

**ALLEN COUNTY  
COMMUNITY COLLEGE**  
Iola, Kansas

Independent Auditors' Report and  
Financial Statements with  
Supplementary Information  
For the Year Ended June 30, 2020

**ALLEN COUNTY COMMUNITY COLLEGE**  
Iola, Kansas

**TABLE OF CONTENTS**

		<u>PAGE NUMBER</u>
Management’s Discussion and Analysis .....		i – x
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 .....		8-27
<b>REQUIRED SUPPLEMENTARY INFORMATION:</b>		
Schedule of Funding Progress .....	1	28
<b>SUPPLEMENTARY INFORMATION:</b>		
Combining Schedule of Net Position – Primary Institution .....	2	29-30
Combining Schedule of Revenues, Expenses, and Changes in Net Position – Primary Institution .....	3	31-32
<b>Schedule of Revenues, Expenditures, and Changes in Unencumbered Cash - Budget and Actual (Budget Basis): All Budgeted Funds - Current Funds – Unrestricted (With Comparative Actual Amounts for the Prior Year)</b>		
General Fund .....	4	33-34
Postsecondary Technical Education Fund .....	5	35
Adult Supplemental Education Fund .....	6	36
Auxiliary Enterprise Fund .....	7	37
Unexpended (Capital Outlay) Fund .....	8	38

**TABLE OF CONTENTS**  
(Continued)

	<u>SCHEDULE NUMBER</u>	<u>PAGE NUMBER</u>
Schedule of Changes in Assets and Liabilities – All Agency Funds – Primary Institution.....	9	39-40
Auditor Information Sheet .....		41-42
Schedule of Expenditures of Federal Awards.....	10	43
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> .....		44-45
Independent Auditors’ report on Compliance with Each Major Program and on Internal Control Over Compliance required by the Uniform Guidance .....		46-47
Schedule of Findings and Questioned Costs .....	11	48
Summary of Resolutions of Prior Year’s Audit Findings and Questioned Costs .....	12	49

# ALLEN COUNTY COMMUNITY COLLEGE

## Management's Discussion and Analysis

### **Overview of the Financial Statements and Financial Analysis**

The discussion and analysis of Allen County Community College's financial statements focuses on the College as a whole and provides an overview of the College's financial activities for the year ended June 30, 2020 with selected comparative information for the year ended June 30, 2019. The emphasis of discussion about these statements is on current year data and based on currently known facts. This discussion should be read along with the College's basic financial statements and the footnotes to those statements. A separate audit is issued for the Allen County Community College Endowment Association and is available for review at 1801 North Cottonwood, Iola, Kansas 66749.

Allen County Community College is required to present annual financial statements in accordance with pronouncements issued by the Governmental Accounting Standards Board (GASB); the authoritative body for establishing U.S. generally accepted accounting principles for state and local governments, including public institutions of higher education. These pronouncements (GASB 34 and 35) permit public colleges and universities to use the guidance for special purpose governments engaged only in business-type activities in their separately issued financial statements. As a result, the presentation format was shifted from a columnar fund group format to a consolidated, single-column, entity-wide format. This format is similar to the type of financial statements issued by a typical business enterprise or a not-for-profit organization.

There are three financial statements presented: the Statement of Net Position; the Statement of Revenues, Expenses and Changes in Net Position; and the Statement of Cash Flows.

#### **Statement of Net Position**

The Statement of Net Position presents the assets, liabilities and net position of the College as of the end of the fiscal year. Net position, an accounting concept, is defined as total assets less total liabilities and reflects those values and the equity (ownership) in the total assets of the College at a specific point in time.

From the data presented, readers of the Statement of Net Position are able to determine the assets available to continue operations of the institution. They are also able to determine how much the institution owes vendors, investors and lending institutions. Finally, the Statement of Net Position provides a picture of the net position and their availability for expenditure by the institution.

Net position is divided into four categories. The first category, "Invested in Capital Assets, Net of Related Debt", provides the institution's equity in property, plant and equipment owned by the institution. The second category, "Restricted-Expendable", are funds that must be spent by the institution as determined by donors and/or external entities that have placed time or purpose restrictions on the use of the assets. The third category, "Restricted-Nonexpendable", are resources available only for investment purposes. The final category, "Unrestricted", are funds available to spend for any lawful purpose of the institution.

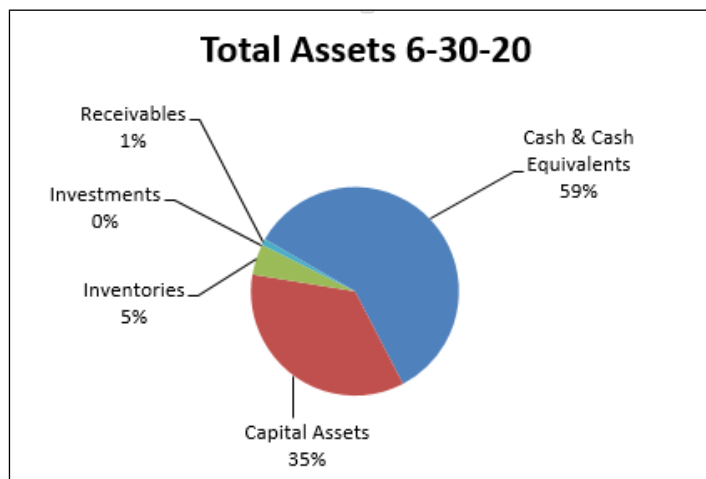
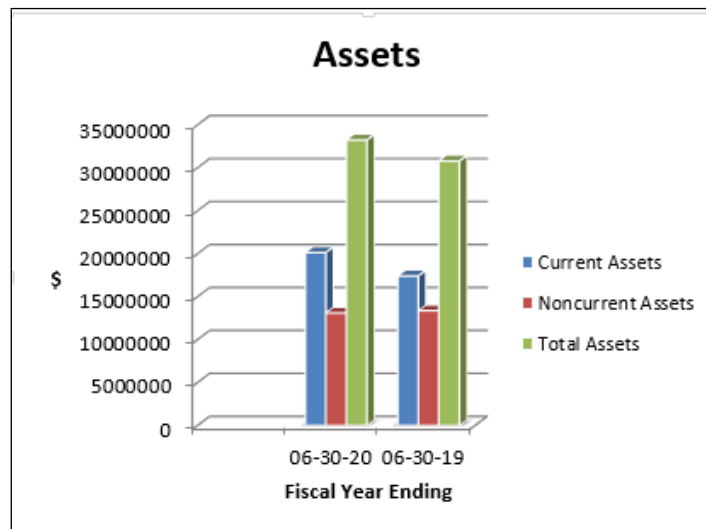
## Analysis of Assets, Liabilities and Net Position

### Assets

#### Comparison of Assets – Fiscal Year 2019 to 2020

	2019	% Total 2019	2020	% Total 2020
Current Assets	\$ 17,422,304	56.56%	\$ 20,138,942	60.58%
Non-Current Assets	\$ 13,377,777	43.44%	\$ 13,102,711	39.42%
Total Assets	\$ 30,800,081	100.00%	\$ 33,241,653	100.00%
Deferred Outflows	\$ 140,686		\$ 126,579	

For the year, ended June 30, 2020, total assets increased \$2,441,572 [7.93%] over the previous fiscal year. The change in total assets resulted from increases in Cash and Cash Equivalents of \$3,531,976, and decreases in Capital Assets (Net of Depreciation) of (\$814,416), Accounts Receivable of (\$195,643) and Inventory (\$80,345).

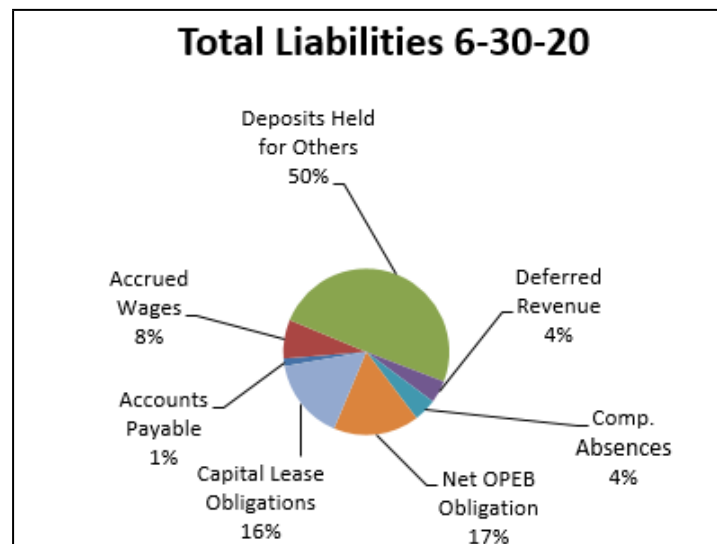
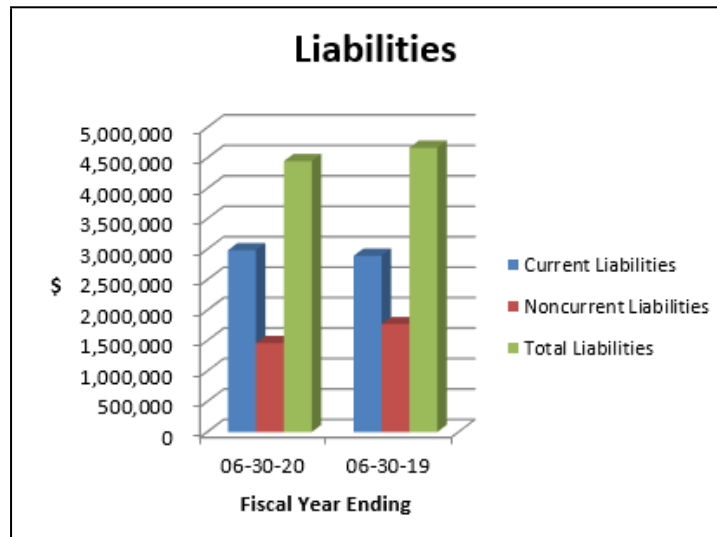


## Liabilities

### Comparison of Liabilities – Fiscal Year 2019 to 2020

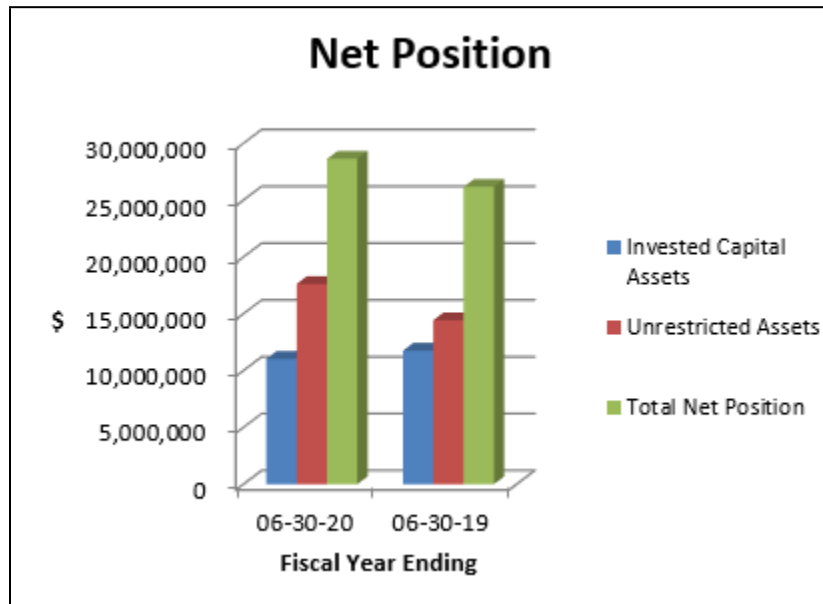
	2019	% Total 2019	2020	% Total 2020
Current Liabilities	\$ 2,980,076	63.84%	\$ 3,077,189	69.19%
Non-Current Liabilities	\$ 1,687,831	36.16%	\$ 1,370,122	30.81%
Total Liabilities	\$ 4,667,907	100.00%	\$ 4,447,311	100.00%
Deferred Inflows	\$ 111,645		\$ 297,280	

For the year ending June 30, 2020, total liabilities decreased (\$220,596) [4.73%] over the previous year. The net change in total liabilities can be attributed to decreases in Accounts Payable of (\$219,048), Net OPEB Obligation of (\$222,168), and Capital Lease Obligations of (\$85,000) and increases in accrued wages of \$1,191, compensated absences of \$22,014, Deferred Revenue of \$57,609 and Deposits Held for Others of \$224,806.



