Mineral Area College

Community College District of Mineral Area, Missouri

Basic Financial Statements

Year Ended June 30, 2025

KPM

CPAS & ADVISORS

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Independent Auditors' Report

Board of Trustees
Mineral Area College
Park Hills, Missouri

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit of the Community College District of Mineral Area (d/b/a Mineral Area College), Park Hills, Missouri (the "College"), as of and for the year ended June 30, 2025, 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, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the years 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 the 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 Auditors' 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 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 the College's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities 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 auditors' 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 if 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 auditing 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 in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 the 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, pension information, and other post-employment benefit information be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the 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 on 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.

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Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 6, 2026, on our consideration of Mineral Area College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Mineral Area College's internal control over financial reporting and compliance.

KPM CPAs, PC

KPM CPAs, PC
Springfield, Missouri
January 6, 2026

Management's Discussion and Analysis

Introduction

Management's Discussion and Analysis is an overview of the financial position and financial activities of the Community College District of Mineral Area, Missouri (Mineral Area College). The College's management prepared this discussion. It should be read in conjunction with the financial statements and notes that follow.

The College prepared the financial statements in accordance with Government Accounting Standards Board (GASB) principles. The College has implemented GASB Statement No. 35, *Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities*. GASB Statement No. 35 established standards for external financial reporting for public colleges and universities and requires that financial statements be presented on a consolidated basis to focus on the College as a whole.

There are three financial statements presented for the College: the Statement of Net Position, the Statement of Revenues, Expenses, and Changes in Net Position, and the Statement of Cash Flows. These statements reflect the activity of the College and its discretely presented component unit, the Mineral Area College Foundation, Inc. (the Foundation).

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, 2025. The purpose of the Statement of Net Position is to present a picture of the financial condition of the College. 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.

The assets and liabilities are categorized as current or noncurrent. Current assets consist primarily of cash and cash equivalents, short-term investments, net accounts receivable, bookstore inventories, and other assets. Noncurrent assets consist primarily of capital assets, including the property, plant and equipment owned by the College, net of any accumulated depreciation.

Net position is presented in four major categories: (1) Net investment in capital assets, which represents the College's equity in its property, plant, and equipment, (2) Nonexpendable, those funds which are required to be maintained permanently, (3) Restricted, those funds that are limited in terms of the purpose and time for which the funds can be spent, and (4) Unrestricted, which are available to the College for any lawful purpose.

The following table of the College's net position at June 30, 2024 and 2025, shows the unrestricted portion at $18,796,773 and $14,943,168, respectively.

	2025	2024
Current assets	$ 53,588,553	$ 26,154,455
Noncurrent assets	45,720,975	71,821,771
Deferred outflows	4,619,024	10,044,774
Total Assets and Deferred Outflows of Resources	103,928,552	108,021,000
Current liabilities	5,016,956	4,296,198
Long-term liabilities	39,171,504	38,981,594
Deferred inflows	2,294,529	10,577,044
Total Liabilities and Deferred Inflows of Resources	46,482,989	53,854,836
Net investment in capital assets	33,666,195	14,547,716
Nonexpendable	-	2,268,581
Restricted	4,982,595	22,406,699
Unrestricted	18,796,773	14,943,168
Total Net Position	$ 57,445,563	$ 54,166,164

Net capital assets of the College increased by $1,805,274. Depreciation of $3,738,601 was recorded.

Statement of Revenues, Expenses, and Changes in Net Position

The Statement of Revenues, Expenses and Changes in Net Position present the College's financial results for the fiscal year. 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 position for the year ended June 30, 2024 and 2025:

	2025	2024
Operating revenue	$ 16,607,731	$ 23,155,428
Operating expenses	35,457,758	32,759,239
Operating (Loss)	(18,850,027)	(9,603,811)
Non-operating revenues (expenses)	22,129,426	21,482,005
Change in Net Position	3,279,399	11,878,194
Net Position, Beginning of year	54,166,164	42,287,970
Net Position, End of year	$ 57,445,563	$ 54,166,164

One of the financial strengths of the College is the diverse stream of revenue, which supplements its student tuition and fees. The following is the College's fiscal year 2024 and 2025 revenues, both operating and non-operating:

	2025	2024
Operating Revenues		
Student tuition and fees, net	$ 6,250,186	$ 6,331,726
Federal grants and contracts	2,266,819	8,230,613
State/local grants and contracts	4,447,294	5,299,129
Sales and services of educational departments	543,223	380,077
Auxiliary service revenue	2,658,159	2,570,476
Other operating revenue	442,050	343,407
Total Operating Revenues	$ 16,607,731	$ 23,155,428

	2025	2024
Nonoperating Revenues (Expenses)		
Nonexchange grant revenue	$ 6,814,355	$ -
State appropriations	9,201,793	15,139,770
County property tax revenue	5,695,976	5,599,098
Contributions	90,984	75,254
Interest and dividends	1,424,286	1,309,974
Interest and fees on capital asset - related debt	(1,097,968)	(642,091)
Total Nonoperating Revenues (Expenses)	$ 22,129,426	$ 21,482,005

Following are the components of operating expenses for the College during fiscal year 2024 and 2025:

	2025	2024
Operating Expenses by Natural Classification		
Salaries and wages	$ 12,245,809	$ 10,719,287
Employee benefits	2,643,989	2,463,115
Consulting	1,221,826	1,023,026
Travel	184,212	207,736
Utilities and telephone	835,207	811,710
Supplies and other services	7,152,973	7,487,842
Equipment not capitalized	1,629,282	1,189,703
Scholarships	5,805,859	5,736,401
Depreciation	3,738,601	3,120,419
Total Operating Expenses	$ 35,457,758	$ 32,759,239

Salaries and benefits make up 42% of total operating expenses. Supplies, other services, and utilities make up 22% of the total operating expenses.

In addition, the following table presents the fiscal year 2024 and 2025 operating expenses of the College by function:

	2025	2024
Operating Expenses by Functional Classification		
Instruction	$ 10,523,762	$ 9,841,650
Public service	9,833	7,017
Academic support	2,133,386	2,092,430
Support services	2,846,987	2,828,366
Institutional support	3,682,586	3,215,689
Auxiliary services	2,738,890	3,547,341
Scholarships and fellowships	5,805,859	5,736,401
Depreciation	3,738,601	3,120,419
Plant operating expenses	3,977,854	3,547,341
Total Operating Expenses	$ 35,457,758	$ 33,936,654

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 year ended June 30, 2024 and 2025:

	2025	2024
Cash Provided (Used) By:		
Operating activities	$ (14,518,840)	$ (6,430,730)
Noncapital financing activities	21,803,108	20,814,122
Capital and related financing activities	(8,010,693)	6,302,514
Investing activities	1,083,989	886,025
Net Change in Cash and Cash Equivalents	357,564	21,571,931
Cash and Cash Equivalents, Beginning of year	38,552,827	16,980,896
Cash and Cash Equivalents, End of year	$ 38,910,391	$ 38,552,827

Debt Administration

Total debt of the College as of June 30, 2025, was $27,089,952, which is down $1,812,744 from the prior year. See Note 5, Long-term Debt, to the financial statements for details of this decrease.

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, 2025, these revenue sources comprised 23%, 14%, and 16% of our total revenue, respectively.

