

<u>Fall</u>	<u>FTE Students</u>	<u>Credit Hours</u>
2016	2,460	36,893
2017	2,245	33,680
2018	2,096	31,433
2019	2,022	30,330
2020	1,926	28,886

Sources of Revenue

For the fiscal year ended June 30, 2021, the portion of the College's revenue from various sources were as follows:

<u>Source</u>	<u>Amount</u>	<u>Percentage</u>
Operating Revenue		
Tuition and Fees	\$ 3,010,068	9.6%
Auxiliary Enterprises	1,511,851	4.8%
Student Housing	333,621	1.1%
Other Operating	173,090	0.6%
Nonoperating Revenue		
Property Taxes	2,306,846	7.4%
Private Grants	106,496	0.3%
State Aid and Grants	8,357,606	26.8%
Federal Grants and Contracts	15,056,807	48.3%
Investment Gain	260,704	0.8%
Contributions	63,947	0.2%
Gain on Sale of Assets	16,321	
Total	<u>\$ 31,197,357</u>	<u>100.0%</u>

Tax Rates

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

<u>Year</u>	<u>Tax Levy</u>
2016	0.2352
2017	0.2352
2018	0.2355
2019	0.2355
2020	0.2355

Tax Levies and Collections

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

<u>Year</u> <u>Ended</u>	<u>Total</u> <u>Adjusted Levy</u> <u>(per \$100 of A.V)</u>	<u>Assessed</u> <u>Valuation</u>	<u>Total Taxes</u> <u>Levied</u>	<u>Total Taxes</u> <u>Collected</u>	<u>Percentage of</u> <u>Total Assessment</u> <u>Collected</u>
2016	0.2352	888,728,290	2,090,290	2,050,719	98.1
2017	0.2352	900,683,128	2,118,407	2,180,473	102.9
2018	0.2355	920,206,709	2,168,087	2,230,880	102.9
2019	0.2355	935,624,463	2,267,283	2,267,283	102.9
2020	0.2355	952,701,236	2,243,611	2,304,638	102.7

EXHIBIT 2

THREE RIVERS COLLEGE
Poplar Bluff, Missouri

COMBINING STATEMENT OF NET POSITION

June 30, 2021

<u>ASSETS</u>	<u>Current Fund</u>	<u>Plant Fund</u>	<u>Endowment and Similar Funds</u>	<u>Total</u>
<u>CURRENT ASSETS:</u>				
Cash and Cash Equivalents	\$ 7,380,978	\$ 8,773,779	\$ 72,035	\$ 16,226,792
Tuition and Fees Receivable, Net of Allowance for Uncollectible Accounts of \$3,838,793	5,908,218	-	-	5,908,218
Rent Receivable, Net of Allowance for Uncollectible Accounts of \$165,024	242,533	-	-	242,533
Other Receivables, Net of Allowance for Uncollectible Accounts of \$66,085	3,327,268	-	-	3,327,268
Property Taxes Receivable, Net of Allowance for Uncollectible Taxes of \$23,452	82,737	-	-	82,737
Inventory	76,907	-	-	76,907
Prepaid Expenses	255,456	45,000	-	300,456
Total Current Assets	<u>\$ 17,274,097</u>	<u>\$ 8,818,779</u>	<u>\$ 72,035</u>	<u>\$ 26,164,911</u>
<u>NONCURRENT ASSETS:</u>				
Restricted Certificates of Deposit	\$ -	\$ -	\$ 321,760	\$ 321,760
Restricted Beneficiary Trusts	-	-	7,148,421	7,148,421
Land	-	5,490,786	-	5,490,786
Construction In Progress	-	422,425	-	422,425
Capital Assets, Net	-	38,153,297	-	38,153,297
Housing Capital Assets, Net	1,961,295	-	-	1,961,295
Due from other Funds	(342,697)	382,431	(39,734)	-
Total Noncurrent Assets	<u>\$ 1,618,598</u>	<u>\$ 44,448,939</u>	<u>\$ 7,430,447</u>	<u>\$ 53,497,984</u>
TOTAL ASSETS	<u>\$ 18,892,695</u>	<u>\$ 53,267,718</u>	<u>\$ 7,502,482</u>	<u>\$ 79,662,895</u>
<u>DEFERRED OUTFLOWS OF RESOURCES:</u>				
Deferred Amounts Related to OPEB	\$ 233,621	\$ -	\$ -	\$ 233,621
Deferred Amounts Related to Pensions	5,443,751	-	-	5,443,751
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 5,677,372</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,677,372</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 24,570,067</u>	<u>\$ 53,267,718</u>	<u>\$ 7,502,482</u>	<u>\$ 85,340,267</u>