## Net Position

Total Net Position increased \$2,462,426 [9.41%] for the year ending June 30, 2020. This was due to an increase of \$3,191,842 in Unrestricted Assets and a decrease in Capital Assets of (\$729,416).



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

The Statement of Revenues, Expenses and Changes in Net Position reflect the results of operations and other changes for the fiscal year. The purpose of the statement is to present the revenues received by the institution, both operating and nonoperating, and the expenses paid by the institution, operating and nonoperating, and any other revenues, expenses, gains or losses received or spent by the institution. Changes in total net position, as presented on the Statement of Net Position, are based on the activity presented in the Statement of Revenues, Expenses and Changes in Net Position.

Operating Revenues are generally generated by providing goods and services to the various customers and constituencies of the institution. Operating expenses are those expenses paid to acquire or produce the goods and services provided in return for the operating revenues, and to carry out the mission of the institution. Nonoperating revenues are revenues received for which goods and services are not provided. For example, state appropriations are nonoperating because they are provided by the Legislature to the institution without the Legislature directly receiving commensurate goods or services for those revenues.

## Analysis of Revenues and Expenses

### Revenues

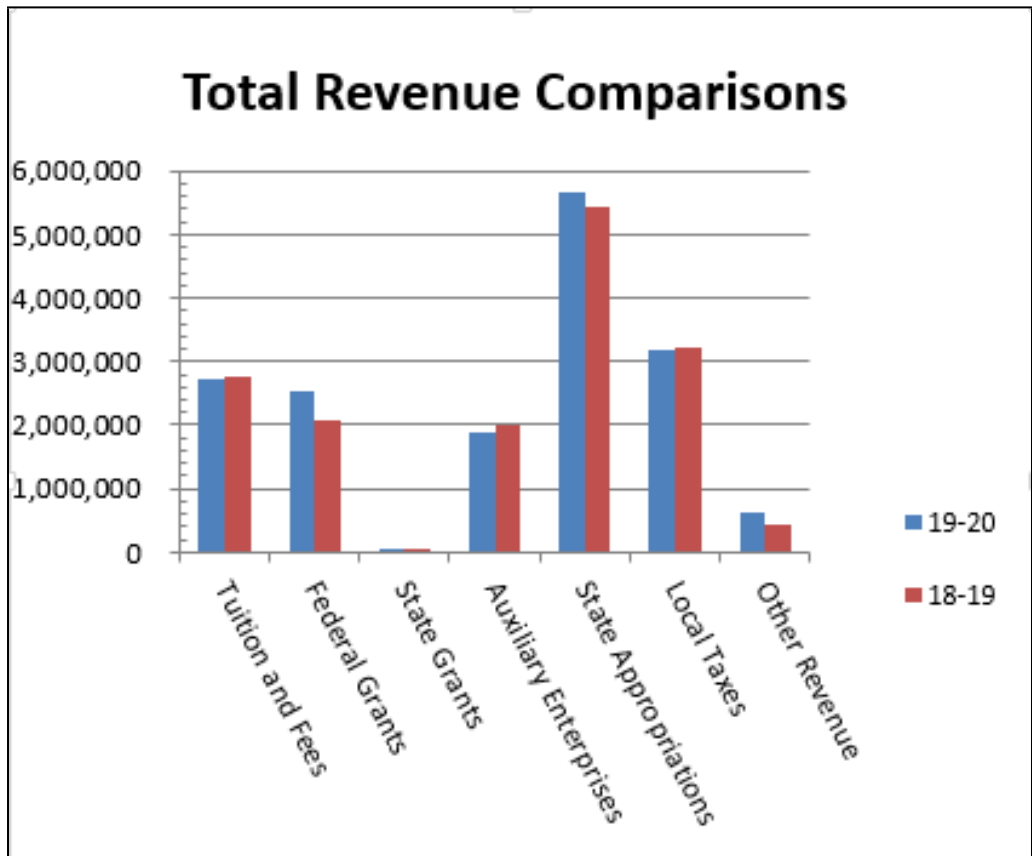
<u>Revenue</u>	<b>2019</b>	<b>% Total 2019</b>	<b>2020</b>	<b>% Total 2020</b>
Student Tuition & Fees	\$2,746,642	17.26%	\$2,735,228	16.48%
State Appropriations	\$5,416,578	34.03%	\$5,647,287	34.02%
Federal Grants & Contracts	\$80,731	0.50%	\$529,552	3.19%
Federal Pell Grants	\$2,007,933	12.62%	\$1,994,648	12.02%
State Grants & Contracts	\$13,957	0.09%	\$14,168	.09%
County Appropriations	\$3,234,554	20.32%	\$3,166,490	19.08%
Auxiliary Enterprises	\$1,985,226	12.47%	\$1,887,299	11.37%
Interest Income	\$348,069	2.19%	\$307,757	1.85%
Other Revenue	\$81,854	0.52%	\$316,841	1.90%
Total Revenue	\$15,915,544		\$16,599,270	

Total revenue for the 2019-2020 fiscal year increased \$683,726 [4.3%].

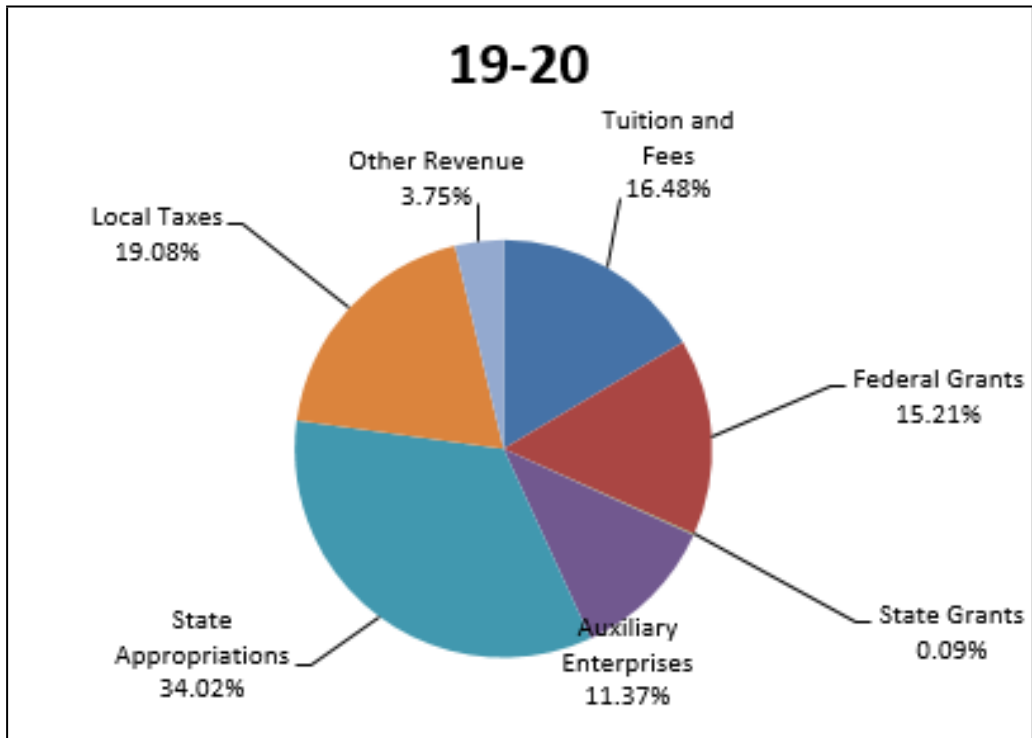
Operating revenues increased \$558,678 [11.38%]. The change consisted of a decrease in Student Tuition and Fees (net of scholarship discounts and allowances) of (\$11,414), an increase in Federal Grants of \$448,821, an increase of State Grants of \$211, a decrease in Auxiliary Enterprises Sales of (\$97,927) and an increase in Other Operating Revenue of \$218,987.

Non-operating revenues (expenses) increased \$125,048 [1.14%]. The change consisted of an increase in State Appropriations of \$230,709, a decrease in County Appropriations of (\$68,064), a decrease in Federal Pell Grants (\$13,285) and a decrease in investment income of (\$40,312) and increase in Gain (Loss) on Sale of Assets of \$16,000.





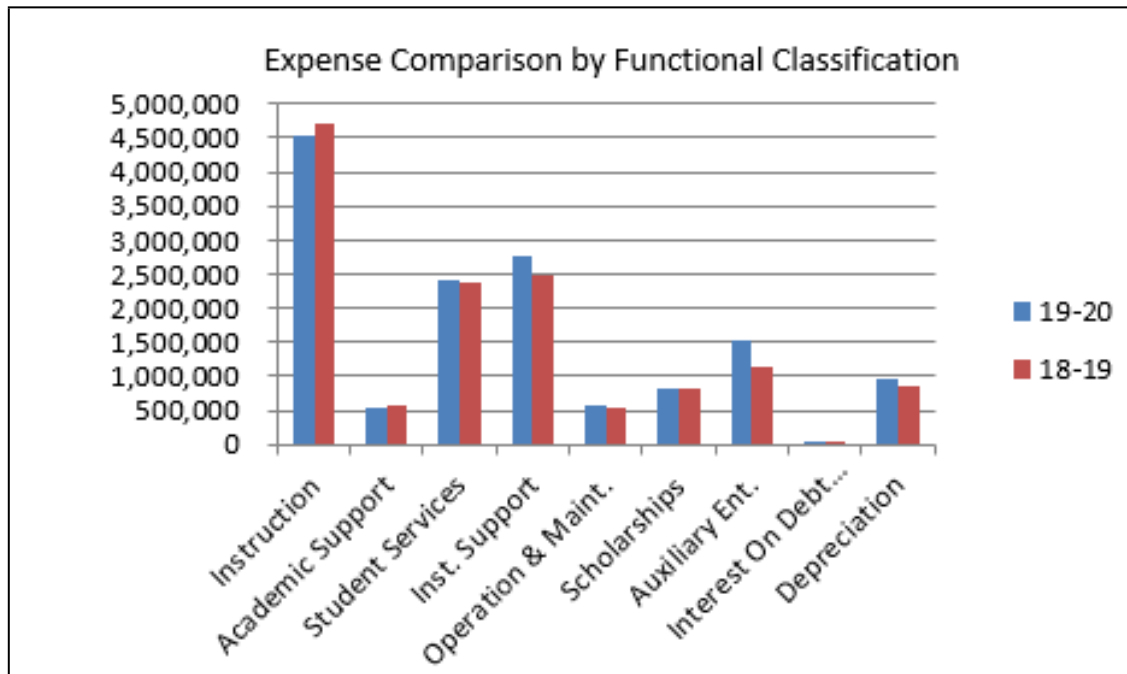
Allen County Community College receives revenue from seven sources:

