MINERAL AREA COLLEGE
PARK HILLS, MISSOURI

FINANCIAL STATEMENTS

JUNE 30, 2023

TABLE OF CONTENTS

MINERAL AREA COLLEGE
Management's Discussion and Analysis
For the Year Ended June 30, 2023

Introduction

Management's discussion and analysis is an overview of the financial position and financial activities of Mineral Area College. It should be read in conjunction with the financial statements and notes that follow as a result of the independent audit performed by Boyer & Associates on the FY 2023 (July 1, 2022 through June 30, 2023) financial activities and conditions of the College.

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

There are three financial statements presented: the Statement of Net Position, the Statement of Revenues, Expenses and Changes in Net Position, and the Statement of Cash Flows. The emphasis of discussion about the financial statements is on the current year data.

Funds statements are still used to manage the College and for external reporting to various agencies including the Missouri Department of Elementary and Secondary Education and the Coordinating Board of Higher Education.

Statement of Net Position

The Statement of Net Position presents the assets, deferred outflows, liabilities, deferred inflows, and net position of the College at the end of the fiscal year, June 30, 2023. The purpose of the Statement of Net Position is to present a snapshot of the financial condition of the College. The total net position, which is the difference between total assets and deferred outflows and total liabilities and deferred inflows, is one of the indicators of the current financial condition of the College.

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

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

The following chart of the College's net position on June 30, 2023 and 2022, shows the unrestricted portion at $11,543 thousand and $8,301 thousand, respectively. The total net position of the College increased by 45% for the year ended June 30, 2023. The unrestricted fund balance includes the impact of the required GASB 68 *Accounting and Financial Reporting for Pensions* for the reporting of retirement plan liabilities and GASB 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.* Changes for the pension reporting are included in the deferred outflows with a $4,502 thousand decrease, a $6,483 thousand increase in liabilities, and a $3,425 thousand decrease to deferred inflows in the net position of the College. Changes for the other postemployment benefits reporting are included in the deferred outflows with a $103 thousand decrease, a $17 thousand increase in liabilities, and a $254 thousand decrease to deferred inflows in the net position of the College.

NET POSITION	**FY 2023 (in thousands)**	**FY 2022 (in thousands)**
Total Assets	$ 67,534	$ 56,295
Deferred Outflows	9,849	5,500
Total Liabilities	(24,427)	(18,493)
Deferred Inflows	(10,668)	(14,178)
	42,288	29,124
Invested in Capital Assets	26,237	16,587
Restricted		
Non-Expendable	2,263	2,257
Expendable	2,245	1,979
Prior Period Adjustment	-	-
Unrestricted	11,543	8,301
Total Net Position	$ 42,288	$ 29,124

Statement of Revenues, Expenses and Changes in Net Position

The Statement of Revenues, Expenses and Changes in Net Position presents the College's financial results for the fiscal year ended June 30, 2023. The statement includes the College's revenues and expenses, both operating and non-operating.

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

The following is a summarized version of the College's revenues, expenses, and changes in net assets for the years ended June 30, 2023 and 2022.

	FY 2023 (in thousands)	FY 2022 (in thousands)
Operating Revenues	$ 19,994	$ 23,678
Operating Expenditures	(27,852)	(26,672)
Operating Income/(Loss)	(7,858)	(2,994)
Non-Operating Revenues Less Expenditures	21,022	16,517
Increase in Net Position	13,164	13,523
Net Position, Beginning of Year	29,124	15,601
Prior Period Adjustment	-	-
Net Position, End of Year	$ 42,288	$ 29,124

One of the financial strengths of the College is the diverse stream of revenues, which supplement its student tuition and fees. Overall, revenues (operating & non-operating) have increased by $768 thousand from FY 2022 to FY 2023. Non-operating revenues are up $4,452 thousand, which is a result of an increase in State appropriations and County property taxes. Operating revenues are down $3,684 thousand, which includes a $4,995 thousand decrease in federal grants and contracts, a $689 thousand increase in state and local grants and contracts, and a $680 thousand decrease in tuition.

The following is the College's FY 2023 and FY 2022 revenues, both operating and non-operating.

REVENUES	FY 2023 (in thousands)	FY 2022 (in thousands)
Operating Revenues		
Student Tuition	$ 5,024	$ 4,343
Auxiliary Operations	2,181	2,288
Contracts & Grants	12,251	16,558
Other	538	489
Total Operating Revenues	19,994	23,678
Non-Operating Revenues		
State Appropriations	15,154	11,564
Property Taxes	5,414	5,075
Investments	657	116
Gifts	84	102
Interest on Debt	(287)	(340)
Gain on Sale of Asset	-	-
Total Non-Operating Revenue	21,022	16,517

The following chart shows the total operating expenses for the College during the fiscal years ended June 30, 2023 and 2022. Overall expenses increased by approximately $1,180 thousand from 2022. Salaries and benefits increased by approximately $2,405 thousand. Student aid, which is tied to enrollment, decreased by $3,080 thousand.

OPERATING EXPENSES	**FY 2023 (in thousands)**	**FY 2022 (in thousands)**
Operating Expenditures		
Salaries and Benefits	$ 10,924	$ 8,519
Consulting Services	782	315
Travel	256	146
Student Aid	4,879	7,958
Supplies and Services	8,157	7,124
Depreciation	2,121	1,920
Utilities	733	690
Total Operating Expenses	$ 27,852	$ 26,672

In addition, the following chart shows the June 30, 2023 and 2022, total expenses by functional allocation for the College.

EXPENSES BY FUNCTION	**FY 2023 (in thousands)**	**FY 2022 (in thousands)**
Operating Expenditures		
Instruction	$ 8,723	$ 6,072
Public Service	5	5
Academic Support	1,825	1,706
Support Services	2,459	1,775
Institutional Support	3,210	2,759
Plant and Maintenance	2,739	2,327
Student Aid	4,879	7,958
Auxiliary Enterprises	1,891	2,123
Depreciation	2,121	1,947
Total Operating Expenses by Function	$ 27,852	$ 26,672

Statement of Cash Flows

The Statement of Cash Flows presents information about the cash activity of the College. The statement shows the major sources and uses of cash. The following is a summary of the Statement of Cash Flows for the years ended June 30, 2023 and 2022.

	FY 2023 (in thousands)	FY 2022 (in thousands)
Cash Provided (Used) By:		
Operating Activities	$ (6,099)	$ (414)
Non-Capital Financing Activities	20,653	16,742
Capital Financing Activities	(11,989)	(10,692)
Investing Activities	467	(3,402)
Net Change in Cash	3,032	2,234
Cash, Beginning of the Year	13,949	11,715
Cash, End of the Year	$ 16,981	$ 13,949

Capital Asset and Debt Administration

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

Below is a summary of the capital assets, net of depreciation as of June 30, 2023 and 2022:

	2023	2022
Land	$385,066	$385,066
Buildings & Improvements	19,730,183	17,069,902
Construction in Progress	13,946,647	8,321,815
Student Housing System	1,301,511	1,487,253
Equipment & Vehicles	674,815	986,616
Library Books	-	-
Total Capital Assets	$36,038,222	$28,250,652

Equipment purchases for 2023 totaled $4,283,853 consisting of various enhancement grant equipment purchases and the completion of the HVAC Building and upgrades to the current HVAC system. Construction in Progress totaled $5,624,832, which consisted of the construction of a new Technology building. These projects were financed through a lease purchase agreement and various grants. Depreciation on equipment for FY 2023 was $486,336, and $185,472 for college housing.

In December of 2020, the College refinanced the 2011 General Obligation Bonds for future cash management purposes. The outstanding balance of the 2020 General Obligation Bonds as of June 30, 2023, was $3,025,000. Refinancing in June 2017 was obtained for certificates of participation for college housing. The balance on these new certificates of participation on June 30, 2023, was $3,123,559. The College entered a lease agreement during fiscal year 2020 to purchase equipment. The balance of the lease was $-0- as of June 30, 2023. During fiscal year 2020, the College obtained a loan to finance an energy efficient project through Trane. During fiscal year 2021, the lease was refinanced to include future projects. The balance of the loan was $3,520,000 as of June 30, 2023. Total long-term debt net of unamortized costs as of June 30, 2023, was $9,801,346.

