NEW ISSUE **Moody's Rating: Aa1**
BOOK-ENTRY ONLY **See "BOND RATINGS" herein**

In the opinion of Gilmore & Bell, P.C., Bond Counsel to the College, under existing law and assuming continued compliance with certain requirements of the Internal Revenue Code of 1986, as amended (the ***"Code"****), (1) the interest on the Bonds is excludable from gross income for federal income tax purposes, and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, (2) the interest on the Bonds is exempt from Missouri income taxation by the State of Missouri, and (3) the Bonds have not been designated as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code. See* ***"TAX MATTERS"*** *in this Official Statement.*

$18,185,000
ST. CHARLES COMMUNITY COLLEGE
GENERAL OBLIGATION REFUNDING BONDS
SERIES 2016

Dated: Date of Delivery **Due: February 15, as shown on the inside cover**

The General Obligation Refunding Bonds, Series 2016 (the **"Bonds"**) will be issued by St. Charles Community College (the **"College"**) for the purpose of providing funds to advance refund a portion of the College's outstanding general obligation bonds, as further described herein under the section captioned **"PLAN OF FINANCING – Refunding of the Refunded Bonds."**

The Bonds will be issued as fully-registered bonds in the denomination of $5,000 or integral multiples thereof. Principal on the Bonds will be payable annually as set forth on the inside cover of this Official Statement. Interest on the Bonds is payable semiannually on each February 15 and August 15, commencing on February 15, 2017, by check or draft mailed (or by wire transfer in certain circumstances as described herein) to the persons who are the registered owners of the Bonds as of the close of business on the 1st day of the month of the applicable interest payment date.

The Bonds are not subject to optional redemption prior to maturity.

THE BONDS AND INTEREST THEREON WILL CONSTITUTE GENERAL OBLIGATIONS OF THE COLLEGE, PAYABLE FROM AD VALOREM TAXES WHICH MAY BE LEVIED WITHOUT LIMITATION AS TO RATE OR AMOUNT UPON ALL OF THE TAXABLE TANGIBLE PROPERTY, REAL AND PERSONAL, WITHIN THE TERRITORIAL LIMITS OF THE COLLEGE.

See inside cover for maturities, principal amounts, interest rates, prices and CUSIP numbers.

The Bonds are offered when, as and if issued by the College, subject to the approval of validity by Gilmore & Bell, P.C., St. Louis, Missouri, Bond Counsel. Bond Counsel will also pass upon certain legal matters relating to this Official Statement. Piper Jaffray & Co. has acted as financial advisor in connection with the Bonds. It is expected that the Bonds will be available for delivery through the facilities of The Depository Trust Company in New York, New York, on or about October 12, 2016.

Janney

The date of this Official Statement is September 29, 2016

$18,185,000
ST. CHARLES COMMUNITY COLLEGE
GENERAL OBLIGATION REFUNDING BONDS
SERIES 2016

MATURITY SCHEDULE

Base CUSIP: 85227L

Due (February 15)	Principal Amount	Interest Rate	Price	CUSIP
2020	$2,345,000	3.000%	106.760%	CC3
2021	2,415,000	3.000	108.431	CD1
2022	2,490,000	3.000	109.884	CE9
2023	2,560,000	4.000	117.247	CF6
2024	2,665,000	5.000	125.826	CG4
2025	2,800,000	4.000	120.226	CH2
2026	2,910,000	4.000	121.617	CJ8

ST. CHARLES COMMUNITY COLLEGE

4601 Mid Rivers Mall Drive
Cottleville, Missouri 63376
(660) 922-8000

BOARD OF TRUSTEES

COLLEGE ADMINISTRATION

Barbara R. Kavalier, Ph.D., President
Todd Galbierz, Vice President of Administrative Services

CERTIFIED PUBLIC ACCOUNTANTS

Botz, Deal & Company, P.C.
St. Charles, Missouri

FINANCIAL ADVISOR

Piper Jaffray & Co.
St. Louis, Missouri

BOND COUNSEL

Gilmore & Bell, P.C.
St. Louis, Missouri

REGARDING USE OF THIS OFFICIAL STATEMENT

THE BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON THE EXEMPTION CONTAINED IN SECTION 3(a)(2) OF SUCH ACT.

The information set forth herein has been obtained from the College and other sources which are deemed to be reliable, but is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, the College, the Financial Advisor or the Underwriter. The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

No dealer, broker, salesperson or any other person has been authorized by the College, the Financial Advisor or the Underwriter to give any information or make any representations, other than those contained in this Official Statement, in connection with the offering of the Bonds, and if given or made, such other information or representations must not be relied upon as having been authorized by the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any state in which it is unlawful for such person to make such offer, solicitation or sale. The information herein is subject to change without notice, and neither the delivery of this Official Statement nor the sale of any of the Bonds hereunder shall under any circumstances create any implication that there has been no change in the affairs of the College or the other matters described herein since the date hereof.

IN CONNECTION WITH THE OFFERING OF THE BONDS, THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF SUCH BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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OFFICIAL STATEMENT

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INTRODUCTION

The following introductory information is subject in all respects to more complete information contained elsewhere in this Official Statement. The order and placement of materials in this Official Statement, including the appendices hereto, are not to be deemed to be a determination of relevance, materiality or relative importance, and this Official Statement, including the cover page and appendices hereto, should be considered in its entirety. The offering of the Bonds to potential investors is made only by means of the entire Official Statement.

General

This Official Statement, including the cover page and appendices hereto, is furnished to prospective purchasers in connection with the offering and sale of $18,185,000 aggregate principal amount of General Obligation Refunding Bonds, Series 2016 (the **"Bonds"**) by the St. Charles Community College (the **"College"**). The issuance and sale of the Bonds is authorized by a resolution of the Board of Trustees of the College adopted on September 19, 2016 (the **"Resolution"**). *All capitalized terms used herein and not otherwise defined herein have the meanings assigned to those terms in the Resolution.*

Purpose of the Bonds

The Bonds are being issued for the purpose of providing funds to (1) advance refund the College's outstanding General Obligation Refunding Bonds, Series 2009, maturing on February 15 in the years 2020 and thereafter, in the aggregate principal amount of $19,410,000 (the **"Refunded Bonds"**) and (2) pay the costs of issuing the Bonds. See the section herein captioned **"PLAN OF FINANCING."**

Security for the Bonds

General. The Bonds will constitute general obligations of the College and will be payable as to both principal and interest from ad valorem taxes, which may be levied without limitation as to rate or amount upon all of the taxable tangible property, real and personal, within the territorial limits of the College. See the section herein captioned **"SECURITY FOR THE BONDS — General."**

Continuing Disclosure

The College will covenant in an Omnibus Continuing Disclosure Agreement dated as of October 1, 2016 (the **"Continuing Disclosure Agreement"**) to provide certain financial information and operating data relating to the College and to provide notices of the occurrence of certain enumerated events relating to the Bonds. The financial information, operating data and notices of events will be filed by the College in compliance with Rule 15c2-12 promulgated by the Securities and Exchange Commission. See the section herein captioned **"CONTINUING DISCLOSURE."**

Description of Documents

Brief descriptions of the Bonds, the security for the Bonds and certain other matters are included in this Official Statement. Such information, summaries and descriptions do not purport to be comprehensive or definitive. All references herein to the Bonds and the Resolution are qualified in their entirety by reference to such documents.

THE BONDS

General

The Bonds are being issued in the aggregate principal amount of $18,185,000. The Bonds are dated as of the date of original issuance and delivery thereof. The principal is payable on February 15 in the years and in the principal amounts set forth on the inside cover page hereof. Interest on the Bonds is calculated at the rates per annum set forth on the inside cover page, computed on the basis of a 360-day year of twelve 30-day months. The Bonds shall consist of fully-registered bonds in denominations of $5,000 or any integral multiple thereof. Interest on the Bonds is payable from the date thereof or the most recent date to which interest has been paid and is payable semiannually on February 15 and August 15 in each year, beginning February 15, 2017.

Payment of the interest on the Bonds will be made to the person in whose name such Bond is registered on the registration books (the **"Bond Register"**) at the close of business on the first day (whether or not a business day) of the calendar month of the applicable interest payment date (the **"Record Date"**). Interest on the Bonds will be paid to the Registered Owners thereof by check or draft mailed by UMB Bank, N.A. (the **"Paying Agent"**) to the address of such Registered Owner shown on the Bond Register or such other address furnished to the Paying Agent in writing by such Registered Owner, or by electronic transfer to such Registered Owner upon written notice signed by such Registered Owner and given to the Paying Agent not less than 15 days prior to the Record Date for such interest payment, containing the electronic transfer instructions including the name and address of the bank, its ABA routing number and the account number to which such Registered Owner wishes to have such transfer directed, and an acknowledgement that an electronic transfer fee may be applicable.

Principal of the Bonds will be paid by check, electronic transfer or draft to the Registered Owner of such Bond at the maturity of such Bond or otherwise, upon presentation and surrender of such Bond at the payment office of the Paying Agent in Kansas City, Missouri or at such other payment office as designated by the Paying Agent.

Book-Entry Only System

General. The Bonds are available in book-entry only form. Purchasers of the Bonds will not receive certificates representing their interests in the Bonds. Ownership interests in the Bonds will be available to purchasers only through a book-entry system (the **"Book-Entry System"**) maintained by The Depository Trust Company (**"DTC"**), New York, New York.

The following information concerning DTC and DTC's book-entry system has been obtained from DTC. The College takes no responsibility for the accuracy or completeness thereof and neither the Indirect Participants nor the Beneficial Owners should rely on the following information with respect to such matters, but should instead confirm the same with DTC or the Direct Participants, as the case may be. There can be no assurance that DTC will abide by its procedures or that such procedures will not be changed from time to time.

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity and will be deposited with DTC.

DTC and its Participants. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants (**"Direct Participants"**) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (**"DTCC"**). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (**"Indirect Participants"**). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Ownership Interests. Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond (**"Beneficial Owner"**) is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

Transfers. To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Notices. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Voting. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the College as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments of Principal, Redemption Price and Interest. Payment of principal of and interest on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the College or the Paying Agent, on the payment date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent or College, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal of and interest on the Bonds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the College or Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

Discontinuation of Book-Entry System. DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the College or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The Direct Participants holding a majority position in the Bonds may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed, registered in the name of DTC's partnership nominee, Cede & Co. (or such other name as may be requested by an authorized representative of DTC), and delivered to DTC (or a successor securities depository), to be held by it as securities depository for Direct Participants. If, however, the system of book-entry-only transfers has been discontinued and a Direct Participant has elected to withdraw its Bonds from DTC (or such successor securities depository), Bond certificates may be delivered to Beneficial Owners in the manner described herein under the caption **"Registration, Transfer and Exchange of Bonds Upon Discontinuance of Book Entry Only System."**

Registration, Transfer and Exchange of Bonds Upon Discontinuance of Book-Entry Only System

The Paying Agent will keep or cause to be kept the Bond Register at its principal payment office or such other office designated by the Paying Agent. Upon surrender of any Bond to the Paying Agent, the Paying Agent shall transfer or exchange Bonds as provided in the Resolution.

The Paying Agent shall transfer or exchange such Bond for a new Bond or Bonds in any authorized denomination of the same Stated Maturity and in the same aggregate or principal amount as the Bond that was presented for transfer or exchange. Bonds presented for transfer or exchange shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in a form and with guarantee of signature satisfactory to the Paying Agent, duly executed by the Registered Owner thereof or by the Registered Owner's duly authorized agent. Any additional costs or fees that might be incurred in the secondary market, other than fees of the Paying Agent, are the responsibility of the Registered Owners of the Bonds. If any Registered Owner fails to provide a correct taxpayer identification number to the Paying Agent, the Paying Agent may make a charge against such Registered Owner sufficient to pay any governmental charge required to be paid as a result of such failure. The College and the Paying Agent are not required to register the transfer or exchange of any Bond during a period beginning at the opening of business on the day after receiving written notice from the College of its intent to pay Defaulted Interest and ending at the close of business on the date fixed for the payment of Defaulted Interest pursuant to the Resolution.

No Redemption

The Bonds are not subject to optional redemption prior to maturity.

SECURITY FOR THE BONDS

General

Pledge of Full Faith and Credit. The Bonds will constitute general obligations of the College and will be payable as to both principal of and interest on the Bonds from ad valorem taxes, which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the College.

Levy and Collection of Annual Tax. Under the Resolution, there is levied upon all of the taxable tangible property within the College's taxing district boundaries a direct annual tax sufficient to produce the amounts necessary for the payment of the principal of and interest on the Bonds as the same become due and payable in each year. Such taxes shall be extended upon the tax rolls in each year, and shall be levied and collected at the same time and in the same manner as the other ad valorem taxes of the College are levied and collected. The proceeds derived from said taxes shall be deposited in the Debt Service Fund, shall be kept separate and apart from all other funds of the College, and shall be used solely for the payment of the principal of and interest on the Bonds as and when the same become due, taking into account scheduled mandatory redemptions, if any, and the fees and expenses of the Paying Agent.

PLAN OF FINANCING

Refunding of the Refunded Bonds

The proceeds of the Bonds will be used for the purposes of advance refunding and redeeming the Refunded Bonds on February 15, 2019 at a redemption price of 100% of the principal amount thereof, plus accrued interest thereon to the date of redemption.

The College will enter into an Escrow Trust Agreement dated as of October 1, 2016 (the **"Escrow Trust Agreement"**), with UMB Bank, N.A., Kansas City, Missouri, as escrow agent (the **"Escrow Agent"**). Pursuant to the Escrow Trust Agreement, the College will transfer a portion of the proceeds of the Bonds to the Escrow Agent for deposit in the Escrow Fund (the **"Escrow Fund"**) established under the Escrow Trust Agreement to purchase direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America (the **"Escrowed Securities"**). The Escrowed Securities will mature in such amounts and at such times as shall be sufficient, together with interest to accrue thereon and any cash deposit to the Escrow Fund, to redeem and pay the principal of and interest on the Refunded Bonds as the same become due and payable.

Robert Thomas CPA, LLC, Shawnee Mission, Kansas (the **"Escrow Verifier"**), a firm of independent certified public accountants, will provide a report to the effect that the principal of and interest income on the Escrowed Securities, together with any cash deposit in the Escrow Fund, will provide sufficient moneys to make the required payments in accordance with the College's refunding plan as set forth herein.

Upon delivery of the Bonds, the Escrow Verifier will deliver to the College and Piper Jaffray & Co., the College's financial advisor (the **"Financial Advisor"**), a report indicating that such firm has examined, in accordance with standards established by the American Institute of Certified Public Accountants, the information and assertions provided by the Financial Advisor and the College and its representatives. Included in the scope of its examination will be a verification of the mathematical accuracy of (a) the adequacy of the maturing principal amount of the Escrowed Securities held in the Escrow Fund, interest earned thereon and certain uninvested cash to redeem and pay the principal of, redemption premium, if any, and interest on the Refunded Bonds as the same become due and payable and (b) the mathematical computations supporting the conclusion that the Bonds are not "arbitrage bonds" under Section 148 of the Internal Revenue Code of 1986, as amended (the **"Code"**). Such verification of the accuracy of the computations will be based upon information supplied by the Financial Advisor and on interpretations of the Code provided by Bond Counsel.

After the issuance of the Bonds and the deposit of the proceeds thereof with the Escrow Agent, the principal of and interest on the Refunded Bonds will be payable from the maturing principal of the Escrowed Securities and other funds on deposit in the Escrow Fund. The Escrow Trust Agreement provides that the Escrowed Securities are irrevocably pledged to the payment of the principal of and interest on the Refunded Bonds and may be applied only to such payment.

Sources and Uses of Funds

The estimated sources and uses of the proceeds of the Bonds are as follows:

Sources of Funds:	
Par Amount of Bonds	$18,185,000.00
Plus: Original Issue Premium	2,933,411.05
Total	$21,118,411.05
Uses of Funds:	
Deposit to Escrow Fund	$20,975,324.48
Costs of Issuance (including Underwriter's Discount)	143,086.57
Total	$21,118,411.05

THE COLLEGE

The College was established as a junior college district following an election on April 1, 1986, and is currently the fourth largest community college district in the State of Missouri. The College offers a wide variety of transfer opportunities, associate degrees and certificate programs in the arts, business, sciences and career-technical fields. The College is located in east central Missouri approximately 30 miles west of the City of St. Louis and covers approximately 525 square miles in St. Charles County, Missouri (the **"County"**). The College shares the boundaries of the County except for 26 square miles along its most southwestern border in a rural portion of the County adjacent to Franklin County, Missouri. The County is part of a Standard Metropolitan Statistical Area (**"MSA"**), which is comprised of the City of St. Louis, St. Louis County, the County, Jefferson County, Franklin County, Warren County, Washington County and Lincoln County in Missouri and Monroe County, St. Clair County, Clinton County, Madison County, Macoupin County, Bond

County, Calhoun County and Jersey County in Illinois. See **"APPENDIX A –THE COLLEGE"** for further information regarding the College.

LEGAL MATTERS

Legal matters with respect to the authorization, execution and delivery of the Bonds are subject to the approval of Gilmore & Bell, P.C., St. Louis, Missouri, Bond Counsel to the College, whose approving opinion will be available at the time of delivery of the Bonds. Gilmore & Bell, P.C. will also pass upon certain legal matters relating to this Official Statement.

The various legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of that expression of professional judgment, of the transactions opined upon, or of the future performance of parties to such transaction, nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

BOND RATINGS

Moody's Investors Service, Inc. (the **"Rating Agency"**) has assigned a municipal bond rating of "Aa1" to the Bonds based upon the credit of the College. Such rating reflects only the view of the Rating Agency at the time such rating is given, and the Underwriter and the College make no representation as to the appropriateness of such rating. An explanation of the significance of the rating may be obtained only from the Rating Agency.

