

**COFFEYVILLE  
COMMUNITY COLLEGE**

Coffeyville, Kansas

Independent Auditors' Report and  
Financial Statements with  
Supplementary Information

For the Year Ended June 30, 2018

**COFFEYVILLE COMMUNITY COLLEGE**  
Coffeyville, Kansas

**TABLE OF CONTENTS**

	<u>PAGE NUMBER</u>
Management's Discussion and Analysis .....	i - viii
Independent Auditors' Report .....	1-3
<b>FINANCIAL STATEMENTS:</b>	
Statement of Net Position .....	4
Statement of Revenues, Expenses, and Changes in Net Position .....	5
Statement of Cash Flows .....	6-7
Notes to Financial Statements .....	8-34
	<u>SCHEDULE NUMBER</u>
<b>REQUIRED SUPPLEMENTARY INFORMATION:</b>	
Schedule of Funding Progress .....	1      35
<b>SUPPLEMENTARY INFORMATION:</b>	
Combining Schedule of Net Position – Primary Institution.....	2      36-38
Combining Schedule of Revenues, Expenses, and Changes in Net Position – Primary Institution.....	3      39-41
Schedule of Revenues, Expenditures, and Changes in Unencumbered Cash - Budget and Actual (Regulatory Basis):	
All Budgeted Funds - Current Funds – Unrestricted	
General Fund .....	4      42-43
Postsecondary Technical Education Fund.....	5      44
Adult Education Fund .....	6      45
Adult Supplementary Education Fund .....	7      46
Auxiliary Enterprise Funds.....	8      47
Plant Funds	
Unexpended (Capital Outlay) Fund .....	9      48
Retirement of Indebtedness (Bond and Interest) Fund .....	10      49
Schedule of Changes in Assets and Liabilities –	
All Agency Funds .....	11      50

**TABLE OF CONTENTS**  
(Continued)

	<u>SCHEDULE NUMBER</u>	<u>PAGE NUMBER</u>
Auditor Information Sheet .....		51-52
Schedule of Expenditures of Federal Awards	12	53
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....		54-55
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance .....		56-57
Schedule of Findings and Questioned Costs .....	13	58-59
Summary of Resolutions of Prior Year's Audit Findings and Questioned Costs .....	14	60

## **Management's Discussion and Analysis**

### **Introduction:**

The following discussion and analysis of the financial performance and activity of Coffeyville Community College (The College) is to provide an introduction to and an understanding of the basic financial statements of the College for the year ended June 30, 2018, with selected comparative information for the year ended June 30, 2017. This discussion focuses on the current activities, resulting changes, and currently known facts. This discussion should be read in conjunction with the College's basic financial statements and the footnotes to those financial statements. The College is solely responsible for the completeness of this information. A separate audit is issued for the Coffeyville Community College Foundation and is available for review at 400 West 11<sup>th</sup>, Coffeyville, KS 67337.

### **Using the Annual Report:**

The audit is conducted in accordance with auditing standards applicable to financial audits contained in Government Auditing standards, specifically GASB 34/35, issued by the Comptroller of the United States. The purpose of GASB 34/35 is to make the financial statement presentation of public entities more closely resemble or emulate that of non-public for-profit enterprises. The hope is that it will "enhance the understandability of the general purpose external financial reports." To that end, the annual financial report will include basic financial statements and required supplementary information.

#### Basic financial statements are comprised of two parts:

1. Basic Financial Statements – These include Statement of Net Position, Statement of Revenues, Expenses, and Changes in Net Position, and the Statement of Cash Flows. These statements present the results on a single measurement focus and basis of accounting.
2. The Notes to the Basic Financial Statements are an integral and essential portion of the financial statements.

#### Required Supplementary Information:

Management's Discussion and Analysis (M D & A) - This is information that is required by standards to be presented, but is not part of the basic financial statements.

### **Highlights to the Financial Statements:**

Coffeyville Community College completed another good performance for the fiscal year ended June 30, 2018. At year-end, the College's net position was \$14,021,762.74. Of this amount, \$9,863,394.81 is classified as unrestricted net position. These unrestricted assets may be used to meet the College's ongoing obligations. Net Position showed a decrease of \$475,658.21 for 2018. Net current assets (current assets less current liabilities) decreased by \$243,630.25. The coverage ratio of current assets to current liabilities (the ability to pay current liabilities from current assets) decreased from 8.96 times in 2017 to 3.79 times in 2018. Cash and cash equivalents ended the year at \$13,299,617.99, an increase of \$995,908.24 from 2017. The majority of the increase in cash is from debt issued for main campus renovation for which the work was not fully complete at fiscal year-end.

**Statement of Net Position**

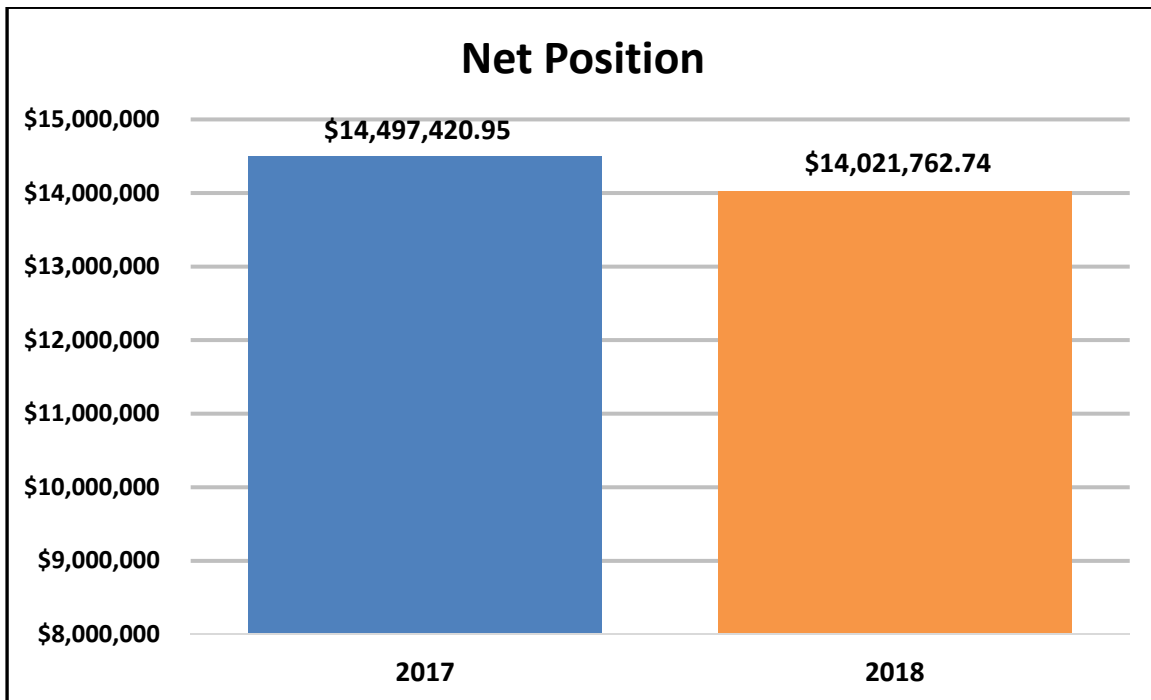
The statements of net position present the assets, liabilities, and net position of the College at June 30, 2018. The purpose of the statements of net position is to present the financial condition of the College.

The assets and liabilities are categorized between current and noncurrent. Noncurrent assets are externally restricted cash and investments restricted to make debt service payments, maintain sinking or reserve funds, or to purchase or construct capital or other noncurrent assets, such as capital assets. Noncurrent liabilities include (1) principal amounts of revenue bonds payable, notes payable, and capital lease obligations with contractual maturities greater than one year; (2) estimated amounts for accrued compensated absences and other liabilities that will not be paid within the next fiscal year; or (3) other liabilities that although payable within one year, are to be paid from funds that are classified as noncurrent assets.

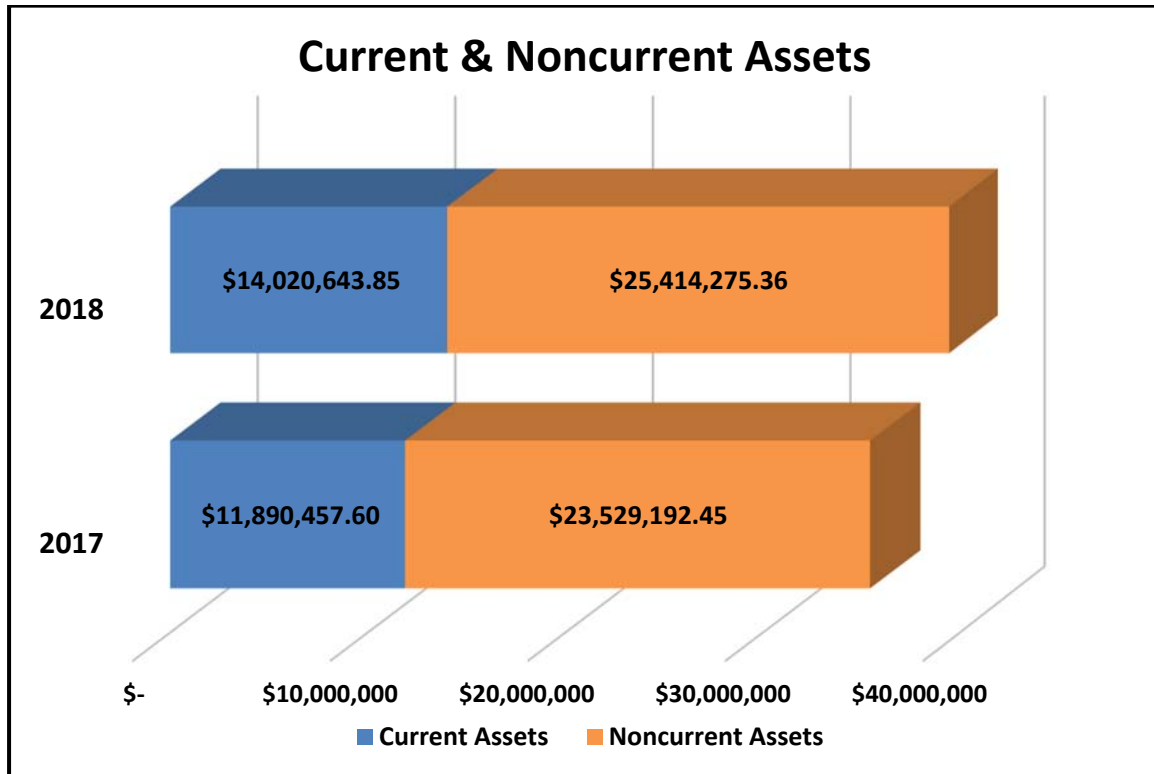
**Comparison of Net Position – Fiscal Year 2017 to 2018**

Net position is presented in three major categories. The first is investment in capital assets, net of related debt, which represents the College's equity in its property, plant, and equipment. The second is restricted and the third is unrestricted. Net position decreased during the current fiscal year from \$14,497,420.95 to \$14,021,762.74 for a total decrease of \$475,658.21.

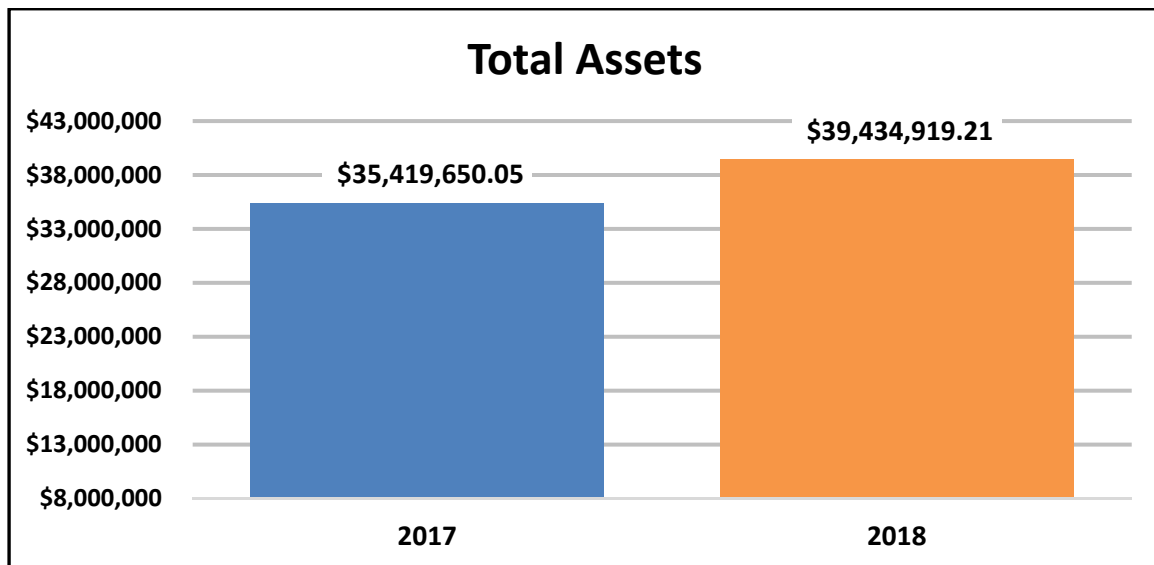
Net position for 2017 compared to 2018:



The College's current assets consist primarily of cash, short-term investments and accounts receivables, while noncurrent assets consist mainly of capital assets. The total breakdown of assets between current and noncurrent classification is as follows:



Total assets increased by \$4,015,269.16 while net position decreased by \$475,658.21.



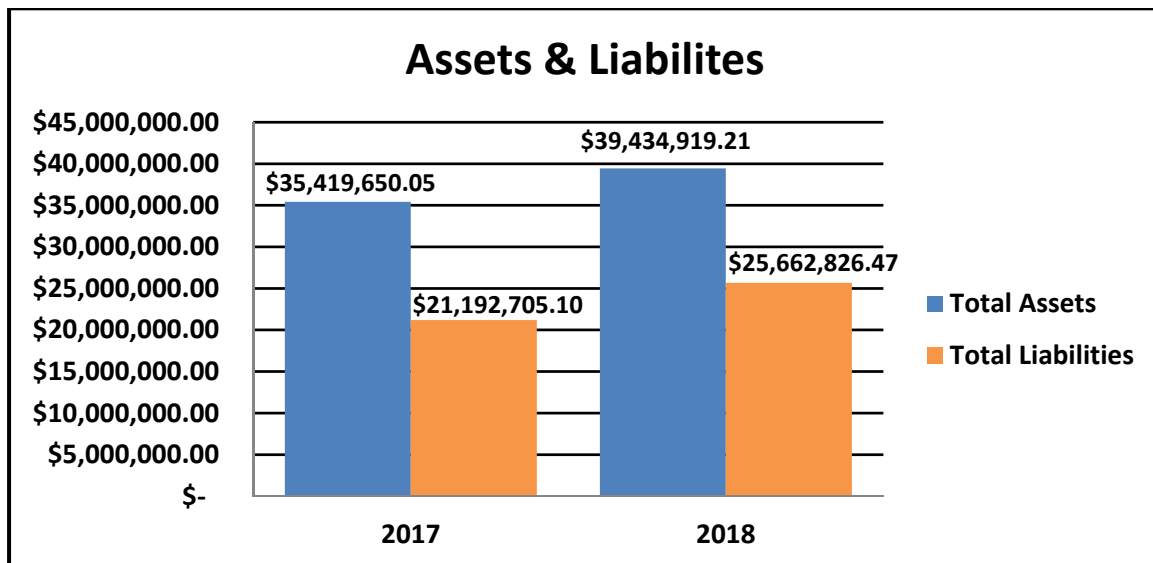
Of the \$39,434,919.21 in total assets, 33.73% are in cash and cash equivalents, and investments. Capital assets represent 58.78% of total assets.

Comparison of Liabilities – Fiscal Year 2017 to 2018

	2017	% Total 2017	2018	% Total 2018
Current Liabilities	\$ 1,327,640	6.26%	\$ 3,701,456	14.42%
Non-Current Liabilities	\$ 19,865,065	93.74%	\$ 21,961,370	85.58%
Total Liabilities	\$ 21,192,705	100.00%	\$ 25,662,826	100.00%

The liabilities are categorized between current and noncurrent. For example, the College's current liabilities consist primarily of accounts payable, accrued liabilities, deferred revenue and deposits held in custody for others. The noncurrent liabilities portion is comprised of the College's, 2014 Revenue Bonds, Capital Leases and Other Post-Employment Benefits.

Comparison of Assets to Liabilities



Total liabilities increased by \$4,470,121.37 from \$21,192,705.10 in 2017 to \$25,662,826.47 in 2018, while total assets also increased \$4,015,269.16 from \$35,419,650.05 in 2017 to \$39,434,919.21 in 2018. As a result, the asset to liability ratio decreased from 1.67 (\$35,419,650.02/\$21,192,705.10) in 2017 to 1.54 (\$39,434,919.21/\$25,662,826.47) in 2018. Assets exceeded liabilities by \$13,772,092.74.