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

	6/30/2022	Issued	Retired	6/30/2023
Debt Outstanding	$11,461,172	-0-	1,792,613	$9,668,559
Unamortized Costs	202,355	-0-	69,568	132,787
Total Debt Outstanding	$11,663,527	-0-	1,862,181	$9,801,346

Economic Outlook

The College primarily relies on three funding sources for its operations – appropriations from the State of Missouri, local property taxes, and tuition and fees from students. Consistency and growth in all three of these areas are important to the ongoing operation of the College. During the fiscal year ending June 30, 2023, these revenue sources comprised 37%, 13%, and 12% of our total revenue respectively. Governor Mike Parson has announced his recommendation for an increase in state appropriations for FY24. If passed by the legislature, the increase will be modest, as it was in FY23. The Missouri Community College Funding Formula relies on a three year average of FTE per college. Steady increases will result in more funding in future years. MAC Enrollment has started to show progress in FY23 – Fall semester was up 5% and the spring semester is currently trending in the positive. Administration will likely recommend a modest tuition increase in FY24 to offset rising costs of living for employees.

In addition to an increase in core funding the governor is also recommending $2.5 Million in capital improvement funds for MAC. These new funds, combined with the previous $17.5 Million awarded to MAC will provide $20 Million towards the completion and operation of the MACTech Industry and Technology Center (formerly the Workforce Innovation and Education Center) on the MAC campus. This facility is now open and operational in the following programs: Industrial Electrical Maintenance, Construction Building Technology, Machine Tool, with more programs such as Fiber Optic Installation and Programming, Auto Tech and more on the horizon.

In addition to the $2.5 Million in capital improvement funds for this project, MAC has submitted an application for the MoExcels Grant fund for $2.5 Million for Animal Science program development that will include an actual working farm for college and high school students.

Mineral Area College will continue to seek opportunities to support access to quality, affordable education in Missouri. This includes expansion of our service region into Cape Girardeau

County in 2022, expansion of technical programs previously mentioned, and other enrollment initiatives.

Dr. Joseph Gilgour
President
Mineral Area College
February 15, 2024

Rick Jenkins
Executive Director of Finance
Mineral Area College
February 15, 2024

Boyer & Associates, PC
Certified Public Accountants

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

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

INDEPENDENT AUDITOR'S REPORT

February 15, 2024

Board of Trustees
Mineral Area College
Park Hills, Missouri

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit of Mineral Area College, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of Mineral Area College, as of June 30, 2023, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Mineral Area College and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Mineral Area College's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently know information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material is there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted audition standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Mineral Area College's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Mineral area College's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages i through vii and the Disclosures for Missouri Retirement System pages 32 – 33 and the Other Post Employment Benefits information on page 34 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Mineral Area College's basic financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 statement themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the continuing disclosures under SEC rule 15C2-12, pages 35 - 39, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

The connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated February 15, 2024, on our consideration of Mineral Area College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 Mineral Area 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 Mineral Area College's internal control over financial reporting and compliance.

Boyer & Associates, PC

Boyer & Associates, PC
Certified Public Accountants
Park Hills, Missouri

MINERAL AREA COLLEGE
STATEMENT OF NET POSITION
June 30, 2023

	College	Component Unit Foundation
ASSETS		
Cash and cash equivalents	$ 10,820,042	$ 88,129
Short-term investments	8,627,723	2,498,950
Accounts receivable, net	859,158	-
Inventories	703,082	-
Prepaid expense	268,448	-
Restricted cash	6,160,854	199,441
Restricted investments	4,056,128	1,508,408
Capital assets, net	36,038,223	275,148
Total assets	67,533,658	4,570,076
DEFERRED OUTFLOWS		
Pensions	9,253,554	-
Other post employee benefits	178,236	-
Deferred interest	416,812	-
Total deferred outflows	9,848,602	-
LIABILITIES		
Accounts payable	1,776,551	-
Accrued post employment benefits	2,374,037	-
Accrued vacation and sick leave	623,815	-
Accrued liabilities-other	641,305	-
Accrued net pensions liability	9,342,599	-
Long-term liabilities:		
Current capital lease obligations	613,815	-
Current maturities of long-term debt	1,240,000	-
Capital lease obligations	6,029,744	-
Long-term debt	1,785,000	252,812
Total liabilities	24,426,866	252,812
DEFERRED INFLOWS		
Pensions	9,035,951	-
Other post employee benefits	646,127	-
Unearned revenue	435,747	-
Bond premiums	261,324	-
Capital-lease premiums	288,275	-
Total deferred inflows	10,667,424	-
Invested in capital assets, net of related debt		-
Restricted	26,236,877	22,336
Nonexpendable		
Scholarships	2,263,016	659,325
Other	-	545,027
Expendable		
Scholarships	582,846	59,156
Capital projects	177,743	-
Debt service	1,484,071	-
Other	-	444,341
Unrestricted	11,543,417	2,587,079
Total net position	$ 42,287,970	$ 4,317,264

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

MINERAL AREA COLLEGE
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
Year Ended June 30, 2023

	College	Component Unit Foundation
OPERATING REVENUES		
Student tuition and fees (less scholarship allowances $3,591,380)	$ 5,023,507	$ -
Federal grants and contracts	8,246,960	-
State and local grants and contracts	4,004,877	-
Sales and services of educational departments	284,453	-
Auxiliary enterprises:		
Student housing	1,083,316	-
Bookstore	1,076,221	-
Shooting range	21,175	-
Other operating revenue	253,728	101,536
Total operating revenues	19,994,237	101,536
OPERATING EXPENSES		
Instruction	8,723,168	-
Public service	4,595	-
Academic support	1,824,855	-
Support services	2,458,830	-
Institutional support	3,210,642	283,931
Plant operations	2,738,919	-
Student Aid	4,878,618	-
Depreciation	2,121,115	4,367
Auxiliary enterprises:		
Student housing	1,267,930	-
Bookstore	548,729	-
Shooting range	75,102	-
Total operating expenses	27,852,503	288,298
Operating income (loss)	(7,858,266)	(186,762)
NON-OPERATING REVENUES (EXPENSES)		
State appropriations	15,154,562	-
County property taxes	5,414,493	-
Gifts	83,948	265,439
Investment income (loss)	656,569	372,694
Interest and fees on capital asset related debt	(287,286)	-
Gain (loss) on sale of capital assets	-	-
Net non-operating revenues	21,022,286	638,133
INCREASE (DECREASE) IN NET POSITION	13,164,020	451,371
Net position, beginning of year	29,123,950	3,865,893
Net position, end of year	$ 42,287,970	$ 4,317,264

MINERAL AREA COLLEGE
STATEMENT OF CASH FLOWS
Year Ended June 30, 2023

	College	Component Unit Foundation
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments for tuition and fees	$ 5,066,389	$ -
Payments for grants and contracts	12,518,177	-
Payments for services	2,586,964	101,536
Payments to suppliers	(6,433,664)	(283,931)
Payments to employees	(12,514,508)	-
Payments for student financial aid	(7,322,696)	-
Net cash provided (used) by operating activities	(6,099,338)	(182,395)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
State appropriations	15,154,562	-
County property taxes	5,414,493	-
Gifts	83,948	265,439
Net provided by non-capital financing activities	20,653,003	265,439
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
Issuance of long-term debt	-	179,890
Acquisition and construction of capital assets	(9,908,686)	(206,593)
Principal paid on capital debt and leases	(1,792,613)	-
Interest & bond fees paid on long-term debt	(287,286)	-
Proceeds from sale of capital asset	-	-
Net cash provided (used) by capital financing activities	(11,988,585)	(26,703)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales of investments	11,481,206	613,106
Interest and dividends on investments	656,569	169,485
Purchase of investments	(11,670,644)	(723,343)
Net cash provided (used) by investing activities	467,131	59,248
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	3,032,211	115,589
Cash and cash equivalents, beginning of year	13,948,685	171,981
Cash and cash equivalents, end of year	$ 16,980,896	$ 287,570
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES		
Operating income (loss)	(7,858,266)	(186,762)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Depreciation and amortization	2,051,546	4,367
Gain on sale of capital asset	-	-
Changes in assets and liabilities:		
Accounts receivable (net)	(95,620)	-
Inventory	(61,379)	-
Prepaid expenses	(72,608)	-
Deferred Outflows - Pension	(4,502,193)	-
Deferred Outflows - OPEB	103,097	-
Accounts payable	1,098,777	-
Accrued post employment benefits	16,543	-
Accrued vacation and sick leave	(11,202)	-
Accrued liabilities - other	138,662	-
Accrued net pensions liability	6,483,387	-
Deferred Inflows - pensions	(3,425,381)	-
Deferred Inflows - OPEB	(254,324)	-
Unearned revenue	289,623	-
Net cash used by operating activities	(6,099,338)	($ 182,395)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

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

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

The Reporting Entity

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

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

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

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

Financial Statement Presentation

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting

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

Cash Equivalents

The College considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents. The cash flow statement reconciles with both unrestricted and restricted cash balance as follows:

	College		Foundation	
	2022	2023	2022	2023
Cash and cash equivalents	$ 10,318,564	$ 10,820,042	$ 41,698	$ 88,129
Restricted cash	3,630,121	6,160,854	130,283	199,441
Cash Flow Statement	$ 13,948,685	$ 16,980,896	$ 171,981	$ 287,570

Investments

Investments are stated at fair value.