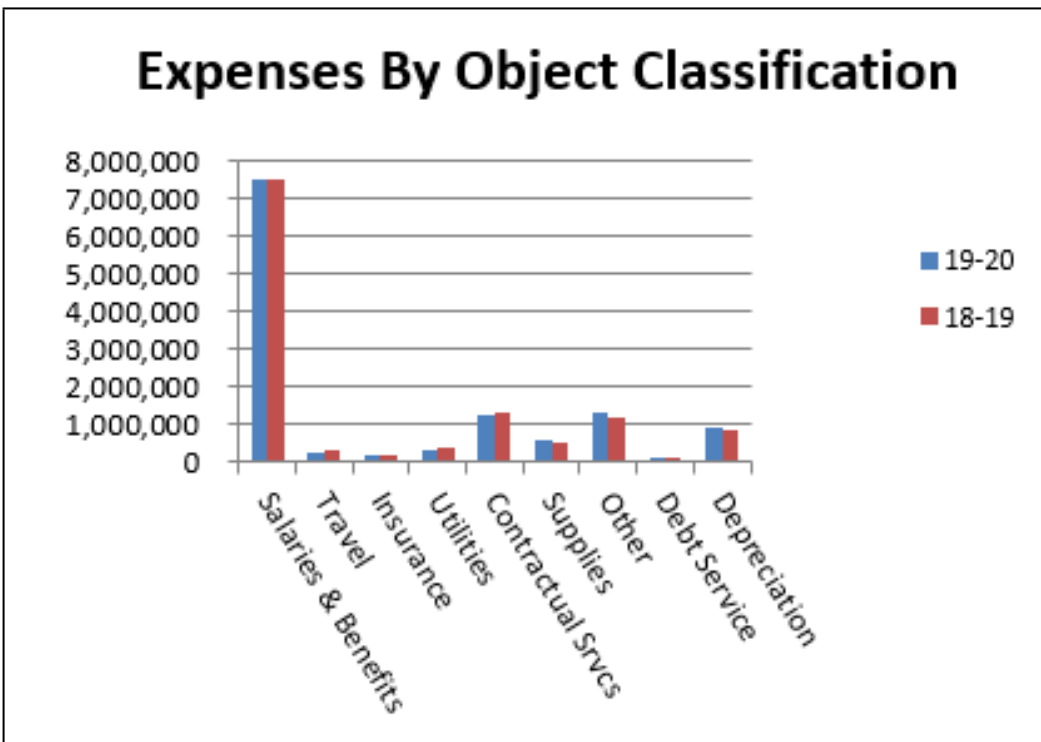
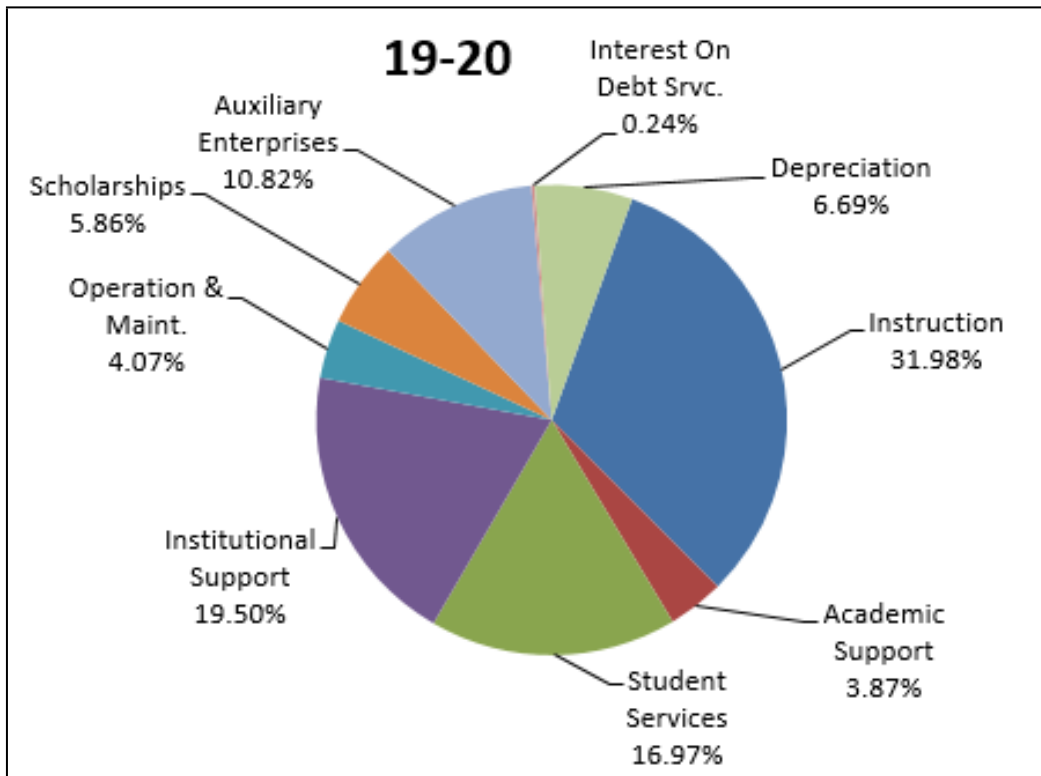


## Expenses

Total operating expenses for 2019-2020 increased \$577,538 [4.26%]. The change consisted of decreases in Instruction of (\$199,031), Academic Support of (\$33,225) and Interest on Debt Service of (\$3,262). Increases were in Student Services of \$29,308, Institutional Support of \$275,121, Operations and Maintenance of \$25,861, Scholarships and Awards of \$6,998, Auxiliary Enterprise of \$393,669 and Depreciation of \$82,099.

<u>Detail of Education &amp; General Expenditures</u>	<b>2019</b>	<b>% Total 2019</b>	<b>2020</b>	<b>% Total 2020</b>
Instruction	\$4,720,435	34.81%	\$4,521,404	31.98%
Academic Support	\$579,958	4.28%	\$546,733	3.87%
Student Services	\$2,370,329	17.48%	\$2,399,637	16.97%
Institutional Support	\$2,481,503	18.30%	\$2,756,624	19.50%
Operation and Maintenance	\$549,351	4.05%	\$575,212	4.07%
Scholarships and Awards	\$821,419	6.06%	\$828,417	5.86%
Auxiliary Expense	\$1,136,175	8.38%	\$1,529,844	10.82%
Depreciation Expense	\$863,478	6.37%	\$945,577	6.69%
Debt Service	\$36,658	.27%	\$33,396	.24%
Total Expenditures	\$13,559,306		\$14,136,844	



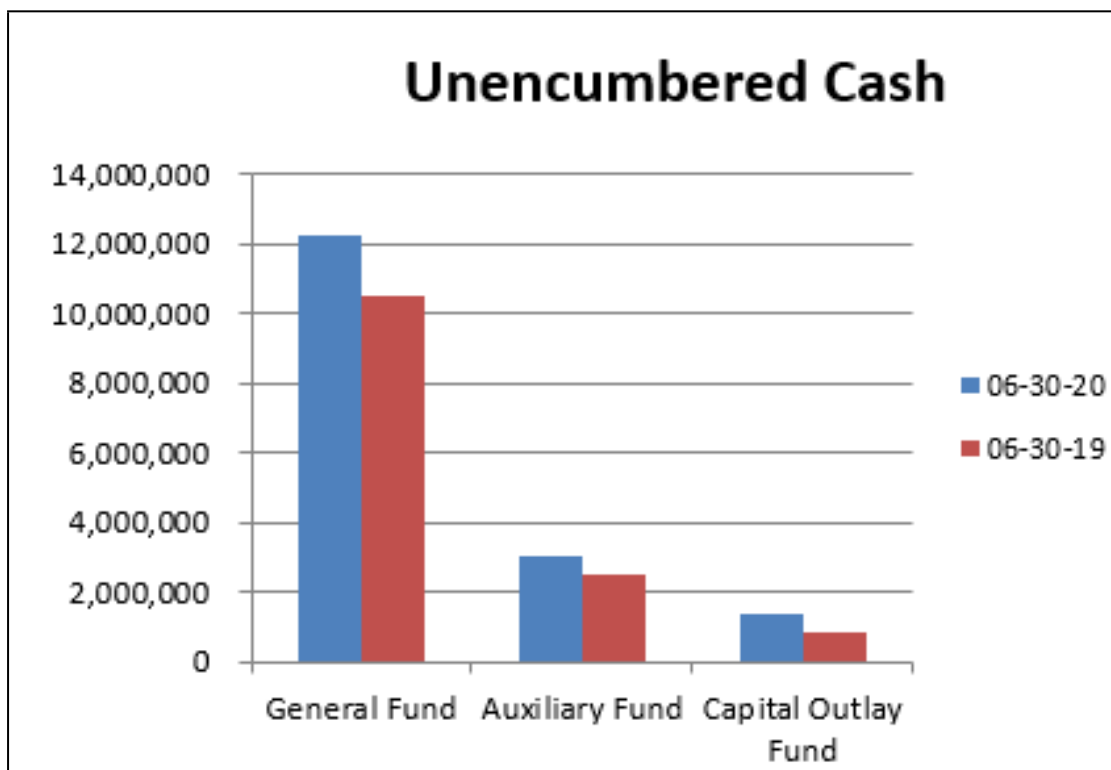


## Statement of Cash Flows

The Statement of Cash Flows presents detailed information about the cash activity of the institution during the fiscal year. The statement is divided into five parts:

- 1) Operating Activities-This section deals with operating cash flows and shows the net cash used by the operating activities of the institution.
- 2) Noncapital Financing Activities-This section shows the cash received and spent for nonoperating, noninvesting and noncapital financing purposes.
- 3) Capital Financing Activities-This section deals with the cash used for the acquisition and construction of capital and related items.
- 4) Investing Activities-This section shows the interest received from investing activities.
- 5) Net Change in Cash-The final section reconciles the net cash used in relation to the operating income or loss reflected on the Statement of Revenues, Expenses and Changes in Net Position.

## Comparative Cash Position



## **Capital Assets and Debt Administration**

During the fiscal year ended June 30, 2020, the College increased cash reserves. Due to the pandemic, we halted several plans for capital projects and post-poned the baseball/softball projects because of the unknown effects of the pandemic. Deferred maintenance and preventative maintenance items were completed but the costs were minimal compared to previous years. The College currently has outstanding capital lease debt of \$705,000. Remaining term of debt is 6 years with annual debt service requirements of \$119,816.

## **Economic Outlook**

The College remains strong financially with adequate cash reserves. We anticipate aid from the State of Kansas to have a reduction in 2020-21 and do not expect any increases in state aid for academic programs in the near future. Due to the pandemic, we anticipate lower enrollment numbers resulting in a decrease in tuition and fee revenues. We also expect lower revenues on our idle funds because of the interest rates being substantially lower. Assessed valuation of property in Allen County has remained steady after substantial increases in 2015-16. The College continues to focus on preventative maintenance of facilities, while following the capital improvement plan put forth in the College's strategic plan. The College remains fiscally stable through thoughtfully planned budgets that align with the College strategic plan, and continued expenditure management. Allen continues to be one of the most efficiently operated community colleges in the State of Kansas.

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

**INDEPENDENT AUDITORS' REPORT**

Board of Trustees  
Allen County Community College  
Iola, Kansas

**Report on the Financial Statements**

We have audited the accompanying financial statements of Allen County Community College, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Allen County 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.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Allen County Community College, as of June 30, 2020, 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 and schedule of funding progress on pages i-x and 29 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 the Allen County Community College's basic financial statements. The supplementary information, as listed in the table of contents as pages 29 to 40, 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*, 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, 2019 (not presented herein), and have issued our report thereon dated December 20, 2019, which contained an unmodified opinion on the basic financial statement. The 2019 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 <https://www.admin.ks.gov/offices/oar/municipal-services>. The 2019 actual column (2019 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures—actual and budget for the year ended June 30, 2020 (Schedules 4 to 8 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 2019 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 2019 basic financial statement. The 2019 comparative information was subjected to the auditing procedures applied in the audit of the 2020 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 2019 basic financial statement or to the 2019 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 2019 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, 2019, on the basis of accounting described in Note 1.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2020, on our consideration of the Allen County 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 the Allen County 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 the Allen County Community College's internal control over financial reporting and compliance.