Deferred Outflows of Resources

This is a new section on the Statement of Net Position. It is the result of an actuarial study recently completed, in accordance with Government Accounting Standards Board No. 75 (GASB 75). GASB 75 titled "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" replaces GASB 45 effective for fiscal years beginning after June 15, 2017. Thus, fiscal year 2017-18 is the GASB 75 implementation year for the College.

Deferred Outflows of Resources is defined as resources expended not currently recognized as expense. The \$249,670.00 reported in this section is the result of a change in assumptions for the actuarial study. Specifically, the discount rate was changed from 3.40% to 3.30% and actual 2017-2018 retiree contribution premiums and admin fees/stop-loss premiums were valued.

### **Statement of Revenues, Expenses, and Changes in Net Position**

The statement of revenues, expenses, and changes in net position present the College's financial results for the fiscal year ending June 30, 2018. The statement includes the College's revenue and expenses, both operating and non-operating.

Operating revenues and expenses are those for which the College directly exchanges goods and services. Non-operating revenues and expenses are those that exclude specific goods and services. Examples of non-operating revenues would be local property tax revenue and state aid; whereby local and state taxpayers do not directly receive goods and services from the College.

### **Results of Operations Fiscal Year 2018**

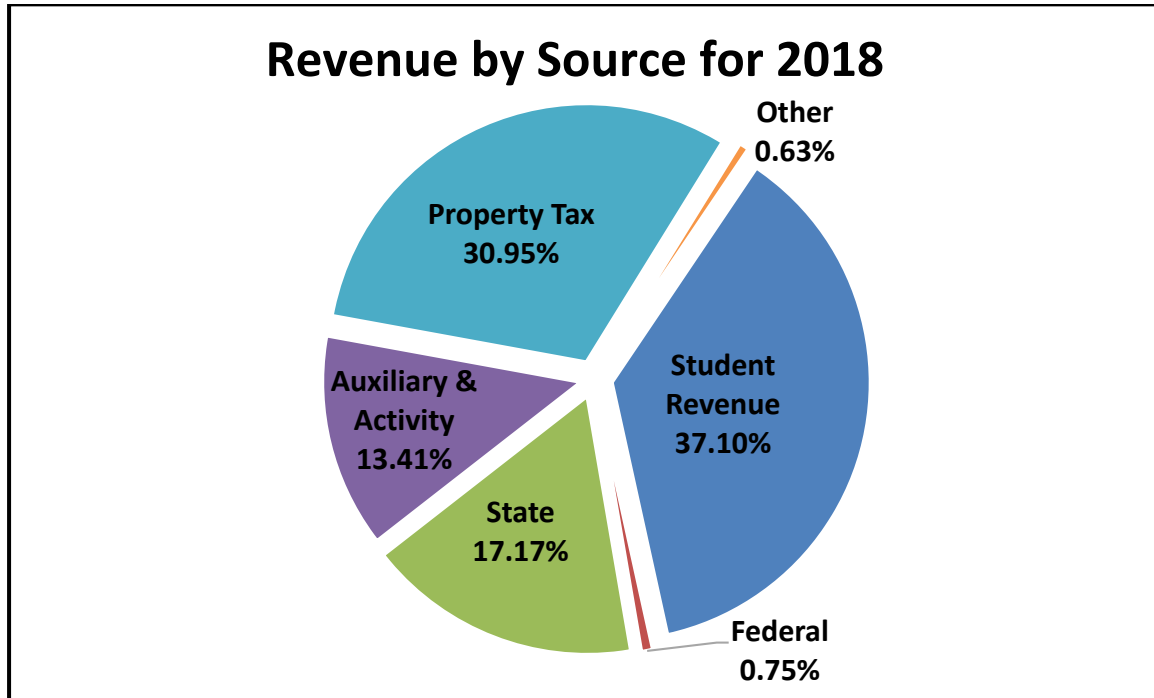
#### **Revenue**

Components and sources of revenue:

Coffeyville Community College receives revenue from five major sources. They are: The State of Kansas; Federal Government (including Pell Grants); students, in the form of tuition and fees; local taxpayers, by way of property taxes; and through business style auxiliary enterprises. These sources are relatively stable each year as a percentage of the total.

	2017	% Total 2017	2018	% Total 2018
Student Revenue	\$ 7,447,871.59	33.97%	\$ 8,135,068.14	37.10%
Federal	\$ 171,408.76	0.78%	\$ 163,733.02	0.75%
State	\$ 3,763,717.05	17.16%	\$ 3,764,813.98	17.17%
Auxiliary & Activity	\$ 2,886,221.17	13.16%	\$ 2,940,574.68	13.41%
Property Tax	\$ 8,044,303.17	36.69%	\$ 6,785,414.45	30.95%
Other	\$ 109,005.78	0.50%	\$ 137,406.61	0.63%
Total Revenue	\$22,422,527.52	102.26%	\$21,927,010.88	100.00%

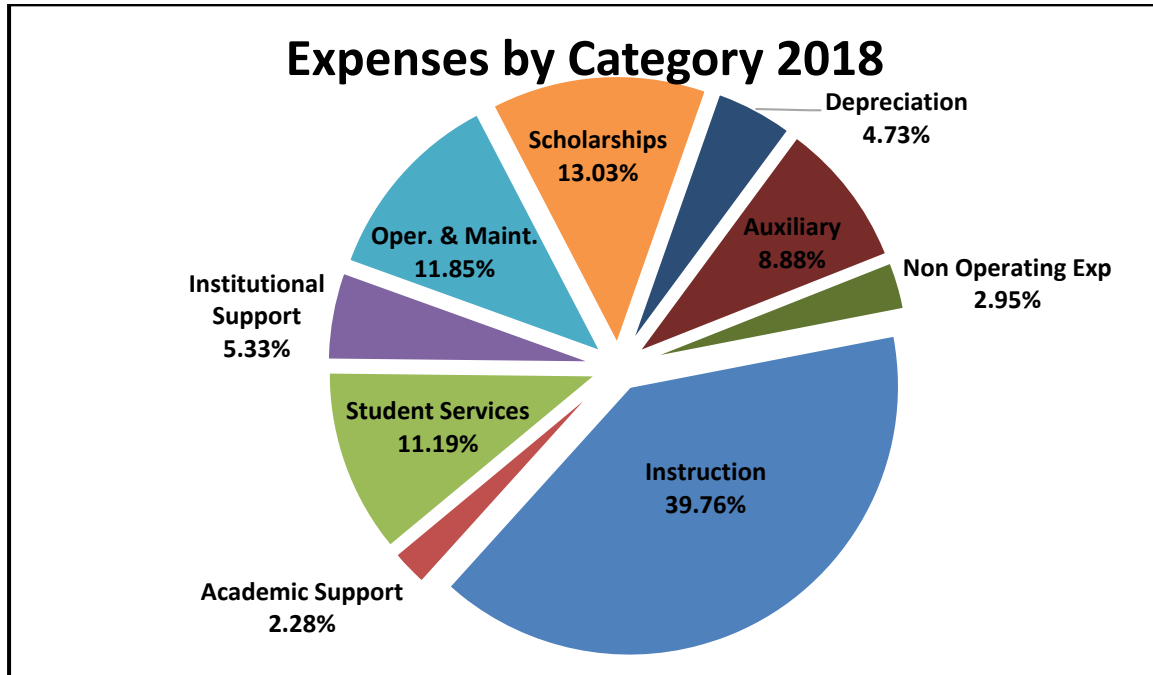




### Expenditures

Detail of the 2017 and 2018 Education and General expenditures:

	2017	% Total 2017	2018	% Total 2018
Instruction	\$ 8,820,237.39	39.37%	\$ 8,906,565.59	39.76%
Academic Support	\$ 507,136.37	2.26%	\$ 511,463.78	2.28%
Student Services	\$ 2,388,801.22	10.66%	\$ 2,505,909.04	11.19%
Institutional Support	\$ 1,025,013.33	4.58%	\$ 1,195,113.59	5.33%
Oper. & Maintenance	\$ 2,521,840.29	11.26%	\$ 2,654,539.41	11.85%
Scholarships	\$ 2,384,499.47	10.64%	\$ 2,919,369.21	13.03%
Depreciation	\$ 1,038,269.97	4.63%	\$ 1,059,368.19	4.73%
Auxiliary	\$ 1,340,437.87	5.98%	\$ 1,989,755.23	8.88%
Non-Operating Expenses	\$ 1,062,503.43	4.74%	\$ 660,585.05	2.95%
Total	\$21,088,739.34	94.13%	\$22,402,669.09	100.00%



### **Statement of Cash Flows**

The statement of cash flows presents information about cash receipts and cash payments during the year. It helps assess the College's ability to generate net cash flows and to meet its obligations as they come due. The largest sources of cash from operating activities were student tuition and fees, federal financial aid, and sales and services of auxiliary enterprises. Major uses of cash were payments made to employees and vendors. Overall, cash and cash equivalents increased by \$995,908.24 to \$13,299,617.99.

### **Capital Assets and Debt Administration**

During the year, the College invested \$2,856,166.39 and disposed of \$179,434.00 in capital assets changing the total (net of accumulated depreciation) to \$23,179,071.78.

During the year, the college made principal payment of \$787,326.32 on long-term debt, and issued \$2,500,000.00 of long-term debt for the renovation of Weinberg Hall, LED lighting conversion on the main campus and quick connects for the central heating and cooling plant on the main campus.

### **Summary of Overall Performance**

Coffeyville Community College's financial condition was impacted by a number of events in 2018 including but not limited to:

- Regional, state and national economic trends.
- Continued gradual erosion of the tax base due to the elimination of machinery and equipment from taxation and fluctuations due to valuation changes in oil and gas assets.
- A slight increase in enrollment, which in turn increased student revenues.

Coffeyville Community College  
Management's Discussion and Analysis  
For the year ended June 30, 2018

- A drop in property tax revenue due to the timing of a payment from a large tax payer. The payment of approximately \$750,000 was not received until FY 2019 and is therefore not included in FY 2018 revenues.

Net position decreased \$475,658.21 and total liabilities increased \$4,470,121.37. Total assets increased by \$4,015,269.16 to \$39,434,919.21 decreasing the asset to liability ratio from 1.67 in 2017 to 1.54 in 2018. Cash and cash equivalents increased by \$995,908.24. The majority of the increase in cash is from debt issued for main campus renovation for which the work was not fully complete at fiscal year-end. Net return on assets for 2018 was -1.21%.

**JARRED, GILMORE & PHILLIPS, PA**  
CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITORS' REPORT**

Board of Trustees  
Coffeyville Community College  
Coffeyville, Kansas

**Report on the Financial Statements**

We have audited the accompanying financial statements of Coffeyville Community College, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Coffeyville Community College's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

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

***Auditors' Responsibility***

Our responsibility is to express an opinion 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 College'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 College'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.

***Emphasis of Matter – Change in Accounting Principle***

As discussed in Note 14 and 25 to the financial statements, the June 30, 2017 financial statements have been restated to adopt new accounting guidance with implementation of GASB Statement 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions, which replaces GASB Statement No. 45. Our opinion is not modified with respect to this matter.

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Coffeyville Community College, as of June 30, 2018, and the respective changes in financial position and cash flows thereof 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 on pages i-viii and schedule of funding progress on page 35 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.

### *Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Coffeyville Community College's basic financial statements. The supplementary information, as listed in the table of contents as pages 36-50, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and is also not a required part of the basic financial statements.

The supplementary information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of "Municipality", Kansas as of and for the year ended June 30, 2017 (not presented herein), and have issued our report thereon dated December 11, 2017, which contained an unmodified opinion on the basic financial statement. The 2017 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link <http://www.admin.ks.gov/offices/chieffinancial-officer/municipal-services>. The 2017 actual column (2017 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures—actual and budget for the year ended June 30, 2018 (Schedules 4 to 10, as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement.

Such 2017 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2017 basic financial statement. The 2017 comparative information was subjected to the auditing procedures applied in the audit of the 2017 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2017 basic financial statement or to the 2017 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2017 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended June 30, 2017, on the basis of accounting described in Note 2.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2018, on our consideration of Coffeyville 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 that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Coffeyville Community College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Coffeyville Community College's internal control over financial reporting and compliance.



JARRED, GILMORE & PHILLIPS, PA  
Certified Public Accountants

Chanute, Kansas  
December 21, 2018

**COFFEYVILLE COMMUNITY COLLEGE**Coffeyville, Kansas  
Statement of Net Position  
June 30, 2018

	Primary Institution	Component Unit - Foundation
<b>ASSETS</b>		
Current Assets		
Cash and Cash Equivalents	\$ 11,341,057.88	\$ 199,613.31
Investments	-	8,106,517.48
Receivables, Net	2,363,295.14	113,640.20
Inventory	316,290.83	-
Beneficial Interest in Assets Held by Coffeyville Area Community Foundation	-	149,695.78
Total Current Assets	14,020,643.85	8,569,466.77
Noncurrent Assets		
Cash and Cash Equivalents	1,958,560.11	-
Receivables, Net	56,555.00	232,074.48
Bond Issuance Costs, Net	220,088.47	-
Capital Assets, Net	23,179,071.78	32,836.94
Total Noncurrent Assets	25,414,275.36	264,911.42
<b>TOTAL ASSETS</b>	<b>39,434,919.21</b>	<b>8,834,378.19</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pension Related Deferred Outflows	249,670.00	-
<b>LIABILITIES</b>		
Current Liabilities		
Accounts Payable	1,585,528.49	-
Accrued Interest	66,997.28	-
Deferred Revenue	1,174,756.00	-
Deposits Held in Custody for Others	874,174.54	-
Total Current Liabilities	3,701,456.31	-
Noncurrent Liabilities		
Notes Payable	-	-
Revenue Bonds Payable	13,490,000.00	-
Capital Leases Payable	6,770,714.68	-
Accrued Vacation	466,666.48	-
OPEB Obligations	1,233,989.00	-
Total Noncurrent Liabilities	21,961,370.16	-
<b>TOTAL LIABILITIES</b>	<b>25,662,826.47</b>	<b>-</b>
<b>NET POSITION</b>		
Investment in Capital Assets, Net of Related Debt	2,918,357.10	-
Restricted Net Position - Expendable	1,240,010.83	2,575,473.31
Restricted Net Position - Nonexpendable	-	4,688,633.41
Unrestricted	9,863,394.81	1,570,271.47
<b>TOTAL NET POSITION</b>	<b>\$ 14,021,762.74</b>	<b>\$ 8,834,378.19</b>

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

**COFFEYVILLE COMMUNITY COLLEGE**

Coffeyville, Kansas

Statement of Revenues, Expenses, and Changes in Net Position  
For the Year Ended June 30, 2018

	Primary Institution	Component Unit - Foundation
REVENUES		
Operating Revenues		
Student Tuition and Fees, (net of scholarship allowances of \$718,746.22)	\$ 5,254,450.14	\$ -
Federal Grants and Contracts	163,733.02	-
State Grants and Contracts	848,977.98	-
Sales and Services of Auxiliary Enterprises	654,566.05	-
Activity Fund Revenues	2,286,008.63	-
Miscellaneous Income	116,635.11	25,510.00
Total Operating Revenues	9,324,370.93	25,510.00
EXPENSES		
Operating Expenses		
Educational and General		
Instruction	8,906,565.59	-
Academic Support	511,463.78	-
Student Services	2,505,909.04	-
Institutional Support	1,195,113.59	59,780.12
Operation and Maintenance	2,654,539.41	219,132.19
Scholarships and Awards	2,919,369.21	191,735.00
Fundraising	-	63,498.16
Auxiliary Enterprises	1,989,755.23	-
Depreciation Expense	1,059,368.19	1,769.98
Total Operating Expenses	21,742,084.04	535,915.45
Operating Income (Loss)	(12,417,713.11)	(510,405.45)
Nonoperating Revenues (Expenses)		
State Appropriations	2,915,836.00	-
County Appropriations	6,785,414.45	-
Pell Grants	2,880,618.00	-
Gifts and Contributions	-	516,878.63
Investment Income	8,446.50	45,643.86
Unrealized Gains (Losses) on Investments Held	-	136,454.37
Realized Gains (Losses) on Investments Held	-	24,457.44
Gain (Loss) on Sale of Asset	12,325.00	-
Debt Service	(660,585.05)	-
Net Nonoperating Revenues (Expenses)	11,942,054.90	723,434.30
Increase (Decrease) in Net Position	(475,658.21)	213,028.85
Net Position - Beginning of Year, as Previously Reported	13,565,495.95	8,621,349.34
Prior Period Adjustment, Note 25	931,925.00	-
Net Position - Beginning of Year, as Restated	14,497,420.95	8,621,349.34
Net Position - End of Year	\$ 14,021,762.74	\$ 8,834,378.19