Allowance for Doubtful Accounts

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

Property and Equipment

Property and equipment are stated at cost. Donated assets are stated at fair value on the date donated. The College's investment in infrastructure assets, which is not material to the total of property and equipment, is recorded at cost and included in the costs of the related property. Capital assets (costing $10,000 or more) are depreciated using the straight-line method over their estimated useful lives as follows: buildings and improvements, 5-30 years; equipment, 3-5 years; and library books, 10 years. The costs of normal maintenance and repairs that do not add to asset value or materially extend useful lives are not capitalized.

Inventory

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

Accumulated Compensated Absences

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

Accounting for Pension Liabilities

Financial reporting information pertaining to the district'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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounting for Pension Liabilities (continued)

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 district's net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense. A Annual Comprehensive Financial Report ("ACFR") can be obtained at www.psrs-peers.org.

Post-Employment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense for the unfunded plan an actuarial study was performed. The actuarial study was performed to comply with the requirements of GASB 75 for a single employer unfunded plan.

Classification of Revenues

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

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

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

Scholarship Allowances and Student Aid

Student tuition and fees, certain other revenues from students, are reported net of scholarship discounts and allowances in the statement of revenues, expenses and changes in net position. Scholarship discounts and 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 nongovernmental programs, are recorded as either operating or non-operating revenues in the College's financial statements. To the extent that revenues for such programs are used to satisfy tuition and fees and certain other student charges, the College has recorded a scholarship discount and allowance.

Use of Estimates

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

Restricted Assets

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Management's Review of Subsequent Events

Management has reviewed subsequent events through February 15, 2024, the date in which the financial statements have been made available. See Note 17.

NOTE 2 - CASH AND INVESTMENTS

Deposits

Missouri Statutes require that depository institutions must collateralize funds of the College on deposit in financial institutions with appropriate securities to the extent not provided by FDIC insurance. At June 30, 2023, the deposits of Mineral Area College were collateralized. The Foundation's deposits were all insured by federal depository insurance.

Investments

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

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

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

Investments at June 30, 2023, consisted of the following reported at fair value:

	College	Foundation
Certificates of Deposit	$12,559,103	$ -
RBC Bank Deposit Program	-	22,575
Money Market Accounts	69,773	149,528
Government Securities	54,975	-
Fixed Income Funds	-	1,427,124
Mixed Assets	-	13,453
Equity Securities	-	2,394,678
	$12,683,851	$ 4,007,358

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

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

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

Generally, credit risk is the risk that an issuer of debt type investments will not fulfill its obligation to the holder. Only $149,528 of the Foundation's investments is in money market mutual funds as rated by a nationally recognized organization. The College holds no other debt type investments.

NOTE 2 – CASH AND INVESTMENTS (Continued)

Investments (continued)

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

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

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

NOTE 3 – RECEIVABLES

Receivables at June 30, 2023 were as follows:

Student Tuition	$ 139,023
Student Dorm Rental	15,967
Governmental Grants	504,569
Sales	71,110
Property Taxes	84,977
Investments	43,512
	$ 859,158

The above receivable balance is net of an allowance of bad debts of $460,883 for student tuition and an allowance of bad debts of $66,330 for housing charges that are deemed uncollectible.

Property Taxes

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

NOTE 4 - CAPITAL ASSETS

Property and equipment, by major class of asset, at June 30, 2023 were as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Depreciable Capital Assets:				
Buildings & Improvements	$ 42,156,630	$ 4,100,419	$ -	$ 46,257,049
Student Housing	5,818,400	-	-	5,818,400
Equipment	11,656,238	183,434		11,839,672
Library Books	1,278,673	-	-	1,278,673
Less Accumulated Depreciation	(41,366,170)	(2,121,115)		(43,487,285)
Total Depreciable Capital Assets, net	19,543,771	2,162,738	-	21,706,509
Nondepreciable Capital Assets				
Land	385,066	-	-	385,066
Construction in Progress	8,321,815	5,624,832	-	13,946,647
Total Nondepreciable Capital Assets	8,706,881	5,624,832	-	14,331,713
Total Capital Assets, net	$ 28,250,652	$ 7,787,570	$ -	$ 36,038,222

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

NOTE 5 - LONG-TERM DEBT

Long-term debt at June 30, 2023 consisted of the following:

General Obligation Bonds

On December 2, 2020, Mineral Area College issued Series 2020 general obligation bonds to refinance the Series 2011 bonds for the future cash management purposes. Interest will be payable semi-annually on March 1 and September 1 at interest rates of 3% and 4%. These rates resulted in a premium of $505,790 for a net saving of $310,449. Principal payment began March 1, 2021 and continues through 2026. The balance at June 30, 2023 was $3,025,000.

Note payable - Foundation

On April 18, 2022 the Mineral Area College Foundation, Inc. entered into a long-term note payable in the amount of $275,152 for the purpose of purchasing new score boards for the College's gymnasium and soccer field. During the acquisition and installation phase the note payable served as an open line of credit to limit the interest expense until the installation was completed. At June 30, 2023 the outstanding balance was $252,812. Principle and interest will be paid in 119 monthly installments of $2,745. The note payable accrues interest at 3.63%.

NOTE 5 - LONG-TERM DEBT (Continued)

Changes in long-term debt during the year ended June 30, 2023 were as follows:

	Balance	Issued	Retired	Balance
Series 2020 G.O. Bonds	$ 4,220,000	$ -	$ 1,195,000	$ 3,025,000
	4,220,000	$ -	$ 1,195,000	3,025,000
Unamortized Premiums	359,320			261,324
	$ 4,579,320			$ 3,286,324

Scheduled maturities of long-term debt at June 30, 2023, were as follow:

	Principal	Interest	Total
2024	$ 1,240,000	$ 121,000	$ 1,361,000
2025	1,285,000	71,400	1,356,400
2026	500,000	20,000	520,000
2027	-	-	-
2028	-	-	-
	$ 3,025,000	$ 212,400	$ 3,237,400

NOTE 6 – CAPITAL LEASES

Certificates of Participation

Series 2017 Refunding Series 2008

On June 8, 2017, the College entered into a lease purchase agreement to pay the costs of refunding the District's outstanding Certificates of Participation, Series 2008, issued in the original principal amount of $7,195,000. The new Certificates of Participation were issued on June 8, 2017 and have a maturity value of $4,504,771. The lease is renewable annually at the option of the College through September 1, 2031. Interest rates on the certificates are 3.05%. At June 30, 2023 the balance on the lease Certificates of Participation Series 2017 was $3,123,559

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of old debt of $5,145,000. This difference, reported in the accompanying financial statements as a deferred outflow is being charged to operations through the year 2051 using the straight-line method. The deferred outflow at June 30, 2023 is $416,812.

Series 2021 Lease Purchase and Refunding Trane Energy Lease

On February 25, 2021, the College entered into a lease purchase and refinance agreement of $4,075,000 to replace and upgrade HVAC systems and refinance previous Trane Energy agreement from fiscal year 2020. New projects were funded with $2,668,096. The refunding of the Trane Energy Lease required $1,726,778. The Certificates of Participation were issued at a premium of $341,031 to be amortized over the life of the lease. The unamortized preminim at June 30, 2023 was $288,275. The cost of issuance of $115,468 was expensed. The Certificates require annual principal payments on April 15, and bear an interest rate of 3%. The balance at June 30, 2023 was $3,520,000.

NOTE 6 – CAPITAL LEASES (Continued)

Changes in capital leases during the year ended June 30, 2023 were as follows:

	Beginning Balance	Issued	Retired	Ending Balance
2017 Certificates of Participation	$ 3,420,410	$ -	$ 296,851	$ 3,123,559
Western Equipment Lease	10,762	-	10,762	-
2021 Certificates of Participation	3,810,000	-	290,000	3,520,000
	7,241,172	$ -	$ 597,613	6,643,559
Deferred Interest	(467,850)			(416,812)
Unamortized Premiums	310,885			288,275
	$ 7,084,207			$ 6,515,022

Leased land, buildings, and equipment under capital leases in capital assets at June 30, 2023, included the following:

College Park Dorms – 2017 Certificates of Participation	$ 5,572,254
Less: Accumulated Depreciation	(4,270,743)
Total	$ 1,301,511

Schedule maturities of capital leases at June 30, 2023, were as follows:

Year	Principal	Interest	Total
2024	$ 613,815	$ 196,159	$ 809,974
2025	635,234	177,492	812,726
2026	661,281	158,109	819,390
2027	691,882	137,946	829,828
2028	717,192	116,864	834,056
2029-2033	2,714,155	279,497	2,993,652
2034-2036	610,000	37,050	647,050
	$ 6,643,559	$ 1,103,117	$ 7,746,676

NOTE 7 - RETIREMENT PLANS

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.