The College has furnished the Rating Agency with certain information and materials relating to the Bonds that has not been included in this Official Statement. Generally, rating agencies base their ratings on the information and materials so furnished and on investigations, studies and assumptions by the rating agencies. There is no assurance that a particular rating will be maintained for any given period of time or that it will not be lowered or withdrawn entirely if, in the judgment of the rating agency originally establishing such rating, circumstances so warrant. Neither the College, the Underwriter nor the Financial Advisor has undertaken any responsibility to bring to the attention of the Owners of the Bonds any proposed revision or withdrawal of a rating of the Bonds or to oppose any such proposed revision or withdrawal. The College is required to notify Bondholders of any rating changes pursuant to the Continuing Disclosure Agreement but is not required to (1) disclose any rating revisions proposed by the Rating Agency or (2) oppose any such proposed revision or withdrawal of the ratings on the Bonds. See the section herein captioned **"CONTINUING DISCLOSURE."** Any downward revision or withdrawal of the rating may have an adverse effect on the market price and marketability of the Bonds.

TAX MATTERS

The following is a summary of the material federal and State income tax consequences of holding and disposing of the Bonds. This summary is based upon laws, regulations, rulings and judicial decisions now in effect, all of which are subject to change (possibly on a retroactive basis). This summary does not discuss all aspects of federal income taxation that may be relevant to investors in light of their personal investment circumstances or describe the tax consequences to certain types of owners subject to special treatment under the federal income tax laws (for example, dealers in securities or other persons who do not hold the Bonds as a capital asset, tax-exempt organizations, individual retirement accounts and other tax deferred accounts, and foreign taxpayers), and, except for the income tax laws of the State, does not discuss the consequences to an owner under any state, local or foreign tax laws. The summary does not deal with the tax treatment of persons who purchase the Bonds in the secondary market. Prospective investors are advised to consult their own tax advisors regarding federal, state, local and other tax considerations of holding and disposing of the Bonds.

Opinion of Bond Counsel

In the opinion of Gilmore & Bell, P.C., Bond Counsel to the College, under the law existing as of the issue date of the Bonds:

Federal and Missouri Tax Exemption. The interest on the Bonds is excludable from gross income for federal income tax purposes and is exempt from income taxation by the State.

Alternative Minimum Tax. Interest on the Bonds is not an item of tax preference for purposes of computing the federal alternative minimum tax imposed on individuals and corporations, but is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations.

Bank Qualification. The Bonds have not been designated as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code.

Bond Counsel's opinions are provided as of the date of the original issue of the Bonds, subject to the condition that the College comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The College has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal and Missouri income tax purposes retroactive to the date of issuance of the Bonds. Bond Counsel is expressing no opinion regarding other federal, state or local tax consequences arising with respect to the Bonds but has reviewed the discussion under the heading **"TAX MATTERS."**

Other Tax Consequences

Original Issue Premium. If a Bond is issued at a price that exceeds the stated redemption price at maturity of the Bond, the excess of the purchase price over the stated redemption price at maturity constitutes "premium" on that Bond. Under Section 171 of the Code, the purchaser of that Bond must amortize the premium over the term of the Bond using constant yield principles, based on the purchaser's yield to maturity. As premium is amortized, the owner's basis in the Bond and the amount of tax-exempt interest received will be reduced by the amount of amortizable premium properly allocable to the owner. This will result in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes on sale or disposition of the Bond prior to its maturity. Even though the owner's basis is reduced, no federal income tax deduction is allowed. Prospective investors should consult their own tax advisors concerning the calculation and accrual of bond premium.

Sale, Exchange or Retirement of Bonds. Upon the sale, exchange or retirement (including redemption) of a Bond, an owner of the Bond generally will recognize gain or loss in an amount equal to the difference between the amount of cash and the fair market value of any property received on the sale, exchange or retirement of the Bond (other than in respect of accrued and unpaid interest) and such owner's adjusted tax basis in the Bond. To the extent a Bond is held as a capital asset, such gain or loss will be capital gain or loss and will be long-term capital gain or loss if the Bond has been held for more than 12 months at the time of sale, exchange or retirement.

Reporting Requirements. In general, information reporting requirements will apply to certain payments of principal, interest and premium paid on the Bonds, and to the proceeds paid on the sale of the

Bonds, other than certain exempt recipients (such as corporations and foreign entities). A backup withholding tax will apply to such payments if the owner fails to provide a taxpayer identification number or certification of foreign or other exempt status or fails to report in full dividend and interest income. The amount of any backup withholding from a payment to an owner will be allowed as a credit against the owner's federal income tax liability.

Collateral Federal Income Tax Consequences. Prospective purchasers of the Bonds should be aware that ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain S corporations with "excess net passive income," foreign corporations subject to the branch profits tax, life insurance companies, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry or have paid or incurred certain expenses allocable to the Bonds. Bond Counsel expresses no opinion regarding these tax consequences. Purchasers of Bonds should consult their tax advisors as to the applicability of these tax consequences and other federal income tax consequences of the purchase, ownership and disposition of the Bonds, including the possible application of state, local, foreign and other tax laws.

CONTINUING DISCLOSURE

The College will covenant in an Omnibus Continuing Disclosure Agreement (the **"Continuing Disclosure Agreement"**) to make available certain financial information on an ongoing basis while the Bonds remain outstanding, in accordance with the requirements of the Rule. *The following is a summary of certain provisions contained in the Continuing Disclosure Agreement and is qualified in its entirety by reference to the Continuing Disclosure Agreement.*

Definitions

In addition to the definitions set forth in the Resolution, the following capitalized terms have the following meanings:

"Beneficial Owner" means any registered owner of any Bonds and any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

"Dissemination Agent" means UMB Bank, N.A., acting in its capacity as Dissemination Agent under the Continuing Disclosure Agreement, or any successor Dissemination Agent designated in writing by the College.

"EMMA" means the Electronic Municipal Market Access system for municipal securities disclosures.

"MSRB" means the Municipal Securities Rulemaking Board.

"Participating Underwriter" means the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

Provision of Annual Reports

The College will, or will cause the Dissemination Agent to, not later than 180 days after the end of the College's fiscal year commencing with the fiscal year ending June 30, 2016, provide to the MSRB via EMMA the following financial information and operating data (the **"Annual Report"**):

(1) The audited financial statements of the College for the prior fiscal year. If audited financial statements of the College are not available by the time the Annual Report is required to be filed, the Annual Report may contain unaudited financial statements in a format similar to the financial statements contained in the Official Statement, and the audited financial statements will be filed in the same manner as the Annual Report promptly after they become available.

(2) Updates as of the end of the fiscal year of the financial information and operating data contained in the tables under the following sections in **APPENDIX A** of this Official Statement: **"THE COLLEGE – Enrollment," "FINANCIAL INFORMATION CONCERNING THE COLLEGE – Statement of Receipts, Expenditures and Fund Balances," "DEBT STRUCTURE OF THE COLLEGE – Long-Term General Obligation Indebtedness," "PROPERTY TAX INFORMATION – Property Valuations –** ***Current Assessed Valuation,*** **" "PROPERTY TAX INFORMATION – Property Valuations –** ***History of Property Valuations,*** **"** and **"PROPERTY TAX INFORMATION – Tax Collection Record."**

Reporting of Material Events

Pursuant to the Continuing Disclosure Agreement, within 10 Business Days after the occurrence of any of the following events, the College shall give, or cause to be given to the MSRB, through EMMA, notice of the occurrence of any of the following events with respect to the Bonds (**"Material Events"**):

(1) principal and interest payment delinquencies;
(2) non-payment related defaults, if material;
(3) unscheduled draws on debt service reserves reflecting financial difficulties;
(4) unscheduled draws on credit enhancements reflecting financial difficulties;
(5) substitution of credit or liquidity providers, or their failure to perform;
(6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
(7) modifications to rights of bondholders, if material;
(8) bond calls, if material, and tender offers;
(9) defeasances;
(10) release, substitution or sale of property securing repayment of the Bonds, if material;
(11) rating changes;
(12) bankruptcy, insolvency, receivership or similar event of the College;
(13) the consummation of a merger, consolidation, or acquisition involving the College or the sale of all or substantially all of the assets of the College, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
(14) appointment of a successor or additional trustee or the change of name of the trustee, if material.

Termination of Reporting Obligation

The College's obligations under the Continuing Disclosure Agreement will terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds.

Default

In the event of a failure of the College or the Dissemination Agent to comply with any provision of the Continuing Disclosure Agreement, any Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the College or the Dissemination Agent, as the case may be, to comply with its obligations under the Continuing Disclosure Agreement. A default under the Continuing Disclosure Agreement will not be deemed an event of default under the Resolution, and the sole remedy under the Continuing Disclosure Agreement in the event of any failure of the College or the Dissemination Agent to comply with the Continuing Disclosure Agreement will be an action to compel performance.

Beneficiaries

The Continuing Disclosure Agreement shall inure solely to the benefit of the College, the Dissemination Agent, the Participating Underwriter and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Electronic Municipal Market Access System (EMMA)

All Annual Reports and notices of Material Events required to be filed by the College or the Dissemination Agent pursuant to the Continuing Disclosure Agreement must be submitted to the MSRB through the MSRB's Electronic Municipal Market Access system (**"EMMA"**). EMMA is an internet-based, online portal for free investor access to municipal bond information, including offering documents, material event notices, real-time municipal securities trade prices and MSRB education resources, available at www.emma.msrb.org. Nothing contained on EMMA relating to the College or the Bonds is incorporated by reference in this Official Statement.

Prior Compliance

The College believes that in the past five years it has complied in all material respects with its prior undertakings under the Rule, except that the College failed to file certain operating data as required by its prior undertakings for fiscal years 2011and 2012. The Rating Agency recalibrated its long-term U.S. municipal ratings to its global scale in 2010, and changed the College's rating from "Aa2" to "Aa1" on May 1, 2010 as a result. The College did not timely file notice of that change.

On September 19, 2016 the College adopted bond policies and procedures designed to assist the College in remaining in compliance with all continuing disclosure obligations. The policies and procedures include: (1) designation of a bond compliance officer as the person responsible for complying with the College's continuing disclosure obligations; (2) training personnel responsible for compliance to ensure comprehensive understanding of compliance requirements and the importance of timely submission of information; and (3) annual review by the designated compliance officer of each continuing disclosure undertaking to determine what financial information and operating data is required to be included in the Annual Report to be filed on EMMA.

ABSENCE OF LITIGATION

As of the date hereof, there is no controversy, suit or other proceeding of any kind pending or, to the College's knowledge, threatened wherein or whereby any question is raised or may be raised, questioning, disputing or affecting in any way the legal organization of the College or its boundaries, or the right or title of any of its officers to their respective offices, or the legality of any official act in connection with the authorization, issuance and sale of the Bonds, or the constitutionality or validity of the Bonds or any of the proceedings had in relation to the authorization, issuance or sale thereof, or the levy and collection of a tax to pay the principal and interest thereof, or which might affect the College's ability to meet its obligations to pay the Bonds.

UNDERWRITING

Janney Montgomery Scott LLC, Philadelphia, Pennsylvania (the **"Underwriter"**), has agreed to purchase the Bonds at a price of 21,072,948.55 (which is equal to the original principal amount of the Bonds, less an underwriting discount of $45,462.50, plus an original issue premium of $2,933,411.05). The Underwriter is purchasing the Bonds for resale in the normal course of the Underwriter's business activities. The Underwriter reserves the right to offer any of the Bonds to one or more purchasers on such terms and conditions and at such price or prices as the Underwriter, in its discretion, shall determine.

FINANCIAL ADVISOR

Piper Jaffray & Co., St. Louis, Missouri, has been employed by the College as financial advisor to provide certain professional services in connection with the Bonds. Piper Jaffray & Co. has not undertaken an independent investigation into the accuracy of the information presented in this Official Statement.

MISCELLANEOUS

The references, excerpts and summaries of all documents referred to herein do not purport to be complete statements of the provisions of such documents, and reference is made to all such documents for full and complete statements of all matters of fact relating to the Bonds, the security for the payment of the Bonds and the rights of the Owners thereof. During the period of the offering, copies of drafts of such documents may be examined at the offices of the Underwriter. The information contained in this Official Statement has been compiled from official and other sources that are deemed to be reliable, and while not guaranteed as to completeness or accuracy, is believed to be correct as of this date.

Any statement made in this Official Statement involving matters of opinion or of estimates, whether or not expressly so stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the information presented herein since the date hereof. This Official Statement is not to be construed as a contract or agreement between the College, the Paying Agent, or the Underwriter and the purchasers or Owners of any Bonds.

The College has duly authorized the delivery of this Official Statement.

ST. CHARLES COMMUNITY COLLEGE

By: /s/ Barbara R. Kavalier, Ph.D.
President of the College

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APPENDIX A

INFORMATION REGARDING THE COLLEGE
AND THE COUNTY OF ST. CHARLES, MISSOURI

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THE COLLEGE

General

The College was established as a junior college district following an election on April 1, 1986, and is currently the fourth largest community college district in the State of Missouri (the **"State"**). The College is located in east central Missouri approximately 30 miles west of the City of St. Louis and covers approximately 525 square miles in St. Charles County, Missouri (the **"County"**). The College shares the boundaries of the County except for 26 square miles along its most southwestern border in a rural portion of the County adjacent to Franklin County, Missouri. The County is part of a Standard Metropolitan Statistical Area (**"MSA"**) which is comprised of the City of St. Louis, St. Louis County, the County, Jefferson County, Franklin County, Warren County, Washington County and Lincoln County in Missouri and Monroe County, St. Clair County, Clinton County, Madison County, Macoupin County, Bond County, Calhoun County and Jersey County in Illinois.

Board of Trustees and Administration

The College is governed by a six-member Board of Trustees (the **"Board"**), whose members are elected at large to serve six-year terms. Two members are elected in April of even-numbered years.

The Board is charged with the responsibility of determining the policy of the College within the legal framework established by Missouri law. The Board makes all final decisions concerning employment, termination of services, expenditures of funds, contracts, establishment of new programs, student fees, tax levies and construction of facilities.

The day-to-day affairs of the College are managed by the President of the College (the **"President"**) under the direction of the Board. In addition to day-to-day management, the President's responsibilities include, among others, making policy recommendations to the Board, recommending all additions or changes in personnel and personnel policies, and directing the development of the campus building program.

Reporting to the President is an administrative cabinet consisting of the following positions: Vice President for Academic & Student Affairs (currently an Interim Vice President for Academic & Student Affairs), Vice President for Administrative Services, Vice President for Human Resources, Associate Vice President for Technology & Online Learning, Vice President for Enrollment & Marketing Services and Vice President for College Advancement & Planning. The vice presidents are administrative officers of the College as well as cabinet members. Also reporting to the President, but separate from the administrative cabinet, is the Executive Assistant. The Vice President for Academic & Student Affairs is responsible for academic and continuing education programs, academic advising, counseling services, job placement, student activities, and athletics. The Vice President for Enrollment & Marketing Services is responsible for student admissions, testing and assessment, recruitment, registration records and student financial assistance programs. The Vice President for Administrative Services is responsible for all financial services and administrative support operations of the College.

The following are brief resumes of the President and Vice President for Administrative Services.

Barbara R. Kavalier, Ph.D., became president of the College on August 10, 2016. Dr. Kavalier's previous experience includes serving as the District President for Navarro College in Central Texas. At Navarro College, Dr. Kavalier presided over four campuses and one career and technical center serving five counties. Prior to working at Navarro College, she was the President of San Jose City College in San Jose, California. Dr. Kavalier earned a doctorate in educational administration from The University of Texas at Austin, a Master of Science degree in business and human relations from Amberton University, a Bachelor of Science degree in education, majoring in English, from Texas Christian University, and an Associate Degree from Mountain View College.

Todd Galbierz, Vice President for Administrative Services, joined the College in April 2008. His areas of responsibility include Financial Services, Food Service, Public Safety, Bookstore, Facilities & Construction and Purchasing. Prior to working at the College, Mr. Galbierz spent most of his career in municipal government positions, including Financial Analyst, Controller, Director of Finance, Assistant City Administrator and City Administrator. Mr. Galbierz earned his Bachelor of Science degree in Business Administration from the University of Missouri and his Master of Business Administration degree from Washington University in St. Louis, Missouri. Mr. Galbierz served as Interim President of the College from March 22, 2016 through August 9, 2016.

Missouri Coordinating Board for Higher Education

The Missouri Coordinating Board for Higher Education (the **"Coordinating Board"**) was authorized by an amendment to the Missouri Constitution in 1972 and established by statute in the Omnibus State Reorganization Act of 1974. The Coordinating Board has nine board members, one from each congressional district and a member at large, which are appointed by the Governor and confirmed by the Senate. The Coordinating Board has oversight responsibilities for certain activities of the 12 publicly-supported community college districts in the State. Those responsibilities include approval of new academic programs, annual reviews of existing academic programs, formulating budgetary and accounting policies, and accreditation. The Coordinating Board is also responsible for establishing the level of State support for community colleges to be recommended to the Governor and General Assembly and is responsible for the distribution of State aid to each institution.

Employees

The College currently employs 110 full-time faculty members and 279 part time faculty members. The faculty works in three divisions consisting of (1) business, mathematics, science education and computer science; (2) arts, humanities and social sciences; and (3) nursing and allied health. There are currently approximately 309 other employees in full-time administrative, clerical or professional positions, and approximately 95 part-time employees.

Full-time faculty of the College are members of the AFT-Missouri, AFL-CIO No. 4803. Prior to May 2007 employees were provided only the right to "meet and confer." In May 2007 the Missouri Supreme Court held that public employees have a constitutional right to collectively bargain under Missouri's Constitution. In 2014, a Memorandum of Understanding (the **"MOU"**) was reached with the full-time faculty association (effective July 1, 2014 and continuing through June 30, 2020). In accordance with the MOU, compensation terms may be reopened for discussion prior to fiscal year 2019.