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



**COFFEYVILLE COMMUNITY COLLEGE**

Coffeyville, Kansas

## Statement of Cash Flows

For the Year Ended June 30, 2018

	Primary Institution	Component Unit - Foundation
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Student Tuition and Fees	\$ 5,045,791.65	\$ -
Federal Grants and Contracts	163,733.02	-
State Grants and Contracts	848,977.98	-
Sales and Services of Auxiliary Enterprises	654,566.05	-
Activity Fund Revenues	2,286,008.63	-
Miscellaneous Income	116,635.11	52,510.00
Payments on Behalf of Employees	(10,296,899.16)	-
Payments for Supplies and Materials	(1,218,253.11)	-
Payments for Other Expenses	(7,396,810.12)	(333,932.22)
Net cash provided by (used in) operating activities	(9,796,249.95)	(281,422.22)
<b>CASH FLOWS FROM NON-CAPITAL INVESTING ACTIVITIES</b>		
State Appropriations	2,915,836.00	-
County Appropriations	6,785,414.45	-
Pell Grants	2,880,618.00	-
Federal Direct Loans	1,871,939.00	-
Federal Direct Loans Payments	(1,871,939.00)	-
Interest Earned on Investments	8,446.50	70,101.30
Gifts and Contributions	-	167,545.02
Net cash provided by (used in) non-capital investing activities	12,590,314.95	237,646.32
<b>CASH FLOWS FROM CAPITAL INVESTING ACTIVITIES</b>		
Payments from the Purchase of Investments	-	(9,464,707.70)
Proceeds from the Sale of Investments	-	8,317,535.09
Proceeds from Issuance of Notes Receivable	-	127,326.32
Net cash provided by (used in) capital investing activities	-	(1,019,846.29)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from the Sale of Assets	12,325.00	-
Payments for Purchase of Capital Assets	(2,856,166.39)	-
Interest Paid on Bonds and Capital Leases	(666,989.05)	-
Proceeds from the Issuance of Capital Leases	2,500,000.00	-
Principal Payments on Bonds	(220,000.00)	-
Principal Payments on Capital Leases	(567,326.32)	-
Principal Payments on Notes Payable	-	-
Net cash provided by (used in) financing activities	(1,798,156.76)	-
Net Increase (Decrease) in Cash and Cash Equivalents	995,908.24	(1,063,622.19)
Cash and Cash Equivalents, Beginning of Year	12,303,709.75	1,263,235.50
Cash and Cash Equivalents, End of Year	\$ 13,299,617.99	\$ 199,613.31

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

**COFFEYVILLE COMMUNITY COLLEGE**

Coffeyville, Kansas

## Statement of Cash Flows

For the Year Ended June 30, 2018

	Primary Institution	Component Unit - Foundation
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH USED BY OPERATING ACTIVITIES		
Operating Income (Loss)	\$ (12,417,713.11)	\$ (510,405.45)
Adjustments to Reconcile Change in Net Position to Net Cash Used in Operating Activities:		
Depreciation Expense	1,059,368.19	1,769.98
Non-cash Donations	-	200,213.25
(Increase) Decrease in Receivables	(1,197,691.88)	27,000.00
(Increase) Decrease in Inventory	(13,048.10)	-
(Increase) Decrease in Prepaid Expenses	-	-
(Increase) Decrease in Pension Related Deferred Outflows	20,806.00	-
Increase (Decrease) in Accounts Payable	1,231,754.84	-
Increase (Decrease) in Deferred Revenue	989,033.39	-
Increase (Decrease) in Accrued Vacation	84,181.19	-
Increase (Decrease) in Deposits Held for Others	147,609.53	-
Increase (Decrease) in OPEB Obligations	299,450.00	-
Net cash provided by (used in) operating activities	<u>\$ (9,796,249.95)</u>	<u>\$ (281,422.22)</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION		
Cash and Cash Equivalents classified as current assets	\$ 11,341,057.88	\$ 199,613.31
Cash and Cash Equivalents classified as non-current assets	1,958,560.11	-
Total Cash and Cash Equivalents	<u>\$ 13,299,617.99</u>	<u>\$ 199,613.31</u>
<b>Supplemental Information</b>		
Cash Paid During the Period for:		
Interest Expense Paid	\$ 640,664.05	\$ -
Non-Cash Donations		
Management & General In-Kind	-	150,781.25
Fundraising - In-Kind Items for Auction	-	49,432.00

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

**COFFEYVILLE COMMUNITY COLLEGE**  
Coffeyville, Kansas

Notes to the Financial Statements  
For the Year Ended June 30, 2018

**1. NATURE OF ACTIVITIES**

The financial statements of Coffeyville Community College, Coffeyville, Kansas, have been prepared in accordance with U.S. generally accepted accounting principles. The Governmental Accounting Standards Board is the principal standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the College's accounting policies follow.

Reporting Entity

The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion could cause the financial statements to be misleading or incomplete.

Component Units

The component unit section of the financial statements includes the financial data of the discretely presented component unit, The Coffeyville Community College Foundation. The component unit is reported separately to emphasize that it is legally separate from the College. The economic resources received or held by the component unit are held almost entirely for the direct benefit of the College. The Coffeyville Community College Foundation was formed to promote and foster the educational purposes of the College, and to create a fund to be used for any program, project or enterprise undertaken in the interest of the College. The Foundation acts largely as a fund raising organization, soliciting, receiving, managing and disbursing contributions on behalf of the College. Most of the contributions received are designated by the donors to be used for specific purposes or by specific departments. In these instances, the Foundation serves essentially as a conduit. Contributions that are not designated are used where the need is considered greatest, as determined by the Foundation board of directors. The Foundation can sue and be sued, and can buy, sell, or lease real property. The Foundation's financial statements should be included with the College's financial statements. Separate audited financial statements are prepared and are available at the Foundation, and can be requested from the College's controller. The Foundation is considered a component unit.

The College's component unit is a private not-for-profit organization that reports under FASB standards. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the component unit's financial information in the College's financial report for these differences. The component unit's financial data has, however, been aggregated into like categories for presentation purposes.

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **Basis of Accounting**

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

### **Cash and Cash Equivalents**

For purposes of the statement of cash flows, the College considers all highly liquid investments with an original maturity date of three months or less to be cash equivalents.

### **Investments**

The College accounts for its investments at fair value. Changes in unrealized gain (loss) on the carrying value of investments are reported as a component of investment income in the statement of revenues, expenses, and changes in net assets.

### **Accounts Receivable and Deferred Revenue**

Accounts receivable consist of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty and staff, the majority of each residing in the State of Kansas. Accounts receivable also includes amounts due from the Federal government, state and local governments, or private sources, in connection with reimbursement of allowable expenditures made pursuant to the College's grant and contracts. Accounts receivable also include taxes in process of collection for property taxes assessed and collected for the calendar year ending December 31, 2017.

In accordance with governing state statutes, property taxes levied during the current year are a revenue source to be used to finance the budget of the ensuing year. Taxes are assessed on a calendar year basis and become a lien on the property on November 1st of each year. The County Treasurer is the tax collection agent for all taxing entities within the County. Property owners have the option of paying one-half or the full amount of the taxes levied on or before November 20th during the year levied with the balance to be paid on or before May 10th of the ensuing year. State statutes prohibit the County Treasurer from distributing taxes collected in the year levied prior to January 1st of the ensuing year.

Consequently, for revenue recognition purposes, taxes levied during the current year are not due and receivable until the ensuing year. Property taxes levied in November 2017 are recorded as taxes receivable. Approximately 2% to 6% of these taxes are normally distributed after June 30, 2018, and are presented as accounts receivable-taxes in process and deferred revenue to indicate that they are not appropriable. It is not practicable to apportion delinquent taxes held by the County Treasurer at the end of the year and, further, the amounts thereof are not material in relationship to the financial statements taken as a whole.

### **Inventories**

Inventories consist of books and supplies held for resale in the bookstore and are valued at cost, using the first-in, first-out method (FIFO).

### **Noncurrent Cash and Cash Equivalents**

Cash and cash equivalents that are externally restricted to make debt service payments, maintain sinking or reserve funds, or to purchase or construct capital or other noncurrent assets, are classified as noncurrent assets in the statement of net assets.

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **Capital Assets**

Capital assets are stated at cost at the date of acquisition, or fair value at the date of donation in the case of gifts. For equipment, the College's capitalization policy includes all items with a unit cost of \$5,000.00 or more, and an estimated useful life of greater than one year. Renovations to building, infrastructure, and land improvements that significantly increase the value or extend the useful life of the structure are capitalized. Routine repairs and maintenance are charged to operating expense in the year in which the expense was incurred. Depreciation is provided on straight-line method over the estimated useful lives of the respective classes of property. Estimated useful lives are as follows:

Buildings and Additions	15 to 35 Years
Machinery and Equipment	3 to 7 Years
Vehicles	5 Years

### **Compensated Absences**

Employee vacation pay is accrued at year-end for financial statement purposes. The liability and expense incurred are recorded at year-end as accrued vacation payable in the statement of net assets, and a component of compensation and benefit expense in the statement of revenues, expenses, and changes in net assets.

### **Noncurrent Liabilities**

Noncurrent liabilities include (1) principal amounts of revenue bonds payable, notes payable, and capital lease obligations with contractual maturities greater than one year; (2) estimated amounts for accrued compensated absences and other liabilities that will not be paid within the next fiscal year; or (3) other liabilities that although payable within one year, are to be paid from funds that are classified as noncurrent assets.

### **Net Position**

The College's net position are classified as follows:

Invested in Capital Assets, Net of Related Debt: This represents the College's total investment in capital assets, net of accumulated depreciation, and 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 investment in capital assets, net of related debt.

Restricted Net Position – expendable: Restricted expendable net position includes resources in which the College is legally or contractually obligated to spend resources in accordance with restrictions imposed by external third parties.

Restricted Net Position – nonexpendable: Nonexpendable restricted net position consists of endowment and similar type funds in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income, which may either be expended or added to principal.

Unrestricted Net Position: Unrestricted net position represents resources derived from student tuition and fees, state appropriations and sales and services of educational departments and auxiliary enterprises. These resources are used at the discretion of the governing board to meet current expenses for any purpose. These resources also include auxiliary enterprises, which are substantially self-supporting activities that provide services for students, faculty, and staff.

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### Net Position (Continued)

When an expense is incurred that can be paid using either restricted or unrestricted resources, the College's policy is to first apply the expense towards restricted resources, and then towards unrestricted resources.

### Income Taxes

The College, as a political subdivision of the State of Kansas, is excluded from Federal income taxes under Section 115(1) of the Internal Revenue Code, as amended. The Foundation is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

### Classification of Revenues

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

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

*Nonoperating revenues:* Nonoperating revenues include activities that have the characteristics of nonexchange transactions, such as gifts and contributions, and other revenue sources that are defined as nonoperating revenues by GASB No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Government Entities that use Proprietary Fund Accounting*, and GASB No. 34, such as state appropriations and investment income.

### Scholarship Discounts and Allowances

Student tuition and fee revenues, and certain other revenues from students, are reported net of scholarship discounts and allowances in the statements of revenues, expenses, and changes in net assets. Scholarship discounts and allowances are the difference between the stated charge and the 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 nonoperating revenues in the College's financial statements. To the extent that revenues from such programs are used to satisfy tuition and fees and other student charges, the College has recorded a scholarship discount and allowance.

### Accounting Estimates

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

### Bond Issuance Cost

Costs relating to obtaining bond financing are capitalized and amortized over the term of the related debt using the straight-line method.

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### Pension Plan

Substantially all full-time College employees are members of the State of Kansas Public Employees Retirement System which is a multi-employer state-wide pension plan. The College's policy is the State of Kansas will fund all pension costs accrued; such costs to be funded are actuarially determined annually by the State.

### Accounts Receivable and Allowance for Doubtful Accounts

The College regularly extends unsecured credit to various students. The College uses the allowance method to account for uncollectible accounts receivable.

### Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for current funds - unrestricted and plant funds (unless specifically exempted by statute). Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding fiscal year on or before August 1st.
2. Publication in local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5th.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments for this year.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds.

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which revenues are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year end.

A legal operating budget is not required for Current Funds - Restricted and Agency Funds.

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

### 3. **STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

#### Compliance with Bond Covenants

The bond resolution to issue the Student Union, Bookstore and Dormitory System Revenue Bonds contains the following requirements:

1. All income from operation of the Revenue Fund are to be placed in the Revenue Fund.
2. Disbursements from the Revenue Fund are required as follows:
  - (a) Monthly transfers to the Debt Service Account not less than 1/6th of the next revenue bond interest.
  - (b) Monthly transfers to the Debt Service Account not less than 1/12th of the next revenue bond principal.
  - (c) A balance in an amount equal to the lesser of 10% of the original principal amounts of the bonds or one times the maximum future debt service requirements of the bonds or 125% of the average annual debt service requirements of the bonds is to be maintained in the Debt Service Reserve Fund
  - (d) On June 30th each year, after meeting all requirements of (a) through (c) above, all remaining money in the Dormitory and Student Union Account shall be paid to the Surplus Account. This fund may pay costs of operation, maintenance, repair, improvements or redeem the revenue bonds prior to their normal maturity.
  - (e) The College agrees to maintain rental rates, fees and charges for the use of buildings and facilities, which will be sufficient to have each fiscal year a net operating revenue of at least 125% of the annual requirement for principal and interest requirements of the current fiscal year of the Dormitory Revenue Bonds.

For the fiscal year ended June 30, 2018, the College met the gross operating income covenant, as follows:

Increase (Decrease) in Net Position (Page 47)	\$ 549,867.85
Net Transfers	(146,687.19)
Debt Service	1,295,086.42
Capital Outlay	70,497.40
Dorm Revenues (Page 49)	470,402.50
Net Income as defined by Bond Agreements	<u>\$ 2,239,166.98</u>
Required 125% of the current year principle and interest	<u>\$ 1,784,987.96</u>

During the fiscal year ended June 30, 2018, all of the transfers required by #2 above, were made. At June 30, 2018, the bond reserves had the following balances:

	<u>REQUIRED</u>	<u>ACTUAL</u>
Debt Service Account	\$ 191,280.83	\$191,280.83
Dormitory Bond Reserve Account	1,048,730.00	1,048,730.00

#### Compliance with Kansas Statutes

Supplementary Schedules 4 to 10 have been prepared in order to show compliance with the cash basis and budget laws of Kansas.

Management is not aware of any statutory violations.



#### **4. DEPOSITS**

##### Primary Institution:

K.S.A 9-1401 establishes the depositories which may be used by the College. The statute requires banks eligible to hold the College's funds have a main branch or branch bank in the county in which the College is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The College has no other policies that would further limit interest rate risk.

K.S.A 12-1675 limits the College's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. Government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The College has no investment policy that would further limit its investment choices.

*Concentration of credit risk.* State statutes place no limit on the amount the Government may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

*Custodial credit risk – deposits.* Custodial credit risk is the risk that in the event of a bank failure, the College's deposits may not be returned to it. State statutes require the College's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka. All deposits were legally secured at June 30, 2018.

At year-end, the College's carrying amount of the deposits was \$13,298,667.99 and the bank balance was \$11,922,250.66. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, \$266,413.36 was covered by FDIC insurance, \$11,655,837.30 was collateralized with pledged securities held by the pledging financial institutions' agents in the College's name, and \$60.82 was in trust with Security Bank of Kansas City.

##### Component Unit:

At year-end, the Foundation's carrying amount of the deposits including certificates of deposit was \$199,613.31 and the bank balance was \$205,669.00. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, \$205,669 was covered by FDIC insurance.

#### **5. INVESTMENTS**

##### Component Unit: - Investment Policy

The Primary objective of the Foundation's investment policy is to provide for long-term growth of principal and income within reasonable risk on continuing and consistent basis. Emphasis shall be on maintaining growth of assets, net of inflation and fees. Over a period of time, the minimum goal for the total return of the fund should be the current rate of inflation plus 3 to 7%.

## 5. **INVESTMENTS** (Continued)

The investment objective requires a disciplined and consistent management philosophy. The objectives do not call for a philosophy which represents extreme positions or opportunistic styles. The portfolio shall be diversified with both fixed income and equity holdings. The purpose of such diversification is to provide reasonable assurance that no single security or class of securities will have a disproportionate impact of the total portfolio.

Investments are made under the direction of the Board of Directors. Equity investments and other investments are recorded at fair values subject to comments on Investments under the summary of accounting policies.