General Information about the Pension Plan (Continued)

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% 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% 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 one or more 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.

General Information about the Pension Plan (Continued)

Contributions. PSRS members were required to contribute 14.5% of their annual covered salary during fiscal years 2021, 2022 and 2023. Employers were required to match the contributions made by employees. The contribution rate is set each year by the PSRS Board of Trustees upon the recommendation of the independent actuary within the contribution restrictions set in Section 169.030 RSMo. The annual statutory increase in the total contribution rate may not exceed 1% of pay.

PEERS members were required to contribute 6.86% of their annual covered salary during fiscal years 2021, 2022 and 2023. Employers were required to match the contributions made by employees. The contribution rate is set each year by the PSRS Board of Trustees upon the recommendation of the independent actuary within the contribution restrictions set in Section 169.030 RSMo. The annual statutory increase in the total contribution rate may not exceed 0.5% of pay.

The district's contributions to PSRS and PEERS were $946,513 and $220,963, respectively, for the year ended June 30, 2023.

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

At June 30, 2023, the district recorded a liability of $8,252,397 for its proportionate share of PSRS net pension liability and $1,090,202 for its proportionate share of PEERS net pension liability. In total the district recorded net pension liabilities of $9,342,599. The net pension liability for the plans in total was measured as of June 30, 2022, and determined by an actuarial valuation as of that date. The district's proportionate share of the total net pension liability was based on the ratio of its actual contributions paid to PSRS and PEERS of $814,736 and $172,785, respectively, for the year ended June 30, 2022, relative to the total contributions of $763,765,597 for PSRS and $133,912,935 for PEERS from all participating employers. At June 30, 2022, the district's proportionate share was 0.1067% for PSRS and 0.1290% for PEERS.

For the year ended June 30, 2023, the district recognized pension expense (income) of ($244,380) for PSRS and ($32,332) for PEERS, its proportionate share of the total pension expense (income). Pension expense is the change in the net pension liability from the previous reporting period to the current reporting period, less adjustments. This may be a negative expense (pension income).

NOTE 7 - RETIREMENT PLANS (Continued)

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

At June 30, 2023, the district reported deferred outflows of resources and deferred inflows of resources from the following sources related to PSRS and PEERS pension benefits:

	PSRS		PEERS		District Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Balance of Deferred Outflows and Inflows Due to:						
- Differences between expected and actual experience	$ 1,478,368	$ 121,475	$ 173,938	$ 1,157	$ 1,652,306	$ 122,632
- Changes of assumptions	538,544	-	40,754	-	579,298	-
- Net differences between projected and actual earnings on pension plan investments	5,068,603	5,306,566	785,872	813,004	5,854,475	6,119,570
- Changes in proportion and differences between Employer contributions and proportionate share of contributions	-	2,574,722	-	219,027	-	2,793,749
- Employer contributions subsequent to the measurement date	946,513	-	220,963	-	1,167,476	-
Total	$ 8,032,028	$ 8,002,763	$ 1,221,527	$ 1,033,188	$ 9,253,555	$ 9,035,951

Amounts reported as deferred outflows of resources resulting from contribution subsequent to the measurement date June 30, 2022, will be recognized as a reduction to the net pension liability in the year ended June 30, 2024. Other amounts reported as collective deferred (inflows) / outflows of resources are to be recognized in pension expense as follows:

Year Ending June 30:	PSRS	PEERS	District Total
2024	($ 595,192)	(59,901)	(655,093)
2025	(691,460)	(41,371)	(732,831)
2026	(730,532)	(100,781)	(831,313)
2027	1,098,280	169,428	1,267,708
2028	1,656	-	1,656
Thereafter	-	-	-
	(917,248)	(32,625)	(949,873)

NOTE 7 - RETIREMENT PLANS (Continued)

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 May 2021. All economic and demographic assumptions were reviewed and certain assumptions were updated, where appropriate, based on the results of the studies and effective with the June 30, 2021 valuation. Significant actuarial assumption and methods are detailed below. For additional information please refer to the System's Annual Comprehensive Financial Report (ACFR). The next experience studies are scheduled for 2026.

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

Measurement Date	June 30, 2022	
Valuation Date	June 30, 2022	
Expected Return on Investment	7.30%, net of investment expenses and including 2.00% inflation	
Inflation	2.00% per annum	
Total Payroll Growth	PSRS	2.25% per annum, consisting of 2.00% inflation, 0.125% real wage growth due to the inclusion of active health care costs in pensionable earnings, and 0.125% of real wage growth due to productivity.
	PEERS	2.50% per annum, consisting of 2.00% inflation, 0.25% real wage growth due to the inclusion of active health care costs in pensionable earnings, and 0.25% of real wage growth due to productivity.
Future Salary Increases	PSRS	2.625% - 8.875%, depending on service and including 2.00% inflation, 0.125% real wage growth due to the inclusion of active health care costs in pensionable earnings, and 0.125% of real wage growth due to productivity, and real wage growth for merit.
	PEERS	3.25% - 9.75%, depending on service and including 2.00% inflation, 0.25% real wage growth due to the inclusion of active health care costs in pensionable earnings, and 0.25% of real wage growth due to productivity, and real wage growth for merit.

NOTE 7 - RETIREMENT PLANS (Continued)

Cost-of-Living Increases

PSRS & PEERS Given that the actual increase in the CPI-U index from June 2021 to June 2022 was 9.06% the Board approved an actual cost-of-living adjustment (COLA) as of January 1, 2023 of 5.00%, in accordance with the Board's funding policy and Missouri statutes, compared to an assumed COLA of 2.00%. Future COLAs assumed in the valuation are 2.00% as of January 1, 2024, and 1.35% each January 1, thereafter. This COLA assumption is based on the 20-year stochastic analysis of inflation performed in the 2021 experience study, the application of the Board's COLA policy, and the short-term expectations of COLA due to recent CPI activity. It is also based on the current policy of the Board to grant a COLA on each January 1 as follows:

- If the June to June change in the CPI-U is less than 2% for one or more 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 decreased, 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 spouse (where the spouse if over 60), and does not apply to the spouse with children pre-retirement death benefit, the dependent children pre-retirement death benefit, or the dependent parent death benefit. The total lifetime COLA cannot exceed 80% of the original benefit. PSRS members receive a COLA on the second January after retirement, while PEERS members receive a COLA on the fourth January after retirement.

Mortality Assumption

Actives:

PSRS Experience-adjusted Pub-2010 Teachers Mortality Table for Employees with generational projection using the MP-2020 improvement scale. Experience adjustments are equal to the healthy retiree experience-based adjustment factors at all ages for both males and females.

NOTE 7 - RETIREMENT PLANS (Continued)

PEERS — Experience-adjusted Pub-2010 General (Below-Median Income) Mortality Table for Employees with generational projection using the MP-2020 improvement scale. Experience adjustments are equal to the healthy retiree experience-based adjustment factors at all ages for both males and females.

Non-Disabled Retirees:

PSRS — Mortality rates for non-disabled retirees and beneficiaries are based on the PUB-2010 Teachers Mortality Table for Healthy Retirees and the PUB-2010 Teachers Mortality Table for Contingent Survivors, respectively. The tables are projected generational using the MP-2020 improvement scale and multiplied by the experience-based adjustment factors shown in the tables below at all ages for both males and females.

	Males	Females
Non-Disabled.	1.10	1.04
Contingent Survivor	1.18	1.07

PEERS — Mortality rates for non-disabled retirees and beneficiaries are based on the PUB-2010 General (Below-Median Income) Mortality Table for Healthy Retirees and the PUB-2010 General (Below-Median Income) Mortality Table for Contingent Survivors, respectively. The tables are projected generationally using the MP-2020 improvement scale and multiplied by the experience-based adjustment factors shown in the tables below at all ages for both males and females.