See Accompanying Notes to the Basic Financial Statements.

THREE RIVERS COLLEGE
Poplar Bluff, Missouri

COMBINING STATEMENT OF NET POSITION

June 30, 2021

<u>LIABILITIES</u>	<u>Current Fund</u>	<u>Plant Fund</u>	<u>Endowment and Similar Funds</u>	<u>Total</u>
<u>CURRENT LIABILITIES:</u>				
Accounts Payable	\$ 444,579	\$ -	\$ 10,178	\$ 454,757
Accrued Vacation, Salaries, and Retirement	561,891	-	-	561,891
Security Deposits	27,884	-	-	27,884
Unearned Revenue	5,173,574	-	-	5,173,574
Endowments and Scholarships	1,875	-	-	1,875
PPP Note Payable	2,349,900	-	-	2,349,900
Current Maturities of Long-Term Debt	-	905,000	-	905,000
Accrued Interest	-	127,156	-	127,156
Total Current Liabilities	<u>\$ 8,559,703</u>	<u>\$ 1,032,156</u>	<u>\$ 10,178</u>	<u>\$ 9,602,037</u>
<u>NONCURRENT LIABILITIES:</u>				
Net Pension Liability	\$ 15,413,834	\$ -	\$ -	\$ 15,413,834
Other Post Employee Benefits	1,645,328	-	-	1,645,328
Long-Term Debt	-	14,521,063	-	14,521,063
Total Noncurrent Liabilities	<u>\$ 17,059,162</u>	<u>\$ 14,521,063</u>	<u>\$ -</u>	<u>\$ 31,580,225</u>
TOTAL LIABILITIES	<u>\$ 25,618,865</u>	<u>\$ 15,553,219</u>	<u>\$ 10,178</u>	<u>\$ 41,182,262</u>
<u>DEFERRED INFLOWS OF RESOURCES:</u>				
Deferred Amounts Related to OPEB	\$ 491,039	\$ -	\$ -	\$ 491,039
Deferred Amounts Related to Pensions	2,581,181	-	-	2,581,181
Deferred Amounts Related to Beneficiary Trusts	7,148,421	-	-	7,148,421
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>\$ 10,220,641</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,220,641</u>
<u>NET POSITION</u>				
Net Investment in Capital Assets	\$ -	\$ 28,513,289	\$ -	\$ 28,513,289
Net Investment in Housing Capital Assets	1,961,295	-	-	1,961,295
Restricted for Nonexpendable:				
Scholarships and Fellowships	-	-	321,760	321,760
Restricted for Expendable:				
Scholarships and Fellowships	37,113	-	64,990	102,103
Unrestricted	(13,267,847)	9,201,210	7,105,554	3,038,917
TOTAL NET POSITION	<u>\$ (11,269,439)</u>	<u>\$ 37,714,499</u>	<u>\$ 7,492,304</u>	<u>\$ 33,937,364</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	<u>\$ 24,570,067</u>	<u>\$ 53,267,718</u>	<u>\$ 7,502,482</u>	<u>\$ 85,340,267</u>

See Accompanying Notes to the Basic Financial Statements.