Investments at June 30, 2018, are comprised of the following:

<u>Investment</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Rating</u>
SEI - Challenge	\$ 1,476,765.91	\$ 1,467,036.16	Various
SEI - Foundation	2,768,387.76	2,765,468.61	Various
Edward Jones	312,452.73	359,533.68	Various
LPL	2,477.24	2,477.24	Various
Integrity Life	1,350,000.00	1,361,188.24	Various
American National	1,005,000.00	1,215,139.01	Various
Allianz Rewards	1,000,000.00	935,774.54	Various
	<u>\$ 7,915,083.64</u>	<u>\$ 8,106,517.48</u>	

## 6. **FAIR VALUE MEASUREMENTS**

### Component Unit:

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy are described as follows:

Level 1. Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.

Level 2. Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

## 6. **FAIR VALUE MEASUREMENTS** (Continued)

Level 3. Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2017.

Common Stock: Valued at the closing price reported on the New York Stock Exchange.

Bonds: Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing the value on yields currently available on comparable securities of issuers with similar credit rates.

Mutual funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Foundation are open-end mutual funds that are registered with the SEC. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Foundation are deemed to be actively traded.

Unit Trust Fund: Valued at the NAV of units of a bank collective trust. The NAV, as provided by the trustee, is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investments held by the fund less its liabilities. This practical expedient is not used when it is determined to be probable that the fund will sell the investment for an amount different than the reported NAV. Participant transactions (purchased and sales) may occur daily. Were the Foundation to initiate a full redemption of the unit trust, the investment adviser reserves the right to temporarily delay withdrawal from the trust in order to ensure that securities liquidations will be carried out in an orderly business manner.

The following table sets forth carrying amounts and estimated fair value for financial instruments at June 30, 2018 and 2017:

	June 30, 2018			
	Level 1	Level 2	Level 3	Total
SEI – Challenge	\$ 1,467,036.16	\$ --	\$ --	\$ 1,467,036.16
SEI – Foundation	2,765,468.61	--	--	2,765,468.61
Edward Jones	359,533.68	--	--	359,533.68
LPL	2,477.24	--	--	2,477.24
Integrity Life	--	1,361,088.24	--	1,361,088.24
American National	--	1,215,139.01	--	1,215,139.01
Allianz Rewards	--	935,774.54	--	935,774.54
Totals	<u>\$ 4,594,515.69</u>	<u>\$ 2,293,862.78</u>	<u>\$ --</u>	<u>\$ 8,106,517.48</u>

There were no transfers between level 1 and level 2 investments during the year ended June 30, 2018.

**7. RECEIVABLES, NET**

Primary Institution:

Receivables at June 30, 2018, consist of the following amount:

Current:	
Student Accounts - net	\$1,153,448.89
Taxes in Progress	1,118,201.00
Federal Grants	86,686.00
Bookstore Credit Memos	<u>4,959.25</u>
Total Current	<u>2,363,295.14</u>
Noncurrent	
Taxes in Progress	<u>56,555.00</u>
Total Accounts Receivable	<u>\$2,419,850.14</u>

The College uses the allowance method to account for uncollectible accounts receivable. Accounts receivable are presented net of an allowance for uncollectible accounts of \$542,430.68 at June 30, 2018.

**8. BOOKSTORE INVENTORY**

Bookstore inventory consisted of the following at June 30, 2018:

New Books	\$ 50,607.60
Used Books	231,100.74
Clothing	22,043.74
Supplies	1,298.72
Gift Items	<u>11,240.03</u>
Total Bookstore Inventory	<u>\$ 316,290.83</u>

## 9. **CAPITAL ASSETS**

### Primary Institution:

Following are the changes in capital assets for the year ended June 30, 2018:

	Balance			Balance
	06/30/2017	Additions	Retirements	06/30/2018
Capital assets not being depreciated				
Land	\$ 431,441.30	\$ -	\$ -	\$ 431,441.30
Total Capital assets not being depreciated	431,441.30	-	-	431,441.30
Other Capital Assets				
Buildings	21,895,172.17	22,560.00	-	21,917,732.17
Buildings Under Capital Lease	7,097,837.96	2,704,989.00	-	9,802,826.96
Equipment	2,668,208.46	84,267.39	(20,000.00)	2,732,475.85
Vehicles	643,048.00	44,350.00	(159,434.00)	527,964.00
Vehicles Under Capital Lease	447,500.00	-	-	447,500.00
Total Other Capital Assets	32,751,766.59	2,856,166.39	(179,434.00)	35,428,498.98
Accumulated Depreciation				
Buildings	(6,314,663.27)	(580,525.71)	-	(6,895,188.98)
Buildings Under Capital Lease	(2,493,972.98)	(254,958.78)	-	(2,748,931.76)
Equipment	(2,323,737.81)	(115,041.40)	20,000.00	(2,418,779.21)
Vehicles	(601,435.25)	(19,342.30)	159,434.00	(461,343.55)
Vehicles Under Capital Lease	(67,125.00)	(89,500.00)	-	(156,625.00)
Total Accumulated Depreciation	(11,800,934.31)	(1,059,368.19)	179,434.00	(12,680,868.50)
Total Net Capital Assets	\$ 21,382,273.58	\$ 1,796,798.20	\$ -	\$ 23,179,071.78

**9. CAPITAL ASSETS** (Continued)

Component Unit:

Following are the changes in capital assets for the year ended June 30, 2018:

	Audit Balance 06/30/2017	Additions	Retirements	Audit Balance 06/30/2018
Capital Assets Not being Depreciated				
Zimmerman Lots	\$ 8,500.00	\$ -	\$ -	\$ 8,500.00
Sub-Total	8,500.00	-	-	8,500.00
Other Capital Assets				
Bus Barn	24,256.12	-	-	24,256.12
Greenhouse	41,626.73	-	-	41,626.73
615 W. 9th	29,608.92	-	-	29,608.92
Storage Building	6,000.00	-	-	6,000.00
Leasehold Improvements	8,149.38	-	-	8,149.38
Sub-Total	109,641.15	-	-	109,641.15
Total Capital Assets	118,141.15	-	-	118,141.15
Accumulated Depreciation				
Bus Barn	(24,256.12)	-	-	(24,256.12)
Greenhouse	(41,626.73)	-	-	(41,626.73)
615 W. 9th	(15,073.84)	(1,076.69)	-	(16,150.53)
Storage Building	(2,175.00)	(150.00)	-	(2,325.00)
Leasehold Improvements	(402.54)	(543.29)	-	(945.83)
	(83,534.23)	(1,769.98)	-	(85,304.21)
Net Capital Assets	\$ 34,606.92	\$ (1,769.98)	\$ -	\$ 32,836.94

**10. BOND ISSUANCE COST**

Cost related to obtaining bond financing are capitalized and amortized over the term of the related debt using the straight-line method. Amortization expense at June 30, 2018, was \$13,177.26. When the loan is paid in full, any unamortized financing charges are removed from the related accounts and charged to operations.

## 11. LONG-TERM DEBT

### Primary Institution:

#### Revenue Bonds:

2.0% to 4.0% Student Union, Bookstore, and Dormitory  
System revenue bonds issued 2014, maturing serially  
through June 1, 2039, Secured by dormitory gross  
revenues.

\$13,490,000.00

The following is a summary of changes in debt for the year ended June 30, 2018:

<u>OBLIGATIONS</u>	<u>PRINCIPAL JUNE 30, 2017</u>	<u>PRINCIPAL RECEIVED (PAID)</u>	<u>PRINCIPAL JUNE 30, 2018</u>	<u>INTEREST PAID</u>
Revenue Bonds				
Series 2014	\$13,710,000.00	\$ (220,000.00)	\$13,490,000.00	\$ 514,592.50
Total Obligations	\$13,710,000.00	\$ (220,000.00)	\$13,490,000.00	\$ 514,592.50

The principal and interest requirements for the next five years and thereafter are as follows:

<u>JUNE 30,</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2019	\$ 255,000.00	\$ 510,092.50	\$ 765,092.50
2020	280,000.00	503,717.50	783,717.50
2021	320,000.00	495,317.50	815,317.50
2022	350,000.00	485,717.50	835,717.50
2023	390,000.00	475,217.50	865,217.50
2024-2028	2,725,000.00	2,169,450.00	4,894,450.00
2029-2033	3,685,000.00	1,550,362.50	5,235,362.50
2034-2038	4,480,000.00	748,880.00	5,228,880.00
2039	1,005,000.00	40,200.00	1,045,200.00
Total	\$ 13,490,000.00	\$ 6,978,955.00	\$ 20,498,955.00

## 12. CAPITAL LEASES

The College has entered into a capital lease agreement with Coffeyville Community College Foundation. The capital lease agreement is dated April 1, 2008, and is for the purchase and renovation of an athletic building. The lease requires a down payment of \$45,000.00, then seven annual payments of \$35,000.00 and a final payment of \$25,897.00, which include interest at 4.00% per annum. The lease payments start in January 31, 2009 and reach maturity at January 31, 2018. Debt Requirements are as follows:

Year Ended June 30,	
2019	\$ 26,933.00
Total Net Minimum Lease Payments	26,933.00
Less: Imputed Interest	(1,392.00)
Net Present Value	25,541.00
Less: Current Maturities	(25,541.00)
Long-Term Capital Lease Obligations	\$ 0.00

**12. CAPITAL LEASES** (Continued)

Capital leases/refunding certificates of participation with UMB Bank, N.A., dated August 15, 2012; annual principal payments and semi-annual interest payments of 2.00% - 3.00% through October 1, 2025, secured by a student housing building.

Year Ended June 30,	
2019	\$ 546,675.00
2020	550,275.00
2021	545,631.25
2022	554,818.75
2023	552,750.00
2024-2025	<u>1,619,600.00</u>
Total Net Minimum Lease Payments	4,369,750.00
Less: Imputed Interest	<u>(444,750.00)</u>
Net Present Value	3,925,000.00
Less: Current Maturities	<u>(450,000.00)</u>
Long-Term Capital Lease Obligations	<u>\$ 3,475,000.00</u>

The College has entered into a capital lease agreement with Coffeyville Community College Foundation. The capital lease agreement is dated October 17, 2016, and is for the purchase of two 56 Passenger Buses. The lease requires two annual payments of \$48,524.29, which include interest at 3.00% per annum. The lease payments start on April 17, 2017 and reach maturity at October 17, 2021.

Year Ended June 30,	
2019	\$ 97,048.58
2020	97,048.58
2021	97,048.58
2022	<u>48,524.29</u>
Total Net Minimum Lease Payments	339,670.03
Less: Imputed Interest	<u>(19,496.35)</u>
Net Present Value	320,173.68
Less: Current Maturities	<u>(88,099.20)</u>
Long-Term Capital Lease Obligations	<u>\$ 232,074.48</u>

Capital leases/refunding certificates of participation with Branch Banking and Trust Company, Charlotte, North Carolina, dated June 4, 2018; annual principal payments and semi-annual interest payments of 3.54% through June 1, 2033, secured by HVAC upgrades, electric and controls upgrades and lighting upgrades.

Year Ended June 30,	
2019	\$ 217,762.50
2020	218,898.00
2021	219,119.00
2022	219,163.00
2023	219,030.00
2024-2028	1,086,960.00
2029-2033	<u>1,081,023.00</u>
Total Net Minimum Lease Payments	3,261,955.50
Less: Imputed Interest	<u>(761,955.50)</u>
Net Present Value	2,500,000.00
Less: Current Maturities	<u>(130,000.00)</u>
Long-Term Capital Lease Obligations	<u>\$ 2,370,000.00</u>



### **13. OPERATING LEASES**

The College has entered into a lease agreement with Coffeyville Community College Foundation for the lease of a bus barn and greenhouse the Foundation owns. The operating lease is renewable annually requiring monthly payments of \$2,060.00.

The College has leased a postage and folding machine for the period from August 30, 2017 through August 30, 2022 with monthly rent of \$136.95.

The College has entered into a month to month lease with Unified School District #493, Columbus, Kansas for a building to hold classes, with a rental of \$2,000.00 per month.

Total rent expense paid under the above operating leases was \$74,889.52 for the year ended June 30, 2018. Future minimum rental payments are as follows:

2019	\$ 1,643.40
2020	1,643.40
2021	1,643.40
2022	821.70

### **14. OTHER POST EMPLOYMENT BENEFITS**

#### *Description of Pension Plan*

The College participates in a cost-sharing multiple-employer pension plan (Pension Plan), as defined in Governmental Accounting Standards Board Statement No. 67, *Financial Reporting for Pension Plans*. The Pension Plan is administered by the Kansas Public Employees Retirement System (KPERS), a body corporate and an instrumentality of the State of Kansas. KPERS provides benefit provisions to the following statewide pension groups under one plan, as provided by K.S.A. 74, article 49:

- Public employees, which includes:
  - State/School employees
  - Local employees
- Police and Firemen
- Judges

Substantially all public employees in Kansas are covered by the Pension Plan. Participation by local political subdivisions is optional, but irrevocable once elected. Those employees participating in the Pension Plan for the College are included in the State/School employee group.

KPERS issues a stand-alone comprehensive annual financial report, which is available on the KPERS website at [www.kpers.org](http://www.kpers.org).

#### *Special Funding Situation*

The employer contributions for the College, as defined in K.S.A. 74-4931 (2) and (3), are made by the State of Kansas on behalf of the College. Therefore, the College is considered to be in a special funding situation as defined by GASB Statement No. 68. Accordingly, the State is required to recognize its proportionate share of the net pension liability, deferred outflows of resources, deferred inflows of resources and expense for the pension plan attributable to the College. The College records revenue and pension expense in an amount equal to the expense recognized by the State on behalf of the College.

#### **14. OTHER POST EMPLOYMENT BENEFITS (Continued)**

##### *Benefits*

Benefits are established by statute and may only be changed by the General Assembly. Members with ten or more years of credited service, may retire as early as age 55, with an actuarially reduced monthly benefit. Normal retirement is at age 65, age 62 with ten years of credited service, or whenever a member's combined age and years of service equal 85.

Monthly retirement benefits are based on a statutory formula that includes final average salary and years of service. When ending employment, members may withdraw their contributions from their individual accounts, including interest. Members who withdraw their accumulated contributions lose all rights and privileges of membership. For all pension coverage groups, the accumulated contributions and interest are deposited into and disbursed from the membership accumulated reserve fund as established by K.S.A. 74-4922.

Members choose one of seven payment options for their monthly retirement benefits. At retirement a member may receive a lump-sum payment of up to 50% of the actuarial present value of the member's lifetime benefit. His or her monthly retirement benefit is then permanently reduced based on the amount of the lump sum. Benefit increases, including ad hoc post-retirement benefit increases, must be passed into law by the Kansas Legislature. Benefit increases are under the authority of the Legislature and the Governor of the State of Kansas. For all pension coverage groups, the retirement benefits are disbursed from the retirement benefit payment reserve fund as established by K.S.A. 74-4922.

##### *Contributions*

Member contributions are established by state law, and are paid by the employee according to the provisions of Section 414(h) of the Internal Revenue Code. State law provides that the employer contribution rates are determined based on the results of an annual actuarial valuation. The contributions and assets of all groups are deposited in the Kansas Public Employees Retirement Fund established by K.S.A. 74-4921. All of the retirement systems are funded on an actuarial reserve basis.

For fiscal years beginning in 1995, Kansas legislation established statutory limits on increases in contribution rates for KPERS employers. Annual increases in the employer contribution rates related to subsequent benefit enhancements are not subject to these limitations. The statutory cap increase over the prior year contribution rate is 1.2% of total payroll.

The actuarially determined employer contribution rates and the statutory contribution rates for school employees are 16.03% and 10.81%, respectively. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009 and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate of 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members.

**14. OTHER POST EMPLOYMENT BENEFITS (Continued)**

*Employer and Nonemployer Allocations*

Although KPERS administers one cost-sharing multiple-employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense are determined separately for each of the following groups of the plan:

- State/School
- Local
- Police and Firemen
- Judges

To facilitate the separate (sub) actuarial valuations, KPERS maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the schedule of employer and nonemployer allocations are applied to amounts presented in the schedules of pension amounts by employer and nonemployer.

The individual employer allocation percentages for the pension amounts were based on the ratio of the employer and nonemployer contributions for the individual employer in relation to the total of all employer and nonemployer contributions of the group.

At June 30, 2017, the proportion recognized by the State of Kansas on behalf of the College was .1479%, which was an decrease of .0022% from the proportion measured at June 30, 2016.

*Net Pension Liability*

At June 30, 2017 and 2016, the proportionate share of the net pension liability recognized by the State of Kansas that was attributable to the College was \$9,936,953.00 and \$10,090,129.00, respectively.

*Actuarial Assumptions*

The total pension liability was determined by an actuarial valuation as of December 31, 2016, which was rolled forward to June 30, 2017, using the following actuarial assumptions:

Wage inflation	2.75%
Salary increases, including wage increases	3.50 to 12.00%, including inflation
Long-term rate of return, net of investment expense, and including price inflation	7.75%

Mortality rates were based on the RP 2014 Mortality Tables, with age setbacks and age set forwards as well as other adjustments based on different membership groups. Future mortality improvements are anticipated using Scale MP-2016.