JARRED, GILMORE & PHILLIPS, PA  
Certified Public Accountants

Chanute, Kansas  
November 20, 2020



**ALLEN COUNTY COMMUNITY COLLEGE**

Iola, Kansas

Statement of Net Position

June 30, 2020

	Primary Institution	Component Unit- Endowment Association
	<u>                    </u>	<u>                    </u>
<b>ASSETS</b>		
Current Assets		
Cash and Cash Equivalents	\$ 18,244,267	\$ 266,504
Accounts Receivable, Net	311,107	18,680
Inventories	1,583,568	-
Investments	-	6,296,216
Total Current Assets	<u>20,138,942</u>	<u>6,581,400</u>
Noncurrent Assets		
Cash and Cash Equivalents	1,373,476	-
Accounts Receivable, Net	11,475	37,500
Capital Assets, Net of Accumulated Depreciation	11,717,760	167,417
Total Noncurrent Assets	<u>13,102,711</u>	<u>204,917</u>
TOTAL ASSETS	<u>33,241,653</u>	<u>6,786,317</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pension Related Deferred Outflows	<u>126,579</u>	<u>-</u>
<b>LIABILITIES</b>		
Current Liabilities		
Accounts Payable	67,118	-
Accrued Wages	334,808	-
Compensated Absences	199,342	-
Deferred Revenue	182,636	-
Deposits Held in Custody for Others	2,203,285	-
Capital Lease Obligations, Due Within One Year	90,000	-
Total Current Liabilities	<u>3,077,189</u>	<u>-</u>
Noncurrent Liabilities		
Net OPEB Obligation	743,647	-
Capital Lease Obligations	615,000	-
Deferred Revenue	11,475	-
TOTAL LIABILITIES	<u>4,447,311</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Pension Related Deferred Inflows	<u>297,280</u>	<u>-</u>
<b>NET POSITION</b>		
Invested in Capital Assets, Net of Related Debt	11,012,760	-
Restricted - Expendable	-	1,112,139
Restricted - Nonexpendable	-	3,877,249
Unrestricted	17,610,881	1,796,929
TOTAL NET POSITION	<u>\$ 28,623,641</u>	<u>\$ 6,786,317</u>

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

**ALLEN COUNTY COMMUNITY COLLEGE**

Iola, Kansas

Statement of Revenues, Expenses, and Changes in Net Position

For the Year Ended June 30, 2020

	Primary Institution	Component Unit- Endowment Association
	<u>                    </u>	<u>                    </u>
REVENUES		
Operating Revenues		
Student Tuition and Fees, Net of Scholarship		
Discounts and Allowances of \$2,039,813	\$ 2,735,228	\$ -
Federal Grants and Contracts	529,552	-
State Grants and Contracts	14,168	-
Sales and Services of Auxiliary Enterprises	1,887,299	-
Other Operating Revenues	300,841	9,080
Total Operating Revenues	<u>5,467,088</u>	<u>9,080</u>
EXPENSES		
Operating Expenses		
Educational and General		
Instruction	4,521,404	-
Academic Support	546,733	-
Student Services	2,399,637	2,902
Institutional Support	2,756,624	125,869
Operation and Maintenance	575,212	-
Scholarships and Awards	828,417	288,360
Auxiliary Enterprises	1,529,844	-
Depreciation Expense	945,577	-
Total Operating Expenses	<u>14,103,448</u>	<u>417,131</u>
Operating Income (Loss)	<u>(8,636,360)</u>	<u>(408,051)</u>
Nonoperating Revenues (Expenses)		
State Appropriations	5,647,287	-
County Appropriations	3,166,490	-
Federal Pell Grants	1,994,648	-
Debt Service	(33,396)	-
Gifts	-	411,991
Investment Income	307,757	174,836
Gain (Loss) on Sale of Assets	16,000	-
Unrealized Gain (Loss) on Investments	-	(73,835)
Net Nonoperating Revenues (Expenses)	<u>11,098,786</u>	<u>512,992</u>
Increase (Decrease) in Net Position	2,462,426	104,941
Net Position - Beginning of Year	<u>26,161,215</u>	<u>6,681,376</u>
Net Position - End of Year	<u>\$ 28,623,641</u>	<u>\$ 6,786,317</u>

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

**ALLEN COUNTY COMMUNITY COLLEGE**

Iola, Kansas

Statement of Cash Flows

For the Year Ended June 30, 2020

	Primary Institution	Component Unit- Endowment Association
	<hr/>	<hr/>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Student Tuition and Fees	\$ 2,988,480	\$ -
Federal Grants and Contracts	529,552	-
State Grants and Contracts	14,168	-
Sales and Services of Auxiliary Enterprises	1,887,299	-
Miscellaneous Income	300,841	9,080
Payments on Behalf of Employees	(7,521,984)	-
Payments for Supplies and Materials	(563,980)	-
Payments for Other Expenses	(4,985,025)	(539,945)
Net cash provided by (used in) operating activities	<hr/> (7,350,649) <hr/>	<hr/> (530,865) <hr/>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
State Appropriations	5,647,287	-
County Appropriations	3,166,490	-
Federal Pell Grant	1,994,648	-
Federal Direct Loans	1,210,493	-
Federal Direct Loans Awarded	(1,210,493)	-
Gifts	-	203,923
Net cash provided by (used in) noncapital financing activities	<hr/> 10,808,425 <hr/>	<hr/> 203,923 <hr/>
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</b>		
Payments for Purchase of Capital Assets	(131,161)	-
Principal Payments for Long-Term Debt	(85,000)	-
Debt Service Payments for Long-Term Debt	(33,396)	-
Proceeds from the Sale of Assets	16,000	-
Cash Collections from Endowment Contributions	-	233,435
Net cash provided by (used in) capital financing activities	<hr/> (233,557) <hr/>	<hr/> 233,435 <hr/>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from Sales and Maturities of Investments	16,658,612	998,948
Purchase of Investments	(7,833,612)	(1,144,417)
Interest Earned on Investments	307,757	121,013
Net cash provided by (used in) investing activities	<hr/> 9,132,757 <hr/>	<hr/> (24,456) <hr/>
 Net Increase (Decrease) in Cash and Cash Equivalents	 12,356,976	 (117,963)
 Cash and Cash Equivalents, Beginning of Year	 <hr/> 7,260,767 <hr/>	 <hr/> 384,467 <hr/>
 Cash and Cash Equivalents, End of Year	 <hr/> <u>\$ 19,617,743</u> <hr/>	 <hr/> <u>\$ 266,504</u> <hr/>

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

**ALLEN COUNTY COMMUNITY COLLEGE**

Iola, Kansas

Statement of Cash Flows (Continued)

For the Year Ended June 30, 2020

	Primary Institution	Component Unit- Endowment Association
	<hr/>	<hr/>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH USED BY OPERATING ACTIVITIES		
Operating Income (Loss)	\$ (8,636,360)	\$ (408,051)
Adjustments to Reconcile Change in Net Position to Net Cash Used in Operating Activities:		
Depreciation Expense	945,577	1,485
Noncash Contributions	-	104,850
Deferred Outflows - Pension	14,107	-
Deferred Inflows - Pension	185,635	-
(Increase) Decrease in Receivables	195,643	-
(Increase) Decrease in Prepaid Expense	-	-
(Increase) Decrease in Inventory	80,345	-
Increase (Decrease) in Accounts Payable	(219,048)	(229,149)
Increase (Decrease) in Accrued Wages	1,191	-
Increase (Decrease) in Compensated Absences	22,014	-
Increase (Decrease) in OPEB Obligations	(222,168)	-
Increase (Decrease) in Deferred Revenue	57,609	-
Increase (Decrease) in Deposits Held for Others	224,806	-
	<hr/>	<hr/>
Net cash provided by (used in) operating activities	\$ (7,350,649)	\$ (530,865)

RECONCILIATION OF CASH AND CASH EQUIVALENTS TO  
THE STATEMENT OF Net Position

Cash and Cash Equivalents classified as current assets	\$ 18,244,267	\$ 266,504
Cash and Cash Equivalents classified as non-current assets	1,373,476	-
	<hr/>	<hr/>
Total Cash and Cash Equivalents	\$ 19,617,743	\$ 266,504

Supplemental Information:

Non Cash Contributions - Management and General	\$ -	\$ 97,375
Non Cash Contributions - Items for Annual Auction	-	7,475
Cash Paid for Interest	33,448	-

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

**ALLEN COUNTY COMMUNITY COLLEGE**

Iola, Kansas

Notes to the Financial Statements  
For the Year Ended June 30, 2020

**1. NATURE OF ACTIVITIES**

The financial statements of Allen County Community College, Iola, Kansas, have been prepared in accordance with accounting principles generally accepted in the United States of America. 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, as defined by Governmental Accounting Standards Board ("GASB") Statement No. 14, *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 Allen County Community College Endowment Association. 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 Allen County Community College Endowment Association 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 Association acts largely as a fundraising 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 Association serves essentially as a conduit. Contributions that are not designated are used where the need is considered greatest, as determined by the Association board of directors. The Association can sue and be sued, and can buy, sell, or lease real property. The Association's financial statements should be included with the College's financial statements. Separate audited financial statements are prepared and are available at the Association, and can be requested from the College's controller. The Association 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.

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

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 Position.

Inventories

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

Noncurrent Cash, Investments, and Noncurrent Accounts Receivable

Cash, investments, and accounts receivable 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 Position.

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 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

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, 2019.

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 December 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.

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

Accounts Receivable and Deferred Revenue (Continued)

Consequently, for revenue recognition purposes, taxes levied during the current year are not due and receivable until the ensuing year. Property taxes levied in December 2019 are recorded as taxes receivable. Approximately 33% of these taxes are normally distributed after May 10th, 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.

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 include 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 consist 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 represent 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.

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 unrestricted resources, and then towards restricted 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 Endowment Association is exempt from income taxes under Section 501(C)(3) of the Internal Revenue Code.

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

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 Position. 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.

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. Accounts receivable are stated at unpaid balances, less an allowance for doubtful accounts. The College provides for losses on receivables using the allowance method. The allowance is based on experience, third-party contracts, and other circumstances, which may affect the ability of others to meet their obligations. Receivables are considered impaired if full principal payments are not received in accordance with the contractual terms. It is the College's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected.



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

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). 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. The College made no such amendments during the year ended June 30, 2020.

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.

Annual operating budgets are prepared using the cash basis of accounting, modified further by the recording of accounts payable and encumbrances. Revenue is recognized when cash is received. Expenditures include cash disbursements, 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. All unencumbered appropriations (legal budget expenditure authority) lapse 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 are 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 Kansas Statutes

Supplementary Schedules 4 to 8 have been prepared in order to show compliance with the cash basis and budget laws of Kansas.

#### **4. DEPOSITS AND INVESTMENTS**

##### Deposits and Investments - 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 and the bank 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.

*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, 2020.

*Deposits:* At year-end, the College's carrying amount of deposits, including certificates of deposit is \$19,616,916 and the bank balance was \$19,823,195. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, \$256,028 was covered by FDIC insurance and \$19,567,167 was collateralized with pledged securities held by the pledging financial institutions' agents in the College's name.

##### Deposits and Investments – Component Unit:

At June 30, 2020, the carrying amount of the Endowment Association's deposits were \$266,504. The bank balance was held by one bank and one investment company resulting in a concentration of credit risk. The bank balance was \$265,554. Of the bank balance \$65,265 was covered by FDIC insurance and the remaining \$200,289 was covered SIPC insurance.

##### Investment Policy – Component Unit:

The Primary objective of the Endowment Association'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%.

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.