	Males	Females
Non-Disabled.	1.13	0.94
Contingent Survivor	1.01	1.07

Disabled Retirees:

PSRS — Experience-adjusted PUB-2010 Teacher Disability Mortality Table, projected generationally using the MP-2020 improvement scale. Experience adjustments are equal to the healthy retiree experience-based factors at all ages for both males and females.

PEERS — Experience-adjusted PUB-2010 General Disability Mortality Table, projected generationally using the MP-2020 improvement scale. Experience adjustments are equal to the healthy retiree experience-based adjustment factors at all ages for both males and females.

NOTE 7 - RETIREMENT PLANS (Continued)

Changes in Actuarial Assumptions and Methods — PSRS and PEERS: An experience study was completed in May 2021 resulting in updates to the actual assumptions for June 30, 2021 valuation. There were no further updates to the actuarial assumptions and methods for the June 30, 2022 valuation.

Fiduciary Net Position: The Systems issue a publicly available financial report (ACFR) that can be obtained at www.psrs-peers.org.

- Expected Rate of Return: The long-term expected rate of return on investments was determined in accordance with Actuarial Standard of Practice (ASOP) No. 27, Selection of Economic Assumptions for Measuring Pension Obligations. ASOP No. 27 provides guidance on the selection of an appropriate assumed rate of return. The long-term expected rate of return on the Systems' investments was determined using a building-block method in which best-estimate ranges of expected future real rates of returns (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by 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, 2022 are summarized below.

Asset Class	Target Asset Allocation	Long-term Expected Real Return Arithmetic Basis
U.S. Public Equity	23.0%	4.81%
Public Credit	0.0%	0.80%
Hedged Assets	6.0%	2.39%
Global Equity	16.0%	6.88%
U.S. Treasuries	15.0%	(0.02)%
U.S. TIPS	0.0%	0.29%
Private Credit	8.0%	5.61%
Private Equity	21.0%	10.90%
Private Real Estate	11.0%	7.47%
Total	100.0%	

NOTE 7 - RETIREMENT PLANS (Continued)

-Discount Rate

The long-term expected rate of return used to measure the total pension liability was 7.3% as of June 30, 2022 and is consistent with the long-term expected geometric return on plan investments. The actuarial assumed rate of return of 7.3% is consistent with the June 30, 2021 valuation and is based on the actuarial experience studies conducted during the 2021 fiscal year. The projection of cash flows used to determine the discount rate assumed that employer contributions would be made at the actuarially calculated rate computed in accordance with assumptions and methods stated in the funding policy adopted by the Board of Trustees, which requires payment of the normal cost and amortization of the unfunded actuarially accrued liability in level percent of employee payroll installments over 30 years utilizing a closed period, layered approach. Based on this assumption, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

-Discount Rate Sensitivity

The sensitivity of the district's net pension liabilities to changes in the discount rate is presented below. The district's net pension liabilities calculated using the discount rate of 7.30% is presented as well as the net pension liabilities (assets) using a discount rate that is 1.0% lower (6.30%) or 1.0% higher (8.30%) than the current rate.

	Discount Rate	1% Decrease (6.30%)	Current Rate (7.30%)	1% Increase (8.30%)
PSRS	Proportionate share of the Net Pension Liability / (Asset)	$ 15,680,031	$ 8,252,397	$ 2,099,848
PEERS	Proportionate share of the Net Pension Liability / (Asset)	$ 2,186,376	$ 1,090,202	$ 175,282

NOTE 8 - RISK MANAGEMENT

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

MUSIC provides coverage for buildings, builder's risk, general liability, school board liability, automobiles, crime, workers' compensation, boiler and machinery, and a treasurer's bond. There have been no significant reductions in these coverages from the prior year. Also, in order to limit exposure to potential litigation settlements that exceed the sovereign immunity caps afforded to public entities in Missouri, the College has purchased an additional $2,000,000 in umbrella liability coverage beyond the $3,000,000 in primary coverage.

NOTE 9 - COMMITMENTS AND CONTINGENCIES

Grants

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

Expanded Voluntary Service Area

The College entered into an agreement with Three Rivers College to permanently transfer the Cape Girardeau County voluntary service area to Mineral Area College. The agreement was executed on February 14, 2022 with a payment of $100,000. The College is committed to pay Three Rivers College and additional $100,000 per year for 9 years as compensation for the transfer.

In association with servicing the Cape Girardeau County voluntary serve area, the College entered into a lease with Cape Girardeau School District #63 for the right to operate a satellite campus on the premises known as Cape Girardeau Career and Technology Center. The terms of the agreement are renewable on an annual basis for $80,000 per annum.

NOTE 10 - OPERATING EXPENSES

Operating expenses by natural classification for the year ended June 30, 2023 were as follows:

Salaries and wages	$ 9,812,854
Employee benefits	1,111,580
Consulting	782,047
Travel	256,487
Utilities and telephone	733,129
Supplies and other services	7,855,183
Equipment not capitalized	301,490
Student aid	4,878,618
Depreciation expenses	2,121,115
	$ 27,852,503

NOTE 11 – SEGMENT INFORMATION

Student Housing System

College Park, a student housing system, was constructed in 2001 through the issuance of the Series 2000 revenue bonds. These bonds were defeased in February, 2008 with certificates of participation and again in June 2017, Series 2017. The College contributed $909,226 to the College Park net assets during the year.

Summarized financial information for College Park as of and for the year ended June 30, 2023 is presented as follows:

NOTE 11 - SEGMENT INFORMATION (Continued)

COLLEGE PARK STATEMENT OF NET POSITION

ASSETS	
Cash and cash equivalents	$ 294,409
Accounts receivable (net)	15,967
Prepaid expense	11,272
Investments - bond reserve	-
Property and equipment (net)	1,301,511
Total Assets	1,623,159
DEFERRED OUTFLOWS	
Discount & deferred interest	416,812
LIABILITIES	
Accounts payable	83,814
Accrued interest payable	31,756
Accrued payroll	1,139
Security deposits	85,950
Long-term liabilities:	
Due within one year	308,815
Due in more than one year	2,814,744
Total Liabilities	3,326,218
DEFERRED INFLOWS	-
NET POSITION	
Invested in capital assets, net of related debt	(1,436,992)
Restricted for debt service	-
Unrestricted	150,745
Total net position	($ 1,286,247)

NOTE 11 - SEGMENT INFORMATION (Continued)

COLLEGE PARK STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

OPERATING REVENUES	
Rental of facilities and meal plans	$ 1,057,767
Meal plan cost	(704,288)
Damage recovery assessment	2,510
Other operating revenues	16,946
Total operating revenues	372,935
OPERATING EXPENSES	
Wages and employee benefits	261,062
Utilities	117,754
Maintenance	151,202
Leasing and promotions	2,548
Supplies	33,394
Insurance	22,962
Audit cost and credit card fees	6,612
Bad Debt - Uncollectible dorm rental fees	(2,155)
Dorms and meal plans MAC paid for athletics	309,464
Depreciation	185,742
Total operating expenses	1,088,585
Operating income (loss)	(715,650)
NON-OPERATING REVENUES (EXPENSES)	
Investment income (loss)	6,094
Interest on debt related to property	(147,816)
Bond fees and amortization	-
Total non-operating revenues (expenses)	(141,722)
DECREASE IN NET POSITION	(857,372)
Net position, beginning of year	(1,391,197)
Capital contributed	962,322
Net position, end of year	($ 1,286,247)

NOTE 11 - SEGMENT INFORMATION (Continued)

COLLEGE PARK STATEMENT OF CASH FLOWS

CASH FLOWS FROM OPERATION ACTIVITIES	
Payments from Renters and Meal Plan Participants	$ 1,053,229
Payment to vendors	(1,234,248)
Payments to employees	(259,923)
Other receipts	16,946
Net cash provided (used) by operating activities	(423,996)
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES	
Principal on capital debt	(296,850)
Capital contributed by MAC General Fund	962,322
Deferred interest	51,038
Interest expense and bond fees paid on long-term debt	(147,816)
Net cash provided (used) by capital financing activities	568,694
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on investments	6,094
Net cash provided by investing activities	6,094
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	150,792
Cash and cash equivalents, beginning of year	143,617
Cash and cash equivalents, end of year	$ 294,409
RECONCILIATION OF OPERATING INCOME TO NET CASH USED BY OPERATING ACTIVITIES	
Operating income (loss)	($ 715,650)
Adjustment to reconcile operating income to net cash used by operating activities	
Depreciation and amortization expense	185,742
Changes in assets and liabilities	
Accounts receivable, net	(4,538)
Prepaid expenses	762
Accounts payable	72,367
Accrued liabilities	(3,018)
Accrued payroll	1,139
Security deposits	39,200
Net cash provided (used) by operating activities	($ 423,996)

NOTE 12 – DONOR RESTRICTED ENDOWMENTS

The college has received multiple endowments from individuals for the purpose of providing scholarships. In most cases, the interest earnings of these endowments are available for spending under a total-return policy. However, donor restrictions must also be abided by. For the year ended June 30, 2023, the net appreciation on investments of donor-restricted endowments (nonexpendable) was $42,766, the net amount of accumulated appreciation available for authorization for expenditure was $185,516 and is reported as part of the expendable restricted net assets. The College's expendable endowments as of June 30, 2023 were $548,713 and its nonexpendable endowments were $2,253,044.