In March 2016, part-time faculty elected to be represented by the Service Employees International Union, Local 1. Contract negotiations began in June 2016 and are continuing.

Facilities

Prior to 1992, the College operated at several leased sites within the County. On November 8, 1988, voters of the College approved the issuance of $24,000,000 of general obligation bonds for the purpose of providing funds to establish a permanent campus. The College began operations at the permanent campus in January 1992. In September 1992, the College received the Honor Award for Excellence in Architecture from the St. Louis Chapter of the American Institute of Architects for the design and function of its campus.

The College's campus (the **"Campus"**) encompasses 228 acres of land owned by the College south of Interstate 70 and bordered on the west by the City of St. Peters. The Campus uses an "educational village" concept in which there is a cluster of buildings. There are presently twelve buildings on the Campus: the Administration Building, Campus Services Building, Learning Resource Center-Library, Student Center, Child Development Center, Technology Building, the College Center, Fine Arts Building, Humanities Building, Visual Arts Building, Social Sciences Building and the Café/Bookstore. Collectively, the buildings encompass approximately 550,000 square feet. The Campus also includes parking for approximately 2,600 vehicles.

Pension and Employee Retirement Plans

The College contributes to two cost-sharing multiple-employer defined benefit pension plans on behalf of its employees: (i) The Public School Retirement System of Missouri (**"PSRS"**), which provides retirement, disability and death benefits to full-time (and certain part-time) certificated employees of educational entities in Missouri and employees of certain related employers; and (ii) The Public Education Employee Retirement System of Missouri (**"PEERS"**), which provides retirement and disability benefits to employees of educational entities in Missouri and of certain related employers who work 20 or more hours per week and do not contribute to PSRS. Benefit provisions relating to both PSRS and PEERS are set forth in Chapter 169 of the Revised Statutes of Missouri, as amended. The statutes assign responsibility for the administration of both plans to a seven-member Board of Trustees of PSRS (the **"PSRS Board"**). PSRS and PEERS had 535 and 532 contributing employers, respectively, during the fiscal year ended June 30, 2015.

PSRS and PEERS issue a publicly-available financial report that includes financial statements and required supplementary information. The PSRS/PEERS Comprehensive Annual Financial Report for the fiscal year ended June 30, 2015 (the **"2015 PSRS/PEERS CAFR"**), the comprehensive financial report for the plans, is available at www.psrs-peers.org/Investments/Annual-Report.html. The link to the 2015 PSRS/PEERS CAFR is provided for general background information only, and the information in the 2015 PSRS/PEERS CAFR is not incorporated by reference herein. The 2015 PSRS/PEERS CAFR provides detailed information about PSRS and PEERS, including their respective financial positions, investment policy and performance information, actuarial information and assumptions affecting plan design and policies, and certain statistical information about the plans.

Employees who contribute to PSRS are not eligible to make Social Security contributions, except in limited circumstances. For the fiscal year ended June 30, 2015, PSRS contributing employees were required to contribute 14.5% of their annual covered salary and their employers, including the College, were required to contribute a matching amount of 14.5% of each contributing employee's covered salary. The contribution requirements of members and the College are established (and may be amended) by the PSRS Board based on the recommendation of an independent actuary. State statute prohibits the PSRS Board from approving an increase greater than 1.0% in aggregate of PSRS contributing member covered pay of the previous year.

Employees who contribute to PEERS are eligible to make Social Security contributions. For the fiscal year ended June 30, 2015, PEERS contributing employees were required to contribute 6.86% of their annual covered salary and their employers, including the College, were required to contribute a matching amount of 6.86% of each contributing employee's covered salary. The contribution requirements of members and the College are established (and may be amended) by the PSRS Board based on the recommendation of an independent actuary. State statute prohibits the PSRS Board from approving an increase greater than 0.5% in aggregate of PEERS contributing member covered pay of the previous year.

PSRS and PEERS reported funded ratios of 83.9% and 86.8%, respectively, as of June 30, 2015, according to the 2015 PSRS/PEERS CAFR. Funded ratios are intended to estimate the ability of current plan assets to satisfy projected future liabilities. The PSRS and PEERS funded ratios are determined by dividing the smoothed actuarial value of plan assets by the plan's actuarial accrued liability determined under the entry age normal cost method with normal costs calculated as a percentage of payrolls, along with certain actuarial assumptions based on an experience study conducted in 2011. PSRS and PEERS amortize unfunded actuarial liabilities using a closed 30-year method. Additional assumptions and methods used to determine the actuarial funded status of PSRS and PEERS are set forth in the Actuarial Section of the 2015 PSRS/PEERS CAFR. The funding objective of each plan, as stated in each plan's Actuarial Funding Policy, is to achieve a funded ratio of 100% over a closed 30-year period from fiscal year 2011 through fiscal year 2040.

The following provides a historical comparison of actual employer contributions to actuarially determined contributions and the historical funded status for the plans for the years shown:

Schedule of Employer Contributions

	PSRS			PEERS		
Year Ended June 30	Actuarially Determined Contribution	Actual Employer Contributions	Contribution Excess/ (Deficiency)	Actuarially Determined Contribution	Actual Employer Contributions	Contribution Excess/ (Deficiency)
2015	$666,438,984	$656,924,899	$ (9,514,085)	$105,739,092	$103,624,310	$ (2,114,782)
2014	608,459,393	643,989,869	35,530,476	98,497,846	100,699,735	2,201,889
2013	507,232,268	634,040,335	126,808,067	87,013,816	97,059,313	10,045,497
2012	720,303,976	620,214,231	(100,089,745)	95,094,785	95,094,785	-
2011	684,366,766	594,732,137	(89,634,629)	90,816,155	90,816,155	-

Source: "Schedules of Employer Contributions" in the Financial Section of the 2015 PSRS/PEERS CAFR.

Schedule of Funding Progress
(Dollar amounts in thousands)

	PSRS			PEERS		
Year Ended June 30	Actuarial Value of Assets	Actuarial Accrued Liability	Funded Ratio	Actuarial Value of Assets	Actuarial Accrued Liability	Funded Ratio
2015	$34,073,415	$40,610,540	83.9%	$3,915,199	$4,512,317	86.8%
2014	31,846,599	38,483,184	82.8	3,584,719	4,211,489	85.1
2013	29,443,147	36,758,165	80.1	3,237,200	3,967,619	81.6
2012	29,013,002	35,588,030	81.5	3,090,880	3,746,347	82.5
2011	29,387,486	34,383,430	85.5	3,028,757	3,549,348	85.3

Source: "Schedule of Funding Progress" in the Actuarial Section of the 2015 PSRS/PEERS CAFR.

The College's contributions to PSRS and PEERS for the years shown were as follows:

College Contributions to PSRS and PEERS

	PSRS		PEERS	
Year Ended June 30	Annual Contribution[1]	Contribution (% of Payroll)	Annual Contribution[1]	Contribution (% of Payroll)
2015	$2,073,935	14.5%	$727,077	6.86%
2014	2,007,226	14.5	709,680	6.86
2013	1,994,721	14.5	704,247	6.86

Source: Audited financial statements of the College.

(1) The annual contributions equaled the amounts required by the PSRS Board for each year.

The College's contribution to PSRS and PEERS during the fiscal year ended June 30, 2015 constituted approximately 5.5% of the College's total expenditures during the fiscal year. The College was required to contribute 14.5% of covered payroll for PSRS contributing employees and 6.86% of covered payroll for PEERS contributing employees during the fiscal year ending June 30, 2016, equal to the contribution percentages for the fiscal year ended June 30, 2015.

The College has implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27*, for the fiscal year ended June 30, 2015. This Statement requires the College to record its proportional share of the net pension liability of PSRS and PEERS. PSRS and PEERS have implemented GASB Statement No. 67, *Financial Reporting for Pension Plans – An Amendment of GASB Statement No. 25*. Accordingly, PSRS and PEERS are required annually to provide each contributing Missouri educational entity reports estimating each educational entity's proportional share of the net pension liability of PSRS and PEERS as of the end of the prior fiscal year. The estimate is computed for each educational entity by multiplying the net pension liability of a plan (calculated by determining the difference between the plan's total pension liability and fiduciary net position) by a percentage reflecting the educational entity's proportionate share of contributions to the plan during the fiscal year. At June 30, 2015 (measured as of June 30, 2014), the College's proportional share of the net pension liability of PSRS and PEERS was $12,787,727 and $2,590,487, respectively, as determined by PSRS and PEERS on an accrual basis of accounting. In accordance with GASB 68, the College's audited financial statements for the fiscal year ended June 30, 2015 reflect a liability in those respective amounts for its proportionate share of the net pension liability of PSRS and PEERS. PSRS and PEERS determined the proportionate share of PSRS and PEERS participating employers based on the actual share of contributions to PSRS and PEERS, respectively, relative to the actual contributions of all participating employers for PSRS and PEERS plan year ended June 30, 2014. At June 30, 2014, the College's proportion was 0.3117% of PSRS and 0.7094% of PEERS. Detailed information about the calculation of the net pension liability of the plans, including information about the assumptions used, is available in Note 5 of the 2015 PSRS/PEERS CAFR.

The net pension liability of PSRS and PEERS is based on an 8.0% discount rate, which is also the current assumed investment rate of return for the plans. PSRS and PEERS further advised the College that its proportionate share of the net pension liability using a 1% higher or lower discount rate as of June 30, 2015 (measured as of June 30, 2014) would be as follows:

	Proportionate Share of Net Pension Liability Sensitivity		
	1.0% Decrease (7.0%)	Current Discount Rate (8.0%)	1.0% Increase (9.0%)
College's proportionate share of net pension liability	$33,294,310	$15,378,214	$328,828

For additional information regarding the College's pensions and employee retirement plans, see Note 13 to the financial statements included in ***Appendix B*** to this Official Statement.

Other Post Employment Benefits

The College is required to allow retirees of the College to participate in the group health insurance plan with current employees. The College pays premiums applicable to the group as a whole. Retirees pay 100% of their premiums at the same rate as current employees. The premiums paid by retirees may be lower than they would have been if the retirees were insured separately. This benefit is call an "implicit rate subsidy."

For the fiscal year ended June 30, 2015, the actuarial accrued liability for the College's Other Post Employment Benefits (the **"OPEB"**) was $6,261,632 and the actuarial value of assets was $0, resulting in an unfunded actuarial accrued liability (**"UAAL"**) of $6,261,632. The covered payroll was $26,368,011, and the ratio of the UAAL to covered payroll was 23.7%.

Additional information regarding OPEB is included in Note 17 to the audited financial statements included as ***Appendix B*** to this Official Statement.

Academic Programs and Services

The mission of the College was last revised by the Board in August 2013. The statement of its mission is as follows:

"SCC serves our community by focusing on academic excellence, student success, workforce advancement, and life-long learning within a global society. We celebrate diversity and we enrich the economic and cultural vitality of the region by providing an accessible, comprehensive, and supportive environment for teaching and learning."

In accordance with its goals, the College provides the following programs to meet the needs of the students and the community:

- Pre-baccalaureate programs in preparation for upper-division degrees conferred by four-year colleges and universities.
- Course offerings for one and two-year general studies programs.
- Semi-professional and technical programs relevant to community growth and needs.
- Occupational programs directed toward the acquisition of new skills or the furthering of proficiency in skills already learned.
- Developmental study programs to prepare students for college-level course work and an honors program to enhance the individual talents of students with advanced academic abilities.
- Cultural, instructional and recreational programs for personal development.
- Guidance services for education and career planning, human development, self-identity issues.
- Community educational services including courses, programs, and activities for individuals and organizations.

Enrollment

The College began classes in the summer of 1987. Enrollment for that period, based on full-time equivalency, was 804 students compared to 4,505 students for the fall semester of 2016. The following table sets forth full-time equivalent enrollment figures for the past five years:

Fall Semester	Full-Time Equivalency
2012	5,080
2013	4,860
2014	4,751
2015	4,620
2016	4,505

Enrollment at the College has followed state and national trends. The economic recession starting in 2008 resulted in steady increases in enrollment. As the economy has recovered over the last 5 years, the College's enrollment has declined.

Comparison of Fees/Costs to Other Colleges and Universities

The following table shows a comparison of the total charges for a full-time student taking 15 credit hours of classes imposed by the College and selected other Missouri colleges and universities for tuition and fees for an in-state resident (and in-district resident for the relevant community colleges) for the Fall 2016 semester:

College/University	Tuition and Fees
University of Missouri – St. Louis	$10,065.00
Missouri University of Science and Technology	9,619.76
University of Missouri – Columbia	9,509.22
Missouri State University	7,060.00
Southeast Missouri State University	6,990.00
St. Louis Community College	3,090.00
St. Charles Community College	3,090.00
Mineral Area College	3,080.00
Jefferson College	3,000.00
East Central College	2,850.00

Source: Missouri Department of Higher Education.

The College's tuition rates for the 2016 fiscal year are $98 per credit hour for students in the taxing district, $147 per credit hour for students in the State but not in the taxing district, and $215 per credit hour for out-of-state and international students. See the caption **"FINANCIAL INFORMATION CONCERNING THE COLLEGE – Sources of Funds – *Tuition*"** herein. The 12 community colleges in Missouri charge fees ranging from $2,850.00 to $5,872.50 for a full-time in-district student. The College's fee is $3,090.00 for a full-time in-district student.

FINANCIAL INFORMATION CONCERNING THE COLLEGE

Accounting and Reporting Practices

The financial statements of the College were organized on the basis of funds and account groups, in conformance with standards issued by the Governmental Accounting Standards Board (**"GASB"**). The College is considered a special purpose governmental agency engaged only in business-type activities, as defined by GASB Statement No. 34, as amended by GASB Statement No. 35; these standards focus on the College as a whole in comparison with the previous standards, which focused on the separate fund groups. For additional information regarding the College's accounting policies, see Note 1 to the financial statements included in ***Appendix B*** to this Official Statement.

The College operates on a fiscal year commencing July 1 of each year and ending on June 30 of the following calendar year (the **"Fiscal Year"**). The Board annually engages an independent certified public accounting firm to perform an audit of the College's books of account, financial records and transactions.

Budgeting Process

Budget preparation begins at the departmental level and is forwarded to the division level where strategic priorities are prepared and recommended for all areas of the College. This planning process identifies new positions and capital equipment requests which are prioritized in the Administrative Cabinet. The Vice President for Administrative Services prepares a preliminary budget which is presented to the Administrative Cabinet. Following Cabinet review, the President recommends a budget to the Board. The Board may review and modify the budget. The Board approves a budget prior to June 30 for the next fiscal year.

A public hearing is held to set the property tax rates for the fiscal year. Following this hearing, the Board sets the property tax rates. The College certifies the tax levies to the County prior to October 1 of each year.

Sources of Funds

The College finances its operations through tuition and fees, property taxes, state aid and other sources. For the fiscal year ended June 30, 2016, the portion of the College's revenue from various sources was as follows:

Source	Amount	%
Operating Revenue:		
Tuition and Fees(1)	$15,900,100	28.31%
Auxiliary enterprise revenues(2)	2,074,859	3.69
Governmental grants and contracts	12,375,060	22.03
Private gifts and contributions	191,575	0.34
Other Operating Revenues	795,348	1.42
Non Operating Revenue:		
Taxes	16,161,976	28.77
State appropriations	8,588,785	15.29
Investment income	84,970	0.15
Other Non Operating Revenues	0	0.00
Total	$56,172,673	100.00%

Source: College's Unaudited Financial Statements for the fiscal year ended June 30, 2016.
(1) This figure is net of scholarship allowances totaling $2,492,546.
(2) This figure is net of scholarship allowances totaling $36,922.

State Appropriations. Missouri statutes authorize publicly-supported community colleges to receive up to 50% of education expenses from the State. An annual request for State aid is prepared by the Coordinating Board in consultation with the publicly-supported community colleges and submitted to the Governor and the General Assembly.

For the fiscal year ended June 30, 2016, approximately 15.3% of total revenues for the College were derived from State aid. State aid is based on a funding model comprised of two parts that provide for the establishment of a base amount for community colleges and for annual adjustments to be made to the base amount for individual colleges. The two parts of the model are a general core component and an equity redistribution component among the community colleges.

For fiscal year 2014, the State created a performance funding model consisting of five measures: completion/transfer rates; developmental math success rates; developmental English success rates; pass rates for licensure exams and fall-to-spring persistence rates. A sixth performance measure is in development for career/job placement. The measures for developmental math and developmental English may be replaced in the near future. Funding earned by college or university through performance funding achievements becomes part of their future core funding.

State appropriations are made to the Coordinating Board and then distributed in 12 installments to the publicly supported community colleges.

The availability of State aid is subject to annual appropriation by the Missouri General Assembly. Thus, there can be no guarantee that State aid will continue at current levels.

The following table sets forth the State's General Revenue Expenditures for the twelve publicly supported community colleges for the past four fiscal years of the State ended June 30 and the funds appropriated for the fiscal year ending June 30, 2016:

Year	State Expenditure
2012	$127,114,412
2013	126,890,838
2014	123,212,307
2015	129,321,849
2016[(1)]	145,527,623

Source: State of Missouri Budgets.
(1) Amount appropriated.

Tuition. During the fiscal year ended June 30, 2016, approximately 28.3% of the College's total revenue was derived from tuition and fees. Students pay only a part of the cost of their education with support coming from the State and taxpayers. The following tuition rates applied to the Fall 2016 semester:

In-District Students	$98 per credit hour
Out-of-District, In-State Students	$149 per credit hour
Out-of-State and International Students	$215 per credit hour

Any Missouri resident 65 years and older may enroll in college credit courses on a tuition-free scholarship, except for books and course fees. Additional fees are assessed for technology, Nursing & Allied Health, science labs, art studios and some computer programming courses.