THREE RIVERS COLLEGE
Poplar Bluff, Missouri

COMBINING STATEMENT OF REVENUES,
EXPENSES, AND CHANGES IN NET POSITION

For the Year Ended June 30, 2021

	<u>Current Fund</u>	<u>Plant Fund</u>	<u>Endowment and Similar Funds</u>	<u>Total</u>
<u>OPERATING REVENUES:</u>				
Student Tuition and Fees	\$ 10,260,837	\$ -	\$ -	\$ 10,260,837
Scholarship Allowances	(7,250,769)	-	-	(7,250,769)
Auxiliary Enterprises				
Housing	629,714	-	-	629,714
Scholarship Allowances	(296,093)	-	-	(296,093)
Bookstore	1,645,970	-	-	1,645,970
Scholarship Allowances	(687,667)	-	-	(687,667)
Student Activities	347,119	-	-	347,119
Other	206,429	-	-	206,429
Other Operating Revenues	173,090	-	-	173,090
TOTAL OPERATING REVENUES	<u>\$ 5,028,630</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,028,630</u>
<u>OPERATING EXPENSES:</u>				
Instruction	\$ 8,425,376	\$ -	\$ -	\$ 8,425,376
Student Services	2,807,800	-	-	2,807,800
Academic Support	1,429,688	-	-	1,429,688
Institutional Support	6,539,776	-	-	6,539,776
Operation and Maintenance of Plant	1,746,828	-	-	1,746,828
Financial Aid and Scholarships	3,081,013	-	6,030	3,087,043
Auxiliary Enterprises				
Housing	240,851	-	-	240,851
Bookstore	1,286,941	-	-	1,286,941
Student Activities	221,486	-	-	221,486
Other	135,246	-	-	135,246
Depreciation and Amortization	199,228	2,229,624	-	2,428,852
TOTAL OPERATING EXPENSES	<u>\$ 26,114,233</u>	<u>\$ 2,229,624</u>	<u>\$ 6,030</u>	<u>\$ 28,349,887</u>
NET OPERATING INCOME (LOSS)	<u>\$ (21,085,603)</u>	<u>\$ (2,229,624)</u>	<u>\$ (6,030)</u>	<u>\$ (23,321,257)</u>
<u>NONOPERATING REVENUES (EXPENSES):</u>				
Property Taxes	\$ 2,306,846	\$ -	\$ -	\$ 2,306,846
Private Grants	106,496	-	-	106,496
State Aid and Grants	8,357,606	-	-	8,357,606
Federal Grants and Contracts	15,056,807	-	-	15,056,807
Investment Gain (Loss)	138,485	120,123	2,096	260,704
Contributions	63,947	-	-	63,947
Gift Returns	-	-	(8,878)	(8,878)
Gain (Loss) on Sale of Asset	-	16,321	-	16,321
Interest Expense	(121,604)	(504,234)	-	(625,838)
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>\$ 25,908,583</u>	<u>\$ (367,790)</u>	<u>\$ (6,782)</u>	<u>\$ 25,534,011</u>
NET INCOME (LOSS) BEFORE OPERATING TRANSFERS	<u>\$ 4,822,980</u>	<u>\$ (2,597,414)</u>	<u>\$ (12,812)</u>	<u>\$ 2,212,754</u>
<u>OPERATING TRANSFERS IN (OUT):</u>				
Transfers In	\$ (5,368,060)	\$ 2,987,365	\$ 1,409,537	\$ (971,158)
Transfers Out	966,188	-	4,970	971,158
TOTAL TRANSFERS IN (OUT)	<u>\$ (4,401,872)</u>	<u>\$ 2,987,365</u>	<u>\$ 1,414,507</u>	<u>\$ -</u>
CHANGE IN NET POSITION	<u>\$ 421,108</u>	<u>\$ 389,951</u>	<u>\$ 1,401,695</u>	<u>\$ 2,212,754</u>
TOTAL NET POSITION, June 30, 2020	<u>(11,690,547)</u>	<u>37,324,548</u>	<u>6,090,609</u>	<u>31,724,610</u>
TOTAL NET POSITION, June 30, 2021	<u>\$ (11,269,439)</u>	<u>\$ 37,714,499</u>	<u>\$ 7,492,304</u>	<u>\$ 33,937,364</u>

See Accompanying Notes to the Basic Financial Statements.