**14. OTHER POST EMPLOYMENT BENEFITS** (Continued)

The actuarial assumptions used in the December 31, 2016 valuation were based on the results of an actuarial experience study conducted for the period January 1, 2013, through December 31, 2015. The experience study is dated November 18, 2016.

The long-term expected rate of return of pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan 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 as of the most recent experience study, dated November 18, 2016, as provided by KPERS' investment consultant, are summarized in the following table:

<b>Asset Class</b>	<b>Long-Term Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Global equity	47.00%	6.80%
Fixed income	13.00	1.25
Yield driven	8.00	6.55
Real return	11.00	1.71
Real estate	11.00	5.05
Alternatives	8.00	9.85
Short-term investments	2.00	(0.25)
Total	100.00%	

*Discount Rate:* The discount rate used to measure the total pension liability was 7.75%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from school districts will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Revenue and Pension Expense Recorded by the College:* For the year ended June 30, 2018, the College recognized revenue and pension expense in an equal amount of \$722,798.98.

*Early Retiree Health Insurance:*

On July 1, 2017, the College implemented GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, which replaces the requirements of GASB Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, as amended, and GASB Statement No. 57, OPEB Measurement by Agent Employers and Agent Multiple-Employer Plans. Specifically, Statement No. 75 recognizes the long-term obligation for health and life insurance benefits offered to retirees. The accounting change adopted to conform to the provisions of GASB 75 has been applied retroactively by restating the beginning net position for the fiscal year ended June 30, 2017 by \$931,925, which included recording an adjustment to the Other Postemployment Benefits obligation of \$661,449 and an initial deferred outflow of resources of \$270,476. As the data needed to implement this standard for all periods presented was not available for periods prior to July 1, 2017, the College has elected to not restate information presented for the period ended June 30, 2017.

**14. OTHER POST EMPLOYMENT BENEFITS (Continued)**

*Plan Description:* The College sponsors Medical and Dental insurance to qualifying retirees and their dependents. Coverage is provided through fully-insured contracts that collectively operate as a single-employer defined benefit plan. Qualifying retirees are those employees who are eligible for immediate retirement benefits under the Kansas Public Employees Retirement System and retire prior to age 65. Retirees and spouses may continue coverage with the College until their Medicare eligibility (i.e. age 65). Participants are required to contribute 100% of group insurance premiums to maintain coverage. Age-adjusted costs may exceed group insurance premiums thus creating an age-subsidy or benefit that forms the basis for the valuation. The plan is identifiable as a single-employer plan. There are 141 total active employees and 4 retirees who are participating in the plan as of July 1, 2017, the census date used for the actuarial valuation.

*Funding policy:* Costs under the College's group insurance program are paid from general operating assets on a pay-as-you-go basis. This arrangement does not qualify as an "OPEB Plan" under GASB requirements and thus these assets may not be reported as an offset to GASB liabilities. The Board has the authority for establishing and amending the funding policy.

*Total OPEB Liability:* The College's total OPEB liability of \$1,233,989 was measured as of June 30, 2018, and was determined by an actuarial valuation as of that date.

*Actuarial Assumptions and Other Inputs:* The total OPEB liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	July 1, 2017
Measurement Date (End of Year)	June 30, 2018
Reporting Date	June 30, 2018
Discount Rate	3.30% (Measurement Date) 3.40% (Year Preceding Measurement Date)
Salary Scale	2.5%
Actuarial Cost Method	Entry Age – Level Percent-of-Pay
Health Care Cost Trend Rates	7.5% decreasing 0.5% per year until 2021 and 0.25 % per year until reaching an ultimate trend rate of 5%

The average of the S&P Municipal Bond 20 Year High Grade and Fidelity GO AA-20 Year published yields was evaluated to determine the discount rate. The selected rates are 3.40% (beginning-of-year measurement) and 3.30% (end-of-year measurement).

The assumed mortality was changed to the Society of Actuaries RPH-2014 Adjusted to 2006 Total Dataset Headcount-weighted Mortality table with MP-2017 Full Generational Improvement. The prior valuation utilized the MP-2015 mortality improvement scale.

Annual OPEB cost and net OPEB obligation:

GASB 75 Implementation Adjustment	
I. Net OPEB Liability (GASB 75) – Beginning of FY 2017-18	\$ 934,539
II. Net OPEB Obligation / (Asset) (GASB 45) – End of FY 2016-17	<u>1,595,988</u>
III. Increase / (Decrease) in Liability (I minus II)	<u>\$ (661,449)</u>
Net OPEB Liability	
I. Total OPEB Liability	1,233,989
II. Plan Fiduciary Net Position (Trust Assets)	<u>0</u>
III. Net OPEB Liability at June 30, 2018 (I minus II)	<u>\$ 1,233,989</u>

**14. OTHER POST EMPLOYMENT BENEFITS** (Continued)

OPEB Liability Changes

Total OPEB Liability – Beginning of Year	\$ 934,539
1. Service Cost	56,305
2. Interest Cost	32,669
3. Changes in Benefit Terms	0
4. Differences between actual and expected experience	0
5. Changes in assumptions and inputs	270,476
6. Employer Contributions (Benefit Payments)	60,000
Net Changes (1 + 2 + 3 + 4 + 5 – 6)	299,450
Total OPEB Liability – End of Year	<u>\$ 1,233,989</u>

OPEB Expense – Fiscal Year 2017-18

1. Service Cost	\$ 56,305
2. Interest on Total OPEB Liability	32,669
3. Differences between expected and actual experience	0
4. Changes of assumptions and inputs	20,806
5. Changes in Benefit Terms	0
6. Projected earnings on OPEB plan investments	0
7. Differences between projected & actual earnings on OPEB investments	0
OPEB Expense (1 + 2 + 3 + 4 + 5 - 6+7)	<u>\$ 109,780</u>

OPEB Liability as a percentage of payroll

Total OPEB Liability	\$ 1,233,989
Payroll	*6,539,929
Percent of Payroll	18.9%

\* Annualized pay as of July 1, 2017 of active employees included in the valuation

Sensitivity of Total OPEB Liability to changes in the Discount Rate

	1% Decrease 2.30%	Current Single Discount Rate Assumption 3.30%	1% Increase 4.30%
Total OPEB Liability	1,333,506	1,233,989	1,142,015
Increase/(Decrease) from Baseline	99,517		(91,974)

Sensitivity of Total OPEB Liability to changes in Healthcare Cost Trend Rate

	1% Decrease	Current Trend Assumption	1% Increase
Total OPEB Liability	1,101,459	1,233,989	1,390,529
Increase/(Decrease) from Baseline	(132,530)		156,540

*Deferred Outflows and Inflows of Resources:* The accumulated amount of Deferred Outflows and Inflows of Resources as of June 30, 2018 are shown below.

Category	Deferred Outflows of Resources	Deferred Inflow of Resources
Differences between expected and actual experience (1)	0	0
Changes in Assumptions (2)	249,670	0
Contributions Subsequent to Measurement Date (3)	0	0

**14. OTHER POST EMPLOYMENT BENEFITS (Continued)**

- (1) Actual 2017-18 plan year retiree contribution premium rates were higher than expected causing a reduction in the actuarial accrued liability.
- (2) The discount rate was changed from 3.40% to 3.30%.
- (3) Expected Employer Contributions between Measurement date and Reporting date – Does not apply.

Amounts reported as deferred outflows / inflows of resources related to OPEB will be recognized as an expense / (income) item in OPEB expense as follows:

Fiscal Year Ending	Amount
2019	20,806
2020	20,806
2021	20,806
2022	20,806
2023	20,806
2024 & Thereafter	145,640

Average Expected Remaining Service Life: 13 years

*Early Retirement Benefits:* The College has adopted a policy providing early retirement benefit options. Employees who have met eligibility for full retirement under KPERs, and who have completed 15 years of continuous full-time employment at Coffeyville Community College shall be eligible to continue under the College's health plan, and will also be entitled to the following financial benefit:

If the employee retires before age of full Social Security Retirement Benefit Eligibility Date (SSRBED), the following payments, as a percentage of the employee's highest annual salary, shall begin on or before three years prior to SSRBED:

<u>Retirement Age</u>	<u>Direct Payment</u>
On or before 3 years prior to SSRBED	17% at 3 yrs prior to SSRBED 15% at 2 yrs prior to SSRBED 12% at 1 yr prior to SSRBED
2 years prior to SSRBED	15 % at 2 yrs prior to SSRBED 12% at 1 yr prior to SSRBED
1 year prior to SSRBED	12% at 1 yr prior to SSRBED

The following is a schedule of benefits paid and payable for eligible employees which have taken early retirement as of June 30, 2018:

<u>Paid or Payable</u>	<u>Fiscal Year Ended June 30<sup>th</sup></u>	<u>Amount</u>
Paid	2018	\$ 12,654.96
Payable	2019	9,317.00
Payable	2020	24,781.55
Payable	2021	28,745.25
Payable	2022	18,357.80
Payable	2023	20,209.00
Payable	Thereafter	23,625.00

**14. OTHER POST EMPLOYMENT BENEFITS (Continued)**

*Other Post Employment Benefits:* As provided by K.S.A. 12-5040, the local government allows retirees to participate in the group health insurance plan. The College has adopted a policy that pays the single rate toward the retirees health insurance until they reach age 65, conceptually, the local government is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in these financial statements.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the government makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured. There is no cost to the government under this program.

**15. COMPENSATED ABSENCES**

Full-time professional/administrators earn vacation time according to the following schedule:

- 1 - 10 years of service – 20 days per year or 1.66 days per month, for a maximum of 40 days.
- 11 years and over of service – 25 days per year or 2.08 days per month, for a maximum of 50 days.

Full-time classified employees earn vacation time according to the following schedule:

- 1 - 10 years of service – 10 days per year or .83 days per month, for a maximum of 20 days.
- 11 years and over of service – 15 days per year or 1.25 days per month, for a maximum of 30 days.

Vacation will be awarded on the 1<sup>st</sup> of each month. Once a maximum balance is accrued, employees will no longer be awarded additional vacation time. Less than full-time professional/administrators and classified shall earn vacation on the schedule but prorated to the part-time status.

The provision for and accumulation of sick leave is based upon employment classification and years of service. Employees are not paid for accumulated sick leave upon termination.

The College accrues a liability for compensated absences which meet the following criteria:

1. The College's obligation relating to employees' rights to receive compensation for future absences is attributable to employees' services already rendered.
2. The obligation relates to rights that vest or accumulate.
3. Payment of the compensation is probable.
4. The amount can be reasonably estimated.

In accordance with the above criteria, the College has accrued a liability for vacation pay, and not for sick leave, which has been earned, but not taken, inasmuch as the amount cannot be reasonably estimated because the rights do not vest.



## **16. CONTINGENT LIABILITIES**

During the year ended June 30, 2008, a major taxpayer filed an appeal pertaining to their tax valuation. The appeal was filed with the Kansas Board of Tax Appeals. In January 2012, a majority of the three judge panel at Kansas Board of Tax Appeals ruled in favor of Montgomery County, Kansas (the entity responsible for the tax valuation). The taxpayer filed an appeal of the court decision to the Kansas Court of Appeals. In February 2013, the parties to the lawsuit reached a settlement for all tax years except 2008. The agreement also established upper and lower repayment limits based upon the final resolution of the case. Sometime after February 2013, the Kansas Court of Appeals remanded the case to the Kansas Board of Tax Appeals. On March 30, 2016, the Kansas Court of Tax Appeals issued a new decision on the matter that essentially reversed their earlier ruling. The College has not been ordered to make a repayment yet, but estimates the maximum repayment amount to be \$1.786M based upon the February 2013 settlement agreement.

Another industry also filed a tax appeal, which Montgomery County has resolved. The settlement agreement requires the College to repay taxes as follows: January 2019 - \$97,660.68 and January 2020 - \$99,017.88.

## **17. RISK MANAGEMENT**

The College is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employee; employees' health and life; and natural disasters. The College manages these risks of loss through the purchase of insurance policies, as well as establishing a health insurance fund.

The College has established a Health Insurance Fund. The purpose is to provide for an employee welfare benefit plan for health insurance. Contributions from eligible employees and the College are deposited in the name of the plan, subject to withdrawal for purposes of paying approved claims and expenses. The College has contracted with Blue Cross Blue Shield of Kansas to be the claims supervisor. The supervisor reviews all claims for allowability and issues monthly reports to the College. The College has a stop-gap policy which pays any aggregate claims over \$35,000.00.

## **18. BENEFICIAL INTEREST IN ASSETS HELD AT THE COFFEYVILLE AREA COMMUNITY FOUNDATION**

### Component Unit:

The Coffeyville Community College Foundation (CCCCF) has established a fund with the Coffeyville Area Community Foundation (CACF) as a vehicle for donors to donate for the benefit of the Foundation. Donor contributions are held at CACF, who will invest the funds and make distributions available upon request on an annual basis. If the income is not distributed in a particular calendar year, the undistributed net income for such year shall be added to the principal. The value of the funds held as Agency funds at June 30, 2018 is \$149,695.78.

## 19. **TEMPORARILY RESTRICTED NET ASSETS**

### Component Unit:

Temporarily restricted net assets include principal totaling \$300,000.00 from the U.S. Department of Education in connection with Federal grants. The principal and one-half of the earned interest cannot be expended until twenty years after receipt of the grant money. One-half of the interest can be used to pay scholarships. The remaining temporarily restricted net assets include contributions restricted for specific use by the donor.

Temporarily Restricted Net Assets June 30, 2018:	
Athletic Funds	\$ 720,206.52
Title III Funds	895,938.98
ARRA Scholarship Funds for Kansas Residents	428,000.00
Beneficiary Interest Held at Coffeyville Area	
Community Foundation	149,695.78
Other Organization and Activity Funds	<u>380,632.03</u>
Total Temporarily Restricted Net Assets June 30, 2018	<u>\$ 2,574,473.31</u>

## 20. **ENDOWMENTS**

### Component Unit:

On June 30, 2018 the Foundation Net Assets and Endowments are summarized in the following table:

	Permanently Restricted
Donor-Restricted Endowment Funds	\$ 4,688,633.41
Board-Designated Endowment Funds	- -
Total Funds	<u>\$ 4,688,633.41</u>

Changes in endowment net assets as of June 30, 2018 are as follows:

	Permanently Restricted
Endowment Net Assets, Beginning of Year	\$ 4,559,439.72
Contributions	129,193.69
Investment Income	<u>- -</u>
Endowment Net Assets, End of Year	<u>\$ 4,688,633.41</u>

All endowment funds are considered to be permanently restricted. Therefore the spending policy does not allow for distribution of these funds. Investment income from these funds is considered to be unrestricted unless otherwise designated.

## 21. **LEASING ACTIVITIES**

The College has entered into an operating lease with Unified School District #445 as the lessor for use of the north one-third of Orscheln Hall. Rental payments are \$1,000.00 per month and are included as miscellaneous income in the financial statements. The College also rents classroom space at the Columbus Campus to Neosho County Community College, there is no formal lease agreement. Total lease income for the year ended June 30, 2018 was \$12,000.00 with no future minimum lease income.

**21. LEASING ACTIVITIES** (Continued)

The College has entered into an operating lease with Kansas Military Board as the lessor for use of space in the Union Building. Rental payments are \$302.67 per month and are included as miscellaneous income in the financial statements. Total lease income for the year ended June 30, 2018 was \$1,513.35 with future minimum lease income as follows:

2019	\$ 3,632.04
2020	2,118.69

**22. RELATED PARTY TRANSACTIONS**

The Coffeyville Community College Foundation was formed to promote and foster the educational purposes of the College, and to create a fund to be used for any program, project, or enterprise undertaken in the interest of the College. The Foundation acts largely as a fund raising organization, soliciting, receiving, managing, and disbursing contributions on behalf of the College. Most of the contributions received are designated by the donors to be used for specific purposes or by specific departments. In these instances, the Foundation serves essentially as a conduit. Contributions that are not designated are used where the need is considered greatest, as determined by the Foundation's board of directors. The Foundation disbursed to the College for the year ended June 30, 2018, \$191,735.00 for scholarships. For the year ended June 30, 2018, the College disbursed on behalf of the Foundation \$150,781.25.

The Foundation has entered into a lease agreement with Coffeyville Community College for the lease of a bus barn and greenhouse the Foundation owns. The operating lease is renewable annually requiring monthly payments of \$2,060.00. Amounts collected in fiscal years ended June 30, 2018, was \$24,720.00.

In addition, as described in Note 12, the Foundation has entered into Capital Lease Agreements with Coffeyville Community College.