The Missouri Community College Funding Formula relies on a three-year average of FTE per college. Steady increases in enrollment will result in greater funding in future years. MAC enrollment showed a slight increase overall in FY 25, and Spring 2026 enrollment is currently trending upward. Administration may consider recommending a modest tuition increase in FY27 to offset rising costs of operations. The Missouri Community College Association is advocating for a 3-5% increase in core funding and $50,000,000 in maintenance and repair funds for FY27. However, Governor Kehoe has not yet announced his recommendations for higher education funding. There is some uncertainty surrounding core state funding, and state funding is, at best, anticipated to remain flat. Additionally, the future of property taxes is uncertain. Mineral Area College continuously seeks additional revenue opportunities to ensure that we can prioritize strategic plan initiatives and advance student success.

With funding from private investors and possible direct state appropriations, MAC plans to construct a new Industry and Technology Center in Cape Girardeau, MO. This center will allow us to expand our technology programs and offer additional workforce development opportunities throughout our service region. Mineral Area College will continue to seek opportunities to support access to quality, affordable education in Missouri.

Contacting the College's Financial Management

This financial report is designed to provide our citizens, taxpayers, students and investors with a general overview of the College's finances and to show the College's accountability for the money it receives. If you have questions about this report or need additional information, contact:

Dr. Joseph Gilgour
President
Mineral Area College
5270 Flat River Road
Park Hills, MO 63601

Mineral Area College

Statement of Net Position

June 30, 2025

	College	Component Unit Foundation
Assets		
Current Assets		
Cash and cash equivalents	$ 17,093,370	$ 494,078
Restricted cash and cash equivalents	21,817,021	-
Short-term investments	9,387,596	2,959,464
Restricted short-term investments	3,224,440	1,592,539
Accounts receivable, net	1,032,029	-
Prepaid expenses	351,031	2
Inventory	683,066	-
	53,588,553	5,046,083
Noncurrent Assets		
Restricted investments	836,061	101,600
Capital assets		
Nondepreciable	4,907,593	-
Depreciable, net	39,977,321	496,627
	45,720,975	598,227
Total Assets	99,309,528	5,644,310
Deferred Outflows of Resources		
Deferred pension outflows	4,300,872	-
Deferred loss on refunding	315,156	-
Deferred OPEB outflows	2,996	-
Total Deferred Outflows of Resources	4,619,024	-
Liabilities		
Current Liabilities		
Accounts payable	772,897	-
Deposits held	395,258	-
Accrued wages and benefits	310,595	-
Accrued interest	388,278	-
Unearned revenue	2,447,506	-
Compensated absences, current portion	92,422	-
Current portion of long-term debt	610,000	18,096
	5,016,956	18,096
Noncurrent Liabilities		
Bonds payable, net	23,676,897	-
Certificates of participation, net	2,803,055	-
Financed purchase payable	-	126,195
Net pension liability	10,206,926	-
Post-employment benefit liability	1,920,516	-
Compensated absences	564,110	-
	39,171,504	126,195
Total Liabilities	44,188,460	144,291
Deferred Inflows of Resources		
Deferred pension inflows	1,708,654	-
Deferred OPEB inflows	585,875	-
Total Deferred Inflows of Resources	2,294,529	-
Net Position		
Net investment in capital assets	33,666,195	352,336
Restricted	4,982,595	1,694,141
Unrestricted	18,796,773	3,453,542
Total Net Position	$ 57,445,563	$ 5,500,019

See accompanying Notes to the Financial Statements

Mineral Area College

Statement of Revenues, Expenses, and Changes in Net Position

Year Ended June 30, 2025

	College	Component Unit Foundation
Operating Revenues		
Student tuition and fees (net of scholarship allowance of $5,052,793)	$ 6,250,186	$ -
Federal grants and contracts	2,266,819	-
State and local grants and contracts	4,447,294	-
Sales and services of educational departments	543,223	-
Auxiliary service revenues	2,658,159	-
Other operating revenues	442,050	128,657
Total Operating Revenues	16,607,731	128,657
Operating Expenses		
Instruction	10,523,762	-
Public service	9,833	-
Academic support	2,133,386	-
Student services	2,846,987	-
Institutional support	3,682,586	507,173
Auxiliary services	2,738,890	-
Scholarships and fellowships	5,805,859	-
Depreciation	3,738,601	13,589
Plant operating expenses	3,977,854	-
Total Operating Expenses	35,457,758	520,762
Operating (Loss)	(18,850,027)	(392,105)
Nonoperating Revenues (Expenses)		
Nonexchange grant revenue	6,814,355	-
State appropriations	9,201,793	-
County property tax revenue	5,695,976	-
Contributions	90,984	601,891
Investment income		
Interest and dividends	1,424,286	125,650
Net increase in fair value of investments	-	362,399
Interest and fees on capital asset - related debt	(1,097,968)	(2,818)
Total Nonoperating Revenues (Expenses)	22,129,426	1,087,122
Change in Net Position	3,279,399	695,017
Net Position, Beginning of year	54,166,164	4,805,002
Net Position, End of year	$ 57,445,563	$ 5,500,019

Mineral Area College

Statements of Cash Flows

Year Ended June 30, 2025

	College	Component Unit Foundation
Cash Flows from Operating Activities		
Student tuition and fees	$ 7,303,270	$ -
Payments to suppliers	(11,125,620)	(535,361)
Payments to employees	(12,810,493)	-
Payments for benefits	(3,637,314)	-
Payments for financial aid and scholarships	(5,805,859)	-
Auxiliary enterprise charges	2,658,159	-
Aid, grants, and contracts	7,502,139	-
Sales and services of educational departments	543,223	-
Other receipts	853,655	128,657
Net Cash (Used) by Operating Activities	(14,518,840)	(406,704)
Cash Flows from Noncapital Financing Activities		
State aid and grants appropriations	9,201,793	-
County property tax revenue	5,695,976	-
Nonexchange grants received	6,814,355	-
Contributions	90,984	601,891
Net Cash Provided by Noncapital Financing Activities	21,803,108	601,891
Cash Flows from Capital and Related Financing Activities		
Purchase of capital assets	(5,543,875)	(248,656)
Principal paid on capital debt and loans	(1,605,000)	(100,234)
Proceeds from financed purchases	-	148,656
Interest paid on capital debt	(861,818)	(2,818)
Net Cash (Used) by Capital and Related Financing Activities	(8,010,693)	(203,052)
Cash Flows From Investing Activities		
Interest on investments	1,424,286	125,650
Maturity of (purchase of) investments	(340,297)	117,956
Net Cash Provided by Investing Activities	1,083,989	243,606
Net Increase in Cash and Cash Equivalents	357,564	235,741
Cash and Cash Equivalents, Beginning of year	38,552,827	258,337
Cash and Cash Equivalents, End of year	38,910,391	494,078
Less Restricted Cash and Cash Equivalents	21,817,021	-
Unrestricted Cash and Cash Equivalents	$ 17,093,370	$ 494,078

See accompanying Notes to the Financial Statements

Mineral Area College

Statements of Cash Flows

Year Ended June 30, 2025

Reconciliation of Operating (Loss) to Net Cash (Used) by Operating Activities		
Operating (loss)	$ (18,850,027)	$ (392,105)
Adjustments to reconcile operating (loss) to net cash (used) by operating activities:		
Depreciation	3,738,601	13,589
Changes in assets, deferred outflows, liabilities and deferred inflows		
Accounts receivables, net	1,145,116	-
Prepaid expenses	(76,242)	(2)
Inventory	100,959	-
Deferred pension outflow	5,297,991	-
Deferred OPEB outflow	72,143	-
Accounts payable	(522,095)	(28,186)
Deposits held	395,258	-
Accrued and other liabilities	(550,231)	-
Unearned revenues	1,107,599	-
Net pension liability	(1,328,683)	-
Compensated absences	(14,453)	-
OPEB liability	(219,864)	-
Deferred pension inflow	(4,760,045)	-
Deferred OPEB inflow	(54,867)	-
Net Cash (Used) by Operating Activities	$ (14,518,840)	$ (406,704)

1. Summary of Significant Accounting Policies

The Community 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 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 Cape Girardeau, Fredericktown, Perryville and Potosi. The District's service region is significantly broader than its legal boundaries. The service region reaches 22 counties and 34 school districts in Missouri.