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

The Foundation classifies as nonexpendable restricted net assets the original value of gifts donated to the permanent endowment and the original value of subsequent gifts to the permanent endowment. The earnings of permanent endowment funds are shown as expendable restricted net assets. The Foundation only invests endowments in low-risk investments to maintain the corpus of the endowment, unless otherwise instructed by the donor. The Foundation has a total-return policy on spending the earnings of the endowments, unless otherwise specified by the donors. The Foundation's nonexpendable endowments were $1,204,352.

NOTE 13 – BOARD DESIGNATED ENDOWMENTS

The College and Foundation both have board designated unrestricted donations as endowments as of June 30, 2023. The interest on these endowments is used to fund scholarships and instructional activities. The board designated endowments are presented as unrestricted net assets in accordance with GASB 34. At June 30, 2023, the College had $172,153 of board designated endowments. The Foundation had $1,204,352.

NOTE 14 - OTHER POST EMPLOYMENT BENEFITS

During fiscal 2018 year the College adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* for the Mineral College Other Post-Employment Benefits Program. The plan does not issue a separate standalone financial report. This Statement establishes the following measurement and recognition disclosures:

Plan Description

The College sponsors the Mineral Area College Other Post-Employment Benefits Program, a single-employer plan. The plan covers employees who are eligible for normal or early retirement under PSRS or PEERS. Normal Retirement age is the earlier of age 60 with 5 years of service, age plus service equal to 80 points ("Rule of 80"), or any age with 30 years of service. Early retirement is age 55 with 5 years of service.

Retirees may cover spouses and eligible dependent children. Surviving spouses can continue coverage after retiree's death.

Benefits Provided

Medical including prescription drugs, dental, vision and term life insurance coverage ($10,000 term) for retirees and their dependents. Retirees can continue coverage past Medicare eligibility age (age 65).

NOTE 14 - OTHER POST EMPLOYMENT BENEFITS (Continued)

Funding Policy

Plan members receiving benefits contribute 100% of the total premiums. The cost of the monthly premiums varies based upon which insurances the retiree chooses to take.

Retiree contributions for 2023 are as follows:

	Not Eligible for Medicare		
	Base	Buy-Up	HSA
Retiree	$ 610.00	$ 730.71	$ 562.31
Retiree + Spouse	$ 999.18	$ 1,127.81	$867.90

	Medicare Eligible		
	Base	Buy-Up	HAS
Retiree	$ 483.81	$ 571.68	$440.87
Retiree + Spouse	$746.73	$ 882.36	$ 680.46

	Dental	Life Insurance ($10,000)
Retiree	$ 28.11	$ 1.90
Retiree + Spouse	$ 63.52	N/A

Employees covered *by benefits terms*. At June 30, 2023, the following employees were covered by the benefit term:

Retirees	105
Spouses of retirees	8
Active employees	127
	240

Total OPEB Liability

The total OPEB liability of $2,374,037 was measured as of June 30, 2023, and was determined by an actuarial valuation as of June 30, 2023.

Actuarial assumptions and other inputs. The total OPEB liability as of June 30, 2023 was determined using the following actuarial assumptions and other inputs, applies to all periods included in the measurement, unless otherwise specified:

Inflation	2.30 percent
Salary increases	3.00 percent
Discount rate	3.65 percent, based on 20 years Bond Go Index
Healthcare cost trend rates	6.10 percent for 2022, decreasing to an ultimate rate of 3.70 percent for 2073 and later years
Retirees' share of benefit-related costs	100 percent of projected health insurance premiums for retirees

NOTE 14 - OTHER POST EMPLOYMENT BENEFITS (Continued)

Mortality rates were based on the Pub-2010 Teacher Mortality for Employees and Healthy Annuitants, with generational projection per Scale MP-2021.

These actuarial assumptions were used in the June 30, 2023 accounting valuation.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at June 30, 2022	$2,357,494
Changes for the year:	
Service cost	82,560
Interest on total OPEB liability	84,326
Effect of plan changes	-
Effect of economic/demographic gains or losses	-
Effect of assumptions changes or inputs	(33,388)
Benefit payments	(116,955)
Net changes	16,543
Balance of June 30, 2023	$2,374,037

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the College, calculated using the discount rate of 3.65%, as well as what the College's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.65%) or 1 percentage point higher (4.65%) than the current rate.

	1% Decrease 2.65%	Discount Rate 3.65%	1% Increase 4.65%
Total OPEB liability	$2,708,902	$2,374,037	$2,102,958

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

	1% Decrease	Current Tend Rate	1% Increase
Total OPEB liability	$2,171,368	$2,374,037	$2,620,988

OPEB Expenses and Deferred Inflows and Deferred Outflows of Resources

For the year ended June 30, 2023, the College recognized OPEB expense (income) of ($17,729).

NOTE 14 - OTHER POST EMPLOYMENT BENEFITS (Continued)

As of June 30, 2023, the deferred inflows and outflows of resources are as follows:

Deferred Inflows/Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	($ 332,136)	$ -
Changes of assumptions	(313,991)	178,236
Total	(646,127)	178,236

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

Year ended June 30:	
2024	($ 170,313)
2025	(173,892)
2026	(114,682)
2027	(8,871)
2028	(133)
Thereafter	-

NOTE 15 – FAIR VALUE OF FINANCIAL INSTRUMENTS

Primary Government

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

Discretely Presented Component Unit

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

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

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

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

NOTE 15 – FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

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

All assets of the Foundation were valued at June 30, 2023 using Level 1 inputs to measure fair value.

NOTE 16 – UNCERTAIN TAX POSITIONS

The Foundation's management is not aware of any uncertain tax positions, however, the information returns filed with the Internal Revenue Service for fiscal years 2020, 2021, and 2022 remain opened and subject to audit by the Internal Revenue Service.

NOTE 17 – SUBSEQUENT EVENTS

On November 1, 2023, the College entered into an Escrow Trust Agreement with UMB Bank, N.A. in connection with the defeasance of $225,000 of the General Obligation Refunding Bonds, Series 2020. Of the $287,807 payment, $14,480 was deposited into a Costs of Transactions Fund and $244,327 was deposited into an Escrow Fund. The $244,327 will be used to defease a portion of the final payment ($225,000 principal and $19,327) which is due March 1, 2026.

It is the College's intent to maintain the existing debt service fund levy of $0.1300 by paying off a portion of its outstanding General Obligation Bonds early and reducing the College's future interest expense.

REQUIRED SUPPLEMENTAL INFORMATION

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

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	0.1972%	8,090,279	8,784,769	92.09%	89.34%
6-30-2015	0.1936%	11,176,257	8,786,629	127.20%	85.78%
6-30-2016	0.1832%	13,631,269	8,483,937	160.67%	82.18%
6-30-2017	0.1814%	13,099,847	8,575,597	152.76%	83.77%
6-30-2018	0.1728%	12,860,565	8,326,437	154.45%	84.06%
6-30-2019	0.1498%	11,055,345	7,371,071	149.98%	84.62%
6-30-2020	0.1425%	12,726,271	7,129,820	178.49%	82.01%
6-30-2021	0.1218%	2,696,381	6,270,145	43.00%	95.81%
6-30-2022	0.1067%	8,252,397	5,635,786	146.43%	86.04%

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	0.2357%	860,696	3,436,951	25.04%	91.33%
6-30-2015	0.2276%	1,203,790	3,412,445	35.28%	88.28%
6-30-2016	0.2192%	1,758,719	3,384,578	51.96%	83.32%
6-30-2017	0.2126%	1,622,034	3,416,380	47.48%	85.35%
6-30-2018	0.2053%	1,586,378	3,416,432	46.43%	86.06%
6-30-2019	0.2072%	1,638,871	3,335,959	49.13%	86.38%
6-30-2020	0.1787%	1,734,386	3,215,483	53.94%	84.06%
6-30-2021	0.1512%	162,831	2,771,102	5.88%	98.36%
6-30-2022	0.1290%	1,090,202	2,518,735	43.28%	87.92%