**23. INTERFUND TRANSFERS**

Operating transfers were as follows:

<u>From Fund:</u>	<u>To Fund:</u>	<u>Reason</u>	<u>Amount</u>
General	Postsecondary Technical Education	Operating Expenses	\$ 1,140,000.00
Bond and Interest	Auxiliary Enterprise	Operating Expenses	146,687.19

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and (2) use unrestricted revenue collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

## 24. SEGMENT INFORMATION

A segment is an identifiable activity reported as a stand alone entity for which one or more revenue bonds are outstanding. A segment has a specific identifiable revenue stream pledged in support of revenue bonds and has related expenses, gains, losses, assets, and liabilities that are required by an external party to be accounted for separately. The Auxiliary Enterprise Housing Fund qualifies as a segment and is as follows:

### Condensed Statement of Net Position

Assets:	
Current assets	\$ 3,814,784.79
Noncurrent assets	<u>195,088.47</u>
Total Assets	<u>4,009,873.26</u>
Liabilities	
Current liabilities	<u>60,842.38</u>
Total liabilities	<u>60,842.38</u>
Net position	
Restricted – Bond Reserve	1,048,730.00
Restricted – Bond and Interest	191,280.83
Unrestricted	<u>2,709,020.05</u>
Total net position	<u>\$ 3,949,030.88</u>

### Condensed Statement of Revenues, Expenses and

Changes in Net Position	
Operating revenues	\$ 3,753,107.95
Other operating expenses	<u>(2,056,819.48)</u>
Operating income	<u>1,696,288.47</u>
Investment income	1,978.61
Debt service	(1,295,086.42)
Transfer from (to)	<u>146,687.19</u>
Change in net position	549,867.85
Beginning net position	<u>3,399,163.03</u>
Ending net position	<u>\$ 3,949,030.88</u>

### Condensed Statement of Cash Flows

Net cash provided (used) by:	
Operating activities	\$ 1,686,608.95
Capital and related financing activities	(1,295,086.42)
Interest Earned on Investments	<u>1,978.61</u>
Net increase (decrease) in cash	393,501.14
Beginning cash and cash equivalents	<u>3,006,097.33</u>
Ending cash and cash equivalents	<u>\$ 3,399,598.47</u>

## 25. PRIOR PERIOD ADJUSTMENT

Also during the fiscal year, the College has implemented GASB 75 “Accounting and Financial Reporting for Postemployment Benefits Other than Pensions” replacing GASB 45. The accounting change adopted to conform to the provisions of GASB 75 has been applied retroactively by restating the beginning net position for the fiscal year ended June 30, 2017 by \$931,925, which included recording an adjustment to the Other Postemployment Benefits obligation of \$661,449 and an initial deferred outflow of resources of \$270,476. As the data needed to implement this standard for all periods presented was not available for periods prior to July 1, 2017, the College has elected to not restate information presented for the period ended June 30, 2017. See footnote 14 for additional funding information.

**26. SUBSEQUENT EVENTS**

The College evaluated events and transactions occurring subsequent year end, and there were no subsequent events requiring recognition in the financial statements. Additionally, there were no non-recognized subsequent events requiring disclosure.

**REQUIRED  
SUPPLEMENTARY INFORMATION**

**Schedule 1****COFFEYVILLE COMMUNITY COLLEGE**

Coffeyville, Kansas

## Schedule of Funding Progress

For the Year Ended June 30, 2018

	OPEB
Liability Changes	
Total OPEB Liability – Beginning of Year	\$ 934,539
1. Service Cost	56,305
2. Interest Cost	32,669
3. Changes in Benefit Terms	0
4. Differences between actual and expected experience	0
5. Changes in assumptions and inputs	270,476
6. Employer Contributions (Benefit Payments)	<u>60,000</u>
Net Changes (1 + 2 + 3 + 4 + 5 – 6)	<u>299,450</u>
Total OPEB Liability – End of Year	<u>\$ 1,233,989</u>
OPEB Liability as a percentage of payroll	
Total OPEB Liability	\$ 1,233,989
Payroll	6,539,929
Percent of Payroll	18.9%

*\* This schedule is to be built prospectively until it contains ten years of data*

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION:**

*Funding policy:* Costs under the College's group insurance program are paid from general operating assets on a pay-as-you-go basis, not assets are accumulated to pay related benefits.

*Changes in Assumptions:* Changes in assumptions or other inputs reflect a change in the discount rate from 3.40% (beginning-of-year measurement) to 3.30% (end-of-year measurement).

## **SUPPLEMENTARY INFORMATION**



**COFFEYVILLE COMMUNITY COLLEGE**

Coffeyville, Kansas

## Combining Schedule of Net Position

June 30, 2018

## POSTSECONDARY

	GENERAL	TECHNICAL EDUCATION	ADULT EDUCATION	SUPPLEMENTAL EDUCATION	AUXILIARY ENTERPRISE BOOKSTORE	AUXILIARY ENTERPRISE DORMITORIES
<b>ASSETS</b>						
Current Assets						
Cash and Cash Equivalents	\$ 3,151,752.22	\$ 81,436.49	\$ 14.15	\$ 7,170.58	\$ 1,371,376.38	\$ 788,211.26
Receivables - Taxes in Process	1,118,201.00	-	-	-	-	-
Receivables - Grants	-	-	-	-	-	-
Receivables - Other Receivables	1,059,512.65	-	-	-	98,895.49	-
Bookstore Inventory	-	-	-	-	316,290.83	-
Prepaid Expenses	-	-	-	-	-	-
Total Current Assets	5,329,465.87	81,436.49	14.15	7,170.58	1,786,562.70	788,211.26
Noncurrent Assets						
Cash and Cash Equivalents	-	-	-	-	-	1,240,010.83
Receivables - Taxes in Process	-	-	-	-	-	-
Bond Issuance Costs, Net	-	-	-	-	-	195,088.47
Capital Assets, Net	-	-	-	-	-	-
Total Noncurrent Assets	-	-	-	-	-	1,435,099.30
<b>TOTAL ASSETS</b>	<b>5,329,465.87</b>	<b>81,436.49</b>	<b>14.15</b>	<b>7,170.58</b>	<b>1,786,562.70</b>	<b>2,223,310.56</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Pension Related Deferred Outflows	249,670.00	-	-	-	-	-
<b>LIABILITIES</b>						
Current Liabilities						
Accounts Payable	73,068.56	78,271.81	-	-	1,097.18	-
Accrued Interest	-	-	-	-	-	59,745.20
Deferred Revenue	1,118,201.00	-	-	-	-	-
Deposits Held in Custody for Others	14,163.93	-	-	-	-	-
Total Current Liabilities	1,205,433.49	78,271.81	-	-	1,097.18	59,745.20
Noncurrent Liabilities						
Revenue Bonds Payable	-	-	-	-	-	-
Capital Leases Payable	-	-	-	-	-	-
Accrued Vacation	466,666.48	-	-	-	-	-
OPEB Obligations	1,233,989.00	-	-	-	-	-
Total Noncurrent Liabilities	1,700,655.48	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>2,906,088.97</b>	<b>78,271.81</b>	<b>-</b>	<b>-</b>	<b>1,097.18</b>	<b>59,745.20</b>
<b>NET POSITION</b>						
Investment in Capital Assets,						
Net of Related Debt	-	-	-	-	-	-
Restricted for:						
Bond Reserve	-	-	-	-	-	-
Bond and Interest	-	-	-	-	-	1,048,730.00
Unrestricted	2,673,046.90	3,164.68	14.15	7,170.58	1,785,465.52	191,280.83
<b>TOTAL NET POSITION</b>	<b>\$ 2,673,046.90</b>	<b>\$ 3,164.68</b>	<b>\$ 14.15</b>	<b>\$ 7,170.58</b>	<b>\$ 1,785,465.52</b>	<b>\$ 2,163,565.36</b>

**COFFEYVILLE COMMUNITY COLLEGE**

Coffeyville, Kansas

Combining Schedule of Net Position

June 30, 2018

	AUXILIARY ENTERPRISE GATE RECEIPTS	FEDERAL STUDENT GRANTS	TALENT SEARCH GRANT	TITLE III GRANTS FUND	COMMUNITY COLLEGE ACTIVITY	CAPITAL OUTLAY
<b>ASSETS</b>						
Current Assets						
Cash and Cash Equivalents	\$ 46,478.25	\$ 50,805.37	\$ (960.70)	\$ -	\$ 1,447,151.93	\$ -
Receivables - Taxes in Process	-	-	-	-	-	-
Receivables - Grants	-	86,686.00	-	-	-	-
Receivables - Other Receivables	-	-	-	-	-	-
Bookstore Inventory	-	-	-	-	-	-
Prepaid Expenses	-	-	-	-	-	-
Total Current Assets	46,478.25	137,491.37	(960.70)	-	1,447,151.93	-
Noncurrent Assets						
Cash and Cash Equivalents	-	-	-	-	-	718,549.28
Receivables - Taxes in Process	-	-	-	-	-	56,555.00
Bond Issuance Costs, Net	-	-	-	-	-	-
Capital Assets, Net	-	-	-	-	-	-
Total Noncurrent Assets	-	-	-	-	-	775,104.28
<b>TOTAL ASSETS</b>	<b>46,478.25</b>	<b>137,491.37</b>	<b>(960.70)</b>	<b>-</b>	<b>1,447,151.93</b>	<b>775,104.28</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Pension Related Deferred Outflows	-	-	-	-	-	-
<b>LIABILITIES</b>						
Current Liabilities						
Accounts Payable	-	86,686.00	-	-	-	47,456.94
Accrued Interest	-	-	-	-	-	-
Deferred Revenue	-	-	-	-	-	56,555.00
Deposits Held in Custody for Others	-	-	-	-	-	-
Total Current Liabilities	-	86,686.00	-	-	-	104,011.94
Noncurrent Liabilities						
Revenue Bonds Payable	-	-	-	-	-	-
Capital Leases Payable	-	-	-	-	-	-
Accrued Vacation	-	-	-	-	-	-
OPEB Obligations	-	-	-	-	-	-
Total Noncurrent Liabilities	-	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>86,686.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>104,011.94</b>
<b>NET POSITION</b>						
Investment in Capital Assets,						
Net of Related Debt	-	-	-	-	-	-
Restricted for:						
Bond Reserve	-	-	-	-	-	-
Bond and Interest	-	-	-	-	-	-
Unrestricted	46,478.25	50,805.37	(960.70)	-	1,447,151.93	671,092.34
<b>TOTAL NET POSITION</b>	<b>\$ 46,478.25</b>	<b>\$ 50,805.37</b>	<b>\$ (960.70)</b>	<b>\$ -</b>	<b>\$ 1,447,151.93</b>	<b>\$ 671,092.34</b>

**COFFEYVILLE COMMUNITY COLLEGE**  
Coffeyville, Kansas  
Combining Schedule of Net Position  
June 30, 2018

ASSETS	RETIREMENT OF INDEBTEDNESS	INVESTMENT IN PLANT	AGENCY FUNDS	TOTALS - PRIMARY INSTITUTION
Current Assets				
Cash and Cash Equivalents	\$ 3,537,611.34	\$ -	\$ 860,010.61	\$ 11,341,057.88
Receivables - Taxes in Process	-	-	-	1,118,201.00
Receivables - Grants	-	-	-	86,686.00
Receivables - Other Receivables	-	-	-	1,158,408.14
Bookstore Inventory	-	-	-	316,290.83
Prepaid Expenses	-	-	-	-
Total Current Assets	3,537,611.34	-	860,010.61	14,020,643.85
Noncurrent Assets				
Cash and Cash Equivalents	-	-	-	1,958,560.11
Receivables - Taxes in Process	-	-	-	56,555.00
Bond Issuance Costs, Net	25,000.00	-	-	220,088.47
Capital Assets, Net	-	23,179,071.78	-	23,179,071.78
Total Noncurrent Assets	25,000.00	23,179,071.78	-	25,414,275.36
<b>TOTAL ASSETS</b>	<b>3,562,611.34</b>	<b>23,179,071.78</b>	<b>860,010.61</b>	<b>39,434,919.21</b>
DEFERRED OUTFLOWS OF RESOURCES				
Pension Related Deferred Outflows	-	-	-	249,670.00
<b>LIABILITIES</b>				
Current Liabilities				
Accounts Payable	1,298,948.00	-	-	1,585,528.49
Accrued Interest	7,252.08	-	-	66,997.28
Deferred Revenue	-	-	-	1,174,756.00
Deposits Held in Custody for Others	-	-	860,010.61	874,174.54
Total Current Liabilities	1,306,200.08	-	860,010.61	3,701,456.31
Noncurrent Liabilities				
Revenue Bonds Payable	-	13,490,000.00	-	13,490,000.00
Capital Leases Payable	-	6,770,714.68	-	6,770,714.68
Accrued Vacation	-	-	-	466,666.48
OPEB Obligations	-	-	-	1,233,989.00
Total Noncurrent Liabilities	-	20,260,714.68	-	21,961,370.16
<b>TOTAL LIABILITIES</b>	<b>1,306,200.08</b>	<b>20,260,714.68</b>	<b>860,010.61</b>	<b>25,662,826.47</b>
<b>NET POSITION</b>				
Investment in Capital Assets,				
Net of Related Debt	-	2,918,357.10	-	2,918,357.10
Restricted for:				
Bond Reserve	-	-	-	1,048,730.00
Bond and Interest	-	-	-	191,280.83
Unrestricted	2,256,411.26	-	-	9,863,394.81
<b>TOTAL NET POSITION</b>	<b>\$ 2,256,411.26</b>	<b>\$ 2,918,357.10</b>	<b>\$ -</b>	<b>\$ 14,021,762.74</b>

**COFFEYVILLE COMMUNITY COLLEGE**

Coffeyville, Kansas

Combining Schedule of Revenues, Expenses, and Changes in Net Position  
For the Year Ended June 30, 2018

	GENERAL	POSTSECONDARY TECHNICAL EDUCATION	ADULT EDUCATION	ADULT SUPPLEMENTAL EDUCATION	AUXILIARY ENTERPRISE BOOKSTORE	AUXILIARY ENTERPRISE DORMITORIES
<b>REVENUES</b>						
Operating Revenues						
Student Tuition and Fees	\$ 1,155,478.98	\$ 1,263,496.26	\$ -	\$ -	\$ -	\$ 3,078,996.09
Federal Grants and Contracts	3,721.00	78,558.00	-	-	-	-
State Grants and Contracts	722,798.98	-	-	-	-	-
Sales and Services of						
Auxiliary Enterprises	-	-	-	-	654,566.05	-
Activity Fund Revenues	-	-	-	-	-	-
Other Revenues	64,008.33	-	-	-	-	19,545.81
Total Operating Revenues	1,946,007.29	1,342,054.26	-	-	654,566.05	3,098,541.90
<b>EXPENSES</b>						
Operating Expenses						
Educational and General						
Instruction	4,250,278.67	2,526,720.52	-	-	-	-
Academic Support	386,864.49	124,599.29	-	-	-	-
Student Services	2,381,867.30	124,041.74	-	-	-	-
Institutional Support	901,675.78	293,437.81	-	-	-	-
Operation and Maintenance	1,666,544.27	605,885.74	-	-	-	-
Scholarships and Awards	611,728.99	-	-	-	483,101.23	36,969.25
Auxiliary Enterprises	-	-	-	-	-	1,536,749.00
Depreciation Expense	-	-	-	-	-	-
Total Operating Expenses	10,198,959.50	3,674,685.10	-	-	483,101.23	1,573,718.25
Operating Income (Loss)	(8,252,952.21)	(2,332,630.84)	-	-	171,464.82	1,524,823.65
Nonoperating Revenues (Expenses)						
State Appropriations	1,726,932.00	1,188,904.00	-	-	-	-
County Appropriations	6,462,453.34	-	-	-	-	-
Pell Grants	-	-	-	-	-	-
Gifts and Contributions	-	-	-	-	-	-
Interest Income	5,717.61	750.28	-	-	840.70	1,137.91
Gain (Loss) on Sale of Asset	-	-	-	-	-	-
Debt Service	(145,572.87)	-	-	-	-	(1,295,086.42)
Operating Transfers	(1,140,000.00)	1,140,000.00	-	-	-	146,687.19
Increase (Decrease) in Net Position	(1,343,422.13)	(2,976.56)	-	-	172,305.52	377,562.33
Net Position - Beginning of Year	4,016,469.03	6,141.24	14.15	7,170.58	1,613,160.00	1,786,003.03
Net Position - End of Year	\$ 2,673,046.90	\$ 3,164.68	\$ 14.15	\$ 7,170.58	\$ 1,785,465.52	\$ 2,163,565.36

**COFFEYVILLE COMMUNITY COLLEGE**

Coffeyville, Kansas

Combining Schedule of Revenues, Expenses, and Changes in Net Position  
For the Year Ended June 30, 2018