FEDERAL COMPLIANCE SECTION

BEUSSINK, HEY, ROE & STRODER, L.L.C.

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

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, the fiduciary fund information, and the discretely presented component unit of Three Rivers College, as of and for the year ended June 30, 2021, 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 15, 2021.

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) as a basis for designing 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 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 financial statements. 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.

BEUSSINK, HEY, ROE & STRODER, L.L.C.

Beussink, Hey, Roe & Stroder, L.L.C.

Cape Girardeau, Missouri
November 15, 2021

BEUSSINK, HEY, ROE & STRODER, L.L.C.

Certified Public Accountants

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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 Three Rivers College's major federal programs for the year ended June 30, 2021. 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 on the Major Federal Program

In our opinion, Three Rivers College complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance, and which is described in the accompanying Schedule of Findings and Questioned Costs as item 2021-002. Our opinion on each major federal program is not modified with respect to this matter.

Three Rivers College's response to the noncompliance finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. Three Rivers College's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 Three Rivers 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 Three Rivers College's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph of and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a material weakness.

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. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 2021-001 to be a material weakness.

Three Rivers College's response to the internal control over compliance finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. Three Rivers College's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

BEUSSINK, HEY, ROE & STRODER, L.L.C.

Beussink, Hey, Roe & Stroder, L.L.C.

Cape Girardeau, Missouri
November 15, 2021

THREE RIVERS COLLEGE
Poplar Bluff, Missouri

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2021

<u>Federal Grantor/Pass Through Grantor/Program Title</u>	<u>Federal AL Number</u>	<u>Program Number</u>	<u>Provided to Subrecipients</u>	<u>Disbursements</u>
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Passed-Through Missouri Department of Social Services - SNAP Cluster:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	CS160897001	\$ -	\$ 86,508
Total SNAP Cluster			\$ -	\$ 86,508
TOTAL U.S. DEPARTMENT OF AGRICULTURE			\$ -	\$ 86,508
<u>U.S. DEPARTMENT OF LABOR</u>				
Passed-Through Missouri Department of Higher Education and Workforce Development - WIA Cluster:				
WIOA Dislocated Worker Formula Grants	17.278	32184-18-55-A-29	\$ -	\$ 8,472
Total WIA Cluster			\$ -	\$ 8,472
Trade Adjustment Assistance	17.245	N/A	-	64,763
TOTAL U.S. DEPARTMENT OF LABOR			\$ -	\$ 73,235
<u>U.S. DEPARTMENT OF TREASURY</u>				
Passed-Through Butler County, Missouri Treasurer - COVID-19 Coronavirus Relief Fund (1)	21.019	N/A	\$ -	\$ 329,361
TOTAL U.S. DEPARTMENT OF TREASURY			\$ -	\$ 329,361
<u>U.S. DEPARTMENT OF VETERAN AFFAIRS</u>				
Post-9/11 Veterans Educational Assistance	64.028	N/A	\$ -	\$ 109,815
Vocational and Educational Counseling for Servicemembers and Veterans	64.125	N/A	-	41,277
TOTAL U.S. DEPARTMENT OF VETERAN AFFAIRS			\$ -	\$ 151,092
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Student Financial Assistance Cluster:				
Federal Supplemental Educational Opportunity Grants (1)	84.007	N/A	\$ -	\$ 140,320
Federal Work-Study Program (1)	84.033	N/A	-	72,114
Federal Pell Grant Program (1)	84.063	N/A	-	6,672,647
Federal Direct Student Loans (1)	84.268	N/A	-	2,580,843
Total Student Financial Assistance Cluster			\$ -	\$ 9,465,924
TRIO Cluster:				
TRIO Student Support Services (1)	84.042	P042A200725	\$ -	\$ 309,743
TRIO Talent Search (1)	84.044	P044A160459	-	620,279
Total TRIO Cluster			-	930,022
Passed-Through Missouri Department of Higher Education and Workforce Development - Career and Technical Education - Basic Grants to States	84.048	V048A2000205	31,512	343,475
Passed-Through Missouri Department of Elementary and Secondary Education - Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126	N/A	-	14,721
Passed-Through Missouri Department of Higher Education and Workforce Development - COVID-19 Education Stabilization Fund (1)	84.425C	N/A	\$ -	\$ 574,305
COVID-19 Education Stabilization Fund (1)	84.425E	N/A	-	1,609,644
COVID-19 Education Stabilization Fund (1)	84.425F	N/A	-	3,418,780
Total Education Stabilization Fund			-	5,602,729
TOTAL U.S. DEPARTMENT OF EDUCATION			\$ 31,512	\$ 16,356,871
TOTAL FEDERAL AWARDS			\$ 31,512	\$ 16,997,067