The College remains in the bottom half of the state's 12 community colleges for total tuition and fees.

Statement of Receipts, Expenditures and Fund Balances

The following table shows a summary of historic statements of revenues, expenses and changes in net assets of the College for the fiscal years ended June 30, 2013 through 2015. The table below should be read in conjunction with the financial statements for the fiscal year ended June 30, 2015, audited by Botz, Deal & Co., P.C., including the notes thereto, contained in ***Appendix B*** to this Official Statement. The budget for the fiscal year ending June 30, 2017 is on file at the College and may be obtained upon request.

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STATEMENT OF RECEIPTS, EXPENDITURES AND FUND BALANCES
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 - JUNE 30, 2015

	2013	2014	2015
OPERATING REVENUES			
Tuition and Fees[1]	$ 13,614,115	$ 15,650,080	$ 15,098,704
Auxiliary enterprise revenues[1]	2,277,035	2,141,257	2,225,978
Governmental Grants and Contracts	11,166,492	12,104,131	11,215,443
Private gifts and contributions	62,650	124,853	342,611
Other operating revenues	1,148,099	874,805	1,015,977
TOTAL OPERATING REVENUES	$ 28,268,391	$ 30,895,126	$ 29,898,713
OPERATING EXPENSES			
Educational and General:			
Instruction	$ 24,510,729	$ 24,544,359	$ 22,975,892
Institutional support	6,891,285	7,577,946	7,139,236
Operation and maintenance of plant	5,596,747	5,657,696	5,603,956
Student services	3,309,507	3,410,812	3,266,723
Academic support	913,114	1,004,549	928,626
Library	944,202	964,685	913,793
Student aid	4,033,403	4,142,866	3,952,060
Total Educational and General	46,198,987	47,302,913	44,780,286
Auxiliary enterprise expenditures	2,317,921	2,225,315	2,254,199
Depreciation	2,617,485	2,611,078	2,646,372
TOTAL OPERATING EXPENSES	$ 51,134,393	$ 52,139,306	$ 49,680,857
OPERATING INCOME (LOSS)	$(22,866,002)	$(21,244,180)	$ (19,782,144)
NONOPERATING REVENUES (EXPENSES)			
Taxes	$ 15,763,443	$ 16,286,761	$ 15,837,558
State appropriations	7,319,492	7,375,987	7,977,856
Unrealized gain on investments	-	-	-
Investment income	19,987	25,723	54,819
Gain on disposal of assets	-	-	2,581,027
Interest on capital asset-related debt	(1,607,651)	(1,519,607)	(1,370,382)
Amortization of bond premium	84,001	26,659	78,552
TOTAL NON OPERATING REVENUES (EXPENSES)	$ 21,579,272	$ 22,195,523	$ 25,159,430
CHANGE IN NET POSITION	$ (1,286,730)	$ 951,343	$ 5,377,286
NET POSITION, BEGINNING OF YEAR AS PREVIOUSLY STATED	$ 47,873,599	$ 46,586,869	$ 47,538,212
Change in accounting principal	-	-	$ (22,305,301)
NET POSITION, BEGINNING OF YEAR, AS RESTATED[2]	-	-	$ 25,232,911
NET POSITION, END OF YEAR	$ 46,586,869	$ 47,538,212	$ 30,610,197

Source: College's Audited Financial Statements for the fiscal years ended 2013-2015.
(1) This figure is net of scholarship allowances.
(2) The "Beginning of the Year Amount" was restated in 2015 because accounting principles were changed.

DEBT STRUCTURE OF THE COLLEGE

Long-Term General Obligation Indebtedness

Following the issuance of the Bonds, the College will have the following general obligation indebtedness outstanding:

Name[(1)]	Amount Issued	Amount Outstanding
General Obligation Refunding Bonds, Series 2005	$13,080,000	$ 5,075,000
General Obligation Refunding Bonds, Series 2009	$21,770,000	2,360,000
The Bonds	$18,185,000	18,185,000
Total		$25,620,000

(1) Includes the Bonds, does not include the Refunded Bonds.

The College has never defaulted on the payment of any of its debt obligations.

Debt Service Requirements

The following schedule shows the yearly principal and interest requirements for the Bonds and the College's outstanding general obligation bonds following the refunding:

Fiscal Year Ending June 30	Outstanding Debt Service	The Bonds Principal	The Bonds Interest	The Bonds Total	Total Debt Service on all Bonds
2017	$3,415,525		$ 232,862.92	$ 232,862.92	$ 3,648,387.92
2018	2,598,075		681,550.00	681,550.00	3,279,625.00
2019	2,442,600		681,550.00	681,550.00	3,124,150.00
2020	-	$ 2,345,000.00	681,550.00	3,026,550.00	3,026,550.00
2021	-	2,415,000.00	611,200.00	3,026,200.00	3,026,200.00
2022	-	2,490,000.00	538,750.00	3,028,750.00	3,028,750.00
2023	-	2,560,000.00	464,050.00	3,024,050.00	3,024,050.00
2024	-	2,665,000.00	361,650.00	3,026,650.00	3,026,650.00
2025	-	2,800,000.00	228,400.00	3,028,400.00	3,028,400.00
2026	-	2,910,000.00	116,400.00	3,026,400.00	3,026,400.00
TOTALS:	$8,456,200	$18,185,000.00	$4,597,962.92	$22,782,962.92	$31,239,162.92

Legal Debt Capacity

Under Article VI, Section 26(b) of the Constitution of Missouri, the College may incur indebtedness not to exceed 15% of the valuation of taxable tangible property in the College according to the last completed assessment upon the approval of four-sevenths of the qualified voters in the College voting on the proposition at any municipal, primary or general election or two-thirds voter approval on any other election date. The current legal debt limit of the College is approximately $1,101,993,907.95, and the College's current legal debt margin is approximately $1,076,373,907.95.

Direct and Overlapping Debt

The following table sets forth information relating to the direct and overlapping general obligation debt of the College as of December 31, 2015:

Overlapping Debt	Outstanding Bonds[1]	Percent Applicable to the College	Direct and Overlapping Debt
St. Charles County	$ 23,475,000	100%	$ 23,475,000
City of St. Charles	18,465,000	100	18,465,000
City of St. Peters	42,798,022	100	42,798,022
City of O'Fallon	17,950,000	100	17,950,000
City of Lake St. Louis	11,710,000	100	11,710,000
City of Wentzville	375,000	100	375,000
Village of New Melle	0	100	0
Portage Des Sioux	0	100	0
Ft. Zumwalt R-II S.D.	149,614,907	100	149,614,907
Francis Howell R-III S.D.	148,983,196	100	148,983,196
St. Charles R-VI S.D.	24,590,284	100	24,590,284
Orchard Farm R-V S.D.	28,790,000	100	28,790,000
Wentzville R-IV S.D.	170,928,677	100	170,928,677
St. Charles County Ambulance District	5,960,000	100	5,960,000
Central County Fire Protection District	13,975,000	100	13,975,000
Cottleville Community Fire Protection District	5,785,000	100	5,785,000
Total Overlapping	$663,400,086		$663,400,086

Source: St. Charles County Comprehensive Annual Financial Report for Fiscal Year Ended December 31, 2015.

(1) Lease and loan obligations, which are subject to annual appropriation for payment and for which a tax levy cannot be imposed without voter approval, are excluded from this table. The table also excludes neighborhood improvement district bonds that are a general obligation of the issuer but are expected to be paid from special assessments and for which the issuer may not levy a general property tax. The principal amount of neighborhood improvement district bonds for the County is $3,795,000 for the City of St. Charles is $38,855,000, for the City of St. Peters is $52,700 and for the City of Wentzville is $375,000.

Debt Ratios and Related Information[1]

Estimated Population, 2015	385,590
Assessed Valuation[2], 2015	$7,346,626,053
Estimated Actual Value[2], 2015	$33,198,884,581
Outstanding General Obligation Debt[3]	$25,620,000
Per Capita Direct Debt[3]	$66.44
Ratio of Direct Debt to Assessed Valuation[3]	0.35%
Ratio of Direct Debt to Estimated Actual Value[3]	0.08%

(1) Because the College is comprised of several taxing districts in the County, the overlapping indebtedness presented above under the caption **"Overlapping Bonded Indebtedness"** is for all of the taxing entities within the County. As a result, the above table does not include per capita overlapping debt or overlapping debt ratios, because it would overstate the amounts for that a particular taxpayer within an individual school district, municipality or fire district within the County would be responsible.

(2) Amount does not include assessed valuation attributable to tax increment financing redevelopment areas located within the boundaries of the College.

(3) Includes the Bonds and excludes the Refunded Bonds.

Lease Obligations

In March 2013, the College entered into a five-year lease agreement with Lindenwood University for classroom and office space. A lease expense of $152,089 was paid to Lindenwood University in fiscal year 2016. The College leases copiers under a five-year lease agreement. The College paid $22,128 for the lease expense in 2016. The outstanding minimum lease payments due under the aforementioned operating leases total $274,407.

Future Debt

The College completed a campus master plan in September 2015. The main components of the plan include creating a One-Stop-Shop for student intake services, consolidating food services operations, relocating the Nursing & Allied Health programs back to the main campus and creating additional science lab space. These programs would be located within renovated space in the Student Center, Administration Building and Café/Bookstore. In April 2016, the College hired an architect and construction manager to proceed with implementing these projects. The total cost of executing the plan is projected at approximately $21,000,000. If approved by the Board, the College would borrow approximately $10,000,000 through a lease purchase financing in early 2017, and would pay the remaining project costs with funds on hand. The lease purchase financing would be paid through an increase in tuition and student fees of approximately $5.00 per credit hour.

PROPERTY TAX INFORMATION

Property Valuations

Assessment Procedure. All taxable real and personal property within the boundaries of the College is assessed annually by the County Assessor. Missouri law requires that personal property be assessed at 33-1/3% of true value and that real property be assessed at the following percentages of true value:

Residential real property	19%
Agricultural and horticultural real property	12%
Utility, industrial, commercial, railroad and all other real property	32%

In order to maintain equalized assessed valuations, Missouri law requires that each County Assessor, on January 1 of every odd-numbered year, adjust the assessed valuation of all real property located within his or her county in accordance with a two-year assessment and equalization maintenance plan approved by the State Tax Commission.

The County Assessor is responsible for preparing the tax roll each year and for submitting the tax roll to the Board of Equalization. The County Board of Equalization has the authority to adjust and equalize the values of individual properties appearing on the tax rolls.

Certain properties, such as those used for charitable, educational and religious purposes, are excluded from both the real estate ad valorem tax and the personal property tax.

Current Assessed Valuation.[1] The following table shows the total assessed valuation and the estimated actual valuation by category, of all taxable tangible property (excluding state assessed railroad and utility property) situated within the boundaries of the College according to the assessment of January 1, 2015:

	Assessed Valuation	Assessment Rate	Estimated Actual Valuation
Real Estate			
Residential	$4,805,544,335	19%	$25,292,338,605
Agricultural	22,161,832	12	184,681,933
Commercial	1,293,423,960	32	4,041,949,875
Locally Assessed Railroad & Utility	27,411,117	32	85,659,741
Total Real Estate	$6,148,541,244		$29,604,630,154
Personal Property	$1,186,638,009	33-1/3	$ 3,559,914,027
Locally Assessed Railroad & Utility	11,446,800	33-1/3	34,340,400
TOTAL	$7,346,626,053		$33,198,884,581

Source: St. Charles County Registrar's Office.
[1] Amounts do not include assessed valuation attributable to tax increment financing redevelopment areas located within the boundaries of the College.

History of Property Valuations. The total assessed valuation of all taxable tangible property situated in the College, excluding valuation estimates for state assessed railroad and utility property, according to the assessments of January 1 in each of the following years has been as follows:

Year	Assessed Valuation[1]	% Change
2011	$6,921,104,501	N/A
2012	7,045,089,543	+1.79%
2013	6,824,959,543	-3.12
2014	6,908,182,316	+1.22
2015	7,346,626,053	+6.35

Source: St. Charles County Registrar's Office.
[1] Amounts do not include assessed valuation attributable to tax increment financing redevelopment areas located within the boundaries of the College.

Property Tax Levies and Collections

Not later than September 30 of each year, the Board sets the rate of tax for the College and files the tax rate with the County Clerk by October 1. The County Clerk is responsible for reviewing the rate of tax to insure that it does not exceed constitutional rate limits.

Taxes are levied on all taxable real and personal property owned as of January 1 in each year. Certain properties, such as those used for charitable, education, and religious purposes, are excluded from ad valorem taxes for both real and personal property.

Real property within the boundaries of the College is assessed by the County Assessor. The County Assessor is responsible for preparing the tax rolls each year and for submitting tax rolls to the County Board of Equalization. The Board of Equalization has the authority to question and determine the proper value of property and then adjust and equalize individual properties appearing on the tax rolls. By statute, tax bills are to be mailed in October; however, the volume of assessment complaints required to be reviewed by the County Board of Equalization can affect the date on which bills are actually mailed.

Payment of tax on real and personal property is due by December 31 after which date they become delinquent and accrue a penalty of one percent per month. The County Collector of Revenue deducts a commission equal to 1.5% of the taxes collected for his services. After such collections and deductions of commission, taxes are distributed according to the taxing body's pro-rata share.

Tax Rates

Debt Service Levy. Once indebtedness has been approved by the requisite percentage of the voters voting therefor and bonds are issued, the College is required under Article VI, Section 26(f) of the Missouri Constitution to levy an annual tax on all taxable tangible property therein sufficient to pay the interest and principal of the indebtedness as they fall due and to retire the same within 20 years from the date of issue. The Board of Trustees may set the tax rate for debt service, without limitation as to the rate or amount, at the level required to make such payments. The debt service levy for 2016 is $0.0500.

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

The following table shows the College's adjusted tax levies (per $100 of assessed valuation) for each of the following calendar years:

Year	General Fund	Debt Service Fund	Total Levy
2012	$0.1796	$0.0400	$0.2196
2013	0.1796	0.0400	0.2196
2014	0.1796	0.0400	0.2196
2015	0.1740	0.0400	0.2140
2016	0.1740	0.0500[1]	0.2240

Source: College's Audited Financial Statements for Fiscal Years ended June 30, 2013 through 2015 and Budget for Fiscal Year ending June 30, 2016.

(1) Historically, the debt service levy has not generated enough funds to cover the College's debt service payments. As a result, the College has been using monies in its General Fund to pay annual shortfalls. On September 19, 2016, the Board approved an increase in the College's debt service levy in order to provide enough funds for the College to pay debt service from the Debt Service Fund alone.

Tax Collection Record

The following table sets forth tax collection information for the College for the last five calendar years:

Levy Year	Total Taxes Levied	Current Taxes Collected[(1)] Amount	%	Current & Delinquent Taxes Collected[(2)] Amount	%
2011	$15,797,854	$14,587,072	92.34%	$15,695,488	99.35%
2012	16,071,267	15,129,193	94.14	16,449,312	102.35
2013	15,621,737	14,718,157	94.22	15,781,423	101.02
2014	15,838,004	15,086,606	95.26	16,134,305	101.87
2015	16,332,566	15,507,747	94.95	16,387,699	100.34

(1) Taxes Collected includes collections through December 31, 2015.
(2) Current & Delinquent Taxes Collected also includes the current year's protested taxes which have been released.

Major Property Taxpayers

The table below sets forth the 10 largest property taxpayers within the boundaries of the College for 2015 based on such taxpayer's assessed valuation of real estate and personal property:

	Taxpayer	Type of Business	Assessed Valuation	% of College's Total Assessed Valuation
1.	Ameristar Casino St. Charles	Gaming Facilities	$ 90,724,089	1.23%
2.	General Motors	Auto Manufacturer	41,796,329	0.57
3.	McDonnell Douglas Corp. (Boeing Company)	Manufacturer of Defense Equipment	27,135,672	0.37
4.	Union Electric	Utility	23,339,803	0.32
5.	Three T's/Six T's Partnership (True Manufacturing, Inc.)	Manufacturer of Freezers & Coolers	18,465,239	0.25
6.	Mid Rivers Mall LLC	Retail stores	18,017,494	0.25
7.	Enterprise Rent-A-Car	Car Rental	17,198,773	0.23
8.	Laclede Gas	Utility	17,133,106	0.23
9.	Cuivre River Electric Cooperative	Utility	16,379,813	0.22
10.	Airwick Industries, Inc.	Manufacturer of Airwick	14,422,006	0.20
			$284,612,324	3.87%

Source: St. Charles County Assessor's Office.

GENERAL INFORMATION CONCERNING ST. CHARLES COUNTY

General

The County was organized in 1812 and contains approximately 561 square miles. The County is located approximately 18 miles northwest of the City of St. Louis, Missouri, at the confluence of the Missouri and the Mississippi Rivers.

The County has a diverse economic base that includes industrial, commercial and agricultural enterprises. As of 2014, approximately 13% of the 201,345 employment positions in the County were in manufacturing. The County is also a residential community with a majority of its residents commuting to their places of employment outside the County.

Government

The governing body of the County is composed of a legislative body of seven council members and a County Executive. One council member is elected from each of the seven districts of the County. A Council Chair is elected by the County Council from amongst its members and serves a one-year term. The County Executive is elected by the registered voters for a four-year term. The Charter provides that all executive powers of the County are vested in the County Executive.

Other elected administrative officials of the County are: the County Collector, who is responsible for tax billing and collection; the Sheriff, who is responsible for court security, transporting prisoners and process serving; the Assessor, who is responsible for appraising and recording the value of real estate; the Recorder of Deeds, who is responsible for maintaining the land and marriage records; the Prosecuting Attorney, who is responsible for prosecuting crimes committed within the County; and the Director of Elections, who is responsible for planning and administration of elections within the County.