	AUXILIARY ENTERPRISE GATE RECEIPTS	FEDERAL STUDENT GRANTS	TALENT SEARCH GRANT	TITLE III GRANTS	COFFEYVILLE COMMUNITY COLLEGE ACTIVITY	CAPITAL OUTLAY
<b>REVENUES</b>						
Operating Revenues						
Student Tuition and Fees	\$ 4,822.53	\$ -	\$ -	-	\$ -	-
Federal Grants and Contracts	-	1,953,393.02	-	-	-	-
State Grants and Contracts	-	-	-	-	-	126,179.00
Sales and Services of						
Auxiliary Enterprises	-	-	-	-	-	-
Activity Fund Revenues	-	-	-	-	2,286,008.63	-
Miscellaneous Income	-	27,345.17	-	-	-	5,735.80
Total Operating Revenues	4,822.53	1,980,738.19	-	-	2,286,008.63	131,914.80
<b>EXPENSES</b>						
Operating Expenses						
Educational and General						
Instruction	-	-	-	-	2,157,519.74	-
Academic Support	-	-	-	-	-	-
Student Services	-	-	-	-	-	-
Institutional Support	-	-	-	-	-	-
Operation and Maintenance	-	-	-	-	-	407,899.66
Scholarships and Awards	-	4,861,356.19	-	-	-	-
Auxiliary Enterprises	-	-	-	-	-	-
Depreciation Expense	-	-	-	-	-	-
Total Operating Expenses	-	4,861,356.19	-	-	2,157,519.74	407,899.66
Operating Income (Loss)	4,822.53	(2,880,618.00)	-	-	128,488.89	(275,984.86)
<b>Nonoperating Revenues (Expenses)</b>						
State Appropriations	-	-	-	-	-	-
County Appropriations	-	-	-	-	-	322,961.11
Pell Grants	-	2,880,618.00	-	-	-	-
Gifts and Contributions	-	-	-	-	-	-
Interest Income	-	-	-	-	-	-
Gain (Loss) on Sale of Asset	-	-	-	-	12,325.00	-
Debt Service	-	-	-	-	-	-
Operating Transfers	-	-	-	-	-	-
Increase (Decrease) in Net Position	4,822.53	-	-	-	140,813.89	46,976.25
<b>Net Position - Beginning of Year</b>	41,655.72	50,805.37	(960.70)	-	1,306,338.04	624,116.09
<b>Net Position - End of Year</b>	\$ 46,478.25	\$ 50,805.37	\$ (960.70)	-	\$ 1,447,151.93	\$ 671,092.34

**COFFEYVILLE COMMUNITY COLLEGE**

Coffeyville, Kansas

Combining Schedule of Revenues, Expenses, and Changes in Net Position  
For the Year Ended June 30, 2018

	RETIREMENT OF INDEBTEDNESS	INVESTMENT IN PLANT	ELIMINATING INTER-COMPANY SCHOLARSHIPS	TOTALS - PRIMARY INSTITUTION
<b>REVENUES</b>				
Operating Revenues				
Student Tuition and Fees	\$ 470,402.50	\$ -	(718,746.22)	\$ 5,254,450.14
Federal Grants and Contracts	-	-	(1,871,939.00)	163,733.02
State Grants and Contracts	-	-	-	848,977.98
Sales and Services of				
Auxiliary Enterprises	-	-	-	654,566.05
Activity Fund Revenues	-	-	-	2,286,008.63
Miscellaneous Income	-	-	-	116,635.11
Total Operating Revenues	470,402.50	-	(2,590,685.22)	9,324,370.93
<b>EXPENSES</b>				
Operating Expenses				
Educational and General				
Instruction	-	(27,953.34)	-	8,906,565.59
Academic Support	-	-	-	511,463.78
Student Services	-	-	-	2,505,909.04
Institutional Support	-	-	-	1,195,113.59
Operation and Maintenance	2,772,327.79	(2,798,118.05)	-	2,654,539.41
Scholarships and Awards	-	-	(2,590,685.22)	2,919,369.21
Auxiliary Enterprises	-	(30,095.00)	-	1,989,755.23
Depreciation Expense	-	1,059,368.19	-	1,059,368.19
Total Operating Expenses	2,772,327.79	(1,796,798.20)	(2,590,685.22)	21,742,084.04
Operating Income (Loss)	(2,301,925.29)	1,796,798.20	-	(12,417,713.11)
Nonoperating Revenues (Expenses)				
State Appropriations	-	-	-	2,915,836.00
County Appropriations	-	-	-	6,785,414.45
Pell Grants	-	-	-	2,880,618.00
Gifts and Contributions	-	-	-	-
Interest Income	-	-	-	8,446.50
Gain (Loss) on Sale of Asset	-	-	-	12,325.00
Debt Service	2,492,747.92	(1,712,673.68)	-	(660,585.05)
Operating Transfers	(146,687.19)	-	-	-
Increase (Decrease) in Net Position	44,135.44	84,124.52	-	(475,658.21)
Net Position - Beginning of Year	2,212,275.82	2,834,232.58	-	14,497,420.95
Net Position - End of Year	\$ 2,256,411.26	\$ 2,918,357.10	\$ -	\$ 14,021,762.74

**COFFEYVILLE COMMUNITY COLLEGE**

Coffeyville, Kansas

Schedules of Revenues, Expenditures, and  
Changes in Unencumbered Cash – Budget and Actual

For the Year Ended June 30, 2018

Schedules 4 to 11 are prepared in accordance with Kansas cash basis and budget laws (Regulatory Basis), which differs from generally accepted accounting principles (GAAP Basis). Cash receipts are recognized when the cash balance of a fund is increased. For an interfund transaction, a cash receipt is recorded in the fund receiving the cash from another fund. Cash disbursements are recognized when the cash balance of a fund is decreased. For an interfund transaction, a cash disbursement is recorded in the fund in which the cash is transferred. Expenditures include cash disbursements, transfers, accounts payable and encumbrances – that is, commitments related to unperformed (executory) contracts for goods and services, and are usually evidenced by a purchase order or written contract.

**COFFEYVILLE COMMUNITY COLLEGE**

Coffeyville, Kansas

Schedule of Revenues, Expenditures, and Changes  
in Unencumbered Cash - Budget and Actual

Current Funds - Unrestricted

General Fund (Regulatory Basis)

For the Year Ended June 30, 2018

(With Comparative Budget Basis Actual Amounts for the Prior Year Ended June 30, 2017)

	Prior Year	Actual	Adjustments	Current Year	Variance
	Budget	GAAP	Budget	Actual	Over
	Basis	Basis	Basis	Basis	(Under)
<b>REVENUES</b>					
Student Tuition and Fees	\$ 972,865.78	\$ 1,155,478.98	\$ (162,593.44)	\$ 992,885.54	\$ 1,036,366.00
					\$ (43,480.46)
Federal Grants	6,556.00	3,721.00	-	3,721.00	-
					3,721.00
State Sources					
State Operating Grant	1,726,932.00	1,726,932.00	-	1,726,932.00	1,726,932.00
Other State Grants	-	722,798.98	(722,798.98)	-	-
Total State Sources	1,726,932.00	2,449,730.98	(722,798.98)	1,726,932.00	-
Local Sources					
Ad Valorem Tax	6,675,399.96	5,666,927.41	-	5,666,927.41	7,284,250.00
Motor Vehicle Tax	537,622.43	499,379.59	-	499,379.59	511,367.00
16M-20M Truck Tax	13,285.97	11,940.58	-	11,940.58	-
Recreational Vehicle	7,887.31	7,494.91	-	7,494.91	6,595.00
Delinquent Tax	425,297.93	276,710.85	-	276,710.85	179,301.00
In Lieu of Tax	-	-	-	-	-
Total Local Sources	7,659,493.60	6,462,453.34	-	6,462,453.34	7,981,513.00
					(1,519,059.66)
Other Sources					
Interest Income	5,530.09	5,717.61	-	5,717.61	2,200.00
Miscellaneous	66,558.26	64,008.33	-	64,008.33	550,000.00
Total Other Sources	72,088.35	69,725.94	-	69,725.94	552,200.00
					(482,474.06)
Operating Transfers from					
Coffeyville Community College					
Activity Fund	16,465.00	-	-	-	-
<b>TOTAL REVENUES</b>	10,454,400.73	10,141,110.24	(885,392.42)	9,255,717.82	11,297,011.00
					(2,041,293.18)



**COFFEYVILLE COMMUNITY COLLEGE**

Coffeyville, Kansas

Schedule of Revenues, Expenditures and Changes  
in Unencumbered Cash - Budget and Actual

Current Funds - Unrestricted

General Fund (Regulatory Basis)

For the Year Ended June 30, 2018

(With Comparative Budget Basis Actual Amounts for the Prior Year Ended June 30, 2017)

	Prior Year	Actual	Adjustments	Current Year	Variance
	Budget	GAAP	Budget	Actual	Over
	Basis	Basis	Basis	Basis	(Under)
<b>EXPENDITURES</b>					
Instruction	\$ 3,074,242.17	\$ 4,250,278.67	\$ (1,127,236.17)	\$ 3,123,042.50	\$ 735,490.50
Public Service	-	-	-	-	-
Academic Support	386,632.24	386,864.49	-	386,864.49	(77,163.51)
Student Services	2,290,676.00	2,381,867.30	-	2,381,867.30	(1,025,044.70)
Institutional Support	781,452.91	901,675.78	-	901,675.78	(74,178.22)
Operation and Maintenance	1,737,699.79	1,666,544.27	-	1,666,544.27	(311,478.73)
Scholarships and Awards	383,724.21	611,728.99	-	611,728.99	279,728.99
Debt Service					
Principal Payments	-	127,326.32	-	127,326.32	127,326.32
Interest Payments	-	18,246.55	-	18,246.55	18,246.55
Operating Transfers to:					
Postsecondary Technical					
Education Fund	1,125,000.00	1,140,000.00	-	1,140,000.00	(297,784.00)
Adult Education Fund	-	-	-	-	(500,000.00)
<b>TOTAL EXPENDITURES</b>	<b>9,779,427.32</b>	<b>11,484,532.37</b>	<b>(1,127,236.17)</b>	<b>10,357,296.20</b>	<b>(1,124,856.80)</b>
<b>Excess of Revenues Over</b>					
<b>(Under) Expenditures and Other</b>					
<b>Additions (Deductions)</b>	<b>674,973.41</b>	<b>(1,343,422.13)</b>	<b>241,843.75</b>	<b>(1,101,578.38)</b>	<b>(916,436.38)</b>
<b>Unencumbered Cash</b>					
<b>Beginning of Year</b>	<b>3,505,288.63</b>	<b>4,016,469.03</b>	<b>163,793.01</b>	<b>4,180,262.04</b>	<b>277,455.04</b>
<b>End of Year</b>	<b>\$ 4,180,262.04</b>	<b>\$ 2,673,046.90</b>	<b>\$ 405,636.76</b>	<b>\$ 3,078,683.66</b>	<b>\$ (638,981.34)</b>

**COFFEYVILLE COMMUNITY COLLEGE**

Coffeyville, Kansas

Schedule of Revenues, Expenditures, and Changes  
in Unencumbered Cash - Budget and Actual

Current Funds - Unrestricted

Postsecondary Technical Education Fund (Regulatory Basis)

For the Year Ended June 30, 2018

(With Comparative Budget Basis Actual Amounts for the Prior Year Ended June 30, 2017)

	Prior Year	Current Year			Variance
	Budget	Actual	Adjustments	Actual	Over
	Basis	GAAP	Budget	Basis	(Under)
		Basis	Basis		
<b>REVENUES</b>					
Student Tuition and Fees	\$ 1,143,592.64	\$ 1,263,496.26	\$ -	\$ 1,263,496.26	\$ 1,051,638.00
					\$ 211,858.26
Federal Grants	-	78,558.00	-	78,558.00	-
State Sources					78,558.00
State Operating Grant	1,172,753.00	1,172,753.00	-	1,172,753.00	1,172,753.00
Other State Grants	16,151.00	16,151.00	-	16,151.00	151,101.00
Total State Sources	1,188,904.00	1,188,904.00	-	1,188,904.00	1,323,854.00
Other Sources					(134,950.00)
Miscellaneous	1,033.21	750.28	-	750.28	301,800.00
Total Other Sources	1,033.21	750.28	-	750.28	301,800.00
Operating Transfers from					(301,049.72)
General Fund	1,125,000.00	1,140,000.00	-	1,140,000.00	1,437,784.00
TOTAL REVENUES	3,458,529.85	3,671,708.54	-	3,671,708.54	4,115,076.00
					(443,367.46)
<b>EXPENDITURES</b>					
Instruction	2,524,751.63	2,526,720.52	-	2,526,720.52	2,599,929.00
Academic Support	120,504.13	124,599.29	-	124,599.29	144,627.00
Student Services	103,149.26	124,041.74	-	124,041.74	140,042.00
Institutional Support	243,560.42	293,437.81	-	293,437.81	304,151.00
Operation and Maintenance	558,627.47	605,885.74	-	605,885.74	616,503.00
Operating Transfers to					(10,617.26)
Capital Outlay Fund	-	-	-	-	300,000.00
TOTAL EXPENDITURES	3,550,592.91	3,674,685.10	-	3,674,685.10	4,105,252.00
					(430,566.90)
Excess of Revenues Over					
(Under) Expenditures and Other					
Additions (Deductions)	(17,989.06)	(2,976.56)	-	(2,976.56)	9,824.00
					(12,800.56)
Unencumbered Cash					
Beginning of Year	24,130.30	6,141.24	-	6,141.24	11,122.00
					(4,980.76)
End of Year	\$ 6,141.24	\$ 3,164.68	\$ -	\$ 3,164.68	20,946.00
					\$ (17,781.32)

**COFFEYVILLE COMMUNITY COLLEGE**  
Coffeyville, Kansas  
Schedule of Revenues, Expenditures, and Changes  
in Unencumbered Cash - Budget and Actual  
Current Funds - Unrestricted

Adult Education Fund (Regulatory Basis)

For the Year Ended June 30, 2018

(With Comparative Budget Basis Actual Amounts for the Prior Year Ended June 30, 2017)

	Prior Year Budget Basis	Actual GAAP Basis	Adjustments Budget Basis	Current Year Actual Budget Basis	Budget	Variance Over (Under)
REVENUES						
Other Sources						
Miscellaneous	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES	-	-	-	-	-	-
EXPENDITURES						
Operating Transfers to General Fund	-	-	-	-	14.00	(14.00)
TOTAL EXPENDITURES	-	-	-	-	14.00	(14.00)
Excess of Revenues Over (Under) Expenditures and Other Additions (Deductions)	-	-	-	-	(14.00)	14.00
Unencumbered Cash						
Beginning of Year	14.15	14.15	-	14.15	14.00	0.15
End of Year	<u>\$ 14.15</u>	<u>\$ 14.15</u>	<u>\$ -</u>	<u>\$ 14.15</u>	<u>\$ -</u>	<u>\$ 14.15</u>

**COFFEYVILLE COMMUNITY COLLEGE**

Coffeyville, Kansas

Schedule of Revenues, Expenditures, and Changes  
in Unencumbered Cash - Budget and Actual

Current Funds - Unrestricted

Adult Supplemental Education Fund (Regulatory Basis)

For the Year Ended June 30, 2018

(With Comparative Budget Basis Actual Amounts for the Prior Year Ended June 30, 2017)

	Prior Year Budget Basis	Actual GAAP Basis	Adjustments Budget Basis	Current Year Actual Budget Basis	Budget	Variance Over (Under)
REVENUES						
State Sources	-	\$ -	\$ -	\$ -	\$ -	\$ -
State Grants	-	-	-	-	-	-
TOTAL REVENUES	-	-	-	-	-	-
EXPENDITURES						
Operating Transfers to General Fund	-	-	-	-	7,172.00	(7,172.00)
TOTAL EXPENDITURES	-	-	-	-	7,172.00	(7,172.00)
Excess of Revenues Over (Under) Expenditures	-	-	-	-	(7,172.00)	7,172.00
Unencumbered Cash Beginning of Year	7,170.58	7,170.58	-	7,170.58	7,171.00	(0.42)
End of Year	\$ 7,170.58	\$ 7,170.58	\$ -	\$ 7,170.58	\$ (1.00)	\$ 7,171.58

**COFFEYVILLE COUNTY COMMUNITY COLLEGE**

Coffeyville, Kansas

Schedule of Revenues, Expenditures, and Changes  
in Unencumbered Cash - Budget and Actual

Current Funds - Unrestricted

Auxiliary Enterprise Funds (Regulatory Basis)

For the Year Ended June 30, 2018

(With Comparative Budget Basis Actual Amounts for the Prior Year Ended June 30, 2017)