MINERAL AREA COLLEGE
DISCLOSURES FOR MISSOURI RETIREMENT SYSTEMS
Year Ended June 30, 2023

Schedule of Employer Contributions:

Public School Retirement System of Missouri

Year Ended	Statutorily Requirement Contribution	Actual Employer Contributions	Contributions Excess/ (Deficiency) (Deficiency)	Actual Covered Member Payroll	Contributions as a Percentage of Covered Payroll
6-30-2013	1,239,207	1,239,207	-	8,565,724	14.47%
6-30-2014	1,269,921	1,269,921	-	8,784,769	14.46%
6-30-2015	1,271,402	1,271,402	-	8,786,629	14.47%
6-30-2016	1,227,331	1,227,331	-	8,483,937	14.47%
6-30-2017	1,240,716	1,240,716	-	8,575,597	14.47%
6-30-2018	1,204,580	1,204,580	-	8,326,437	14.47%
6-30-2019	1,066,422	1,066,422	-	7,371,071	14.47%
6-30-2020	1,031,393	1,031,393	-	7,129,820	14.47%
6-30-2021	906,745	906,745	-	6,270,145	14.46%
6-30-2022	814,736	814,736	-	5,635,786	14.46%

Public Education Employee Retirement System of Missouri

Year Ended	Statutorily Requirement Contribution	Actual Employer Contributions	Contributions Excess/ (Deficiency) (Deficiency)	Actual Covered Member Payroll	Contributions as a Percentage of Covered Payroll
6-30-2013	221,466	221,466	-	3,228,371	6.86%
6-30-2014	235,775	235,775	-	3,436,951	6.86%
6-30-2015	234,094	235,094	-	3,412,445	6.86%
6-30-2016	232,182	232,182	-	3,384,578	6.86%
6-30-2017	234,364	234,264	-	3,416,380	6.86%
6-30-2018	234,367	234,367	-	3,416,432	6.86%
6-30-2019	246,777	246,777	-	3,335,959	7.40%
6-30-2020	220,582	220,582	-	3,215,483	6.86%
6-30-2021	190,098	190,098	-	2,771,102	6.86%
6-30-2022	172,785	172,785	-	2,518,735	6.86%

MINERAL AREA COLLEGE

DISCLOSURE FOR OTHER POST EMPLOYMENT BENEFITS

Year Ended June 30, 2023

Schedule of Changes in Total OPEB Liability and Related Ratios
(Dollar amounts in thousands)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total OPEB Liability										
Service cost	$ 83	$ 110	$ 128	$ 91	$ 107	$ 107	N/A	N/A	N/A	N/A
Interest on total OPEB liability	84	63	62	108	110	101	N/A	N/A	N/A	N/A
Changes of benefit terms	-	-	-	-	-	-	N/A	N/A	N/A	N/A
Effect of economic/demographic gain or (loss)	-	(85)	-	(892)	-	-	N/A	N/A	N/A	N/A
Effect of assumption changes or inputs	(33)	(473)	21	452	136	(106)	N/A	N/A	N/A	N/A
Benefit payments	(117)	(111)	(78)	(70)	(93)	(86)	N/A	N/A	N/A	N/A
Net change in total OPEB liability	17	(495)	133	(312)	260	16	N/A	N/A	N/A	N/A
Total OPEB liability, beginning	2,357	2,853	2,720	3,032	2,772	2,756	N/A	N/A	N/A	N/A
Total OPEB liability, ending	2,374	2,357	2,853	2,720	3,032	2.,772	N/A	N/A	N/A	N/A
Covered payroll	9,813	N/A	10,583	10,329	10,893	11,784	N/A	N/A	N/A	N/A
Total OPEB liability as a % of covered payroll	24.19%	N/A	26.96%	26.33%	27.83%	23.52%	N/A	N/A	N/A	N/A

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.

Changes of Assumptions. Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

2023	3.65%
2022	3.54%
2021	2.16%
2020	2.21%
2019	3.50%
2018	3.87%
2017	3.58%
2016	N/A
2015	N/A
2014	N/A

OTHER INFORMATION
REQUIRED DISCLOSURES UNDER SEC RULE NO. 240.15C2-12

ENROLLMENT INFORMATION

The following table shows the enrollment of the College for the fall semester 2023 and the previous five years. This table includes only students taking courses for college credit, and does not include business and industry enrollments and other adult continuing education students.

Fall	Freshman	Sophomores	Other	Total
2023	854	587	952	2,393
2022	765	616	912	2,293
2021	770	636	889	2,295
2020	840	698	891	2,429
2019	849	838	960	2,647
2018	905	840	931	2,676

The following table shows the number of full-time equivalent students and the total annual student credit hours for the Fall Semester 2023 and the last five years.

Fall	FTE Students	Credit Hours
2023	1,744	26,151
2022	1,664	24,956
2021	1,648	24,721
2020	1,751	26,278
2019	1,920	28,812
2018	1,946	29,193

The District's projections, of future enrollment, do not include 5 students enrolled in cooperative programs at the area career centers. In the Fall 2023 semester 246 of the student body were over 30 years old and the median age of the District's students was 21.27.

Student Tuition and Fees

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

Year	Tuition and Fee Income
2022-2023	$ 7,467,586
2021-2022	6,874,202
2020-2021	7,428,207
2019-2020	7,487,751
2018-2019	6,894,426

ENROLLMENT INFORMATION (Continued)

Tuition and technology fee charges are established annually by the Board of Trustees. The total District charges for tuition and technology fees for an in-district resident for the 2022-2023 school year for regular semester of 15 credit hours was $1,890. The following table shows the District's in-district resident credit hour rate for tuition and technology fees for the current year and the prior five years:

Year	Credit Hour Rate	Required Fees (Per Semester)
2022-2023	$ 126	$ 160
2021-2022	116	85
2020-2021	116	85
2019-2020	111	70
2018-2019	111	70

For Missouri residents residing outside the boundaries of the District, the credit hour rate for tuition is $171, and for out-of-state students, the credit hour rate for tuition is $223.

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

Fall	Enrollment
2023	2,393
2024	2,393

PROPERTY VALUATIONS

The following table shows the total assessed valuation and the estimated actual valuation by category, of all taxable tangible property (excluding State assessed railroad and utility property) situated in the District according to the assessment of January 1, 2022.

	Assessed Valuation	Rate	Estimated Actual Value
Real Estate:			
Residential	$ 566,791,278	0.19	$ 2,983,111,989
Agricultural	16,556,550	0.12	137,971,250
Commercial	178,653,188	0.32	558,291,213
Total Real Estate	762,001,016		3,679,374,452
Personal Property:	280,634,635	0.33	850,407,985
Locally Assessed:			
Railroad & Utility:			
Real Estate	1,584,526	0.32	4,951,644
Personal Property	2,484,413	0.33	7,528,524
Total Locally Assessed	4,068,939		12,480,168
State Assessed:			
Railroad & Utility:			
Real Estate	96,185,211	0.32	300,578,784
Personal Property	13,903,021	0.33	42,130,367
Total State Assessed	110,088,232		342,709,151
Grand Total	$ 1,156,792,822		$ 4,884,971,756

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

Year	Assessed Valuation	Percent Increase
2022	1,156,792,822	6.46%
2021	1,086,608,066	5.97%
2020	1,025,380,075	1.05%
2019	1,014,688,507	8.82%
2018	932,392,147	1.28%

GENERAL FUND LEVY

The general fund levy cannot exceed the "tax rate ceiling" for the current year without voter approval. The tax rate ceiling, determined annually, is the rate of levy which, when charges against the newly received assessed valuation of the District for the current year, excluding new construction and improvements, will produce an amount of tax revenues equal to tax revenues for the previous year increased by 5% or the Consumer Price Index, whichever is lower. The tax levy for debt service on the District's general obligation bonds is exempt from the calculations of the limitations upon the tax rate ceiling.

For fiscal year ended June 30, 2023, the District's general fund levy was $.3308 per $100 of assessed valuation, which was equal to the District's tax rate ceiling for said fiscal year.

The following table shows the District's adjusted tax levies (per $100 of assessed valuation) for each of the last five years and the tax levy for the fiscal year ending June 30, 2023.