#### 4. **DEPOSITS AND INVESTMENTS** (Continued)

Investments are made under the direction of the Board of Trustees. Equity investments and other investments are recorded at fair values subject to comments on Investments under the summary of accounting practices. Investments at June 30, 2020 are comprised of the following:

Investments at June 30, 2020, are comprised of the following:

	<u>FAIR VALUE</u>
Common Stock	\$ 4,048,853
Fixed Income Securities	<u>2,247,363</u>
	<u>\$ 6,296,216</u>

#### 5. **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 under FASB ASC 820 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 Endowment Association 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.

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.

5. **FAIR VALUE MEASUREMENTS** (Continued)

Component Unit:

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, 2020.

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

Fixed Income: Valued using pricing models maximizing the use of observable inputs for similar securities.

	June 30, 2020			
	Level 1	Level 2	Level 3	Total
Common Stock	\$ 4,048,853	\$ --	\$ --	\$ 4,048,853
Fixed Income	--	2,247,363	--	2,247,363
Total	<u>\$ 4,048,853</u>	<u>\$ 2,247,363</u>	<u>\$ --</u>	<u>\$ 6,296,216</u>

6. **ACCOUNTS RECEIVABLE, NET**

Accounts receivable at June 30, 2020, consisted of the amounts due under the following grant programs:

	<u>Primary Institution</u>
Current:	
Taxes in Process	\$ 129,333
Federal Grants	56,773
Student Accounts - current	125,001
Total Accounts Receivable - Current	<u>\$ 311,107</u>
Noncurrent:	
Taxes in Process	<u>\$ 11,475</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 \$48,723 at June 30, 2020. Uncollectible amounts for unconditional promises to give of the Association are expected to be insignificant. Accordingly, no provision is made for uncollectible amounts.

7. **UNCONDITIONAL PROMISES TO GIVE**

Component Unit:

Unconditional promises to give at June 30, 2020 consist of the following:

Athletic Building	
Contributions Due within one year	\$ 12,000
Contributions Due one to five years	36,000
Thereafter	0
Scholarships	
Contributions Due within one year	6,680
Contributions Due one to five years	1,500
Thereafter	0
Total Promises to Give	<u>\$ 56,180</u>

**8. INVENTORIES**

Inventories consisted of the following at June 30, 2020:

Book Store Inventory	
Rental Books	\$ 1,553,484
Books	973
Soft Goods	13,773
Supplies/Food	10,776
Gifts	<u>4,562</u>
Total Inventories	<u>\$ 1,583,568</u>

**9. CAPITAL ASSETS, NET**

Following are the changes in capital assets for the year ended June 30, 2020:

Primary Institution:

	Balance			Balance
	06/30/2019	Additions	Retirements	06/30/2020
Capital assets not being depreciated				
Land	\$ 37,550	\$ -	\$ -	\$ 37,550
Other Capital Assets				
Buildings and Improvements	22,371,431	21,089	(59,129)	22,333,391
Building Under Capital Lease	2,170,366	-	-	2,170,366
Equipment	4,073,688	110,072	(782,909)	3,400,851
Total Other Capital Assets	<u>28,615,485</u>	<u>131,161</u>	<u>(842,038)</u>	<u>27,904,608</u>
Accumulated Depreciation				
Buildings and Improvements	(11,569,998)	(697,713)	59,129	(12,208,582)
Buildings and Improvements Under Building Under Capital Lease	(1,041,775)	(86,815)	-	(1,128,590)
Equipment	(3,509,086)	(161,049)	782,909	(2,887,226)
Total Accumulated Depreciation	<u>(16,120,859)</u>	<u>(945,577)</u>	<u>842,038</u>	<u>(16,224,398)</u>
Total Net Capital Assets	<u>\$ 12,532,176</u>	<u>\$ (814,416)</u>	<u>\$ -</u>	<u>\$ 11,717,760</u>

**9. CAPITAL ASSETS, NET** (Continued)

Component Unit:

	Balance 06/30/2019	Additions	Retirements	Balance 06/30/2020
Capital assets not being depreciated				
Land	\$ 159,000	\$ -	\$ -	\$ 159,000
Total Capital Assets not being depreciated	159,000	-	-	159,000
Other Capital Assets				
Buildings and Improvements	22,280	-	-	22,280
Total Other Capital Assets	22,280	-	-	22,280
Accumulated Depreciation				
Buildings and Improvements	(12,378)	(1,485)	-	(13,863)
Total Accumulated Depreciation	(12,378)	(1,485)	-	(13,863)
Capital Asset Summary				
Net Land, Buildings, and Improvements	168,902	(1,485)	-	167,417
Total Net Capital Assets	\$ 168,902	\$ (1,485)	\$ -	\$ 167,417

**10. CAPITAL LEASES**

Capital leases/certificates of participation with UMB BANK, N.A., dated March 15, 2007; requiring semi-annual principal and interest payments of between 3.70% and 4.45% through March 2027, secured by Masterson Hall.

<u>Capital Lease – Masterson Hall</u>	
Debt requirements are as follows:	
<u>June 30,</u>	
2021	\$ 119,816
2022	116,081
2023	117,194
2024	117,929
2025	118,554
2026-2027	<u>237,683</u>
Total Net Minimum Lease Payments	827,257
Less: Imputed Interest	<u>(122,257)</u>
Net Present Value of Capital Lease	<u>705,000</u>
Less: Current Maturities	<u>(90,000)</u>
Long-Term Capital Lease Obligations	<u>\$ 615,000</u>

**11. LEASE AGREEMENTS**

The College has entered into a ten-year lease agreement with Unified School District No. 454, Burlingame, Kansas, to lease buildings for outreach classes, effective January 1, 2011. The agreement calls for rental payments that shall include a base rent of \$500 each year. The lease payments are due in full by January 15 of each lease year. In addition, the College is responsible for custodial services and preventive maintenance, as well as major structural and/or facility equipment repair or replacement. This lease is subject to change or termination at any time by the Kansas legislature. In the event of a change in the Kansas statutory or case law which makes this lease agreement illegal, this lease shall be terminated with no recourse by either party. The total payments made under this lease agreement during the year ended June 30, 2020, was \$46,908.23. Future minimum rental payments are as follows:

2021	\$ 500
------	--------

The College has leased a postage meter for the period of 36 months with quarterly rent of \$162. Total payments made under this lease agreement during the year ended June 30, 2020, was \$648. There are no future minimum rental payment.

The College has entered into various other rental agreements for the rental of classrooms on a monthly non-binding basis. Total rent payments made under these agreements during the year ended June 30, 2020, was \$4,468.

The College has entered into a two-year lease agreement with Parkford Apartments, Iola, Kansas, to lease three apartment units for student housing, effective July 1, 2019. The total payments made under this lease agreement during the year ended June 30, 2020, was \$21,780. Future minimum rental payments are as follows:

2021	\$ 21,780
------	-----------

The College has entered into a two-year lease agreement with Parkford Apartments, Iola, Kansas, to lease three apartment units for student housing, effective June 1, 2019. The total payments made under this lease agreement during the year ended June 30, 2020, was \$21,780. Future minimum rental payments are as follows:

2021	\$ 19,965
------	-----------

The College has entered into a two-year lease agreement with Parkford Apartments, Iola, Kansas, to lease two apartment units for student housing, effective August 1, 2019. The total payments made under this lease agreement during the year ended June 30, 2020, was \$14,520. Future minimum rental payments are as follows:

2021	\$ 14,520
2022	2,420

The College has entered into a one-year lease agreement with Parkford Apartments, Iola, Kansas, to lease one apartment unit for student housing, effective June 1, 2019. The total payments made under this lease agreement during the year ended June 30, 2020, was \$6,250. There are no future minimum rental payment.

The College has entered into a one-year lease agreement with Parkford Apartments, Iola, Kansas, to lease one apartment unit for student housing, effective June 1, 2019. The total payments made under this lease agreement during the year ended June 30, 2020, was \$6,250. There are no future minimum rental payment.

## **12. 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.

### *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.



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

*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 14.59% and 13.21%, 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.

*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, 2019, the proportion recognized by the State of Kansas on behalf of the College was .10834%, which was an decrease of .0000165% from the proportion measured at June 30, 2018.

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

*Net Pension Liability*

At June 30, 2019 and 2018, the proportionate share of the net pension liability recognized by the State of Kansas that was attributable to the College was \$7,007,201 and \$7,175,225, respectively.

*Actuarial Assumptions*

The total pension liability was determined by an actuarial valuation as of December 31, 2018, which was rolled forward to June 30, 2019, using the following actuarial assumptions:

Price 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 setback and age set forward as well as other adjustments based on different membership groups.

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study conducted for the period of 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%	6.85%
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.

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

*Revenue and Pension Expense Recorded by the College:* For the year ended June 30, 2020, the College recognized revenue and pension expense in an equal amount of \$758,331.

*Early Retirement Benefits:* The College has adopted a policy providing early retirement benefit options. The policy allows professional employees with 20 years of full-time service to the College the option to retire early. Benefits which are provided are computed as a percentage of final salary paid annually; final salary is the average of the highest three years in the five years preceding date of retirement. The amount paid is based on age at retirement as follows:

1. For employees that retire prior to 61 years of age = 20% of final salary not to exceed \$6,500 a year for five years.
2. For employees that retire at 61 years of age = 17% of final salary not to exceed \$6,000 a year for four years.
3. For employees that retire at 62 years of age = 15% of final salary not to exceed \$5,200 a year for three years.
4. For employees that retire at 63 years of age = 13% of final salary not to exceed \$4,500 a year for two years.
5. For employees that retire at 64 years of age = 10% of final salary not to exceed \$3,500 a year for one year.

The College has reserved the option of renewing or not renewing the early retirement option on an annual basis. The College funds these benefits on a pay-as-you-go basis. The Plan does not issue a separate, publicly available report.

*Funded Status and Funding Progress:* Since the year of implementation, the Plan was not funded, therefore, there is no funded status of the Plan. The Plan is funded as obligations occur.

The following is a schedule of benefits paid and payable for eligible employees which have taken early retirement as of June 30, 2020:

<u>Paid or Payable</u>	<u>Year Ended June 30<sup>th</sup></u>	<u>Amount</u>
Paid	2020	\$ <u>18,000</u>
Payable	2021	13,000
Payable	2022	6,500
Payable	2023	6,500
Payable	2024	6,500

For the year ended June 30, 2020, the College has estimated a net unfunded obligation for future OPEB's of \$299,600 for employees not already taken early retirement as of June 30, 2020.

*Health Insurance:* 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.

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

*Early Retiree Health Insurance: 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 101 total active employees and 4 retirees who are participating in the plan as of July 1, 2019, 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 \$743,647 was measured as of June 30, 2020, and was determined by an actuarial valuation as of that date.

*Actuarial Assumptions and Other Inputs:* The total OPEB liability in the June 30, 2020 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, 2019
Measurement Date (End of Year)	June 30, 2020
Reporting Date	June 30, 2020
Discount Rate	2.60% (Measurement Date) 3.00% (Year Preceding Measurement Date)
Salary Scale	3.0%
Actuarial Cost Method	Entry Age – Level Percent-of-Pay
Healthcare Cost Trend Rates	6.5% decreasing 0.25% per year until reaching an ultimate trend rate of 4.5%

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 3.30% (beginning-of-year measurement) and 3.00% (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-2018 Full Generational Improvement to the Society of Actuaries Pub-2010 Public Retirement Plans Headcount-Weighted General Mortality Tables using Scale MP-2019 Full Generational Improvement.