	Prior Year Budget Basis	Current Year					Variance Over (Under)
		Dorm GAAP	Bookstore GAAP	Total Auxiliary Enterprise Funds GAAP	Adjustments to Budget Basis	Total Auxiliary Enterprise Funds Budget Basis	Final Budget
<b>REVENUES</b>							
Student Tuition and Fees							
Dorm Rents and							
Use of Student Union							
Sales and Services of							
Auxiliary Enterprises							
Other Revenues							
Miscellaneous							
Lease Purchase Proceeds							
Interest							
<b>TOTAL REVENUES</b>							
<b>EXPENDITURES</b>							
Auxiliary Enterprise							
Salaries and Benefits							
General Operating Expense							
Cost of Goods Sold							
Scholarships							
Capital Outlay							
Debt Service							
Operating Transfer (from) to							
Bond and Interest Fund							
<b>TOTAL EXPENDITURES</b>							
Excess of Revenues Over (Under)							
Expenditures and Other							
Additions (Deductions)							
Unencumbered Cash							
Beginning of Year							
End of Year							

**COFFEYVILLE COMMUNITY COLLEGE**  
Coffeyville, Kansas  
Schedule of Revenues, Expenditures, and Changes  
in Unencumbered Cash - Budget and Actual  
Plant Funds  
Unexpended (Capital Outlay) Fund (Regulatory Basis)  
For the Year Ended June 30, 2018

(With Comparative Budget Basis Actual Amounts for the Prior Year Ended June 30, 2017)

	Prior Year Budget Basis	Current Year			Variance Over (Under)
		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	
<b>REVENUES</b>					
State Sources					
State Grants	\$ 123,688.00	\$ 126,179.00	\$ -	\$ 126,179.00	\$ -
Local Sources					
Ad Valorem Tax	333,030.12	282,709.77	-	282,709.77	(82,264.23)
Motor Vehicle Tax	28,029.83	25,275.14	-	25,275.14	(293.86)
16M-20M Truck Tax	694.96	610.64	-	610.64	610.64
Recreational Vehicle Tax	410.59	379.51	-	379.51	49.51
Delinquent Tax	22,644.07	13,986.05	-	13,986.05	5,021.05
In-Lieu of Tax	-	-	-	-	-
Other Sources					
Miscellaneous	-	5,735.80	-	5,735.80	(494,264.20)
<b>TOTAL REVENUES</b>	<b>508,497.57</b>	<b>454,875.91</b>	<b>-</b>	<b>454,875.91</b>	<b>(571,141.09)</b>
<b>EXPENDITURES</b>					
Plant Equipment and Facility					
Capital Outlay	400,889.52	407,899.66	-	407,899.66	(907,080.34)
Debt Service					
Principal Payments	-	-	-	-	-
Interest Expense	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>400,889.52</b>	<b>407,899.66</b>	<b>-</b>	<b>407,899.66</b>	<b>(907,080.34)</b>
Excess of Revenues and Transfers Over (Under) Expenditures	107,608.05	46,976.25	-	46,976.25	335,939.25
Unencumbered Cash Beginning of Year	516,508.04	624,116.09	-	624,116.09	(26,999.91)
End of Year	\$ 624,116.09	\$ 671,092.34	\$ -	\$ 671,092.34	\$ 308,939.34

**COFFEYVILLE COMMUNITY COLLEGE**

Coffeyville, Kansas

Schedule of Revenues, Expenditures, and Changes  
in Unencumbered Cash - Budget and Actual

## Plant Funds

## Retirement of Indebtedness (Bond and Interest) Fund (Regulatory Basis)

For the Year Ended June 30, 2018

(With Comparative Budget Basis Actual Amounts for the Prior Year Ended June 30, 2017)

	Prior Year	Actual	Adjustments	Current Year	Variance
	Budget	GAAP	Budget	Actual	Over
	Basis	Basis	Basis	Basis	(Under)
<b>REVENUES</b>					
Student Tuition and Fees					
Dorm and Student					
Union Fees	\$ 425,965.75	\$ 446,402.50	\$ -	\$ 446,402.50	\$ 683,313.00
Use of Money and Property					
Bond Proceeds	-	2,500,000.00	-	2,500,000.00	-
Rents	24,000.00	24,000.00	-	24,000.00	-
Operating Transfers from					
Auxiliary Enterprise Funds	-	-	-	-	1,282,318.00
<b>TOTAL REVENUES</b>	449,965.75	2,970,402.50	-	2,970,402.50	1,965,631.00
<b>EXPENDITURES</b>					
Plant, Equipment & Facility					
Capital Outlay	-	2,772,327.79	-	2,772,327.79	535,000.00
Debt Service					
Bond Principal	195,000.00	-	-	-	660,000.00
Bond Interest	518,392.50	7,252.08	(7,252.08)	-	622,318.00
Debt Service Expense	-	-	25,000.00	25,000.00	-
Operating Transfer to					
Auxiliary Enterprise Funds	-	146,687.19	(146,687.19)	-	-
Total Budget				1,817,318.00	980,009.79
Adjustments for Qualifying					
Budget Credits				2,500,000.00	(2,500,000.00)
<b>TOTAL EXPENDITURES</b>	713,392.50	2,779,579.87	17,747.92	2,797,327.79	4,317,318.00
Excess of Revenues and Transfers					
Over (Under) Expenditures	(263,426.75)	190,822.63	(17,747.92)	173,074.71	(2,351,687.00)
Unencumbered Cash					
Beginning of Year	2,329,015.38	2,212,275.82	(146,687.19)	2,065,588.63	2,765,337.00
End of Year	\$ 2,065,588.63	\$ 2,403,098.45	\$ (164,435.11)	\$ 2,238,663.34	\$ 413,650.00
					\$ 1,825,013.34

**COFFEYVILLE COMMUNITY COLLEGE**  
Coffeyville, Kansas  
Schedule of Changes in Assets and Liabilities  
All Agency Funds  
For the Year Ended June 30, 2018

ACCOUNT NAME	Balance June 30, 2017	Additions	Deductions	Balance June 30, 2018
<b>AGENCY FUND</b>				
School Projects Accounts				
International Fees	\$ 3,644.71	\$ 24,215.00	\$ 20,644.53	\$ 7,215.18
Incidental Fees	12,688.21	634,508.12	609,097.64	38,098.69
Scholarships	-	220,809.98	220,809.98	-
Office Equipment	109,275.53	58,518.40	19,532.73	148,261.20
Health Insurance Clearing	37,170.93	911,131.55	904,977.34	43,325.14
Student Dorm Deposits	468,463.46	68,000.00	-	536,463.46
Total School Projects	631,242.84	1,917,183.05	1,775,062.22	773,363.67
 Student Organization Accounts				
Agriculture Club	(75.00)	-	-	(75.00)
Band	905.36	1,480.00	2,146.15	239.21
BPA - Columbus Campus	2,096.19	-	-	2,096.19
Cheerleading	7,313.87	5,722.00	8,895.50	4,140.37
Vocal Music	101.13	1,458.90	133.22	1,426.81
EMICT Misc Fee	19,245.85	41,335.00	30,187.94	30,392.91
Golf	384.20	244.00	832.00	(203.80)
Horticulture	4,994.08	1,001.00	5,095.53	899.55
Phi Theta Kappa	(1,486.37)	13,910.61	9,170.42	3,253.82
Student Government Association	51,377.36	16,774.58	30,360.82	37,791.12
Symphony of Winds	192.52	-	-	192.52
Track	1,622.29	144.00	1,727.74	38.55
VICA - Columbus Campus	4,700.18	-	-	4,700.18
Women's Softball	3,950.51	3,997.02	6,193.02	1,754.51
Total Student Organizations	95,322.17	86,067.11	94,742.34	86,646.94
 TOTAL AGENCY FUNDS	<u>\$ 726,565.01</u>	<u>\$ 2,003,250.16</u>	<u>\$ 1,869,804.56</u>	<u>\$ 860,010.61</u>
 Assets				
Cash and Investments	<u>\$ 726,565.01</u>	<u>\$ 2,003,250.16</u>	<u>\$ 1,869,804.56</u>	<u>\$ 860,010.61</u>
 TOTAL ASSETS	<u>\$ 726,565.01</u>	<u>\$ 2,003,250.16</u>	<u>\$ 1,869,804.56</u>	<u>\$ 860,010.61</u>
 Liabilities				
Deposits Held For Others	<u>\$ 726,565.01</u>	<u>\$ 2,003,250.16</u>	<u>\$ 1,869,804.56</u>	<u>\$ 860,010.61</u>
 TOTAL LIABILITIES	<u>\$ 726,565.01</u>	<u>\$ 2,003,250.16</u>	<u>\$ 1,869,804.56</u>	<u>\$ 860,010.61</u>



**COFFEYVILLE COMMUNITY COLLEGE  
COFFEYVILLE, KANSAS**

**FEDERAL COMPLIANCE SECTION**

For the Year Ended June 30, 2018

EIN NUMBER: 48-0698570  
OPE ID NUMBER: 001910000  
DUNS NUMBER: 010663490

COMPLIANCE ATTESTATION EXAMINATION  
INCLUDING TITLE IV STUDENT FINANCIAL ASSISTANCE PROGRAMS

COFFEYVILLE, KANSAS

FEDERAL PELL GRANT PROGRAM (PELL) (84.063)  
FEDERAL SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANTS (FSEOG) (84.007)  
FEDERAL WORK-STUDY PROGRAM (FWS) (84.033)  
FEDERAL DIRECT STUDENT LOANS (DIRECT LOAN) (84.268)

## **AUDITOR INFORMATION SHEET**

### **COFFEYVILLE COMMUNITY COLLEGE**

400 W. 11<sup>TH</sup>  
COFFEYVILLE, KANSAS 67337

EIN NUMBER: 48-0698570  
OPE ID NUMBER: 001910000  
DUNS NUMBER: 010663490

TELEPHONE: (620) 251-7700  
FAX: (620) 252-7098

PRESIDENT: Linda Moley  
CONTACT PERSON & TITLE: Jeff Morris, Vice President for Operations and Finance

LEAD AUDITOR: Neil L. Phillips, CPA  
EMAIL ADDRESS: [nphillips@jgppa.com](mailto:nphillips@jgppa.com)  
LICENSE NUMBER & HOME STATE: 5705 KS  
FIRM'S NAME & ADDRESS: JARRED, GILMORE & PHILLIPS, PA  
Certified Public Accountants  
1815 S. Santa Fe  
P.O. Box 779  
Chanute, Kansas 66720  
FIRM'S FEDERAL ID NUMBER: 20-3906022  
TELEPHONE: (620) 431-6342  
FAX: (620) 431-0724

PROGRAMS EXAMINED:	PELL	84.063
	FSEOG	84.007
	DIRECT LOAN	84.268
	FWS	84.033

For the Award Year that ended during the institution's fiscal year, the percentage of:

Correspondence or telecommunication courses to total courses	NONE
Regular students enrolled in correspondence courses	NONE
Regular students that are incarcerated	NONE
Regular students enrolled based on ability to benefit	NONE
For short term programs—	
Completion	N/A
Placement	N/A

The campuses/locations considered as part of this entity and covered or excluded by this examination are:

ALL LOCATIONS	> 50% OF PROGRAM OFFERED @ SITE	LOCATION ON ELIGIBILITY LETTER	NOTICE TO ED PRIOR TO OFFERING INSTRUCTION	DATE OPENED	DATE CLOSED	DATE OF CPA'S LAST VISIT	EXCLUSION REASON
Coffeyville	Yes	Yes	Yes	1923	N/A	2018	N/A
Columbus	Yes	Yes	Yes	2004	N/A	2018	N/A

Institution's Primary Accrediting Organization: North Central Association of Colleges and Schools

The College does not use a servicer.

Records for the accounting and administration of the SFA Programs are located at:

COFFEYVILLE COMMUNITY COLLEGE  
400 W. 11<sup>TH</sup>  
COFFEYVILLE, KANSAS 67337

For Close-Out Examination only: N/A

**COFFEYVILLE COMMUNITY COLLEGE**  
Coffeyville, Kansas  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2018

FEDERAL GRANTOR/ PASS THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH GRANTOR'S NUMBER	EXPENDITURES
<b>U.S. DEPARTMENT OF EDUCATION</b>			
Direct Programs:			
Student Financial Aid Cluster			
Federal Supplemental Education			
Opportunity Grants	84.007	N/A	\$ 33,905.00
Federal Work-Study Program	84.033	N/A	47,549.02
Federal Pell Grant Program	84.063	N/A	2,880,618.00
Federal Pell Grant Administration	84.063	N/A	3,525.00
		Total 84.063	2,884,143.00
Federal Direct Student Loans	84.268	N/A	(1) 1,871,939.00
Total Student Financial Aid Cluster			(M) 4,837,536.02
Passed through the Kansas Board of Regents:			
Carl Perkins Vocational Education Grants:			
Post Secondary Improvements	84.048	2018 Carl Perkins	82,308.00
Total U.S. Department of Education			4,919,844.02
FEDERAL ASSISTANCE TOTALS			\$ 4,919,844.02

**NOTE A -- BASIS OF PRESENTATION**

This schedule has been prepared in accordance with accounting principles generally accepted in the United States of America. Expenditures are recorded when goods or services are received.

**NOTE B --INDIRECT COST RATE**

Coffeyville Community College did not elect to use the 10% de minimis cost rate.

(1) These are subsidized and unsubsidized loans to students and parents at the College and are not included in the College's revenues and expenditures.

(M) Major Program

**JARRED, GILMORE & PHILLIPS, PA**  
CERTIFIED PUBLIC ACCOUNTANTS

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

Board of Trustees  
Coffeyville Community College  
Coffeyville, Kansas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Coffeyville Community College, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Coffeyville Community College's basic financial statements, and have issued our report thereon dated December 21, 2018.

**Internal Control over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Coffeyville Community College's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

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



JARRED, GILMORE & PHILLIPS, PA  
Certified Public Accountants

Chanute, Kansas  
December 21, 2018

**JARRED, GILMORE & PHILLIPS, PA**  
CERTIFIED PUBLIC ACCOUNTANTS

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

Board of Trustees  
Coffeyville Community College  
Coffeyville, Kansas

**Report on Compliance for Each Major Federal Program**

We have audited Coffeyville Community College's compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on Coffeyville Community College's major federal programs for the year ended June 30, 2018. Coffeyville Community College's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of Coffeyville Community College's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Coffeyville Community College's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Coffeyville Community College's compliance.

***Opinion on Each Major Federal Program***

In our opinion, Coffeyville Community College, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.

**Report on Internal Control over Compliance**

Management of Coffeyville Community College, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Coffeyville Community College's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance.

Accordingly, we do not express an opinion on the effectiveness of Coffeyville Community College's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

#### **Purpose of this Report**

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



JARRED, GILMORE & PHILLIPS, PA  
Certified Public Accountants

Chanute, Kansas  
December 21, 2018



**COFFEYVILLE COMMUNITY COLLEGE**

Coffeyville, Kansas

Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2018**I. SUMMARY OF AUDITORS' RESULTS****Financial Statements:**

The auditors' report expresses an unmodified opinion on the basic financial statements of Coffeyville Community College.

**Internal Control over Financial Reporting:**

Material weakness(es) identified?	_____	Yes	<u>  X  </u>	No
Significant deficiency(ies) identified?	_____	Yes	<u>  X  </u>	None Reported
Noncompliance or other matters required to be reported under <i>Government Auditing Standards</i>	_____	Yes	<u>  X  </u>	No

**Federal Awards:**

Internal control over major programs:				
Material weakness(es) identified?	_____	Yes	<u>  X  </u>	No
Significant deficiency(ies) identified?	_____	Yes	<u>  X  </u>	None Reported

The auditors' report on compliance for the major federal award programs for Coffeyville Community College expresses an unmodified opinion.

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance?	_____	Yes	<u>  X  </u>	No
--	-------	-----	--------------	----

Identification of major programs:

**U.S. DEPARTMENT OF EDUCATION**

Student Financial Aid Cluster

Federal Pell Grant Program – CFDA No. 84.063

Federal Supplementary Educational Opportunity Grant – CFDA No. 84.007

Federal Work-Study Program – CFDA No. 84.033

Federal Direct Student Loan Program – CFDA No. 84.268

The threshold for distinguishing Types A and B programs was \$750,000.00.

Auditee qualified as a low risk auditee?	<u>  X  </u>	Yes	_____	No
--	--------------	-----	-------	----

**COFFEYVILLE COMMUNITY COLLEGE**  
Coffeyville, Kansas

Schedule of Findings and Questioned Costs  
(Continued)  
For the Year Ended June 30, 2018

**II. FINANCIAL STATEMENT FINDINGS**

NONE

**III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

NONE

**COFFEYVILLE COMMUNITY COLLEGE**  
Coffeyville, Kansas

Schedule of Resolution of Prior Year's Findings and Questioned Costs  
For the Year Ended June 30, 2018

---

None