The financial statements of the College conform to accounting principles generally accepted in the United States of America as applicable to governments. The more significant of the College's accounting policies are described below.

Financial Reporting Entity

The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. Financially accountable means the primary government is accountable for the component unit and the primary government is able to impose its will or the component unit may provide financial benefits or impose a burden on the primary government. In addition, component units can be other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The College is a primary government, which is governed by an elected six-member board. As required by accounting principles generally accepted in the United States of America, the College has evaluated the above criteria to determine whether any other entity meets the definition of a component unit and must be included in these financial statements. The component unit discussed below is included in the College's reporting entity because of the significance of its operational or financial relationships with the College.

Discretely Presented Component Unit

Mineral Area College Foundation, Inc.

The College receives ongoing 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.

Basis of Accounting

The College has adopted GASB Statement No. 35, *Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities*, as amended by GASB Statements No. 37 and No. 38. GASB Statement No. 35 established standards for external financial reporting for public colleges and universities. The College reports as a Business-Type Activity, as defined by GASB Statement No. 35.

The basic financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

The College's resources are classified for accounting and reporting purposes into the following net position categories:

Net Investment in Capital Assets: Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets.

Restricted, Expendable: Net position whose use by the College is subject to externally imposed stipulations that they can be fulfilled by actions of the College pursuant to those stipulations or that expire by the passage of time. When the College is able to use restricted expendable assets or unrestricted assets, it uses the restricted assets first. The College's restricted net position reflect unspent tax levy proceeds restricted for debt service and unspent contributions with purpose restrictions.

Restricted, Nonexpendable: Net position subject to externally imposed stipulations that they be maintained permanently by the College. Such assets include the corpus of the College's permanent endowment funds.

Unrestricted: Net position that is not subject to externally imposed stipulations. Unrestricted net position may be designated for specific purposes by action of management or the Board of Trustees or may otherwise be limited by contractual agreements with outside parties.

In circumstances when a disbursement is made for a purpose for which amounts are available in multiple net position categories, net position is depleted in restricted before unrestricted.

Cash, Cash Equivalents, and Investments

For purposes of the Statement of Cash Flows, all highly liquid investments with a maturity of three months or less when purchased are considered to be cash equivalents. Securities with an initial maturity of more than three months at the date of acquisition are reported as investments. Restricted cash, cash equivalents, and investments consist of debt service reserves, College Park housing operations, bond construction funds, scholarships, and endowments.

Fair Value

The fair value measurement and disclosure framework provides for a fair value hierarchy that gives highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements). The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. There have been no significant changes from the prior year in the methodologies used to measure fair value. The levels of the fair value hierarchy are described below:

Level 1: Inputs using quoted prices in active markets for identical assets or liabilities.

Level 2: Inputs using significant other observable inputs including quoted prices for similar assets or liabilities.

Level 3: Inputs are significant unobservable inputs.

Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Student accounts receivable are uncollateralized student obligations. Accounts receivable are stated at the billed amount less applied scholarships and loan proceeds. The carrying amount of accounts receivable is reduced by an allowance for doubtful accounts based on management's assessment of the collectability of specific accounts and the aging of the accounts receivable. All accounts, or portions thereof, deemed to be uncollectible or to require an excess collection cost are written off to the allowance for doubtful accounts.

Inventories

Bookstore and shooting range materials and supplies are carried in an inventory account at the lower of cost or market and are subsequently charged to supplies and other services when sold or when consumed.

Capital Assets

Capital assets, including land, buildings, improvements, infrastructure, and equipment assets, are reported in the business-type activities. Capital assets are defined by the College as assets with an initial, individual cost of more than $10,000 and an initial useful life of one year or greater. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Buildings, improvements, infrastructure and equipment assets are depreciated using the modified half-month depreciation method, (straight line depreciation with a half month depreciation if placed in service before the middle of the month, otherwise no depreciation until the next full month) over the following estimated useful lives:

Assets	Years
Buildings and improvements	5 to 30
Student housing	5 to 30
Equipment	3 to 10
Library books	10

Unearned Revenue

Unearned balances consist of grants, contracts, and various other unearned amounts. Revenue will be recognized as income when earned.

Property Tax Revenue Recognition

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on November 1 and are due and payable at that time. All unpaid taxes levied November 1 become delinquent after December 31 of that year.

Classification of Revenues

The College has classified its revenues as either operating or nonoperating revenues according to the following criteria:

> *Operating Revenues*: Operating revenues include activities that have the characteristics of exchange transactions, such as student tuition and fees; sales and services of auxiliary enterprises; some federal, state, and local grants and contracts; meeting certain criteria. Revenue from operating sources is recognized when earned.
>
> *Nonoperating Revenues*: Nonoperating revenues include activities that have the characteristics of nonexchange transactions, such as certain federal grants without equal value given/received, property taxes, gifts and contributions, state appropriations, investment returns, and other revenue sources that are defined as nonoperating revenues by GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Government Entities That Use Proprietary Fund Accounting*, and GASB Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*.

Scholarship Allowance

Student tuition and fee revenues are presented net of financial assistance and scholarships applied to student accounts.

Post-Employment Health Care Benefits

Retiree Benefits: The College offers post-employment health care benefits to all employees who retire from the College. Retirees are eligible as long as they receive retirement benefits under the Public School Retirement System. Retirees pay 100% of their own premiums; however, such premiums are based upon a blended participant pool of the College's employees and the retirees. Such blending results in an implied subsidy to the retirees inasmuch as the premiums charged to retirees are less than the retiree could purchase from third party insurance carriers. This implies subsidy is reflected in the Statement of Net Position as net OPEB liabilities including deferred inflows of resources and deferred outflows of resources related to post-employment health care benefits.

COBRA Benefits: Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the College makes health care benefits available to eligible former employees and their dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured each month. This program is offered for a duration of 18 months after the employee's termination date. There is no associated cost to the College under this program.

Compensated Absences

Employees earn vacation and sick leave during the year using a formula based on the employee's pay rate, hours worked, and years of service. Earned vacation and sick leave are classified in the accompanying Statement of Net Position as current and noncurrent liabilities, when more likely than not to be used or paid.