Annual OPEB cost and net OPEB obligation:

Net OPEB Liability	
I. Total OPEB Liability	\$ 743,647
II. Plan Fiduciary Net Position (Trust Assets)	<u>0</u>
III. Net OPEB Liability at June 30, 2019 (I minus II)	<u>743,647</u>

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

OPEB Liability Changes	
Total OPEB Liability – Beginning of Year	\$ 965,815
1. Service Cost	75,105
2. Interest Cost	30,793
3. Changes in Benefit Terms	(81,662)
4. Differences between actual and expected experience	(35,190)
5. Changes in assumptions and inputs	(182,214)
6. Employer Contributions (Benefit Payments)	<u>29,000</u>
Net Changes (1 + 2 + 3 + 4 + 5 – 6)	<u>(222,168)</u>
Total OPEB Liability – End of Year	<u>743,647</u>
OPEB Expense – Fiscal Year 2019-20	
1. Service Cost	75,105
2. Interest on Total OPEB Liability	30,793
3. Changes in benefit terms	(81,662)
4. Differences between expected and actual experience	(3,568)
5. Changes of assumptions and inputs	(14,094)
6. Projected earnings on OPEB plan investments	0
7. Differences between projected & actual earnings on OPEB investments	<u>0</u>
OPEB Expense (1 + 2 + 3 + 4 + 5 - 6+7)	<u>6,574</u>

OPEB Liability as a percentage of payroll	
Total OPEB Liability	743,647
Payroll	*4,622,422
Percent of Payroll	16.1%

\* Annualized pay as of July 1, 2019 of active employees

**Sensitivity of Total OPEB Liability to changes in the Discount Rate**

	1% Decrease 1.6%	Current Single Discount Rate Assumption 2.6%	1% Increase 3.6%
Total OPEB Liability	802,036	743,647	689,241
Increase/(Decrease) from Baseline	58,389		(54,406)

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

	1% Decrease	Current Trend Assumption	1% Increase
Total OPEB Liability	657,775	743,647	846,369
Increase/(Decrease) from Baseline	(85,872)		102,722

*Deferred Outflows and Inflows of Resources:* The accumulated amount of Deferred Outflows and Inflows of Resources as of June 30, 2020 are shown below.

Category	Deferred Outflows of Resources	Deferred Inflow of Resources
Differences between expected and actual experience (1)	104,723	131,631
Changes in Assumptions (2)	21,856	165,649
Contributions Subsequent to Measurement Date (3)	0	0

(1) Expected Employer Contributions between Measurement date and Reporting date – Does not apply.

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

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
2021	(17,662)
2022	(17,662)
2023	(17,662)
2024	(17,662)
2025	(17,662)
2026 & Thereafter	(82,391)

Average Expected Remaining Service Life: 9.62 years

*Changes in Benefit Terms:* Benefit coverage parameters (such as maximum out of pocket, copays, etc.) changed from the October 1, 2018 to the October 1, 2019 renewal. The result is a reduction in the Total OPEB Liability of \$81,662. The impact of this change is fully recognized in the income statement in the current year.

**13. CONTINGENT LIABILITIES**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the Federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the College expects such amounts, if any, to be immaterial.

**14. COMPENSATED ABSENCES**

A total of up to 10 to 15 days of vacation per year can be accumulated by administrators and support staff up to a maximum of 30 days. At June 30, 2020, the maximum potential liability for unused vacation had been determined to be \$199,342. Each year a total of twelve days of sick leave can be accumulated by each employee up to a maximum of 90 days. Unused sick leave is lost upon termination of employment, except at retirement the employee will receive \$10 for each unused sick leave day.

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 and not accrued a liability for sick leave earned, but not taken, by College employees, in accordance with guidance provided, as the amounts cannot be reasonably estimated at this time.

**15. RESTRICTED NET POSITION - EXPENDABLE**

Component Unit:

Net Position – Expendable includes principal totaling \$500,000 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. Local matching funds of \$250,000 were also obtained in connection with the Federal grants. One-half of the interest can be used from matching funds to pay scholarships. Temporarily restricted grants, matching and growth at June 30, 2020, was \$1,112,139.

**16. RESTRICTED NET POSITION - NONEXPENDABLE**

Component Unit:

Changes in endowments as of June 30, 2020 are as follows:

	<u>Nonexpendable</u>
Restricted Net Position, Beginning of Year	\$ 3,755,030
Contributions	<u>122,219</u>
Restricted Net Position, End of Year	<u>\$ 3,877,249</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.

**17. CONCENTRATION OF RISK**

62% of the Endowment Association’s monies at June 30, 2020, are invested in equities in the stock market. The effect in the future on the Endowment Association’s equity portfolio is unknown and is subject to market economic conditions.

**18. 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 various insurance policies.

The College has established an Athletic Insurance Fund. The purpose is to provide for an athletic injury plan for students of Allen County Community College. Contributions from 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 Bob McCloskey Agency, Inc. to be the claims administrator. The administrator 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 \$25,000.

**19. RELATED PARTY TRANSACTIONS**

The Allen County Community College Endowment Association 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 Endowment Association 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 Endowment Association serves essentially as a conduit. Contributions that are not designated are used where the need is considered greatest, as determined by the Endowment Association's board of directors. The Endowment Association disbursed to, or on behalf of, the College for the year ended June 30, 2020, was \$288,360. The College disbursed on behalf of the Endowment Association donated services and facilities for the year ended June 30, 2020, was \$97,375.

**20. 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 College does not have any segments that meets the reporting requirements of GASB Statement No. 35.

**21. INTERFUND TRANSFERS**

Operating transfers were as follows:

<u>From Fund:</u>	<u>To Fund:</u>	<u>Amount</u>
General Fund	Federal Work Study Fund	\$ 11,886
General Fund	Supplemental Education Opportunity Grant Fund	11,032

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.

**22. SUBSEQUENT EVENTS**

The College evaluated events and transactions occurring subsequent to June 30, 2020, there were no subsequent events requiring recognition in the financial statements. Additionally, there were no nonrecognized subsequent events requiring disclosure. However, in recent months, the novel coronavirus "COVID-19" pandemic in the United States has resulted in school buildings being closed, activities canceled and the temporary closure of operating hours for the offices. There is unprecedented uncertainty surrounding the duration of the pandemic, its potential economic ramifications, and any government actions to mitigate them. Accordingly, while management cannot quantify the financial and other impact to the College as of the date of this report, management believes that a material impact on the College's financial position and results of future operations is reasonably possible.



**ALLEN COUNTY COMMUNITY COLLEGE  
IOLA, KANSAS**

**REQUIRED SUPPLEMENTARY INFORMATION**  
For the Year Ended June 30, 2020

**Schedule 1**

**ALLEN COUNTY COMMUNITY COLLEGE**

Iola, Kansas

Schedule of Funding Progress  
For the Year Ended June 30, 2020\*

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

	06/30/2018	06/30/2019	06/30/2020
OPEB Liability Changes			
Total OPEB Liability - Beginning of Year	\$ 888,033	\$ 775,650	\$ 965,815
1. Service Cost	69,302	61,086	75,105
2. Interest Cost	31,529	26,837	30,793
3. Changes in Benefit Terms	(23,649)	-	(81,662)
4. Difference between actual and expected experience	(135,655)	127,995	(35,190)
5. Changes in assumptions and inputs	6,090	21,247	(182,214)
6. Employer Contributions (Benefit Payments)	60,000	47,000	29,000
Net Changes (1+2+3+4+5-6)	(112,383)	190,165	(222,168)
Total OPEB Liability - End of Year	\$ 775,650	\$ 965,815	\$ 743,647

OPEB Liability as a percentage of payroll

Total OPEB Liability	\$ 775,650	\$ 965,815	\$ 743,647
Payroll	4,575,191 *	4,575,191 ^	4,575,191
Percent of Payroll	17.0%	21.1%	21.1%

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

^Annualized pay as of July 1, 2019 of active employees

**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 3.00% (beginning-of-year measurement) to 2.60% (end-of-year measurement)

**ALLEN COUNTY COMMUNITY COLLEGE**  
IOLA, KANSAS

**SUPPLEMENTARY INFORMATION**

**ALLEN COUNTY COMMUNITY COLLEGE**

Iola, Kansas

Combining Schedule of Net Position - Primary Institution

June 30, 2020

	GENERAL	POSTSECONDARY TECHNICAL EDUCATION	ADULT SUPPLEMENTAL EDUCATION	AUXILIARY ENTERPRISE	FEDERAL WORK STUDY	SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANT	PELL GRANT	DIRECT LOAN PROGRAM
<b>ASSETS</b>								
Current Assets								
Cash and Cash Equivalents	\$ 12,581,761	\$ 410,106	\$ 6,501	\$ 3,086,370	\$ -	\$ -	\$ (6,556)	\$ (6,400)
Receivables	129,333	-	-	-	-	-	-	-
Taxes in Process	15,387	-	-	24,676	-	12	10,298	6,400
Federal	125,001	-	-	-	-	-	-	-
Other	-	-	-	1,583,568	-	-	-	-
Inventories	-	-	-	4,694,614	-	12	3,742	-
Total Current Assets	12,851,482	410,106	6,501	4,694,614	-	12	3,742	-
Noncurrent Assets								
Cash and Cash Equivalents	-	-	-	-	-	-	-	-
Receivables	-	-	-	-	-	-	-	-
Taxes in Process	-	-	-	-	-	-	-	-
Capital Assets	-	-	-	-	-	-	-	-
Accumulated Depreciation	-	-	-	-	-	-	-	-
Total Noncurrent Assets	-	-	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	12,851,482	410,106	6,501	4,694,614	-	12	3,742	-
<b>DEFERRED OUTFLOWS OF RESOURCES</b>								
Pension Related Deferred Outflows	126,579	-	-	-	-	-	-	-
<b>LIABILITIES</b>								
Current Liabilities								
Accounts Payable	63,364	-	-	-	-	12	3,742	-
Accrued Wages	276,233	52,920	-	5,655	-	-	-	-
Compensated Absences	189,622	-	-	9,720	-	-	-	-
Deferred Revenue	182,636	-	-	-	-	-	-	-
Deposits Held in Custody for Others	-	-	-	30,800	-	-	-	-
Capital Lease Obligation, Due Within One Year	-	-	-	-	-	-	-	-
Total Current Liabilities	711,855	52,920	-	46,175	-	12	3,742	-
Noncurrent Liabilities								
Net OPEB Obligation	743,647	-	-	-	-	-	-	-
Capital Lease Obligation	-	-	-	-	-	-	-	-
Deferred Revenue	-	-	-	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	1,455,502	52,920	-	46,175	-	12	3,742	-
<b>DEFERRED INFLOWS OF RESOURCES</b>								
Pension Related Deferred Inflows	297,280	-	-	-	-	-	-	-
<b>NET POSITION</b>								
Invested in Capital Assets, Net of Related Debt	-	-	-	-	-	-	-	-
Unrestricted	11,225,279	357,186	6,501	4,648,439	-	-	-	-
<b>TOTAL NET POSITION</b>	\$ 11,225,279	\$ 357,186	\$ 6,501	\$ 4,648,439	\$ -	\$ -	\$ -	\$ -