In addition to the elected officials, the County Executive appoints the following officials: a Director of Administration, a County Counselor, a County Engineer, a Director of Corrections, a Medical Examiner, a Director of Government Communications, a Director (Executive Director) of Workforce Development, a Director of Finance, a Director of Family Arena, a Director of Community Development, a Director of Parks and Recreation, a Director of Community Health and the Environment and a County Municipal Judge. In addition, the County Council appoints the Auditor. The County Registrar, who is responsible for keeping records of the proceedings of the County, is appointed by the Director of Finance. Finally, the Circuit Court of St. Charles County appoints a Circuit Clerk and Public Administrator.

Certain key elected and appointed officials of the County are set out below:

Name	Title	Term Expires
Steve Ehlmann	County Executive	December 31, 2018
Joe Brazil	County Council Member	December 31, 2016
Joe Cronin	County Council Member	December 31, 2018
Mike Elam	County Council Member	December 31, 2018
Dave Hammond	County Council Member	December 31, 2016
Terry Hollander	County Council Member	December 31, 2018
Mike Klinghammer	County Council Member	December 31, 2016
John White	County Council Member	December 31, 2018
Joann Leykam	Director of Administration	Appointed by County Executive
Robert Schnur, CPA	Director of Finance	Appointed by County Executive
Keith Hazelwood	County Counselor	Appointed by County Executive
Brent Statler, CPA	Auditor	Appointed by County Council

Property Tax Procedures

The County levies taxes against real property and personal property. Personal property is currently assessed at 33-1/3% of true value, residential property is currently assessed at 19% of true value and agricultural property is assessed at 12% of true value. All other property is assessed at 32% of true value.

Real property and personal property within the County are assessed by the County Assessor. Real property is assessed in accordance with guidelines prepared by the State Tax Commission. Personal property is assessed according to book value.

The County Assessor is responsible for preparing the tax rolls each year and submitting the tax rolls to the County Council. The Board of Equalization has the authority upon appeal to question and determine the proper values of property and then adjust and equalize individual properties appearing on the tax rolls.

Assessed Valuation

The following table sets forth the assessed value and market value of real and personal property in the County for the years 2006 through 2015:

Year	Assessed Value	Estimated Actual Value
2006	$6,605,305,633	$29,503,356,419
2007	7,363,463,592	33,353,698,625
2008	7,757,041,275	34,810,725,671
2009	7,416,093,293	33,180,728,982
2010	7,467,746,290	33,430,048,856
2011	7,043,589,724	31,795,071,874
2012	7,318,675,625	32,688,979,593
2013	7,076,131,636	31,505,602,105
2014	7,207,652,879	32,098,370,019
2015	7,623,672,986	34,079,975,273

Source: St. Charles County Comprehensive Annual Financial Report Fiscal Year Ended December 31, 2015.

Transportation

The County is traversed by eight major highways: Interstate 70, State Highway 370, Interstate 64, U.S. Highway 67, U.S. Highway 61, State Highway 364 and State Routes 79 and 94. Interstate 70 provides direct access to St. Louis, approximately 20 miles east of the County, and to Kansas City, approximately 235 miles west of the City of St. Charles. State Highway 370 was completed in 1996 and serves as an outerbelt from Interstate 70 in St. Peters to Interstate 270 in St. Louis County.

Regularly scheduled air passenger and freight service is available at the Lambert St. Louis International Airport located on Interstate 70 in St. Louis County. Two small airports are located in the County.

Rail service is provided by Norfolk Southern and Burlington Northern.

Several national motor carriers maintain terminals within the County. In addition, common motor carriers serve the communities within the County.

The County is located at the junction of the Missouri and Mississippi Rivers, near the center of a 7,000-mile inland water-way system with numerous barge line companies serving industrial centers in 20 states.

Population Statistics for St. Charles County

St. Charles County has been the fastest growing county in the State of Missouri for two decades and is one of the fastest growing areas in the nation. The County's population increased by approximately 27% from 2000 to 2010. According to statistics of the Bureau of Census, the population increase over the same period was approximately 10% for the United States and 7% for the State of Missouri. The following table sets forth historical population statistics for the County:

Year	Population	Percentage Change from Previous Census
1930	24,354	N/A
1940	25,562	+ 4.96%
1950	29,834	+16.71
1960	52,970	+77.55
1970	92,954	+75.48
1980	144,107	+55.03
1990	212,907	+46.63
2000	283,883	+33.43
2010	360,485	+26.98

Source: U.S. Department of Commerce, Bureau of Census, Statistics of Population and Census Bureau Estimates.

Income Statistics

The following table presents per capita income[1] for the County and the State of Missouri for the years 2010 through 2014, the latest date for which such information is available:

Year	St. Charles County Per Capita Income	State of Missouri Per Capita Income
2010	$36,638	$40,092
2011	38,042	41,714
2012	39,905	43,455
2013	40,297	44,259
2014	41,639	45,662

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

[1] "Per Capita Personal Income" is the annual total personal income of residents divided by the resident population as of March 2015. "Personal Income" is the sum of net earnings by place of residence, rental income of persons, personal dividend income, personal interest income, and transfer payments. "Net Earnings" is earnings by place of work - the sum of wage and salary disbursements (payrolls), other labor income, and proprietors' income - less personal contributions for social insurance, plus an adjustment to convert earnings by place of work to a place-of-residence basis. Personal Income is measured before the deduction of personal income taxes and other personal taxes and is reported in current dollars (no adjustment is made for price changes).

Economic Growth

General. The County has experienced strong growth in its residential, industrial and commercial sectors during the past 20 years. A report prepared for the East-West Gateway Coordinating Council states that manufacturers have moved to the County because of its central location in the United States, the quality of its transportation network and its expanding resources of labor and materials.

More than half of the firms now located in the County have expanded their physical plants during the past 15 years. More than 25 industrial parks are located within the County. Many large acreage tracts suitable for commercial or industrial usage are available throughout the County.

The Industrial Development Authority of St. Charles County, Missouri, the St. Charles County Economic Development Council and the St. Charles County Economic Development Center promote development in the County. These organizations consult with new industries planning to move to the County. They help the new industries with planning, site location, plant construction, financing and labor aspects of the relocation.

According to a study conducted by the Missouri Economic Research Center, the County has more than twice as much economic influence as any other county in Missouri. The County's three largest communities, O'Fallon, St. Charles and St. Peters, are home to global companies, nationally recognized healthcare facilities and great growth potential.

Employment. The following table shows the Employment by Industry for the County for calendar year 2014, the latest year available:

Employment by Place of Work for Major Industry
St. Charles County, Missouri
(Approximate Number of Jobs)

Industry	2014
Agriculture, forestry, fishing and hunting, and mining	1,494
Arts, entertainment, and recreation, and accommodation, and food service	19,588
Construction	10,385
Educational services, and health care, and social assistance	40,534
Finance and insurance, and real estate and rental and leasing	17,931
Information	5,285
Manufacturing	25,172
Other services, except public administration	7,723
Professional, scientific, management, and administrative	20,454
Public administration	7,238
Retail Trade	27,092
Transportation and warehousing, and utilities	9,735
Wholesale trade	8,714
Total	201,345

Source: U.S. Census Bureau, 2014 American Community Survey 1 year Estimates.

Major Employers. Listed below are the largest public and private employers in the County:

Employer	Product or Service	Employment
CitiMortgage	Financial Services	4,900
MasterCard Worldwide	Financial Services	2,800
Fort Zumwalt School District	Public School	2,777
General Motors Corporation	Automobile Manufacturer	2,300
Francis Howell School District	Public School	2,069
Wentzville School District	Public School	1,755
Ameristar Casino	Casino	1,600
Serco	Consulting Firm	1,500
True Manufacturing	Manufacturer of Refrigeration Equipment	1,475
Verizon Communications	Telecommunications	1,400

Source: St. Charles County Comprehensive Annual Financial Report Fiscal Year Ended December 31, 2015 and St. Charles County Economic Development Center.

The following table sets forth the total labor force, number of employed and unemployed workers in the County and, for comparative purposes, the unemployment rates for the County, the State and the United States for 2012 through 2016:

	The County Labor Force(1)			Unemployment Rates(1)		
Year	Employed	Unemployed	Total	The County	State of Missouri	United States
2012	193,572	11,504	205,076	5.6%	7.0%	8.1%
2013	195,486	10,969	206,455	5.3	6.7	7.4
2014	202,249	10,279	212,528	4.8	6.2	6.2
2015	209,011	8,381	217,392	3.9	5.0	5.3
2016(2)	213,396	8,637	222,033	3.9	4.5	5.1

Source: U.S. Department of Labor, Bureau of Labor Statistics.
(1) Figures are not seasonally adjusted.
(2) Preliminary figures reported in June 2016.

Building and Construction Data. The St. Charles County Building Department issues permits for construction in the unincorporated areas of the County. The following table sets forth the number and value of building permits issued by the County for the years 2000 through 2014.

	New Residential Dwellings		Commercial	Total
Year	Number	Value	Value	Value[1]
2000	504	$84,421,652	$58,070,250	$142,491,902
2001	521	93,054,658	18,029,062	111,083,720
2002	494	93,123,471	15,722,003	108,845,474
2003	544	114,053,805	24,661,002	138,714,807
2004	651	137,714,011	36,773,316	174,487,327
2005	526	141,258,101	25,599,444	166,857,545
2006	350	106,022,365	63,264,078	169,286,443
2007	251	76,861,096	63,874,339	140,735,435
2008	123	43,634,618	24,678,712	68,313,330
2009	134	21,840,613	53,779,363	75,619,976
2010	148	29,696,176	6,008,911	35,705,087
2011	86	37,603,207	59,283,284	96,886,491
2012	156	53,549,692	6,776,032	60,325,724
2013	229	81,924,997	10,423,466	92,348,463
2014	204	69,954,514	1,141,565	71,096,079

(1) Does not include permits issued for miscellaneous purposes. Neither the price of land nor any contractors' equity is reflected in the value.

Age Distribution

St. Charles County
2010 Population Age Distribution

Age	Population
0-4 years	24,297
5-19	78,103
20-24	21,443
25-44	98,128
45-64	98,136
65+	40,378

Source: U.S. Census Bureau, 2010 Census.

County Services

Education. Primary and secondary education are provided by six public school districts: Fort Zumwalt R-II School District, Francis Howell R-III School District, Orchard Farm R-V School District, Wentzville R-IV School District, St. Charles R-VI School District and Washington School District. All six districts are accredited by the Missouri Department of Elementary and Secondary Education (**"DESE"**), the highest accreditation status given by DESE. There are a number of private and parochial elementary schools serving approximately 20% of the total K-8 school population. Lewis and Clark Career Center, a part of the St. Charles R-VI School District, provides specialized vocational education for County students.

Post-secondary education is provided by the College and Lindenwood University, both located within the County, and by the numerous institutions of higher education located in the St. Louis metropolitan area, including Saint Louis University, Washington University and the University of Missouri-St. Louis.

The College provides a combination of two-year vocational programs appropriate to the needs of County business and industry, the first two years of basic college courses, and adult education programs that allow County residents to improve job skills and programs to retrain displaced workers and homemakers.

Lindenwood University is a private four-year, liberal arts institution offering more than 200 undergraduate and graduate degree programs to approximately 16,000 students. Continuing adult education at Lindenwood University includes not-for-credit courses, workshops and seminars.

Medical Services. There are six hospitals located in the County with over 800 beds. The largest hospital is SSM Health St. Joseph Hospital, which is a member of SSM Health Care System and has facilities in the cities of St. Charles, Lake St. Louis and Wentzville. SSM Health St. Joseph Hospital - St. Charles has approximately 433 beds. Hospital facilities include a pathology laboratory, a blood bank, an intensive care/coronary care unit, an emergency/trauma center and departments of electrocardiography, physical therapy, nuclear medicine, radiology, psychiatry, obstetrics, and pediatrics. SSM Health St. Joseph Hospital - St. Charles also offers community health programs dealing with prenatal care, diabetes treatment, alcohol usage, drug abuse and mental health. SSM Health St. Joseph Hospital - Lake St. Louis has 122 beds and offers primary and certain secondary level services, including emergency, outpatient, medical, surgical, obstetric, pediatric, intensive care services and cardiovascular services. In addition, the hospital offers 24-hour obstetric care with traditional delivery rooms and birthing suites. In October 2008, SSM Health St. Joseph Hospital - Lake St. Louis opened a comprehensive center for the diagnosis and treatment of cancer. SSM St. Joseph Hospital - Wentzville has approximately 77 beds and offers emergency and ambulatory services, outpatient programs, behavioral health inpatient care and an outpatient chemical dependency program.

Located in the City of St. Peters is Barnes-Jewish St. Peters' Hospital, owned by Barnes-Jewish Hospital, part of the highly acclaimed Washington University Medical Complex located in St. Louis. This 127-bed acute care facility has a medical/surgical unit with three procedure rooms, a newly expanded emergency facilities, cardiology center and woman's center, an outpatient surgery and endoscopy center.

Located in the City of O'Fallon is Progress West Health Center, a member of BJC HealthCare. Progress West Health Center opened in 2007 and has approximately 42 beds. Progress West Health Center offers residents many medical services such as emergency care, cardiac imaging services, on-site laboratory services, orthopedic care, a full range of surgical programs and a birthing center. Progress West Health Center also offers specialized pediatric care through a partnership with St. Louis Children's Hospital.

Centerpointe Hospital, a 150-bed facility located in the City of Weldon Spring, is owned and managed by Little Hills Healthcare LLC. Centerpointe Hospital is a private psychiatric hospital serving the behavioral needs of children, adolescents and adults.

Water Systems. Within the County, the following cities own and operate their own water systems: St. Charles, O'Fallon, St. Peters and Wentzville. The Public Water Supply District No. 2 of St. Charles County, Missouri (the **"District"**) supplies water to the City of Wentzville pursuant to an agreement that expires in 2026. The agreement automatically renews for two additional terms of 10 years each unless terminated by notice of either party. The City of O'Fallon only provides water to the residents in the northern portion of its city; the southern portion of the City is serviced by the District. The water needs of the majority of the remaining residents of the County are currently provided by the District. Missouri-American Water Company also serves some customers in the County.

Utilities. Natural gas service is provided by Laclede Gas Company and AmerenUE. Electric service is provided by AmerenUE and by Cuivre River Electric Cooperative.

Communications and Media. Telecommunication services are provided to County residents by AT&T, CenturyLink and Charter Communications. Wireless telephone service is offered by numerous providers. Residents of the County receive all of the County's and St. Louis radio stations and television channels. There are two major newspapers circulated in the County: the *St. Charles Journal* and the *St. Louis Post-Dispatch*. In addition, there are many weekly newspapers and journals published throughout the County.

The St. Charles City-County Library District has three regional branches which have 185,000-200,000 volumes and specialized collections, four general purpose branches which have 85,000-100,000 volumes including general interest subjects and some reference materials, two express branches which have 18,000-25,000 volumes and collections with popular materials and three mini branches containing 18,000-25,000 volumes serving the smaller communities of Augusta, Portage des Sioux, New Melle and the surrounding area. The St. Charles City-County Library District has reciprocal agreements with the St. Louis City and St. Louis County Libraries.

Police and Fire Protection. Police protection is provided by the County's police department, which consists of approximately 187 employees, including approximately 130 commissioned officers. Before January 1, 2015, the County's sheriff department provided police protection; the sheriff department is now responsible for court security, transporting prisoners and process serving.

The following cities have their own police department: Cottleville, Foristell, Lake St. Louis, New Melle, O'Fallon, St. Charles, St. Peters and Wentzville. There are 10 fire protection districts and one municipal fire department within the County, which operate independently of the County government. The City of St. Charles Fire Department, Central County Fire and Rescue Protection District and the Cottleville Community Fire Protection District are staffed with full-time career firefighters. The Lake St. Louis, New Melle, O'Fallon and Wentzville Fire Protection Districts employ a combination of career and volunteer firefighters to protect their citizens. The Augusta, Old Monroe, Orchard Farm and Rivers Pointe Fire Protection Districts are staffed by volunteers. St. Charles County Ambulance District provides 24-hour transfer service and emergency medical treatment from 14 bases located throughout the County. Ambulance service in the City of St. Charles is provided by the St. Charles Fire Department.

Recreational Facilities. Residents of the County enjoy life in a pleasant community with an excellent park system, historical sights and recreational facilities. Within the County there are numerous public parks, tennis courts, swimming pools and golf courses, including the Katy Trail State Park, a hiking and biking trail along the route of the Missouri-Kansas-Texas Railroad, which ceased operation in 1986. Other attractions in the County include the Family Arena, the August A. Busch Wildlife Preserve, consisting of approximately 7,000 acres of land near Weldon Spring with facilities for hunting, fishing and hiking, the historic districts in the City of St. Charles with many historic buildings, antique shops and home-style restaurants, and Missouri's first state capitol.

Located in adjacent St. Louis County and the nearby City of St. Louis are many recreational and cultural facilities available to residents of the County, including the St. Louis Arch, St. Louis Zoo, Missouri Botanical Gardens, St. Louis Cardinals baseball, St. Louis Blues hockey and the St. Louis Symphony.

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APPENDIX B

AUDITED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT OF THE COLLEGE FOR THE FISCAL YEAR ENDED JUNE 30, 2015

ST. CHARLES COMMUNITY COLLEGE

CONTENTS

BOTZ, DEAL & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS AND ADVISORS

INDEPENDENT AUDITORS' REPORT

The Board of Trustees
ST. CHARLES COMMUNITY COLLEGE

We have audited the accompanying financial statements of the business-type activities and the aggregate discretely presented component unit of the St. Charles Community College as of and for the year ended June 30, 2015, which collectively comprise the College's basic financial statements as listed in the table of contents, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

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ST. CHARLES, MO 63301
(636) 946-2800
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botzdeal@botzdeal.com

Opinions

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

Other-Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pension schedules and schedule of funding progress on pages 3 through 8 and 34 through 36 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 3, 2015, on our consideration of the St. Charles Community 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 the 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 St. Charles Community College's over financial reporting and compliance.