Fiscal Year Ended June 30,	General Fund	Debt Service Fund	Total Levy
2023	.3308	.1300	.4608
2022	.3308	.1300	.4608
2021	.3340	.1300	.4640
2020	.3338	.1300	.4638
2019	.3500	.1300	.4800

TAX COLLECTION RECORD

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

Fiscal Year Ended June 30.	Assessed Valuation	Levy (per $100 of Assessed Valuation	Total Taxes Levied	Current & Delinquent Taxes Collected	
				Amount	Percent
2023	$1,156,792,822	.4608	$5,330,501	$5,414,493	101.58%
2022	1,086,608,066	.4608	5,007,090	5,075,259	101.36%
2021	1,025,380,075	.4640	4,757,764	4,867,528	102.31%
2020	1,014,688,507	.4638	4,706,125	4,772,311	101.41%
2019	932,392,147	.4800	4,475,482	4,460,166	99.66%

MAJOR TAXPAYERS

The ten largest taxpayers according to their 2022 assessed valuations are listed below. These taxpayers represent 2.58% of the District's 2022 assessed valuation of $1,156,792,822.

Taxpayer	Type of Business	Assessed Valuation	% of District's Total Assessed Valuation
Wal-Mart	Retail	$ 4,296,190	.37%
Menard Inc	Retail	3,780,870	.33%
New Frontier Material Operations Beta LLC	Manufacturing	3,337,780	.29%
Crowne Diversified/Joe Scott	Retail	3,150,160	.27%
Centene	Healthcare	2,958,410	.26%
GGI	Manufacturing	2,903,070	.25%
US Tool	Manufacturing	2,738,810	.24%
Citizens Electric	Utility	2,387,630	.21%
SRG Global	Manufacturing	2,253,610	19%
Crowne Valley Distillery	Manufacturing	1,999,480	.17%
TOTAL		$29,806,010	

SOURCE OF FUNDS

The District finances its unrestricted current fund operations through tuition and fees, property taxes, State aid and other sources. For the fiscal year ended June 30, 2022, the portion of the District's revenue from various sources was as follows:

Source	Amount	Percentage
Operating Revenues:		
Student tuition and fees	$ 4,343,354	10.71%
Federal grants and contracts	13,241,489	32.67%
State and local grants and contracts	3,316,114	8.18%
Sales and services of educational departments	263,468	.65%
Student housing	1,170,385	2.89%
Bookstore	1,091,431	2.69%
Shooting range	25,763	.06%
Other operating revenues	225,923	.56%
Non-Operating Revenues:		
State appropriations	11,564,468	28.53%
County property taxes	5,075,259	12.52%
Gifts	101,778	.25%
Investment income	115,923	.29%
Sale of Capital Assets	-	-%
Total	$40,535,355	100.00%

INSURANCE COVERAGE

The College is a member of the Missouri United School Insurance Council (MUSIC), which provides protected self-insurance to member school districts in Missouri. The following coverage was in effect at June 30, 2023.

Property & Inland Marine Coverage	Blanket replacement cost per statement of values
General Liability/Automobile Liability	$ 3,000,000 per occurrence
Umbrella Liability in excess of general liability	$ 2,000,000
Crime Coverage	$ 2,000,000 limit for employee theft, forgery, computer systems fraud
School Board Liability	$ 3,000,000 per occurrence/$6,000,000 annual aggregate per Member District
Worker's Compensation	$ 2,500,000 employer's liability
Treasurer's Bonds	$ 50,000
Equipment Breakdown Coverage	$ 250,000,000 per occurrence

COLLEGE PARK STUDENT HOUSING FACILITIES

Rental Rates

The following table shows the rental rates per apartment type in the student housing units during the fall 2022 and spring 2023 semesters for fiscal year 2022 - 2023:

	Nine Month Lease
Coaches/Staff	
Two-Bedroom	$ 3,000
Four-Bedroom	2,800
Two Bunk Bedroom	2,400

Occupancy

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

	2018	2019	2020	2021	2022
Coaches/Staff	0.0%	50.0%	25.1%	0.0%	0.0%
Two-Bedroom	57.1%	88.2%	93.8%	100.0%	100.0%
Four-Bedroom	80.1%	82.1%	99.4%	97.5%	100.0%
Two Bunk Bedroom	-	-	-	90.9%	100.0%

SUPPLEMENTAL INFORMATION
FEDERAL AWARDS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2023

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Education			
Student Financial Assistance Cluster			
Federal Work-Study Program	84.033	N/A	$ 58,450
Federal Pell Grant Program	84.063	N/A	3,665,805
Federal S.E.O.G.	84.007	N/A	72,900
Federal Direct Student Loans	84.268	N/A	1,382,613
Total Student Financial Assistance Cluster			5,179,768
TRIO Cluster			
TRIO - Student Support Services	84.042	N/A	332,581
TRIO - Talent Search Program	84.044	N/A	483,149
TRIO - Upward Bound	84.047	N/A	748,163
Total TRIO Cluster			1,563,893
Coronavirus Aid, Relief and Economic Security Act (CARES Act) Higher Education Emergency Relief Fund Institutional Portion	84.425F	N/A	825,948
			825,948
Passed through Missouri Department of Elementary and Secondary Education:			
Vocational Education - Basic Grants to States - Perkins	84.048	V048A220025 163-163	210,792
Total Department of Education			210,792
U.S. Department of Labor			
Passed through St. Louis Community College			
Missouri Apprenticeships in Manufacturing Programs MOAMP	17.268	N/A	125,355
Total Department of Labor			125,355
U.S. Department of Agriculture			
Passed through Missouri Community College Association			
Skill UP	10.561	N/A	208,564
Total Department of Agriculture			208,564
U.S. Department of Treasury			
Passed through State of Missouri Department of Higher Education & Workforce Development			
Coronavirus State and Local Fiscal Recovery Funds American Rescue Plan Act (ARPA)	21.027	SLFRP4542 PA2MA	2,660,708
			2,660,708
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 10,775,028

The accompanying notes are an integral part of this schedule.

MINERAL AREA COLLEGE
NOTES TO SCHEDULE OF FEDERAL AWARDS
Year Ended June 30, 2023

NOTE 1 – Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Mineral Area College under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Mineral Area College, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Mineral Area College.

NOTE 2 – Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting as described in Note 1 to the College's basic financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Mineral Area College has elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Boyer & Associates, PC
Certified Public Accountants

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

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

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

February 15, 2024

Board of Trustees
Mineral Area College
Park Hills, Missouri

We have audited, in accordance with the auditing standard generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities, and the discretely presented component units, of Mineral Area College, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Mineral Area College's basic financial statements, and have issued our report thereon dated February 15, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Mineral Area College's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Mineral Area College's internal control. Accordingly, we do not express an opinion on the effectiveness of Mineral Area College's internal control.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Mineral Area 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 statement. 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.

Boyer & Associates, PC

Boyer & Associates, PC
Certified Public Accountants
Park Hills, Missouri

Boyer & Associates, PC
Certified Public Accountants

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

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

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

February 15, 2024

Board of Trustees
Mineral Area College
Park Hills, Missouri

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Mineral Area College's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Mineral Area College's major federal programs for the year ended June 30, 2023. Mineral Area College's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Mineral Area College complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis of Opinion on Each Major Federal Program

We conducted our audit of compliance with auditing standards generally accepted in the United State 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Mineral Area College and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Mineral Area College's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Mineral area College's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Minera Area College's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards,* and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or override of internal control.

Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Mineral Area College's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards,* and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Mineral Area College's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Mineral Area College's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 Mineral Area College's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and the any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance, Accordingly, no such opinion is expressed.

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.

Boyer & Associates, PC

Boyer & Associates, PC
Certified Public Accountants
Park Hills, Missouri

MINERAL AREA COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2023

I. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

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

Internal control over financial reporting:

- Material weakness(es) identified? ____yes __x__no
- Significant deficiency(ies) identified? ____yes __x__none reported

Noncompliance material to financial statements noted? ____yes __x__no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? ____yes __x__no
- Significant deficiency(ies) identified? ____yes __x__none reported
- An unmodified report was issued on compliance for major programs.

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)? ____yes __x__no

Internal control of major programs:

CFDA#	PROGRAM
	Student Financial Assistance Cluster
84.033	Federal Work-Study Program
84.063	Federal Pell Grant Program
84.007	Federal S.E.O.G
84.268	Federal Direct Student Loans
	Coronavirus Aid, Relief and Economic Security Act (CARES Act) Higher Education Emergency Relief Fund
84.425F	Institutional Aid
	Coronavirus State and Local Fiscal
21.027	Federal Work-Study Program

MINERAL AREA COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2023

Dollar threshold used to distinguish between type A and type B programs:	$750,000
Auditee qualified as low-risk auditee?	__x_ yes _____no

II. FINANCIAL STATEMENT FINDINGS

- There were no findings.

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

- There were no findings.