Use of Estimates

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net asset that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. Currently, the College has three items that qualify for reporting in this category, deferred amounts relating to the retirement plan, changes in assumptions relating to the post-employment benefit plan, and deferred loss incurred on refunding the 2017 COP with 2024 bond funds.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net asset that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The College has two items that qualify for reporting in this category, deferred pension inflows relating to the retirement plan and deferred post-employment benefit inflows relating to the post-employment benefit plan. These amounts are recognized as an inflow of resources in the period that the amounts become available.

Federal Student Financial Assistance Programs

The College participates in the following federal student financial aid programs: Federal Pell Grant, Federal Supplemental Education Opportunity Grant, Federal Work Study, and Federal Direct Loan Programs. Federal programs are audited in accordance with the Single Audit Act Amendments of 1996, and the *Compliance Supplement* Title 2 U.S. *Code of Federal Regulations* Part 200*, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance).

Income Tax Status

The College is exempt from income tax as a local government unit under Section 115(a) of the Internal Revenue Code. The Foundation has qualified for exemption from income tax under Section 501(c)(3) of the Internal Revenue Code.

New Pronouncement

The College implemented GASB Statement No. 101 – *Compensated Absences* during the year ended June 30, 2025. The objective of this statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences and amends certain previously required disclosures.

2. Cash, Cash Equivalents & Investments

Cash and Cash Equivalents

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of failure of the counter party, the College will not be able to recover the value of its deposits or collateral securities that are in possession of an outside party. State statutes require that the College's deposits with financial institutions must be collateralized in the name of the College by the trust department of a bank that does not hold the collateralized deposits. At June 30, 2025, all bank balances on deposit were entirely insured or collateralized with securities for the College and Foundation.

Investments

Interest Rate Risk and Credit Risk

State law permits public colleges to invest in obligations of the State of Missouri or U.S. government and obligations of government agencies. The College's investment policy limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The Foundation also limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The Foundation's investment policy directs the asset category types approved for investment as well as assets prohibited from investment. The Foundation's investment objectives would be considered conservative to moderate with a return objective of current income and capital appreciation with investments being primarily in highly marketable investments listed on or registered with the New York Stock Exchange, or the NASDAQ. The College and Foundation balances were not exposed to custodial credit risk at June 30, 2025.

The College and Foundation categorize investments within the fair value hierarchy as discussed in Note 1. As of June 30, 2025, the College and Foundation had the following recurring fair value measurements:

	Maturity Dates	Not Subject to Fair Value	Level 1	Total
College				
Certificates of Deposit	7/25/25 - 9/5/27	$ 13,404,070	$ -	$ 13,404,070
Government Securities	9/15/30 - 9/1/33	-	44,027	44,027
		$ 13,404,070	$ 44,027	$ 13,448,097
Foundation				
Certificates of Deposit	10/23/25 - 9/16/26	$ 116,600	$ -	$ 116,600
Equity Securities	N/A	-	2,943,114	2,943,114
Fixed Income Securities	N/A	-	1,593,889	1,593,889
		$ 116,600	$ 4,537,003	$ 4,653,603

Government Securities

Funds invested in government securities are held by Edward Jones and have current ratings of Aa1 by Moody's.

Certificates of Deposit

Certificates of deposit are classified as investments but are considered deposits for custodial risk determination. State statutes require that the College's deposits be collateralized in the name of the College by the trust department of a bank that does not hold the collateralized deposits. As of June 30, 2025, all certificates of deposit are entirely insured or collateralized with securities. Negotiable certificates of deposit are carried at fair market value.

Equity Funds

The Foundation has invested in equity funds at New Era Investment Services, First State Financial Management, and UMB. The equity portfolios are comprised of hedged equity, international developed, mid and small capital funds, and the largest percentage invested in large capital funds. The funds are not rated.

Fixed Income Securities Funds

The Foundation has invested in fixed income securities funds at First State Financial Management and UMB. The fixed income securities are comprised of inflation protected debt and investment grade debt. These funds are not rated.

3. Accounts Receivable

Accounts receivable is presented net of allowance for doubtful accounts as of June 30, 2025, are as follows:

Student receivables, net of allowance	$	270,185
Federal and state agencies		422,160
Other receivables		339,684
Net Accounts Receivable	$	1,032,029

The above receivable balances are net of an allowance of bad debts of $891,631 for student tuition and housing charges that are deemed uncollectible.

4. Capital Assets

College

College activity for capital assets for the year ended June 30, 2025, is summarized below:

	Balance June 30, 2024	Additions and Completions	Dispositions	Balance June 30, 2025
Nondepreciable				
Land	$ 385,066	$ -	$ -	$ 385,066
Construction in progress	5,087,213	4,145,962	(4,710,648)	4,522,527
Total Nondepreciable Capital Assets	5,472,279	$ 4,145,962	$ (4,710,648)	4,907,593
Depreciable				
Buildings and improvements	61,704,361	$ 5,482,427	$ -	67,186,788
Student housing	5,818,400	-	-	5,818,400
Equipment	15,413,631	626,134	(47,520)	15,992,245
Library books	1,278,673	-	-	1,278,673
Total Depreciable Capital Assets	84,215,065	$ 6,108,561	$ (47,520)	90,276,106
Accumulated depreciation	(46,607,704)	$ (3,738,601)	$ 47,520	(50,298,785)
Total Depreciable Capital Assets, Net	37,607,361			39,977,321
Total Capital Assets, Net	$ 43,079,640			$ 44,884,914

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.

Foundation

Foundation activity for capital assets for the year ended June 30, 2025, is summarized below:

	Balance June 30, 2024	Additions and Completions	Dispositions	Balance June 30, 2025
Depreciable				
Equipment	$ 279,516	$ 248,656	$ -	$ 528,172
Accumulated depreciation	(17,956)	$ (13,589)	$ -	(31,545)
Total Depreciable Capital Assets, Net	$ 261,560			$ 496,627

5. Long-Term Debt

College

Bonds Payable

Bonds payable at June 30, 2025, consists of:

$5,565,000 Series 2020 general obligation refunding bonds due in principal installments of $185,000 to $1,285,000 through March 1, 2026; interest at varying rates from 3.00% to 4.00%.	$	275,000
$22,000,000 Series 2024 general obligation bonds due in principal installments of $500,000 to $2,200,000 through March 1, 2044; interest at varying rates from 5.00% to 5.25%.		22,000,000
Total Bonds Payable	$	22,275,000

The Series 2020 general obligation refunding bonds were issued at a premium of $505,769, and the Series 2024 general obligation bonds were issued at a premium of $1,720,972. At June 30, 2025, the combined unamortized value of the bond premiums was $1,676,897. This will be amortized over the remaining life of each bond issuance. Loss incurred on refunding the 2017 COP with 2024 bond funds have been deferred and are being amortized over the life of the bonds and are included in the deferred outflows of resources. The net amount as of June 30, 2025 was $315,156.

The following is a summary of bond principal maturities and interest requirements:

Year Ended June 30,	Principal	Interest	Total
2026	$ 275,000	$ 1,116,800	$ 1,391,800
2027	500,000	1,105,800	1,605,800
2028	575,000	1,080,800	1,655,800
2029	625,000	1,052,050	1,677,050
2030	705,000	1,020,800	1,725,800
2031-2035	4,650,000	4,481,675	9,131,675
2036-2040	7,060,000	3,085,000	10,145,000
2041-2044	7,885,000	1,022,000	8,907,000
	$ 22,275,000	$ 13,964,925	$ 36,239,925

Certificates of Participation

On February 25, 2021, the College entered into an agreement of $4,075,000 to replace and upgrade HVAC systems and refinance the previous Trane Energy agreement from fiscal year 2020. New projects were funded with $2,668,096. The refunding of the Trane Energy agreement required $1,726,778. The Certificates of Participation were issued at a premium of $341,031 to be amortized over the life of the agreement. The unamortized premium at June 30, 2025, was $243,055.