Botz, Deal & Company

September 3, 2015

INTRODUCTION

Management's discussion and analysis is an overview of the financial position and activities of St. Charles Community College (the College). It should be read in conjunction with the financial statements and notes that follow. The financial statements include the St. Charles Community College Foundation, Inc. (the Foundation) as a discretely presented component unit. The Foundation issues separate financial statements, which can be obtained by contacting the Foundation office.

There are three financial statements presented: the Statement of Net Position; the Statement of Revenues, Expenses and Changes in Net Position; and, the Statement of Cash Flows. The emphasis of the discussion concerning the financial statements is on the current year data. Summarized prior year information is available in this report for comparative analysis.

STATEMENT OF NET POSITION

The Statement of Net Position presents the assets, liabilities and net position of the College as of June 30, 2015. The purpose of the Statement of Net Position is to present a snapshot of the financial condition of the College. Total net position, which is total assets and deferred outflows less total liabilities and deferred inflows, is one of the indicators of the current financial condition of the College.

Assets and liabilities are categorized as current or non-current. Current assets and liabilities mature or become payable within the current twelve month accounting cycle versus non-current, which mature or become payable after the current twelve month accounting cycle. At June 30, 2015, the current assets consist primarily of cash, cash equivalents, short-term investments, accounts receivable, taxes receivable, bookstore inventory, and other assets. Non-current assets consist primarily of property and equipment. Property and equipment are the capital assets owned by the College.

Net position is presented in three categories: Net investment in capital assets, restricted and unrestricted. Restricted net position is generally those assets that are restricted for various grant projects and services. Unrestricted net position is available to meet current expenses for any lawful purpose.

The following table shows the College's net assets at June 30, 2015 and 2014:

	2015	2014
Current assets	$ 28,318,165	$ 26,863,107
Non-current assets	60,180,073	62,440,071
Total Assets	88,498,238	89,303,178
Deferred outflows	3,396,769	-
Current liabilities	7,039,122	7,961,916
Non-current liabilities	46,058,633	33,803,050
Total Liabilities	53,097,755	41,764,966
Deferred inflows	8,187,055	-
Invested in capital assets, net of related debt	30,375,019	28,765,434
Restricted	757,717	577,667
Unrestricted	(522,539)	18,195,111
Total Net Position	$ 30,610,197	$ 47,538,212

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

The Statement of Revenues, Expenses and Changes in Net Position reflects the financial results for the fiscal year. This statement includes revenues and expenses, both operating and non-operating.

Operating revenues and expenses are those for which there is a direct exchange of goods and services. Non-operating revenues and expenses are those that exclude the specific, direct exchange of goods and services. Local property tax revenue and state aid are examples of non-operating revenues where the local taxpayers and the state legislature, respectively, do not receive goods and services directly for the revenue. Examples of operating revenues are tuition and fees and auxiliary revenues where students and patrons receive a direct benefit in exchange for goods and services provided.

The following summarizes the College's revenues, expenses, and changes in net position for the years ended June 30, 2015 and 2014:

	2015	2014
Operating revenues	$ 29,898,713	$ 30,895,126
Operating expenses	49,680,857	52,139,306
Operating Loss	(19,782,144)	(21,244,180)
Non-Operating revenues (expenses)	25,159,430	22,195,523
Change in Net Position	5,377,286	951,343
Net position, beginning of the year	47,538,212	46,586,869
Change in accounting principle	(22,305,301)	-
Net position, end of the year	$ 30,610,197	$ 47,538,212

One of the financial strengths of the College is the diversity of resources that support student tuition and fees. The following table reflects the revenues, both operating and non-operating for the years ended June 30, 2015 and 2014:

	2015	2014
Operating Revenues		
Tuition and fees	$ 15,098,704	$ 15,650,080
Grants and contracts	11,215,443	12,104,131
Auxiliary enterprises	2,225,978	2,141,257
Other revenues	1,358,588	999,658
Total Operating Revenues	29,898,713	30,895,126
Non-operating Revenues		
Local property tax revenues	15,837,558	16,286,761
State appropriations	7,977,856	7,375,987
Investment income	54,819	25,723
Gain on disposal of assets	2,581,027	-
Total Non-operating Revenues	$ 26,451,260	$ 23,688,471

Operating revenues decreased overall. Tuition was lower due to a decline in enrollment. Revenue from grants decreased from the prior year. Other revenues increased due to a private gift received for the redesign of the College's website. Non-operating revenues increased overall. State appropriations for general operations increased due to the College achieving performance funding objectives. The College realized a gain from the sale of idle real estate.

Listed below are the components of expenses, both operating and non-operating, for the College during fiscal years 2015 and 2014 by their natural classification:

		2015		2014
Operating Expenses				
Salaries and benefits	$	33,554,893	$	33,955,327
Supplies and materials		8,302,232		10,395,835
Utilities and insurance		1,225,300		1,034,200
Student aid		3,952,060		4,142,866
Depreciation		2,646,372		2,611,078
Total Operating Expenses		49,680,857		52,139,306
Non-operating Expenses				
Interest on capital asset related debt		1,370,382		1,519,607
Amortization		(78,552)		(26,659)
Total Non-operating Expenses	$	1,291,830	$	1,492,948

Expenses for salaries and benefits decreased due to the reduction in retirement expenses resulting from the implementation of GASB Statement No. 68, as amended by GASB Statement No. 71. Supplies and materials decreased as several non-recurring projects and grant programs were completed or substantially complete in fiscal year 2014. This includes the nursing and allied health relocation and the payroll/human resources computer module implementation. Utilities increased due to higher sewer and electric service costs. Insurance premium renewals increased for general liability and workers compensation insurance. Changes in student aid fluctuate based on eligibility levels.

The following shows the functions of operating expense for the College for the fiscal years 2015 and 2014:

		2015		2014
Instruction	$	22,975,892	$	24,544,359
Institutional support		7,139,236		7,577,946
Operation and maintenance of plant		5,603,956		5,657,696
Student services		3,266,723		3,410,812
Academic support		928,626		1,004,549
Library		913,793		964,685
Student aid		3,952,060		4,142,866
Auxiliary services		2,254,199		2,225,315
Depreciation		2,646,372		2,611,078
Total Operating Expenses	$	49,680,857	$	52,139,306

STATEMENT OF CASH FLOWS

The Statement of Cash Flows presents the cash activity for the fiscal year. This statement shows the major sources and uses of cash. The following is a summary of the statement of cash flows for the years ended June 30, 2015 and 2014:

		2015		2014
Cash provided (used) by:				
Operating activities	$	(19,194,329)	$	(18,071,388)
Non-capital financing activities		23,831,514		23,746,887
Capital financing activities		(3,018,365)		(4,846,759)
Investing activities		(2,632,572)		264,318
Net change in cash and cash equivalents		(1,013,752)		1,093,058
Cash and cash equivalents, beginning of year		4,329,979		3,236,921
Cash and cash equivalents, end of year	$	3,316,227	$	4,329,979

CAPITAL ASSETS AND DEBT ADMINISTRATION

The College had $29,380,000 in General Obligation Refunding Bonds outstanding at June 30, 2015. Principal retirement payments of $3,885,000 were made on the College's outstanding debt. Further information related to the bonds payable can be found in the footnotes to the financial statements.

ECONOMIC OUTLOOK

Budgeted revenue for general operations for fiscal year 2016 is 5.0% higher than the previous fiscal year budget. The downward pressure on funding experienced over the last five fiscal years appears to be easing somewhat. Economic recovery at the state and local levels is expected to provide some relief in the coming year.

Enrollment is expected to be nearly level in the total number of credit hours for fiscal year 2016 compared to actual results for fiscal year 2015. This follows enrollment for fiscal year 2015 that was 2.6% below fiscal year 2014. Tuition rates were increased for fiscal year 2016. The in-district tuition rate increased $3 to $98 per credit hour. The out-of-district rate was also changed.

The College's fiscal year 2016 appropriation from the State of Missouri is budgeted to increase by 11.5% from the fiscal year 2015 budgeted amount. Included in this increase are appropriations for successfully achieving all performance measures and a proportional share of $5.54 million in equity funding to be divided among the Missouri community colleges.

The fiscal year 2016 budget for local property tax revenues anticipates an increase of 6.0% from the fiscal year 2015 budgeted amount. The value of property in the College's district will be reassessed in fiscal year 2016. It is expected overall property values will increase by roughly 5.0% due to the reassessment process and a modest amount of new construction.

The expenditure budget for fiscal year 2016 includes 1 new full-time faculty position, 6 new staff positions, funding for several part-time positions and upgrades of several part-time positions to full-time. The faculty position is for Chemistry. The full-time staff positions include a Colleague System Administrator, Registration Assistant, Chemical Safety Officer, Learning Specialist and Events Coordinator.

The expenditure budget also includes funding for Strategic Plan Priorities developed through extensive campus self-evaluation and collaboration. The funded priorities include an emphasis on faculty professional development, the creation of an Honors Program and greater focus on student recruitment and retention.

A Memorandum of Understanding (MOU) was reached with the full-time faculty association effective at the start of fiscal year 2015 (effective July 1, 2014) and continuing through fiscal year 2020 (ending June 30, 2020). In accordance with the MOU, compensation terms may be reopened for discussion prior to fiscal year 2018. Among other important considerations, the faculty agreement provides a general salary increase plus market adjustments annually for each full-time faculty member for fiscal year 2015 through fiscal year 2017.

Current and foreseeable financial resources support the College's educational mission. The financial plan continues to allow students to receive a quality education at an affordable cost. The College continues to operate from a strong financial base.

CONTACTING THE COLLEGE'S FINANCIAL MANAGEMENT

This financial report is designed to provide the citizens, taxpayers, customers, investors, and creditors with a general overview of the College's finances.

If you have any questions about this report or need additional information, contact:

Vice President for Administrative Services
4601 Mid Rivers Mall Drive
Cottleville, MO 63376-2865

ST. CHARLES COMMUNITY COLLEGE
STATEMENT OF NET POSITION
JUNE 30, 2015

	Primary Government	Component Unit Foundation
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 3,316,227	$ 405,387
Investments	21,423,232	219,070
Accounts receivable	1,893,972	7,925
Contributions receivable	-	164,750
Interest receivable	20,784	-
Taxes receivable	525,135	-
Inventory	850,282	-
Prepaid expenses	288,533	-
TOTAL CURRENT ASSETS	28,318,165	797,132
NONCURRENT ASSETS		
Limited partnership interest	-	1
Contributions receivable	-	123,990
Cash surrender value of life insurance	-	29,418
Capital assets, net	60,180,073	-
TOTAL NONCURRENT ASSETS	60,180,073	153,409
TOTAL ASSETS	88,498,238	950,541
DEFERRED OUTFLOWS		
Pension related deferred outflows	3,396,769	-
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	494,809	307,645
Accrued payroll expenses	1,210,877	-
Interest payable	467,053	-
Advance student fees	1,579,329	-
Deposits	2,785	-
Current portion of compensated absences	659,405	-
Current portion of bond premium	89,864	-
Current portion of long-term debt	2,535,000	-
TOTAL CURRENT LIABILITIES	7,039,122	307,645
NONCURRENT LIABILITIES		
Compensated absences	658,879	-
Other post-employment benefits obligation	2,841,350	-
Net pension liability	15,378,214	-
Bond premium, net	241,221	-
Long-term debt	26,938,969	-
TOTAL NONCURRENT LIABILITIES	46,058,633	-
TOTAL LIABILITIES	53,097,755	307,645
DEFERRED INFLOWS		
Pension related deferred inflows	8,187,055	-
NET POSITION		
NET POSITION		
Net investment in capital assets	30,375,019	-
Restricted:		
Expendable:		
Special projects	757,717	-
Scholarships and grants	-	461,188
Nonexpendable - permanent endowments	-	77,955
Unrestricted	(522,539)	103,753
TOTAL NET POSITION	$ 30,610,197	$ 642,896

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

ST. CHARLES COMMUNITY COLLEGE
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2015

	Primary Government	Component Unit - Foundation Unrestricted	Temporarily Restricted	Permanently Restricted	Total
OPERATING REVENUES					
Tuition and fees, net of scholarship allowances of $2,930,839	$ 15,098,704	$ -	$ -	$ -	$ -
Auxiliary enterprise revenues, net of scholarship allowances of $34,889	2,225,978	-	-	-	-
Governmental grants and contracts	11,215,443	-	-	-	-
Private gifts and contributions	342,611	42,175	348,336	450	390,961
Other operating revenues	1,015,977	-	-	-	-
Special events	-	78,377	-	-	78,377
Change in value of split-interest agreements	-	-	(4,755)	-	(4,755)
In-kind contributions	-	190,061	-	-	190,061
Net assets released from restriction:					
Satisfaction of purpose restrictions	-	352,368	(352,368)	-	-
TOTAL OPERATING REVENUES	29,898,713	662,981	(8,787)	450	654,644
OPERATING EXPENSES					
Educational and General:					
Instruction	22,975,892	-	-	-	-
Institutional support	7,139,236	-	-	-	-
Operation and maintenance of plant	5,603,956	-	-	-	-
Student services	3,266,723	-	-	-	-
Academic support	928,626	-	-	-	-
Library	913,793	-	-	-	-
Student aid	3,952,060	-	-	-	-
Total Educational And General	44,780,286	-	-	-	-
Auxiliary enterprise expenditures	2,254,199	-	-	-	-
Depreciation	2,646,372	-	-	-	-
Foundation	-	682,948	-	-	682,948
TOTAL OPERATING EXPENSES	49,680,857	682,948	-	-	682,948
OPERATING INCOME (LOSS)	(19,782,144)	(19,967)	(8,787)	450	(28,304)
NONOPERATING REVENUES (EXPENSES)					
Taxes	15,837,558	-	-	-	-
State appropriations	7,977,856	-	-	-	-
Unrealized gain on investments	-	-	6,904	-	6,904
Investment income	54,819	544	-	-	544
Gain on disposal of assets	2,581,027	-	-	-	-
Interest on capital asset-related debt	(1,370,382)	-	-	-	-
Amortization of bond premium	78,552	-	-	-	-
TOTAL NONOPERATING REVENUES (EXPENSES)	25,159,430	544	6,904	-	7,448
CHANGE IN NET POSITION	5,377,286	(19,423)	(1,883)	450	(20,856)
NET POSITION, BEGINNING OF YEAR, AS PREVIOUSLY STATED	47,538,212	123,176	463,071	77,505	663,752
Change in accounting principle	(22,305,301)	-	-	-	-
NET POSITION, BEGINNING OF YEAR, AS RESTATED	25,232,911	123,176	463,071	77,505	663,752
NET POSITION, END OF YEAR	$ 30,610,197	$ 103,753	$ 461,188	$ 77,955	$ 642,896

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

ST. CHARLES COMMUNITY COLLEGE

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2015

	Primary Government	Component Unit Foundation
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from tuition and fees	$ 15,122,628	$ -
Cash received from grants, contracts and public support	11,427,046	362,514
Cash received from auxiliary enterprise charges	4,652,478	-
Cash paid to employees	(28,244,182)	-
Cash paid to suppliers	(19,558,827)	(50,870)
Cash paid as grants	(3,952,060)	(229,200)
Other receipts	1,358,588	544
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(19,194,329)	82,988
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Cash received from taxes collected	15,853,658	-
Cash received from state appropriations	7,977,856	-
Direct loan receipts	3,654,653	-
Direct loan disbursements	(3,654,653)	-
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	23,831,514	-
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
Proceeds from disposal of assets	2,727,550	-
Purchases of capital assets	(250,990)	-
Principal payments on debt and capital leases	(4,072,938)	-
Interest payments on debt and capital leases	(1,421,987)	-
NET CASH USED BY CAPITAL FINANCING ACTIVITIES	(3,018,365)	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	25,559,519	3,724
Purchase of investments	(28,234,936)	(20,909)
Interest on investments	42,845	-
NET CASH USED BY INVESTING ACTIVITIES	(2,632,572)	(17,185)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,013,752)	65,803
CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR	4,329,979	339,584
CASH AND CASH EQUIVALENTS, END OF THE YEAR	$ 3,316,227	$ 405,387

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

RECONCILIATION OF OPERATING LOSS/CHANGE IN NET ASSETS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES

	Primary Government	Component Unit Foundation
OPERATING LOSS/CHANGE IN NET ASSETS	$ (19,782,144)	$ (20,856)
ADJUSTMENTS TO RECONCILE OPERATING LOSS/CHANGE IN NET ASSETS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Depreciation	2,646,372	-
Unrealized gain on investments	-	(6,904)
(Increase) decrease in assets:		
Accounts receivable	517,747	10,940
Contributions receivable	-	(112,474)
Cash surrender value	-	(535)
Inventory	(289,833)	-
Prepaid expenses	(25,433)	-
Increase (decrease) in liabilities:		
Accounts payable	(350,315)	212,817
Accrued payroll expenses	(812,338)	-
Compensated absences	65,259	-
Advance student fees	242,390	-
Deposits	51	-
Other post employment benefits obligation	730,716	-
Net pension liability	(2,136,801)	-
TOTAL ADJUSTMENTS	587,815	103,844
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	$ (19,194,329)	$ 82,988
NONCASH TRANSACTIONS		
Purchase of capital asset with lease	$ 281,907	$ -
Donated services	-	190,061

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

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Reporting Entity - The College, formed in 1986, is a special purpose government governed by a six member Board of Trustees and administered by the President. The College is accredited by the State of Missouri and by the North Central Association of Colleges and Schools, a voluntary organization.