**ALLEN COUNTY COMMUNITY COLLEGE**

Iola, Kansas

Combining Schedule of Net Position - Primary Institution  
June 30, 2020

	CARES ACT GRANT	STATE GRANTS	CAPITAL OUTLAY	INVESTMENT IN PLANT	AGENCY FUNDS	TOTALS - PRIMARY INSTITUTION
<b>ASSETS</b>						
Current Assets						
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	2,172,485	\$ 18,244,267
Receivables	-	-	-	-	-	129,333
Taxes in Process	-	-	-	-	-	56,773
Federal	-	-	-	-	-	125,001
Other	-	-	-	-	-	1,583,568
Inventories	-	-	-	-	-	20,138,942
Total Current Assets	-	-	-	-	2,172,485	-
Noncurrent Assets						
Cash and Cash Equivalents	-	-	1,373,476	-	-	1,373,476
Receivables	-	-	11,475	-	-	11,475
Taxes in Process	-	-	-	27,942,158	-	27,942,158
Capital Assets	-	-	-	(16,224,398)	-	(16,224,398)
Accumulated Depreciation	-	-	-	11,717,760	-	13,102,711
Total Noncurrent Assets	-	-	1,384,951	11,717,760	-	13,102,711
<b>TOTAL ASSETS</b>	-	-	1,384,951	11,717,760	2,172,485	33,241,653
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Pension Related Deferred Outflows	-	-	-	-	-	126,579
<b>LIABILITIES</b>						
Current Liabilities						
Accounts Payable	-	-	-	-	-	67,118
Accrued Wages	-	-	-	-	-	334,808
Compensated Absences	-	-	-	-	-	199,342
Deferred Revenue	-	-	-	-	-	182,636
Deposits Held in Custody for Others	-	-	-	-	2,172,485	2,203,285
Capital Lease Obligation, Due Within One Year	-	-	-	90,000	-	90,000
Total Current Liabilities	-	-	-	90,000	2,172,485	3,077,189
Noncurrent Liabilities						
Net OPEB Obligation	-	-	-	-	-	743,647
Capital Lease Obligation	-	-	-	615,000	-	615,000
Deferred Revenue	-	-	11,475	-	-	11,475
<b>TOTAL LIABILITIES</b>	-	-	11,475	705,000	2,172,485	4,447,311
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Pension Related Deferred Inflows	-	-	-	-	-	297,280
<b>NET POSITION</b>						
Invested in Capital Assets, Net of Related Debt	-	-	-	11,012,760	-	11,012,760
Unrestricted	-	-	1,373,476	-	-	17,610,881
<b>TOTAL NET POSITION</b>	-	-	\$ 1,373,476	\$ 11,012,760	-	\$ 28,623,641

**ALLEN COUNTY COMMUNITY COLLEGE**

Iola, Kansas

Combining Schedule of Revenues, Expenses, and Changes in Net Position - Primary Institution  
For the Year Ended June 30, 2020

	GENERAL	POSTSECONDARY TECHNICAL EDUCATION	ADULT SUPPLEMENTAL EDUCATION	AUXILIARY ENTERPRISE	FEDERAL WORK STUDY	SUPPLEMENTAL EDUCATION OPPORTUNITY GRANT	PELL GRANT	DIRECT LOAN PROGRAM
<b>REVENUES</b>								
Operating Revenues								
Student Tuition and Fees	\$ 3,272,641	\$ 1,502,400	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Grants and Contracts	19,610	-	-	24,676	35,659	33,108	-	1,210,493
State Grants and Contracts	-	-	-	-	-	-	-	-
Sales and Services of Auxiliary Enterprises	-	-	-	1,887,299	-	-	-	-
Other Revenues	75,416	-	-	225,425	-	-	-	-
<b>Total Operating Revenues</b>	<b>3,367,667</b>	<b>1,502,400</b>	<b>-</b>	<b>2,137,400</b>	<b>35,659</b>	<b>33,108</b>	<b>-</b>	<b>1,210,493</b>
<b>EXPENSES</b>								
Operating Expenses								
Educational and General								
Instruction	3,104,977	1,446,113	-	-	-	-	-	-
Academic Support	462,357	84,376	-	-	-	-	-	-
Student Services	2,246,105	187,032	-	-	-	-	-	-
Institutional Support	2,271,751	276,624	-	-	-	-	-	-
Operation and Maintenance	528,510	95,420	-	-	-	-	-	-
Scholarships and Awards	169,148	404,499	-	-	47,545	-	1,994,648	1,210,493
Auxiliary Enterprises	-	-	-	1,534,933	-	-	-	-
Depreciation Expense	-	-	-	-	-	-	-	-
<b>Total Operating Expenses</b>	<b>8,782,848</b>	<b>2,494,064</b>	<b>-</b>	<b>1,534,933</b>	<b>47,545</b>	<b>44,140</b>	<b>1,994,648</b>	<b>1,210,493</b>
Operating Income (Loss)	(5,415,181)	(991,664)	-	602,467	(11,886)	(11,032)	(1,994,648)	-
Nonoperating Revenues (Expenses)								
State Appropriations	4,319,629	1,327,658	-	-	-	-	-	-
County Appropriations	2,621,599	-	-	-	-	-	-	-
Federal Pell Grant	-	-	-	-	-	-	1,994,648	-
Interest Income	307,757	-	-	-	-	-	-	-
Debt Service	-	-	-	(118,396)	-	-	-	-
Gain (loss) on Sale of Assets	16,000	-	-	-	-	-	-	-
Operating Transfers	(22,918)	-	-	-	11,886	11,032	-	-
<b>Net Nonoperating Revenues (Expenses)</b>	<b>7,242,067</b>	<b>1,327,658</b>	<b>-</b>	<b>(118,396)</b>	<b>11,886</b>	<b>11,032</b>	<b>1,994,648</b>	<b>-</b>
Increase (Decrease) in Net Position	1,826,886	335,994	-	484,071	-	-	-	-
Net Position - Beginning of Year	9,398,393	21,192	6,501	4,164,368	-	-	-	-
<b>Net Position - End of Year</b>	<b>\$ 11,225,279</b>	<b>\$ 357,186</b>	<b>\$ 6,501</b>	<b>\$ 4,648,439</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

## ALLEN COUNTY COMMUNITY COLLEGE

Iola, Kansas

Combining Schedule of Revenues, Expenses, and Changes in Net Position - Primary Institution  
For the Year Ended June 30, 2020

	CARES ACT GRANT	STATE GRANTS	CAPITAL OUTLAY	INVESTMENT IN PLANT	SUB-TOTAL PRIMARY INSTITUTION	ELIMINATING INTER-COMPANY SCHOLARSHIPS	TOTALS - PRIMARY INSTITUTION
REVENUES							
Operating Revenues							
Student Tuition and Fees	\$ -	\$ -	\$ -	\$ -	4,775,041	\$ (2,039,813)	\$ 2,735,228
Federal Grants and Contracts	416,499	-	-	-	1,740,045	(1,210,493)	529,552
State Grants and Contracts	-	14,168	-	-	14,168	-	14,168
Sales and Services of Auxiliary Enterprises	-	-	-	-	1,887,299	-	1,887,299
Other Revenues	-	-	-	-	300,841	-	300,841
Total Operating Revenues	416,499	14,168	-	-	8,717,394	(3,250,306)	5,467,088
EXPENSES							
Operating Expenses							
Educational and General							
Instruction	-	-	-	(29,686)	4,521,404	-	4,521,404
Academic Support	-	-	-	-	546,733	-	546,733
Student Services	-	-	-	(33,500)	2,399,637	-	2,399,637
Institutional Support	208,249	-	-	-	2,756,624	-	2,756,624
Operation and Maintenance	-	14,168	-	(62,886)	575,212	-	575,212
Scholarships and Awards	208,250	-	-	(5,089)	4,078,723	(3,250,306)	828,417
Auxiliary Enterprises	-	-	-	-	1,529,844	-	1,529,844
Depreciation Expense	-	-	-	945,577	945,577	-	945,577
Total Operating Expenses	416,499	14,168	-	814,416	17,353,754	(3,250,306)	14,103,448
Operating Income (Loss)	-	-	-	(814,416)	(8,636,360)	-	(8,636,360)
Nonoperating Revenues (Expenses)							
State Appropriations	-	-	-	-	5,647,287	-	5,647,287
County Appropriations	-	-	544,891	-	3,166,490	-	3,166,490
Federal Pell Grant	-	-	-	-	1,994,648	-	1,994,648
Interest Income	-	-	-	-	307,757	-	307,757
Debt Service	-	-	-	85,000	(33,396)	-	(33,396)
Gain (loss) on Sale of Assets	-	-	-	-	16,000	-	16,000
Operating Transfers	-	-	-	-	-	-	-
Net Nonoperating Revenues (Expenses)	-	-	544,891	85,000	11,098,786	-	11,098,786
Increase (Decrease) in Net Position	-	-	544,891	(729,416)	2,462,426	-	2,462,426
Net Position - Beginning of Year,	-	-	828,585	11,742,176	26,161,215	-	26,161,215
Net Position - End of Year	\$ -	\$ -	\$ 1,373,476	\$ 11,012,760	\$ 28,623,641	\$ -	\$ 28,623,641

**ALLEN COUNTY COMMUNITY COLLEGE**

Iola, Kansas

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

For the Year Ended June 30, 2020

Schedules 4 to 8 are prepared in accordance with Kansas cash basis and budget laws (Budget 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.



## ALLEN COUNTY COMMUNITY COLLEGE

Iola, Kansas

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

Current Funds - Unrestricted

General Fund (Budget Basis)

For the Year Ended June 30, 2020

(With Comparative Actual Amounts for the Year Ended June 30, 2019)

	Current Year					Variance Over (Under)
	Prior Year Budget Basis	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Original and Final Budget	
<b>REVENUES</b>						
Student Tuition and Fees						
In State	\$ 1,933,326	\$ 1,819,291	\$ (63,398)	\$ 1,755,893	\$ 2,323,560	\$ (567,667)
Out-of-State and Foreign	356,205	440,910	-	440,910	-	440,910
Course Fees	927,757	997,166	-	997,166	1,152,500	(155,334)
Other Student Fees	11,755	15,274	-	15,274	-	15,274
Total Student Tuition and Fees	<u>3,229,043</u>	<u>3,272,641</u>	<u>(63,398)</u>	<u>3,209,243</u>	<u>3,476,060</u>	<u>(266,817)</u>
Federal Grant	<u>6,462</u>	<u>19,610</u>	<u>(15,387)</u>	<u>4,223</u>	<u>7,000</u>	<u>(2,777)</u>
State						
Operating Grant	3,426,453	3,561,298	-	3,561,298	3,561,298	-
Other Appropriations	-	758,331	(758,331)	-	-	-
Total State	<u>3,426,453</u>	<u>4,319,629</u>	<u>(758,331)</u>	<u>3,561,298</u>	<u>3,561,298</u>	<u>-</u>
Local						
Ad Valorem Tax	2,405,461	2,348,368	-	2,348,368	2,529,756	(181,388)
Motor Vehicle Tax	247,091	246,819	-	246,819	225,763	21,056
Recreational Vehicle Tax	3,544	3,344	-	3,344	3,450	(106)
Delinquent Tax	30,534	20,861	-	20,861	16,010	4,851
In Lieu of Taxes	2,480	2,207	-	2,207	-	2,207
Total Local	<u>2,689,110</u>	<u>2,621,599</u>	<u>-</u>	<u>2,621,599</u>	<u>2,774,979</u>	<u>(153,380)</u>
Other Revenue						
Interest	348,069	307,757	-	307,757	390,000	(82,243)
Miscellaneous	60,855	45,294	-	45,294	89,100	(43,806)
Sale of Capital Assets	-	16,000	(16,000)	-	-	-
Bad Debt Collections	19,615	30,122	(5,955)	24,167	-	24,167
Total Other	<u>428,539</u>	<u>399,173</u>	<u>(21,955)</u>	<u>377,218</u>	<u>479,100</u>	<u>(101,882)</u>
<b>TOTAL REVENUES</b>	<u>9,779,607</u>	<u>10,632,652</u>	<u>(859,071)</u>	<u>9,773,581</u>	<u>10,298,437</u>	<u>(524,856)</u>

## ALLEN COUNTY COMMUNITY COLLEGE

Iola, Kansas

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

Current Funds - Unrestricted

General Fund (Budget Basis)

For the Year Ended June 30, 2020

(With Comparative Actual Amounts for the Year Ended June 30, 2019)