Principal and interest payments are due as follows:

Year Ending June 30,	Principal	Interest	Total
2026	$ 335,000	$ 86,850	$ 421,850
2027	355,000	76,800	431,800
2028	370,000	66,150	436,150
2029	385,000	55,050	440,050
2030	285,000	43,500	328,500
2031-2035	955,000	119,250	1,074,250
2036	210,000	6,300	216,300
	$ 2,895,000	$ 453,900	$ 3,348,900

A summary of the changes in long-term debt for the year ended June 30, 2025, is as follows:

	Balance June 30, 2024	Additions	Reductions	Balance June 30, 2025	Current Portion
Bonds payable	$ 23,560,000	$ -	$ (1,285,000)	$ 22,275,000	$ 275,000
Add: Bond premium	1,862,031	-	(185,134)	1,676,897	-
	25,422,031	-	(1,470,134)	23,951,897	275,000
Certificates of participation	3,215,000	-	(320,000)	2,895,000	335,000
Add: COP premium	265,665	-	(22,610)	243,055	-
	3,480,665	-	(342,610)	3,138,055	335,000
	$ 28,902,696	$ -	$ (1,812,744)	$ 27,089,952	$ 610,000

Foundation

Financed Purchase

On March 19, 2025, the Foundation entered into a direct borrowing agreement to financed the purchase of a charter bus. The agreement requires monthly payments of $2,160, which includes interest at 5.75%. In the event of default, the lender may, by written notice, declare all rental amounts payable immediately or may retake possession of the bus.

The total annual minimum payments required at June 30, 2025, are as follows:

	Direct Borrowing		
Year Ended June 30,	**Principal**	**Interest**	**Total**
2026	$ 18,096	$ 7,825	$ 25,921
2027	19,165	6,756	25,921
2028	20,296	5,625	25,921
2029	21,494	4,427	25,921
2030	22,763	3,158	25,921
2031	24,107	1,814	25,921
2032	18,370	431	18,801
	$ 144,291	$ 30,036	$ 174,327

A summary of the changes in long-term debt for the Foundation for the year ended June 30, 2025, is as follows:

	Balance June 30, 2024	**Additions**	**Reductions**	**Balance June 30, 2025**	**Current Portion**
Direct borrowing - financed purchases	$ 95,869	$ 148,656	$ (100,234)	$ 144,291	$ 18,096

6. Compensated Absences

The following table is a summary of the changes in compensated absences payable for the year ended June 30, 2025:

	Balance June 30, 2024	**Additions**	**Reductions ***	**Balance June 30, 2025**	**Current Portion**
Compensated absences	$ 670,985	$ -	$ (14,453)	$ 656,532	$ 92,422

*The change in the compensated absences liability is presented as a net change.

7. Retirement Plan

Public School Retirement System of Missouri and Public Education Employee Retirement System of Missouri

Summary of Significant Accounting Policies

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

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

General Information about the Pension Plan

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

PEERS is a mandatory cost-sharing multiple employer retirement system for all non-certificated 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/colleges who work 20 or more hours per week on a regular basis and who are not contributing members of PSRS must contribute to PEERS. Employees of PSRS who do not hold Missouri educator certificates also contribute to PEERS. PEERS was established as a trust fund by an Act of the Missouri General Assembly effective October 13, 1965. Statutes governing the System are found in Sections 169.600 - 169.715 and Sections 169.560 - 169.595 RSMo. The statutes place responsibility for the operation of PEERS on the Board of Trustees of PSRS.

Benefits Provided. PSRS is a defined benefit plan providing retirement, disability, and death/survivor benefits. Members are vested for service retirement benefits after accruing 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 2.5% benefit factor. Members who retire with 32 or more years of service will have their benefit calculated using a 2.55% benefit factor. Actuarially age-reduced benefits are available for members with 5 to 24.9 years of service at age 55. Members who are younger than age 55 and who do not qualify under the "Rule of 80" but have between 25 and 29.9 years of service may retire with a 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 5 to 24.9 years of service at age 55. Members who are younger than age 55 and who do not qualify under the "Rule of 80" but have between 25 and 29.9 years of service may retire with a 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 System's Board of Trustees has established a policy of providing a 0% COLA for years in which the CPI-U increases between 0.00% and 2.00%, a 2.00% COLA for years in which the CPI-U increases between 2.00% and 5.00%, and a COLA of 5.00% if the CPI-U increase is greater than 5.00%. If the CPI-U decreases, no COLA is provided. For any PSRS member retiring on or after July 1, 2001, such adjustments commence on the second January after commencement of benefits and occur annually thereafter. For PEERS members, such adjustments commence on the fourth January after commencement of benefits and occur annually thereafter. The total of such increases may not exceed 80% of the original benefit for any member.

Contributions. PSRS members were required to contribute 14.5% of their annual covered salary during the fiscal year 2025. 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 year 2025. Employers were required to match the contributions made by employees. The contribution rate is set each year by the PSRS Board of Trustees upon the recommendation of the independent actuary within the contribution restrictions set in Section 169.030 RSMo. The annual statutory increase in the total contribution rate may not exceed 0.5% of pay.

The College's contributions to PSRS and PEERS were $1,174,344 and $308,619, respectively, for the year ended June 30, 2025.

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

At June 30, 2025, the College recorded a liability of $8,778,525 for its proportionate share of the PSRS net pension liability and $1,428,401 for its proportionate share of the PEERS net pension liability. In total the College recorded a net pension liability of $10,206,926. The net pension liability for the plans in total was measured as of June 30, 2024, and determined by an actuarial valuation as of that date. The College's proportionate share of the total net pension liability was based on the ratio of its actual contributions paid to PSRS and PEERS of $1,037,945 and $267,148, respectively, for the year ended June 30, 2024, relative to the total contributions of $818,841,138 for PSRS and $161,237,992 for PEERS from all participating employers. At June 30, 2025, the College's proportionate share was 0.1268% for PSRS and 0.1657% for PEERS.

For the year ended June 30, 2025, the College recognized pension expense of $348,439 for PSRS and $344,121 for PEERS, its proportionate share of the total pension expense. 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).