GASB Statement 14, as amended by GASB Statement 61, has been applied in determining the financial reporting entity of the College. GASB requires the financial reporting entity to include the following:

- the primary government;
- other organizations for which the primary government is financially accountable;
- any for-profit corporations of which the primary government holds a majority ownership for the purpose of directly facilitating provision of government services; and
- any other organization whose exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

In evaluating the College as a reporting entity, management has addressed all potential component units which may or may not fall within the College's reporting entity because of the significance of their operational or financial relationships with the College. Included in these financial statements is the financial data of St. Charles Community College Foundation, Inc., a discretely presented component unit and St. Charles Community College Educational Facilities Authority, a blended component unit.

The College is not included in any other governmental "reporting entity" as defined by GASB pronouncements, since Board members are elected by the public and have decision making authority, the authority to levy taxes, the power to designate management, the ability to significantly influence operations and primary accountability for fiscal matters.

Discretely Presented Component Unit - St. Charles Community College Foundation, Inc. (the Foundation) is a nonprofit organization formed to support the mission of the St. Charles Community College and activities in the field of education. The Foundation is a legally separate, tax exempt component unit of the College. The Foundation receives revenue primarily through fundraising efforts and contributions, which are used to provide scholarships to students attending the College and grants to the College for various educational purposes. The Foundation has issued separate financial statements for the fiscal year ended June 30, 2015. These statements may be obtained by contacting the St. Charles Community College Foundation.

Blended Component Unit - St. Charles Community College Educational Facilities Authority (the Authority) is a nonprofit organization formed for the purpose of benefiting and carrying out the purposes of the College, by providing for the acquisition, construction, improvement, extension, repair, remodeling, renovation, financing and refinancing of sites, buildings, structures, facilities, furnishings and equipment for the benefit or use of the College for its authorized purposes. The financial data of the Authority is reported as part of the College and blended into the financial statements. The Authority had no assets or liabilities at June 30, 2015. The College provides resources to the Authority in an amount to pay outstanding debt. During the fiscal year ended June 30, 2015, the Authority received $66,698 from the College to cover interest on outstanding debt and $1,245,102 to retire the outstanding leasehold revenue bonds.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** ***(continued)***

Basis of Presentation - For financial reporting purposes, the College is considered a special purpose governmental agency engaged only in business-type activities, as defined by GASB Statement No. 34, *Basic Financial Statements - Management's Discussion and Analysis – for State and Local Governments,* as amended by Statement No. 35, *Basic Financial Statements – Management's Discussion and Analysis – for Public Colleges and Universities;* Statement No. 37, *Basic Financial Statements – Management's Discussion and Analysis - for State and Local Governments: Omnibus;* and Statement No. 38, *Certain Financial Statement Disclosures.* Accordingly, the College's financial statements have been presented on the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred.

Classification of Net Position - The College's net position is classified as follows:

> *Net investment in capital assets* represents the College's total investment in capital assets, net of outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of invested in capital assets, net of related debt.
>
> *Restricted, expendable* net position includes resources that the College is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties.
>
> *Restricted, nonexpendable* net position includes resources in which the principal must remain in perpetuity.
>
> *Unrestricted* net position represents resources derived from student tuition and fees, state appropriations, and auxiliary enterprises. While unrestricted net position may be designated for specific purposes by action of management or the Board of Trustees, it is available for use, at the discretion of the governing board, to meet current expenses for any purpose.

The statement of net position is presented in a classified format to distinguish between current and noncurrent assets and liabilities. When both restricted and unrestricted resources are available to fund certain programs, it is the College's policy to first apply the restricted resources to such programs followed by the use of the unrestricted resources.

Contributions - All contributions received by the Foundation are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily or permanently restricted support that increases those net asset classes.

Donated Services - Donated services for the Foundation are recorded as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Foundation.

Cash and Cash Equivalents - The College and Foundation consider all highly liquid debt instruments with an original maturity of three months or less from the date of acquisition to be cash equivalents.

Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)***

Scholarship Allowances and Student Financial Aid - Student tuition and fees, and certain other revenues from students, are reported net of scholarship discounts and allowances in the statement of revenues, expenses and changes in net position/assets. Scholarship discounts and allowances are the difference between the stated charge for goods and services provided by the College and the amount that is paid by students and/or third parties making payments on the students' behalf. Certain governmental grants, such as Pell grants and other federal, state or nongovernmental programs, are recorded as either operating or non-operating revenues in the College's financial statements. To the extent that revenues for such programs are used to satisfy tuition and fees and certain other student charges, the College has recorded a scholarship discount and allowance.

Budget Policy - The budget is prepared under the direction of the College President. The budget is based upon information provided by the various department heads through the planning process and results in a college-wide plan being submitted and approved. The Office of Administrative Services is responsible for preparing the preliminary budget and submitting it to the President. The President submits the preliminary budget to the Board of Trustees for final approval in June. The Board of Trustees may revise items contained in the final budget.

Investments - The College's investment policies follow the policies of the State of Missouri, which authorizes the College to invest in obligations of the U.S. Treasury and U.S. Government Agencies, State Governments, local governments within Missouri, and collateralized certificates of deposit. Investments in marketable securities with readily determinable fair values are stated at fair market value.

The Foundation's investments in marketable securities with readily determinable fair values are stated at fair market value. Investments that do not have readily determinable fair market values are recorded at cost, the equity method or the fair market value at the date of the gift depending on the Foundation ownership interest.

Inventory - Inventory consists of textbooks and related bookstore items as well as food service items held for resale. The inventory is stated at the lower of cost or market value on a first-in, first-out basis.

Prepaid items - Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the financial statements.

Cash surrender value of life insurance - The cash surrender value of two Universal Life insurance policies, included in the Statement of Financial Position for the year ending June 30, 2015, amounted to $29,418. The policies, owned by the Foundation, were established during 2010 by a member of the board of directors and the former Executive Director as the insured parties. These individuals contribute an amount to the Foundation equal to the premiums paid by the Foundation for the policies. The death benefit on the policies will be paid to the Foundation as the beneficiary.

Bond Discount/Premium - Bond discounts and premiums are amortized over the life of the bonds. Amortization for the year ended June 30, 2015 amounted to $78,552.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** ***(continued)***

Capital Assets - All capital expenditures of $5,000 or more having an estimated life of more than one year are capitalized at cost or fair market value, if donated. Depreciation is recorded using the straight-line method over the estimated service lives as follows:

Major Group	Life
Buildings	40 years
Land improvements	15 years
Equipment and furniture	5 - 10 years
Vehicles	5 years
Leased equipment	5 years

Depreciation expense for the year ended June 30, 2015 was $2,646,372.

Advertising - The College and Foundation follow the policy of charging the cost of advertising to expense as incurred. Advertising expense for the primary government was $382,291 for the year ended June 30, 2015. For the component unit, advertising expense amounted to $1,894 for the year ended June 30, 2015.

Accounts Receivable - Accounts receivable consists of balances due from students for tuition and other fees as well as government and other businesses for various other program related charges. Very few accounts are written off, because the College has the potential to collect outstanding debts through the State of Missouri's Debt Offset Program. The allowance for doubtful accounts totals $717,687 at June 30, 2015. Approximately, 29% of the College's outstanding accounts receivable are due from one local manufacturer and the Missouri Department of Education.

Income Taxes - The Foundation qualifies as a nonprofit organization and is exempt from Federal and State income taxes pursuant to Internal Revenue Code Section 501(c)(3). The Foundation does not have unrelated business income, excise taxes, or activities that would threaten the Foundation's tax-exempt status. Accordingly, no provision for Federal or State income taxes is provided. The Foundation files an information return, IRS Form 990. The Foundation has also been classified as an entity that is not a private foundation within the meaning of Section 509(a).

The Foundation follows the provisions relating to Accounting for Uncertainty in Income Taxes and management is not aware of any uncertain tax provisions of the Foundation related to tax filings.

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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

Net Position as previously reported at June 30, 2014:	$	47,538,212
Prior period adjustment:		
Net Pension Liability (measurement date as of June 30, 2013)		(25,022,207)
Deferred outflows:		
District contributions made during fiscal year 2014		2,716,906
Total prior period adjustment		(22,305,301)
Net Position as restated, July 1, 2014	$	25,232,911

Operating and Nonoperating activities - Operating activities are transactions that result from exchange transactions, such as payments received for providing services and payments made for services or goods received. Federal grant revenue consisting primarily of Pell grants and SEOG grants are reported as operating revenue as these funds replace an equal amount of tuition revenue and/or directly related to the principal operations of the College. Nonoperating activities include state appropriations, property taxes and interest.

Expense Allocation - The costs of providing various programs and other activities for the Foundation have been summarized on a functional basis in the Statement of Revenues, Expenses and Changes in Net Position. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

2. CASH AND INVESTMENTS

Primary government:

Custodial credit risk - For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the College will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The College's cash balance is held at one financial institution. Collateral is required for demand and time deposits. Obligations that may be pledged as collateral are of the same type in which the College may invest. Obligations to secure deposits are held by the College's agent bank or in the agent bank's joint-custody account at the Federal Reserve Bank. Bank balances were insured by federal depository insurance or collateralized by securities as follows at June 30, 2015.

Total bank deposits	$	10,472,952
FDIC insured		(250,000)
Pledged collateral held by pledging institution		(10,222,952)
Uninsured bank deposits	$	-

The College follows the Missouri Model Investment Policy as its formal investment policy.

Interest rate risk - The College minimizes the risk that the market value of securities in the portfolio will fall due to changes in general interest rates by (1) structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity and; (2) investing operating funds primarily in shorter-term securities. The College's investment balances and maturities at June 30, 2015 are as follows:

2. **CASH AND INVESTMENTS** ***(continued)***

Investment Type		Fair Value		Less than 6 months		6 -12 months		More than 1 year
U.S. Agency securities	$	12,039,093	$	7,001,193	$	5,037,900	$	-
U.S. Treasury securities		2,524,139		1,014,559		1,509,580		-
Certificates of deposit		6,860,000		4,360,000		2,500,000		-
TOTAL	$	21,432,232	$	12,375,752	$	9,047,480	$	-

Credit risk - The College's investment policies are governed by the Treasurer of the State of Missouri, which authorizes the College to invest in obligations of the U.S. Treasury and U.S. Government agencies, State Governments, and local governments within Missouri. These investments are rated AA+ by Standard & Poor's.

Concentration of credit risk - The College's policy is to diversify investments to minimize the risk of loss resulting from over concentration of assets in specific maturity, specific issuer, or specific class of security. At a minimum, the maximum security type and issuer shall be:

U.S. Treasuries and securities having principal and/or interest guaranteed by the U.S government	100%
Collateralized time and demand deposits	100
U.S. Government agencies, and government Sponsored enterprises	60
Collateralized repurchase agreements	50
U.S. Government agency callable securities	30

Investments in any one issuer that represent 5% or more of total College investments are as follows:

Investment Type	Percentage Of Investments
U.S. Agency securities	57%
Certificates of deposit	31
U.S. Treasury securities	12

Component unit:

Custodial credit risk - The Foundation maintains its cash in one financial institution located in St. Charles County. The carrying amount of the cash at June 30, 2015 was $405,387 and the bank balance was $406,285. The account is guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to $250,000 per bank. The Foundation has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

The Foundation's investments consist of following at June 30, 2015:

		Cost		Market Value		Unrealized Gain
Mutual funds	$	163,570	$	219,070	$	55,500

3. LIMITED PARTNERSHIP INTEREST

The limited partnership interest at June 30, 2015 for the Foundation consists of a 98.9% interest in a limited partnership which will terminate on December 31, 2059. Beginning May 5, 2014 and every five years thereafter, the Foundation, as the limited partner is granted a "put option" which allows for the liquidation of its interest at a ratio proportionate to the number of years it has held the interest and discount for early withdrawal. While the Foundation is a major owner, it has no control over the partnership including management and distribution decisions. The limited partnership interest at June 30, 2015 is $1 as the future value cannot be determined with any certainty.

4. CONTRIBUTIONS RECEIVABLE

The Foundation has been named the beneficiary in a Charitable Remainder Unitrust. This unconditional promise to give will be received upon the death of the donor. Based on the life expectancy of the donor, the contribution is expected to be received in approximately 8 years.

In addition, the Foundation has unconditional promises to give from various local companies and individuals. One of the gifts will be paid in quarterly payments of $6,250 for four years beginning in the third quarter of 2013. The contributions have been recorded at the present value of the estimated future cash flows using a discount rate of 4% at June 30, 2015. No allowance for uncollectible receivables has been included in the financial statements as all amounts are considered collectible as follows:

Less than one year	$	164,750
One - five years		25,000
More than five years		128,059
Total contributions receivable		317,809
Less: discounts to net present value		(29,069)
Net contributions receivable	$	288,740

5. FAIR VALUE MEASUREMENTS

Financial assets valued using level 1 inputs are based on unadjusted quoted market prices within active markets. Financial assets valued using level 2 inputs are based primarily on quoted prices for similar assets in active or inactive markets. Financial assets valued using level 3 inputs are based primarily on assumptions about the marketability of the assets.

Fair values of assets measured on a recurring basis at June 30, 2015 are as follows:

		Fair Value		Quoted Prices In Active Markets For Identical Assets (Level 1)		Significant Other Observable Inputs (Level 2)		Significant Unobservable Inputs (Level 3)
Primary government:								
U.S. Agency securities	$	12,039,093	$	12,039,093	$	-	$	-
U.S. Treasury securities		2,524,139		2,524,139				
Certificates of deposit		6,860,000		6,860,000		-		-
TOTAL	$	21,432,232	$	21,432,212	$	-	$	-
Component unit:								
Mutual Funds	$	219,070	$	219,070	$	-	$	-
Ltd Partnership Interest		1		-		-		1
Contributions Receivable		288,740		-		-		288,740
TOTAL	$	507,811	$	219,070	$	-	$	288,741

6. PROPERTY TAX

The College's property tax is levied in September of each year based on the assessed value listed as of the prior January 1st for all property located in the College's district. Property taxes are due by December 31st, following the levy date, and a lien is placed on the property as of January 1st if the taxes are not paid by the due date. Assessed values are established by the County Assessor subject to review by the Board of Equalization. The assessed value for property located in the County was $7,049,219,337.

The College is permitted by Missouri State Statutes to levy taxes for various purposes. The following presents the College's levy for the fiscal year ended June 30, 2015:

Operations	$	0.1796
Debt retirement		0.0400

7. CAPITAL ASSETS

A summary of changes in capital assets for the year ended June 30, 2015 is as follows:

	Beginning Balance	Additions	Disposals/ Transfers	Ending Balance
Capital assets, not being depreciated:				
Land	$ 7,244,947	$ -	$ (146,523)	$ 7,098,424
Capital assets, being depreciated:				
Buildings and improvements	74,093,492	-	-	74,093,492
Land improvements	9,591,177	-	-	9,591,177
Equipment and furniture	5,790,948	518,790	(239,460)	6,070,278
Vehicles	404,055	14,107	(11,412)	406,750
Total capital assets, being depreciated	89,879,672	532,897	(250,872)	90,161,697
Less, accumulated depreciation for:				
Buildings and improvements	(26,876,616)	(1,852,896)	-	(28,729,512)
Land improvements	(3,829,271)	(296,279)	-	(4,125,550)
Equipment and furniture	(3,689,999)	(456,226)	239,460	(3,906,765)
Vehicles	(288,662)	(40,971)	11,412	(318,221)
Total accumulated depreciation	(34,684,548)	(2,646,372)	250,872	(37,080,048)
Total capital assets, being depreciated, net	55,195,124	(2,113,475)	-	53,081,649
Total capital assets, net	$ 62,440,071	$ (2,113,475)	$ (146,523)	$ 60,180,073

8. ACCUMULATED UNPAID VACATION AND SICK LEAVE

The College's employees earn vacation during the year, which may accumulate to a maximum of 44 days. Accrued vacation time is payable to the employee upon termination. The total liability for vacation is $1,318,284 at June 30, 2015. Sick leave may be accumulated up to a maximum of 120 days. The College's employees have accumulated sick leave of $4,158,271 at June 30, 2015. Accrued sick leave is cancelled upon termination of an employee; therefore, no liability has been accrued.

9. NONCURRENT LIABILITIES

Noncurrent liabilities consist of the following issues at June 30, 2015:

General Obligation Refunding Bonds, Series 2005, payable in annual installments through February, 2018, interest at 4.0% to 5.25%	$	7,610,000
General Obligation Refunding Bonds, Series 2009, payable in annual installments through February 2026, interest at 3.5% to 4.0%		21,770,000
TOTAL BONDS PAYABLE	$	29,380,000

The following is a summary of the changes in long-term liabilities:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Leasehold Revenue Bonds - Series 2004	$ 1,475,000	$ -	$ 1,475,000	$ -	$ -
General Obligation Bonds - Series 2005	10,020,000	-	2,410,000	7,610,000	2,535,000
General Obligation Bonds - Series 2009	21,770,000	-	-	21,770,000	-
Bond discount/premium, net	409,637	-	78,552	331,085	89,864
Capital lease	-	281,907	187,938	93,969	-
Compensated absences	1,253,025	65,259	-	1,318,284	659,405
Net pension liability	-	15,378,214	-	15,378,214	-
OPEB Obligation	2,110,634	819,261	88,545	2,841,350	-
TOTAL	$ 37,038,296	$ 16,544,641	$ 4,238,035	$ 49,342,902	$ 3,284,269

The annual requirements to pay principal and interest on long-term obligations outstanding at June 30, 2015, excluding capital leases and accrued compensated absences payable, are as follows:

	Principal	Interest	Total
2016	$ 2,535,000	$ 1,245,475	$ 3,780,475
2017	2,685,000	1,118,725	3,803,725
2018	2,390,000	984,475	3,374,475
2019	2,360,000	859,000	3,219,000
2020	2,450,000	776,400	3,226,400
2021-2025	13,845,000	2,329,000	16,174,000
2026	3,115,000	124,600	3,239,600
TOTAL	$ 29,380,000	$ 7,437,675	$ 36,817,675

9. BONDS PAYABLE *(continued)*

Total interest incurred on capital asset-related debt amounted to $1,370,382, which is included in interest expense in the Statement of Revenues, Expenses and Changes in Net Position/Assets.

