



Board of Trustees
Junior College District of East Central Missouri
Union, Missouri

In planning and performing our audit of the basic financial statements of the Junior College District of East Central Missouri for the year ended June 30, 2017, we considered the College's internal control to determine our auditing procedures for the purpose of expressing an opinion on the basic financial statements and not to provide assurance on the internal control. Accordingly, we do not express an opinion on the effectiveness of the College's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed in the Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*, we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses.

In addition to the Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*, we became aware of additional matters to bring to your attention. The following paragraphs summarize our comments regarding these matters.

1. Attendance Taking School Requirements

During our audit of the Student Financial Assistance Cluster, we noted that the College is not following all requirements for an attendance taking school. The College is required to determine within 15 days that a student has withdrawn from school, which it failed to do in several instances. However, the College ultimately did return funds within the total 60-day window from the students' withdrawal, to maintain compliance. Not determining withdrawal within the required 15 days can result in late return of Title IV funds.

We Recommend:

The College review and comply with all requirements as an attendance taking school. This will ensure that Title IV funds are always returned within the required timeframe.

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2. GASB Statement Number 75 Implementation

In June 2015, the Governmental Accounting Standards Board issued *Statement of Governmental Accounting Standards No. 75 – Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. The scope of this Statement addresses accounting and financial reporting for other postemployment benefits (OPEB) that are provided to the employees of state and local governmental employers. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. The effective date is for periods beginning after June 15, 2017, with earlier application encouraged.

We Recommend:

The College become familiar with the requirements of GASB Statement No. 75 in order to assess the steps necessary to ensure successful implementation of this statement on the effective date. The College has completed the required actuarial study.

We will review the status of these comments during our next audit engagement. We have already discussed these comments with the College's administrative personnel, and we will be pleased to discuss them in further detail at your convenience.

We appreciate this opportunity to serve as the Junior College District of East Central Missouri's independent auditors and the courtesies and assistance extended to us by the College's employees.

Respectfully submitted,

KPM CPAs, PC

KPM CPAs, PC
Springfield, Missouri
November 17, 2017