At June 30, 2025, the College reported deferred outflows of resources and deferred inflows of resources from the following sources related to PSRS and PEERS pension benefits:

	PSRS		PEERS		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	$ 1,419,198	$ -	$ 173,935	$ -	$ 1,593,133	$ -
Changes of assumptions	223,340	-	-	-	223,340	-
Net differences between projected and actual earnings on pension plan investments	-	621,593	-	111,440	-	733,033
Changes in proportion and differences between Employer contributions and proportionate share of contributions	873,106	972,012	128,330	3,609	1,001,436	975,621
Employer contributions subsequent to the measurement date	1,174,344	-	308,619	-	1,482,963	-
Total	$ 3,689,988	$ 1,593,605	$ 610,884	$ 115,049	$ 4,300,872	$ 1,708,654

Amounts reported as deferred outflows of resources resulting from contribution subsequent to the measurement date of June 30, 2024, will be recognized as a reduction to the net pension liability in the year ended June 30, 2026. 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	Total
2026	$ (645,900)	$ 32,474	$ (613,426)
2027	1,498,988	265,953	1,764,941
2028	146,140	(43,696)	102,444
2029	(129,208)	(67,515)	(196,723)
2030	52,019	-	52,019
	$ 922,039	$ 187,216	$ 1,109,255

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 updated, where appropriate, based on the results of the studies and effective with the June 30, 2021 valuations. For PSRS, the retirement rates assumption was updated for the June 30, 2023 valuation due to the passage of Senate Bill 75 (HCS/SS/SB 75), which added the 2.55% formula factor benefit for members that retire with 32 or more years of service. There have been no other changes to the actuarial assumptions and methods for PSRS or PEERS since the June 30, 2021 valuations. Significant actuarial assumption and methods are detailed below. For additional information please refer to the Systems' 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, 2024
Valuation Date: June 30, 2024
Expected Return on Investments: 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: 2.5% 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.

Cost-of-Living (COLA) Increases

- PSRS & PEERS: Given that the actual increase in the CPI-U index from June 2023 to June 2024 was 2.97%, the Board approved an actual cost-of-living adjustment as of January 1, 2025 of 2.00% in accordance with the Board's funding policy and Missouri statues, compared to an assumed COLA of 1.35%. Future COLAs assumed in the valuation are 1.35% each January 1. This COLA assumption is based on the 20 year stochastic analysis of inflation performed in the 2021 experience study and the application of the Board's funding policy to those expectations. 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 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.
- The COLA applies to service retirements and beneficiary annuities. The COLA does not apply to the benefits for in-service death payable to spouses (where the spouse is over age 60), and does not apply to the spouse with children pre-retirement death benefit, the dependent children pre-retirement death benefit, or the dependent parent death benefit. The total lifetime COLA cannot exceed 80% of the original benefit. PSRS members receive 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 PubT-2010 Teachers Amount-Weighted Employees mortality tables 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.
  - PEERS: Experience-adjusted PubG-2010(B) General Employees Below-Median Income Amount-Weighted Employees mortality tables 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 prior to the member’s death are based on the experience-adjusted PubT-2010 (Teachers) Amount-Weighted Healthy Retiree mortality tables with generational project using the MP-2020 improvement scale. Mortality rates for non-disabled beneficiaries after the member’s death are based on the experience-adjusted Pub-2010 Amount-Weighted Contingent Survivor mortality tables with generational projection using the MP-2020 improvement scale. The Plan-specific experience adjustments are as follows:
    - Non-Disabled: males 1.10, females 1.04
    - Contingent Survivor: males 1.18, females 1.07
  - PEERS: Mortality rates for non-disabled retirees and beneficiaries prior to the member’s death are based on the PubG-2010(B) General Employees Below Median Income Amount-Weighted Health Retiree mortality tables with generational projection using the MP-2020 improvement scale. Mortality rates for non-disabled beneficiaries after the member’s death are based on the experience-adjusted Pub-2010(B) Below Median Income Amount-Weighted Contingent Survivor mortality tables with generational projection using the MP-2020 improvement scale. The plan-specific experience adjustments are as follows:

    - Non-Disabled: males 1.13, females 0.94
    - Contingent Survivor: males 1.01, females 1.07
- Disabled Retirees
  - PSRS: Mortality rates for disabled retirees and beneficiaries are based on the experience-adjusted PubT-2010 (Teachers) Amount-Weighted Disabled Retiree mortality tables 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.
  - PEERS: Mortality rates for disabled retirees and beneficiaries are based on the experience-adjusted Pub-2010 General Employees Amount-Weighted Disabled Retiree mortality tables with generational project using the MP-2020 improvement scale. Experience adjustments are equal to the health retiree experience-based adjustment factors at all ages for both males and females.

The 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, 2024, are summarized below.

Asset Class	Target Asset Allocation	Long-Term Expected Real Return Arithmetic Basis
U.S. Public Equity	23.0%	4.81%
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%
Public Credit	0.0%	0.80%
Private Credit	8.0%	5.61%
Private Equity	21.0%	10.90%
Private Real Estate	11.0%	7.47%
Total	100.0%	

Discount Rate: The long-term expected rate of return used to measure the total pension liability was 7.30% as of June 30, 2024, and is consistent with the long-term expected geometric return on plan investments. The actuarial assumed rate of return of 7.30% is consistent with the June 30, 2023 valuations 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 College's net pension liability to changes in the discount rate is presented below. The College's net pension liabilities calculated using the discount rate of 7.30% is presented as well as the net pension liabilities 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	$ 18,215,680	$ 8,778,525	$ 964,619
PEERS - Proportionate share of the Net Pension Liability	3,012,495	1,428,401	108,457
	$ 21,228,175	$ 10,206,926	$ 1,073,076

Payables to the Plan: At June 30, 2025, the College reported a payable of $196,577 for the outstanding amount of PSRS contributions and $52,744 for the outstanding amount of PEERS contributions to the pension plan required for the year ended June 30, 2025.

8. Post-Employment Health Care Plan

General Information about the Pension Plan

Plan Description: The College's defined benefit Post-Employment Benefits Other than Pension (OPEB) plan is administered by the College. The College does not pre-fund benefits through a Trust, but pays benefits directly from general assets on a pay-as-you-go basis. The contribution requirements of plan members and the College are established and may be amended by the Board of Trustees. The College's OPEB plan is a single-employer defined benefit OPEB for retirees meeting the normal or early retirement eligibility requirements as set by the Public School Retirement System of Missouri (PSRS) or the Public Education Employee Retirement System of Missouri (PEERS).

Benefits Provided: The College's OPEB plan provides medical, including prescription drugs, dental, vision, and term life insurance, coverage for eligible retirees, their spouses and dependents. Retirees are required to pay the full premium. Surviving spouses are eligible to continue coverage after retiree's death. Retirees are allowed to continue coverage past Medicare eligibility age (65).

Employees covered by benefit terms; At June 30, 2025, the following employees were covered by the benefit terms:

Active participants	169
Retired participants	105
Spouses of retirees	23
	297

Actuarial Methods and Assumptions: The total OPEB liability in the June 30, 2025 actuarial valuation was determined using the following actuarial assumptions:

Measurement Date: June 30, 2025

Valuation Date: June 30, 2024; actuarial valuations are performed biennially

Actuarial Cost Method: Entry Age Normal

Inflation: 2.30%

Salary Increases: 3.00% per annum

Discount Rate: 5.20% per annum based on the 20 year bond GO index at June 30, 2025

Healthcare Cost Trend Rates

- Medical/Retiree Premium Inflation Rate – -4.00% for 2025 , gradually increasing to an ultimate rate of 3.7% for 2072 and beyond. The trends used in the valuation are based on long term healthcare trends generated by the Getzen Model. The Getzen Model is the result of research sponsored by the Society of Actuaries and completed by a committee of economists and actuaries. This model is the current industry standard for projecting long term medical trends. Inputs to the model are consistent with the assumptions used in deriving the discount rate used in the valuation.
- Mortality: Pub-2010 Teacher Mortality for Employees and Healthy Annuitants, with generational projection per Scale MP-2021.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at June 30, 2024	$ 2,140,380
Changes for the year	
Service cost	142,355
Interest on total OPEB liability	86,826
Effect of assumptions changes or inputs	(300,742)
Benefit payments	(148,303)
Balance at June 30, 2025	**$ 1,920,516**

Sensitivity Analysis

Sensitivity of 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 5.20%, as well as what the College's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (4.20%) or one percentage point higher (6.20%) than the current rate.