In July 2014, the College entered into a Master Taxable Lease/Purchase Agreement to upgrade network equipment in the amount of $281,907 for a period of three years. Payments of $187,938 were made during 2015, and one payment of $93,969 due in July 2016 remains. The net carrying value of the assets acquired under this capital lease is $239,621 at June 30, 2015.

10. IN-KIND CONTRIBUTIONS

The value of donated services included in in-kind contributions for the Foundation in the financial statements and the corresponding expenses. For the year ended June 30, 2015 the College paid salaries totaling $190,061 for staff providing services to the Foundation.

11. ENDOWMENTS

The endowments of the Foundation consist of individual donor-restricted funds established for a variety of purposes. In accordance with FASB ASC 958-305-45, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. Endowment balances are included in investments in the Statements of Financial Position. Permanently restricted endowment balances include the original value at the date of gift.

The Board of Directors of the Foundation has interpreted the State of Missouri enacted version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary.

As a result of this interpretation, the Foundation classifies as permanently restricted net assets (a) the original value of the gifts donated to the permanent endowment, and (b) the original value of subsequent gifts to the permanent endowment. The remaining portion of the donor-restricted endowment that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA.

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity. Under this policy, the endowment assets are invested in a manner that is intended to produce results while assuming a moderate level of investment risk.

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved both through capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

11. **ENDOWMENTS** ***(continued)***

The Foundation has a policy for distribution of funds each year based on a maximum of three percent of its endowment fund's average fair value over the prior 12 quarters through the fiscal year-end preceding the year in which the funds will be awarded. In establishing this policy, the Foundation considered the long-term expected rate of return on its endowment assets.

The changes in endowment net position for the year ended June 30, 2015 are as follows:

	Temporarily Restricted	Permanently Restricted	Total
Endowment net position, July 1, 2014	$ 120,063	$ 77,505	$ 197,568
Contributions	20,709	450	21,159
Investment return:			
Investment income, net of realized gains and expenses	-	-	-
Net appreciation	6,904	-	6,904
Net position released from restriction	(4,900)	-	(4,900)
Endowment net position, June 30, 2015	$ 142,776	$ 77,955	$ 220,731

12. **FUNCTIONAL CLASSIFICATION OF EXPENSES**

The functional classification of expenses for the Foundation for the fiscal year ended June 30, 2015, is as follows:

	Program	Administrative	Fundraising	Total
Salaries	$ 38,648	$ 45,482	$ 64,937	$ 149,067
Payroll taxes/benefits	10,628	12,508	17,858	40,994
Advertising/printing	-	55	1,839	1,894
Community activities	-	-	430	430
Grants	355,271	-	-	355,271
Miscellaneous	-	-	281	281
Outside services	434	-	47,465	47,899
Scholarships	83,973	-	-	83,973
Supplies	2,346	572	221	3,139
TOTAL	$ 491,300	$ 58,617	$ 133,031	$ 682,948

13. **RETIREMENT PLANS**

Public School Retirement System of Missouri (PSRS):

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

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

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

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

The College's contributions to PSRS were $2,073,935 for the year ended June 30, 2015.

13. **RETIREMENT PLANS *(continued)***

Public Education Employee Retirement System of Missouri (PEERS):

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

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

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

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

The College's contributions to PSRS were $727,077 for the year ended June 30, 2015.

13. **RETIREMENT PLANS *(continued)***

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

At June 30, 2015, the College recorded a liability of $15,378,214 for its proportionate share of the net pension liability. The net pension liability for the plan in total was measured as of June 30, 2014 and determined by an actuarial valuation as of that date. The College's proportionate share of the total net pension liability was based on the ratio of its actual contributions of $2,007,226 paid to PSRS and $709,680 paid to PEERS for the year ended June 30, 2014 relative to the actual contributions of $643,964,894 and $100,035,580, respectively, from all participating employers. At June 30, 2014, the College's proportionate share was 0.3117% for PSRS and 0.7094% for PEERS.

For the year ended June 30, 2015, the district recognized a pension expense of $664,211, its proportionate share of the total pension expense.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Balance of Deferred Outflows and Inflows Due to:		
Differences between expected and actual experience	$ 595,757	$ 77,048
Change of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	7,692,969
Changes in proportion and differences between Employer contributions and proportionate share of contributions	-	417,038
Employer contributions subsequent to measurement date	2,801,012	-
TOTAL	$ 3,396,769	$ 8,187,055

$2,801,012 reported as deferred outflows of resources to pensions resulting from contribution subsequent to the measurement date of June 30, 2014 will be recognized as a reduction to the net pension liability in the year ended June 30, 2016. Other amounts reported as collective deferred (inflows) / outflows of resources to be recognized in pension expense:

Year Ending June 30:	
2016	$ (1,928,367)
2017	(1,928,367)
2018	(1,928,367)
2019	(1,879,305)
2020	52,596
Thereafter	20,512
TOTAL	$ (7,591,298)

13. RETIREMENT PLANS *(continued)*

Actuarial Assumptions

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

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

- Measurement Date	June 30, 2014
- Valuation Date	June 30, 2014
- Expected Return on Investments	8.00%, net of investment expenses and including 2.5% inflation
- Inflation	2.50%
- Total Payroll Growth for PSRS	3.50% per annum, consisting of 2.50% inflation, 0.50% additional inflation due to the inclusion of health care costs in pension earnings, and 0.50% of real wage growth.
- Total Payroll Growth for PEERS	3.75% per annum, consisting of 2.50% inflation, 0.75% additional inflation due to the inclusion of health care costs in pension earnings, and 0.50% of real wage growth.
- Future Salary Increases for PSRS	4.00% - 10.00%, depending on service and including 2.50% inflation, 0.50% additional inflation due to the inclusion of health care costs in pension earnings, and real wage growth of 1.00% to 7.00%.
- Future Salary Increases for PEERS	5.00% - 12.00%, depending on service and including 2.50% inflation, 0.75% additional inflation due to the inclusion of health care costs in pension earnings, and real wage growth of 1.75% to 8.75%.
- Cost-of-Living Increases	2.0% compounded annually, beginning on the fourth January after retirement and capped at 80% lifetime increase.

13. **RETIREMENT PLANS *(continued)***

Actuarial Assumptions *(continued)*

- Mortality Assumption	
Actives:	RP 2000 Mortality Table set back one year for males and six years for females, then projected to 2016 using Scale AA.
Non-Disabled Retirees, Beneficiaries and Survivors:	RP 2000 Mortality Table set back one year for both males and females, then projected to 2016 using Scale AA.
Disabled Retirees:	RP 2000 Disabled Mortality Table
- Changes in Actuarial Assumptions and Methods	There were no changes in actuarial assumptions or methods for the June 30, 2014 valuation.
-Fiduciary Net Position	PSRS issues a publicly available financial report that can be obtained at www.psrs-peers.org
- Expected Rate of Return	The long-term expected rate of return on PSRS/PEERS' investments was determined using a building-block method in which best-estimate ranges of expected future real rates of returns (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PSRS/PEERS' target allocation as of June 30, 2014 is summarized below along with the long term geometric return. Geometric return (also referred to as the time weighted return) is considered standard practice within the investment management industry. Geometric returns represent the compounded rate of growth of a portfolio. The method eliminates the effects created by cashflows.

13. RETIREMENT PLANS *(continued)*

Actuarial Assumptions *(continued)*

Asset Class	Target Asset Allocation	Long-term Expected Real Return Arithmetic Basis	Weighted Long-Term Expected Real Return Arithmetic Basis
U.S. Public Equity	27.0%	5.85%	1.58%
Public Credit	12.0	2.44	0.29
Hedged Assets	6.0	5.22	0.31
Non-U.S. Public Equity	15.0	6.64	1.00
U.S. Treasuries	16.0	1.01	0.16
U.S. TIPS	4.0	1.12	0.04
Private Credit	2.0	7.61	0.15
Private Equity	10.5	8.61	0.90
Private Real Estate	7.5	4.60	0.35
Total	100.0%		4.78
Inflation			2.50
Long-term arithmetical nominal return			7.28
Effect of covariance matrix			0.81
Long-term expected geometric return			8.09%

- Discount Rate

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

Discount Rate Sensitivity

The sensitivity of the district's net pension liability to changes in the discount rate is presented below. The College's net pension liability calculated using the discount rate of 8.0% is presented as well as the net pension liability using a discount rate that is 1.0% lower (7.0%) or 1.0% higher (9.0%) than the current rate.

Discount Rate	1% Decrease (7.00%)	Current Rate (8.00%)	1% Increase (9.00%)
Proportionate share of the Net Pension Liability / (Asset)	$ 33,294,310	$ 15,378,214	$ 328,828

13. RETIREMENT PLANS *(continued)*

In addition, the College has established a 403(b) tax sheltered annuity plan available to all full-time and part-time employees. Participants make contributions to the plan through payroll deductions up to the annual limits established by the Internal Revenue Service. The College does not contribute to this plan.

14. RELATED PARTY TRANSACTIONS

The Foundation raises money for the College to finance various projects and scholarships. The College pays the salaries and benefits of the Foundation's employees. These are recorded as in-kind contributions, which amounted to $190,061 for the year ended June 30, 2015. During the year ended June 30, 2015, the Foundation made grants to the College totaling $355,271. The Foundation made payments to a company owned by a member of the board of directors totaling $9,905 during the year ended June 30, 2015.

15. INDUSTRIAL JOBS TRAINING CERTIFICATES

Under state legislation to provide tax-aided training for employees of industries which are new to or expanding their operations within the State of Missouri, the College has issued Industrial New Jobs Training Taxable Certificates and Industrial Retained Jobs Training Program Certificates. The certificates are to be repaid by payroll tax withholdings related to the new jobs created. If such funds are not sufficient to repay the debt, then other withholding taxes paid by the employer shall be applied. A special trust fund is maintained for the deposit of tax withholdings received from the state and to disburse amounts payable for program costs and debt service. The certificates do not constitute indebtedness of the College and, accordingly, are not included in the accompanying statement of net position. The College has no obligation to repay the debt should the certificate holder become unable to fulfill the obligation.

16. OPERATING LEASES

In March 2013, the College entered into a five-year lease agreement with Lindenwood University for classroom and office space. The lease terms were effective August 1, 2013, and a lease expense of $150,006 was incurred for the year ended June 30, 2015.

The College leased copiers on a month-to-month basis until March 2015. In April 2015, new five-year lease agreements were signed. Lease expense of $95,916 was incurred for the year ended June 30, 2015.

Future minimum lease payments under operating leases are as follows:

2016	$	190,768
2017		172,134
2018		172,134
2019		22,128
2020		18,440
TOTAL	$	575,604

17. OTHER POST EMPLOYMENT BENEFITS

The College is required to allow retirees of the College to participate in the group health insurance plan with current employees. The College pays premiums applicable to the group as a whole. Retirees pay 100% of their premiums at the same rate as current employees. The premiums paid by retirees may be lower than they would have been if the retirees were insured separately. This benefit is called an "implicit rate subsidy." To comply with the applicable provisions of GASB Code Section P50, the College records a liability, as calculated by an actuary, to recognize the additional cost to the College of the participating retirees who benefit from the lower group health insurance plan premium rates and, because of their age, are most likely not paying 100% of the true cost of the medical benefits they receive.

Biannual valuations are performed using the projected unit credit method, with a 30 year level dollar amortization. The assumed medical inflation rate of 10% is reduced by 0.5% per annum to an ultimate trend rate or 5% with an assumed discount rate of 6% per annum. The baseline discount rate assumes that the College will not prefund its retiree medical program. The discount rate is based on the expected earnings of the College's general fund.

Net OPEB Obligation (NOO)

The College's annual other post-employment benefit cost of the plan year is as follows:

Annual required contribution	$	837,279
Interest on Net OPEB Obligation		126,638
NOO amortization adjustment		(144,656)
Annual OPEB Cost		819,261
Amount paid by employer (pay as you go)		(88,545)
Change in NOO		730,716
Beginning of year NOO		2,110,634
End of year NOO	$	2,841,350

Funded Status and Funding Progress - As of June 30, 2015, the most recent actuarial valuation available, the College does not fund the Plan. The actuarial accrued liability for benefits was $6,261,632 and the actuarial value of assets was $-0-, resulting in an unfunded actuarial accrued liability (UAAL) of $6,261,632. The covered payroll was $26,368,011, and the ratio of the UAAL to covered payroll was 23.7%.

The schedule of funding progress presented as required supplemental information follows the notes to the financial statements.

Trend Information - Other Post-Employment Benefits

Year Ended June 30	Annual Required OPEB Cost	Annual Contribution Made	Percentage Contributed	Net OPEB Obligation
2013	$649,830	$55,904	8.6%	$1,516,875
2014	657,709	63,950	9.7	2,110,634
2015	819,261	88,545	10.8	2,841,350

17. **OTHER POST EMPLOYMENT BENEFITS *(continued)***

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

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

18. **CONTINGENCIES**

From time to time, the College is a party to various pending claims and legal actions arising in the ordinary course of its operations. Although the outcome of such matters cannot be forecast with certainty, in the opinion of management, all such matters are adequately covered by insurance, or if not covered, are without merit or involve amounts such that an unfavorable disposition would not have a material effect on the financial statements of the College.

The College receives federal, state and local grants that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. The College's management believes such disallowances, if any, will not have a material effect on the basic financial statements.

19. **SUBSEQUENT EVENT**

In preparing these financial statements, management has evaluated events and transactions for potential recognition or disclosure through September 3, 2015, the date the financial statements were available to be issued.

20. **FUTURE PRONOUCEMENTS**

The GASB has issued Statement No. 72, "Fair Value Measurement and Application." This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The requirements of this Statement are effective for financial statements for fiscal years beginning after June 15, 2015. This statement will be implemented for the fiscal year ending June 30, 2016, to meet GASB requirements. The College has not determined the specific impact upon its financial statements.

The GASB has issued Statement No. 74, "Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans." This Statement will improve financial reporting primarily through enhanced note disclosures and schedules of required supplementary information that will be presented by OPEB plans that are administered through trusts that meet the specified criteria. The requirements of this Statement are effective for financial statements for fiscal years beginning after June 15, 2016. This statement will be implemented for the fiscal year ending June 30, 2017, to meet GASB requirements. The College has not determined the specific impact upon its financial statements.

20. **FUTURE PRONOUCEMENTS** ***(continued)***

The GASB has issued Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits other than Pensions." This Statement will improve financial reporting primarily through enhanced note disclosures and schedules of required supplementary information that will be presented by all types of OPEB plans. The requirements of this Statement are effective for financial statements for fiscal years beginning after June 15, 2017. This statement will be implemented for the fiscal year ending June 30, 2018, to meet GASB requirements. The College has not determined the specific impact upon its financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

ST. CHARLES COMMUNITY COLLEGE
REQUIRED SUPPLEMENTARY INFORMATION
PENSION SCHEDULES PSRS
FOR THE YEAR ENDED JUNE 30, 2015

Public School Retirement System of Missouri (PSRS)

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

Year Ended* June 30	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Actual Covered Member Payroll	Net Pension Liability as a Percentage of Covered Payroll	Fiduciary Net Pension as a Percentage of Total Pension Liability
2015	0.3117 %	$ 12,787,727	$ 14,006,336	91.3 %	89.3 %

Schedule of Employer Contributions

Year Ended June 30	Statutorily Required Contribution	Actual Employer Contribution	Contribution Excess/ (Deficiency)	Actual Covered Member Payroll	Contributions as a Percentage of Covered Payroll
2015	$ 2,073,935	$ 2,073,935	$ -	$ 13,920,582	14.90 %
2014	2,007,226	2,007,226	-	14,006,336	14.33
2013	1,994,721	1,994,721	-	13,907,575	14.34

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

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

ST. CHARLES COMMUNITY COLLEGE
REQUIRED SUPPLEMENTARY INFORMATION
PENSION SCHEDULES PEERS
FOR THE YEAR ENDED JUNE 30, 2015

Public Education Employee Retirement System of Missouri (PEERS)

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

Year Ended* June 30	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Actual Covered Member Payroll	Net Pension Liability as a Percentage of Covered Payroll	Fiduciary Net Pension as a Percentage of Total Pension Liability
2015	0.7094 %	$ 2,590,487	$ 10,345,181	25.0 %	91.3 %

Schedule of Employer Contributions

Year Ended June 30	Statutorily Required Contribution	Actual Employer Contribution	Contribution Excess/ (Deficiency)	Actual Covered Member Payroll	Contributions as a Percentage of Covered Payroll
2015	$ 727,077	$ 727,077	$ -	$ 10,736,383	6.77 %
2014	709,680	709,680	-	10,345,181	6.86
2013	704,247	704,247	-	10,266,001	6.86

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

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

ST. CHARLES COMMUNITY COLLEGE
REQUIRED SUPPLEMENTARY INFORMATION
OTHER POST EMPLOYMENT BENEFITS
FOR THE YEAR ENDED JUNE 30, 2015

Actuarial Valuation Date	Actuarial Value of Assets	Accrued Liability	Unfunded Actuarial Liability (UAAL)	Accrued Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
6/30/2011	$ -	$ 3,960,494	$ 3,960,494	0.00 %	$ 26,126,427	15.2 %
6/30/2013	-	4,814,931	4,814,931	0.00	26,511,368	18.2
6/30/2015	-	6,261,632	6,261,632	0.00	26,368,011	23.7

Valuations are performed biannually