(1) Identified Major Programs

See Independent Auditors' Report.

THREE RIVERS COLLEGE
Poplar Bluff, Missouri

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A. Purpose of Schedule and Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards has been prepared to comply with the Uniform Guidance. This circular requires a Schedule of Expenditures of Federal Awards showing total expenditures for each federal financial assistance program as identified on the Assistance Listing and identification of programs that have not been assigned an Assistance Listing Number as “Other Federal Assistance.” The Schedule includes all expenditures of federal awards administered by the College.

B. Basis of Presentation

The Schedule is presented in accordance with the Uniform Guidance, which defines federal awards as “...assistance that non-federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursement for services rendered to individuals.” Accordingly, the Schedule includes nonmonetary as well as monetary assistance.

C. Basis of Accounting

Except as noted below, the Schedule is presented on the accrual basis of accounting, which recognizes revenues when earned and expenses when an obligation has been incurred.

D. Federal Assurances

Three Rivers College did not have federal insurance in effect during the year or have federal loans or loan guarantees outstanding at year end which are required to be reported in accordance with the Uniform Guidance.

E. Indirect Cost Rate

The College did not use the 10% de minimis cost rate.

F. Subrecipients

The total expenditures of the Career and Technical Education – Basic Grants to States grant, CFDA 84.048 of \$343,475 included \$31,512 of payments made to subrecipients.

THREE RIVERS COLLEGE
Poplar Bluff, Missouri

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2021

1. SUMMARY OF AUDITORS' RESULTS:

Financial Statements

Type of report the auditor issued on whether the financial statement audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

- Material weaknesses identified? _____ yes X no
- Significant deficiencies identified? _____ yes X none reported

Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

Internal control over major programs:

- Material weaknesses identified? X yes _____ no
- Significant deficiencies identified? _____ yes X none reported

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? X yes _____ no

Identification of major programs.

<u>CFDA Number</u>	<u>Name of Federal Program</u>
21.019	COVID-19 Coronavirus Relief Fund
	Student Financial Aid Cluster:
84.007	Federal Supplemental Educational Opportunity Grants
84.033	Federal Work – Study Program
84.063	Federal Pell Grant Program
84.268	Federal Direct Student Loans
	TRIO Cluster:
84.042	TRIO Student Support Services
84.033	TRIO Talent Search
	Education Stabilization Fund:
84.425C	COVID-19 Governor’s Emergency Education Relief
84.425E	COVID-19 Higher Education Emergency Relief Fund (HEERF) Student Aid Portion
84.425F	COVID-19 HEERF Institutional Portion

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

Auditee qualified as low-risk auditee: X yes no

2. FINANCIAL STATEMENT FINDINGS:

No findings were noted that are required to be reported.

3. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS:

2021-001 Procurement and Suspension and Debarment

Federal Program: U.S. Department of Education: COVID-19 Education Stabilization Fund (84.425E and 84.425F).

Criteria: When a sub-recipient of federal awards uses federal money to acquire goods and services expected to cost more than \$25,000, the sub-recipient must determine if the vendor is suspended, debarred, or otherwise excluded from doing business with the federal government.

Condition: The College purchased goods from five vendors totaling greater than \$25,000 that required the College to determine the vendor's status with the federal government. The vendors were, in fact, not excluded parties, but the College had no internal control in place to make that determination before the disbursements were made for four of the vendors

Cause: The College did not check for suspension and debarment after it was determined that these costs were allowable grant costs for four of the vendors.

Effect: The College did comply with the federal compliance requirements. However, internal controls were such that noncompliance could occur and go undetected.

Questioned Costs: None.

Context: Total COVID-19 Education Stabilization Funds are \$5,028,424.

Repeat Finding: No.

Recommendation: We recommend the College verify a vendor's status by checking the *System for Award Management (SAM)* maintained by the General Services Administration before making purchases expected to exceed \$25,000.

Views of Responsible Officials: The College will document the verification of all vendors' status using the *System for Award Management (SAM)* maintained by the General Services Administration before making purchases expected to exceed \$25,000.

2021-002 Reporting

Federal Program: U.S. Department of Education: COVID-19 Education Stabilization Fund (84.425, and 84.425F).

Criteria:	Quarterly public reports must be conspicuously posted on the institution's primary website no later than 10 days after the end of each calendar quarter.
Condition:	The College did not post two out of four of the quarterly reports to the institution's primary website timely. One was posted 5 days late, and the other was posted 18 days late.
Cause:	The College believed the reporting deadline to be 30 days after the quarter end.
Effect:	The College did not comply with the federal compliance requirements.
Questioned Costs:	None.
Context:	Total COVID-19 Education Stabilization Funds are \$5,028,424.
Repeat Finding:	No.
Recommendation:	We recommend the College post the quarterly reports to the institution's primary website within 10 days of the end of the calendar quarter.
Views of Responsible Officials:	The College will ensure that all reports are posted timely going forward.

THREE RIVERS COLLEGE
Poplar Bluff, Missouri

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the Year Ended June 30, 2021

1. FINANCIAL STATEMENT FINDINGS:

No findings were noted that were required to be reported.

2. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS:

No federal findings were noted that were required to be reported.



THREE RIVERS COLLEGE

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EXHIBIT 7

THREE RIVERS COLLEGE Poplar Bluff, Missouri

CORRECTIVE ACTION PLAN

For the Year Ended June 30, 2021

Three Rivers College respectfully submits the following corrective action plan for each finding in the Schedule of Finding and Questioned Costs.

Finding: 2021-001 Procurement Suspension and Debarment

Name of
Contact Person: Charlotte Eubank, Chief Financial Officer

Recommendation: We recommend the College verify a vendor's status by checking the *System for Award Management (SAM)* maintained by the General Services Administration before making purchases expected to exceed \$25,000.

Corrective Action: We will document the verification of all vendors' status using the *System for Award Management (SAM)* maintained by the General Services Administration before making purchases expected to exceed \$25,000.

Proposed
Completion Date: Immediately

Finding: 2021-002 Reporting

Name of
Contact Person: Charlotte Eubank, Chief Financial Officer

Recommendation: We recommend the College post the quarterly reports to the institution's primary website within 10 days of the end of the calendar quarter.

Corrective Action: We will ensure that all reports are publicly posted timely going forward.

Proposed
Completion Date: Immediately