	1% Decrease (4.20%)	Current Rate (5.20%)	1% Increase (6.20%)
Total OPEB Liability	$ 2,151,422	$ 1,920,516	$ 1,726,354

Sensitivity of 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 one percentage point lower or one percentage point higher than the current trend rates.

	1% Decrease	Current Trend Rate	1% Increase
Total OPEB Liability	$ 1,749,103	$ 1,920,516	$ 2,124,708

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

For the year ended June 30, 2025, the College recognized OPEB expense (credit) of $(54,285). At June 30, 2025, the College reported deferred outflows of resources and deferred inflows of resources from the following sources related to OPEB:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	$ (172,649)	$ -
Changes of assumptions	(413,226)	2,996
Total	$ (585,875)	$ 2,996

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

Year Ending June 30,	
2026	$ (224,256)
2027	(118,445)
2028	(109,707)
2029	(93,074)
2030	(37,397)
	$ (582,879)

9. Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on November 1 and payable by December 31. The counties collect the property tax and remits it to the College.

The assessed valuation of the tangible taxable property for the calendar year 2024 for purposes of local taxation was:

Real Estate	$ 810,931,068
Personal Property	404,218,011
Total Assessed Valuation	$ 1,215,149,079

The tax levy per $100 of the assessed valuation of tangible taxable property for the calendar year 2024 for purposes of local taxation was:

General operations	$	.3308
Debt service		.1300
Total Levy	$	.4608

Article VI, Section 26(b), Constitution of Missouri, limits the outstanding amount of authorized general obligation bonds to 5 percent of the assessed valuation of the College. The legal debt margin of the College at June 30, 2025 was:

Constitutional debt limit	$	60,757,454
General obligation bonds payable		(22,275,000)
Funds available and restricted for debt service		1,026,052
Legal Debt Margin	$	39,508,506

10. Expenses by Natural Classification

Expenses by natural classification for the year ended June 30, 2025, were as follows:

		College
Salaries	$	12,245,809
Benefits		2,643,989
Consulting		1,221,826
Travel		184,212
Utilities and telephone		835,207
Supplies and other services		7,152,973
Equipment not capitalized		1,629,282
Scholarships and fellowships		5,805,859
Depreciation		3,738,601
	$	35,457,758

11. 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 clams. 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.

Concentration of credit risk – The College grants credit without collateral to its students for tuition and fees.

12. Claims & Adjustments

The College participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulation, the College may be required to reimburse the grantor government. As of June 30, 2025, significant amounts of expenditures have not been audited by grantor governments, but the College believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual government funds or the overall financial position of the College.

13. 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, 2025, the net appreciation on investments of donor-restricted endowments (nonexpendable) was $119,258, the net amount of accumulated appreciation available for authorization for expenditure was $297,333 and is reported as part of the restricted net position. The College's expendable endowments as of June 30, 2025 were $723,073 and its nonexpendable endowments were $2,280,474.

The Foundation's endowments consist of individual investments established for multiple purposes. As required by generally accepted accounting principles, net position 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 position 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 position. 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 $1,205,313.

The College and Foundation both have board designated unrestricted donations as endowments as of June 30, 2025. The interest on these endowments is used to fund scholarships and instructional activities. The board designated endowments are presented as unrestricted net position in accordance with GASB 34. At June 30, 2025, the College had $172,172 of board designated endowments and the Foundation had $1,427,111.

14. Restricted Net Position

Net position of the College and Foundation is restricted when there are limitations on their use, either through enabling action adopted by the corresponding entity or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. At June 30, 2025, restricted net position was as follows:

	College	Foundation	Total
Nonexpendable, in nature			
Scholarships	$ 2,280,474	$ 660,283	$ 2,940,757
Other	-	545,027	545,027
Expendable			
Scholarships	723,073	161,131	884,204
Debt service	1,793,843	-	1,793,843
Capital	185,205	-	185,205
Other	-	327,700	327,700
Total Restricted Net Position	$ 4,982,595	$ 1,694,141	$ 6,676,736

15. Commitments

At June 30, 2025, the College was committed in the following amounts:

- To Verified Solar in the amount of $2,183,355 for the installation of a commercial solar system.
- To Brockmiller Construction in the amount of $872,000 for the President's Office, Board Room, and Concourse Restroom project.

Required Supplementary Information

Mineral Area College

Schedules of Proportionate Share of the Net Pension Liability and Related Ratios – PSRS & PEERS

Year Ended June 30, 2025

Public School Retirement System (PSRS)

Year Ended*	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Actual Covered Member Payroll	Net Pension Liability (Asset) as a Percentage of Covered Payroll	Fiduciary Net Position as a Percentage of Total Pension Liability
6/30/2016	0.1936%	$ 11,176,257	$ 8,786,629	127.20%	85.78%
6/30/2017	0.1832%	13,631,269	8,483,937	160.67%	82.18%
6/30/2018	0.1814%	13,099,847	8,575,597	152.76%	83.77%
6/30/2019	0.1728%	12,860,565	8,326,437	154.45%	84.06%
6/30/2020	0.1498%	11,055,345	7,371,071	149.98%	84.62%
6/30/2021	0.1425%	12,726,271	7,129,820	178.49%	82.01%
6/30/2022	0.1218%	2,696,381	6,270,145	43.00%	95.81%
6/30/2023	0.1067%	8,252,397	5,635,786	146.43%	86.04%
6/30/2024	0.1199%	10,024,267	6,549,381	153.06%	85.38%
6/30/2025	0.1268%	8,778,525	7,176,789	122.32%	88.26%

Public Education Employee Retirement System (PEERS)

Year Ended*	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Actual Covered Member Payroll	Net Pension Liability (Asset) as a Percentage of Covered Payroll	Fiduciary Net Position as a Percentage of Total Pension Liability
6/30/2016	0.2276%	$ 1,203,790	$ 3,412,445	35.28%	88.28%
6/30/2017	0.2192%	1,758,719	3,384,578	51.96%	83.32%
6/30/2018	0.2126%	1,622,034	3,416,380	47.48%	85.35%
6/30/2019	0.2053%	1,586,378	3,416,432	46.43%	86.06%
6/30/2020	0.2072%	1,638,871	3,335,959	49.13%	86.38%
6/30/2021	0.1787%	1,734,386	3,215,483	53.94%	84.06%
6/30/2022	0.1512%	162,831	2,771,102	5.88%	98.36%
6/30/2023	0.1290%	1,090,202	2,518,735	43.28%	87.92%
6/30/2024	0.1513%	1,511,342	3,221,415	46.92%	86.50%
6/30/2025	0.1657%	1,428,401	3,894,283	36.68%	88.96%

*Data provided in these schedules is based on the measurement date of the Systems' net pension liability, which is as of the beginning of the College's fiscal year.

Mineral Area College

Schedules of Employer Contributions – PSRS and PEERS

Year Ended June 30, 2025

Public School Retirement System (PSRS)

Year Ended	Statutorily Required Contribution	Actual Employer Contributions	Contribution Excess / (Deficiency)	Actual Covered Member Payroll	Contributions as a Percentage of Covered Payroll
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%
6/30/2023	947,099	947,099	-	6,549,381	14.46%
6/30/2024	1,037,945	1,037,945	-	7,176,789	14.46%
6/30/2025	1,174,344	1,174,344	-	8,057,078	14.58%

Public Education Employee Retirement System (PEERS)

Year Ended	Statutorily Required Contribution	Actual Employer Contributions	Contribution Excess / (Deficiency)	Actual Covered Member Payroll	Contributions as a Percentage of Covered Payroll
6/30/2016	$ 232,182	$ 232,182	$ -	$ 3,384,578	6.86%
6/30/2017	234,364	234,364	-	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%
6/30/2023	220,989	220,989	-	3,221,415	6.86%
6/30/2024	267,148	267,148	-	3,894,283	6.86%
6/30/2025	308,619	308,619	-	4,498,824	6.86%

Mineral Area College

Schedules of Changes in Total OPEB Liability and Related Ratios

Year Ended June 30, 2025

Schedule of Changes in Total OPEB Liability and Related Ratios

(in 1,000s)

	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability								
Service cost	$ 143	$ 142	$ 83	$ 110	$ 128	$ 90	$ 107	$ 107
Interest on total OPEB liability	87	89	84	63	62	108	110	101
Effect of economic/demographic gains or (losses)	-	(239)	-	(85)	-	(892)	-	-
Effect of assumption changes or inputs	(301)	(86)	(33)	(473)	21	452	136	(106)
Benefit payments	(148)	(140)	(117)	(111)	(78)	(70)	(93)	(86)
Net Change in Total OPEB Liability	(219)	(234)	17	(496)	133	(312)	260	16
Total OPEB Liability, Beginning	2,140	2,374	2,357	2,853	2,720	3,032	2,772	2,756
Total OPEB Liability, Ending	$ 1,921	$ 2,140	$ 2,374	$ 2,357	$ 2,853	$ 2,720	$ 3,032	$ 2,772
Covered payroll	$ 12,313	$ 10,672	$ 9,813	N/A	$ 10,583	$ 10,329	$ 10,893	$ 11,784
Total OPEB liability as a % of covered payroll	15.60%	20.05%	24.19%	N/A	26.96%	26.33%	27.83%	23.52%

This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

Mineral Area College

Community College District of Mineral Area, Missouri

Single Audit Reports

Year Ended June 30, 2025

KPM

CPAS & ADVISORS

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Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Board of Trustees
Mineral Area College
Park Hills, Missouri

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the business-type activities and the discretely presented component unit, of Mineral Area College as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Mineral Area College's basic financial statements, and have issued our report thereon, dated January 6, 2026.

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 audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 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 or significant deficiencies may exist that have not been 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 statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

KPM CPAs, PC

KPM CPAs, PC
Springfield, Missouri
January 6, 2026

KPM CPAS & ADVISORS

Independent Auditors' Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

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 described in the *OMB Compliance Supplement* that could have a direct and material effect on Mineral Area College's major federal programs for the year ended June 30, 2025. Mineral Area College's major federal programs are identified in the Summary of Auditors' 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, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' 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 the 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 the College's federal programs.

Auditors' 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 Mineral 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 the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is substantial likelihood that, individually or in the aggregate, it would influence the judgement 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 the 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 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 Auditors' 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.

Report on Schedule of Expenditures of Federal Awards

We have audited the financial statements of the business-type activities and remaining fund information as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Mineral Area College's basic financial statements. We have issued our report thereon dated January 6, 2026, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the College's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance 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 statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

KPM CPAs, PC

KPM CPAs, PC
Springfield, Missouri
January 6, 2026

Mineral Area College

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2025

Federal Grantor Pass Through Grantor/Program Title	Assistance Listing Number	Pass-through Grantor's Number / Other Identifying Number	Federal Expenditures
U.S. Department of Education			
Direct			
Student Financial Assistance Cluster			
Federal Pell Grant Program	84.063	N/A	$ 4,929,531
Federal Work-Study Program	84.033	N/A	60,234
Federal Supplemental Educational Opportunity Grants	84.007	N/A	41,417
Federal Direct Student Loans	84.268	N/A	1,884,824
Total Student Financial Assistance Cluster			6,916,006
TRIO Cluster			
TRIO - Student Support Services	84.042A	N/A	355,693
TRIO - Talent Search	84.044A	N/A	555,614
TRIO - Upward Bound	84.047A	N/A	742,507
			1,653,814
Missouri Department of Elementary and Secondary Education			
Career and Technical Education - Basic Grants to States	84.048A	V048A240025	239,781
Total U.S. Department of Education			8,809,601
U.S. Department of Labor			
Jefferson College			
Registered Apprenticeship	17.285	24A60AP000097-01-00	53,771
Total U.S. Department of Labor			53,771
U.S. Department of Agriculture			
Missouri Department of Health and Senior Services			
Child and Adult Care Food Program	10.558	253MO305N	16,581
Missouri Community College Association			
SNAP Cluster			
Supplemental Nutrition Assistance Program	10.561	CS200911001	24,978
Total U.S. Department of Agriculture			41,559
Total Expenditures of Federal Awards			$ 8,904,931

See accompanying notes to the Schedule of Expenditures of Federal Awards.

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal grant activity of Mineral Area College under programs of the federal government for the year ended June 30, 2025. The information in this Schedule is presented in accordance with the requirements of the 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 position, or cash flows of Mineral Area College.

2. Summary of Significant Accounting Policies

a) Expenditures reported in the Schedule are reported on the accrual basis of accounting, which is described in Note 1 to the College's basic financial statements.

b) Pass-through entity identifying numbers are presented where available.

c) The College elected not to use the 10% or 15% *de minimis* indirect cost rate as allowed under the Uniform Guidance.

3. Loan Programs

The College participates in the Federal Direct Student Loan Program, which provides federal loans directly to the students rather than through private lending institutions. The College is responsible only for the origination of the loan (e.g., determining student eligibility and disbursing loan proceeds to the borrower). The Direct Loan Servicer is then responsible for the overall servicing and collection of the loan. Accordingly, these loans are not included in the College's financial statements.

The amount reported on the Schedule of Expenditures of Federal Awards for the loan program represents the total value of the loans awarded and paid to the College's students during the year ended June 30, 2025.

Mineral Area College

Schedule of Findings and Questioned Costs

Year Ended June 30, 2025

Section I: Summary of Auditors' Results

Financial Statements	
Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
Internal Control over Financial Reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Noncompliance material to financial statements noted?	No
Federal Awards	
Internal control over major federal programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None Reported
Type of auditors' report issued on compliance for major federal programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2CFR 200.516(a)?	No
Identification of major federal programs:	
Assistance Listing Number(s)	**Name of Federal Program or Cluster**
84.007, 84.033, 84.063, and 84.268	Student Financial Assistance Cluster
Dollar threshold used to distinguish between type A and type B programs:	$750,000
Auditee qualified as low-risk auditee?	Yes

Section II: Financial Statement Findings

None

Section III: Federal Award Findings and Questioned Costs

None

There were no prior year audit findings.