	Prior Year Budget Basis	Current Year				Variance Over (Under)
		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Original and Final Budget	
EXPENDITURES						
Instruction	\$ 3,436,138	\$ 3,104,977	\$ 16,879	\$ 3,121,856	\$ 4,110,909	\$ (989,053)
Academic Support	520,428	462,357	1,229	463,586	535,648	(72,062)
Student Services	2,172,402	2,246,105	(14,275)	2,231,830	2,674,800	(442,970)
Institutional Support	1,557,322	2,271,751	(755,881)	1,515,870	1,665,848	(149,978)
Operation and Maintenance	1,996,949	528,510	(3,489)	525,021	1,579,212	(1,054,191)
Scholarships and Awards	156,977	169,148	-	169,148	154,926	14,222
TOTAL EXPENDITURES	9,840,216	8,782,848	(755,537)	8,027,311	10,721,343	(2,694,032)
OTHER ADDITIONS (DEDUCTIONS)						
Operating Transfers from (to)						
Federal Work Study	(13,800)	(11,886)	-	(11,886)	(11,890)	(4)
SEOG Fund	(11,513)	(11,032)	-	(11,032)	(11,032)	-
Postsecondary Technical Education Fund	24,888	-	-	-	(480,000)	(480,000)
Excess of Revenues Over (Under) Expenditures and Other Additions (Deductions)	(61,034)	1,826,886	(103,534)	1,723,352	(914,796)	2,638,148
Unencumbered Cash						
Beginning of Year	10,579,846	9,398,393	1,120,419	10,518,812	8,955,030	1,563,782
End of Year	\$ 10,518,812	\$ 11,225,279	\$ 1,016,885	\$ 12,242,164	\$ 8,040,234	\$ 4,201,930

## ALLEN COUNTY COMMUNITY COLLEGE

Iola, Kansas

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

Postsecondary Technical Education Fund (Budget Basis)

For the Year Ended June 30, 2020

(With Comparative Actual Amounts for the Year Ended June 30, 2019)

	Prior Year Budget Basis	Current Year				Variance Over (Under)
		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Original and Final Budget	
<b>REVENUES</b>						
Student Tuition and Fees						
In State	\$ 1,429,625	\$ 1,502,400	\$ -	\$ 1,502,400	\$ 442,440	\$ 1,059,960
Total Student Tuition and Fees	1,429,625	1,502,400	-	1,502,400	442,440	1,059,960
State						
Operating Grant	1,309,710	1,327,658	-	1,327,658	2,177,658	(850,000)
Total State	1,309,710	1,327,658	-	1,327,658	2,177,658	(850,000)
<b>TOTAL REVENUES</b>	<b>2,739,335</b>	<b>2,830,058</b>	<b>-</b>	<b>2,830,058</b>	<b>2,620,098</b>	<b>209,960</b>
<b>EXPENDITURES</b>						
Instruction	1,259,453	1,446,113	-	1,446,113	1,102,376	343,737
Academic Support	102,116	84,376	-	84,376	104,102	(19,726)
Student Services	199,340	187,032	-	187,032	243,285	(56,253)
Institutional Support	304,877	276,624	-	276,624	343,115	(66,491)
Operation and Maintenance	391,834	95,420	-	95,420	301,013	(205,593)
Scholarships and Awards	456,827	404,499	-	404,499	463,030	(58,531)
<b>TOTAL EXPENDITURES</b>	<b>2,714,447</b>	<b>2,494,064</b>	<b>-</b>	<b>2,494,064</b>	<b>2,556,921</b>	<b>(62,857)</b>
<b>OTHER ADDITIONS (DEDUCTIONS)</b>						
Operating Transfers from (to) General Fund	(24,888)	-	-	-	(350,000)	(350,000)
Excess of Revenues Over (Under) Expenditures and Other Additions (Deductions)	-	335,994	-	335,994	(286,823)	(77,183)
Unencumbered Cash						
Beginning of Year	21,192	21,192	-	21,192	-	21,192
End of Year	\$ 21,192	\$ 357,186	\$ -	\$ 357,186	\$ (286,823)	\$ (55,991)

## ALLEN COUNTY COMMUNITY COLLEGE

Iola, Kansas

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

Adult Supplemental Education Fund (Budget Basis)

For the Year Ended June 30, 2020

(With Comparative Actual Amounts for the Year Ended June 30, 2019)

	Current Year					Variance Over (Under)
	Prior Year Budget Basis	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Original and Final Budget	
REVENUES						
Student Tuition and Fees						
Local Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Revenue						
Miscellaneous	-	-	-	-	-	-
TOTAL REVENUES	-	-	-	-	-	-
EXPENDITURES						
Instruction	-	-	-	-	-	-
Excess of Revenues Over (Under) Expenditures	-	-	-	-	-	-
Unencumbered Cash						
Beginning of Year	6,501	6,501	-	6,501	6,501	-
End of Year	\$ 6,501	\$ 6,501	\$ -	\$ 6,501	\$ 6,501	\$ -

## ALLEN COUNTY COMMUNITY COLLEGE

Iola, Kansas

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

Auxiliary Enterprise Fund (Budget Basis)

For the Year Ended June 30, 2020

(With Comparative Actual Amounts for the Year Ended June 30, 2019)

	Current Year					Variance Over (Under)
	Prior Year Budget Basis	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Original and Final Budget	
<b>REVENUES</b>						
Sales and Services of Auxiliary Enterprises						
Bookstore	\$ 63,426	\$ 141,928	\$ -	\$ 141,928	\$ 2,153,020	\$ (2,011,092)
Room and Board	1,263,091	1,138,796	-	1,138,796	-	1,138,796
Book Rentals	624,770	606,575	-	606,575	-	606,575
Total Sales and Services of Auxiliary Enterprises	1,951,287	1,887,299	-	1,887,299	2,153,020	(265,721)
Federal Grant	-	24,676	(24,676)	-	-	-
Other Revenue Miscellaneous	33,939	225,425	-	225,425	13,000	212,425
<b>TOTAL REVENUES</b>	<b>1,985,226</b>	<b>2,137,400</b>	<b>(24,676)</b>	<b>2,112,724</b>	<b>2,166,020</b>	<b>(53,296)</b>
<b>EXPENDITURES</b>						
Auxiliary Enterprise Bookstore						
General Operating	404,707	536,786	(80,345)	456,441	-	456,441
Dormitory and Student Union Salaries	184,438	232,478	(2,382)	230,096	358,813	(128,717)
General Operating	767,791	727,866	-	727,866	1,575,298	(847,432)
Capital Outlay	2,564,903	37,803	-	37,803	74,910	(37,107)
Debt Service	116,658	118,396	-	118,396	118,448	(52)
<b>TOTAL EXPENDITURES</b>	<b>4,038,497</b>	<b>1,653,329</b>	<b>(82,727)</b>	<b>1,570,602</b>	<b>2,127,469</b>	<b>(556,867)</b>
Excess of Revenues Over (Under) Expenditures	(2,053,271)	484,071	58,051	542,122	38,551	(503,571)
Unencumbered Cash Beginning of Year	4,561,064	4,164,368	(1,656,575)	2,507,793	2,548,278	40,485
End of Year	\$ 2,507,793	\$ 4,648,439	\$ (1,598,524)	\$ 3,049,915	\$ 2,586,829	\$ (463,086)

## ALLEN COUNTY COMMUNITY COLLEGE

Iola, Kansas

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

Unexpended (Capital Outlay) Fund (Budget Basis)

For the Year Ended June 30, 2020

(With Comparative Actual Amounts for the Year Ended June 30, 2019)

	Current Year					Variance Over (Under)
	Prior Year Budget Basis	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Original and Final Budget	
<b>REVENUES</b>						
Local						
Ad Valorem Tax	\$ 487,547	\$ 489,408	\$ -	\$ 489,408	\$ 526,986	\$ (37,578)
Motor Vehicle Tax	50,088	50,028	-	50,028	45,758	4,270
Recreational Vehicle Tax	718	678	-	678	699	(21)
Delinquent Tax	6,588	4,330	-	4,330	3,245	1,085
In Lieu of Taxes	503	447	-	447	-	447
<b>TOTAL REVENUES</b>	<b>545,444</b>	<b>544,891</b>	<b>-</b>	<b>544,891</b>	<b>576,688</b>	<b>(31,797)</b>
<b>EXPENDITURES</b>						
Plant Equipment and Facility						
	-	-	-	-	-	-
Debt Service						
	-	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess of Revenues and Transfers						
Over (Under) Expenditures	545,444	544,891	-	544,891	576,688	(31,797)
Unencumbered Cash						
Beginning of Year	283,141	828,585	-	828,585	828,585	-
End of Year	\$ 828,585	\$ 1,373,476	\$ -	\$ 1,373,476	\$ 1,405,273	\$ (31,797)

## ALLEN COUNTY COMMUNITY COLLEGE

Iola, Kansas

## Schedule of Changes in Assets and Liabilities

All Agency Funds - Primary Institution

For the Year Ended June 30, 2020

Account Name	Primary Institution			Balance June 30, 2020
	Balance June 30, 2019	Additions	Deductions	
<b>ACTIVITY FUND</b>				
Gate Receipts				
Athletic	\$ 732	\$ 3,187	\$ 1,475	\$ 2,444
Total Gate Receipts	732	3,187	1,475	2,444
School Project Accounts				
Concessions	3,523	8,324	2,523	9,324
Scholarship Pool	1,774,032	1,385,324	1,199,234	1,960,122
Symmes Loan	140	-	-	140
Total School Project Accounts	1,777,695	1,393,648	1,201,757	1,969,586
Student Organization Accounts				
Aggie Club	365	314	172	507
Art Club	3,298	1,227	122	4,403
Athletic Director	-	9,690	9,690	-
Athletics	-	37,046	37,046	-
Athletic Training	29,205	22,501	18,270	33,436
Band	-	966	966	-
Baseball	11,219	30,573	25,604	16,188
Bgame Tech	300	-	-	300
Cheerleaders	6,481	9,265	7,126	8,620
Choir	19,968	3,470	1,047	22,391
Drama	25,729	8,919	14,829	19,819
Early Childhood	790	775	-	1,565
ECE - Community	181	-	-	181
Food Pantry	282	2,356	862	1,776
Golf	-	-	-	-
Journalism	50	-	-	50
KAAP	536	-	-	536
Library	957	3,479	3,063	1,373
Livestock	485	-	-	485
Men's Basketball	5,610	1,104	791	5,923
Women's Basketball	7,159	100	233	7,026
Phi Theta Kappa	3,918	719	-	4,637

## ALLEN COUNTY COMMUNITY COLLEGE

Iola, Kansas

## Schedule of Changes in Assets and Liabilities

All Agency Funds - Primary Institution

For the Year Ended June 30, 2020

Account Name	Primary Institution			Balance June 30, 2020
	Balance June 30, 2019	Additions	Deductions	
Student Organization Accounts (Continued)				
Pig/Calf	\$ 4,224	\$ -	\$ -	\$ 4,224
PTK - Burlingame	700	1,290	761	1,229
Residence Hall Social Fund	319	1,200	756	763
Softball	24,866	13,421	11,701	26,586
Student Senate	7,866	16,183	9,656	14,393
Track and Field	-	190	190	-
Volleyball	5,706	4,949	3,348	7,307
Soccer	11,591	5,595	696	16,490
SEK Library Council	82	-	-	82
Wellness	165	-	-	165
Total Student Organization Accounts	172,052	175,332	146,929	200,455
Other Student Accounts				
Incidental Fees	-	271,375	271,375	-
Outreach Fees	-	943,650	943,650	-
Total Other Student Accounts	-	1,215,025	1,215,025	-
<b>TOTAL ACTIVITY FUND</b>	<b>\$ 1,950,479</b>	<b>\$ 2,787,192</b>	<b>\$ 2,565,186</b>	<b>\$ 2,172,485</b>
TOTAL - ALL AGENCY FUNDS				
Assets				
Cash and Investments	\$ 1,703,096	\$ 3,034,575	\$ 2,565,186	\$ 2,172,485
Other Receivables	247,383	-	247,383	-
<b>TOTAL ASSETS</b>	<b>\$ 1,950,479</b>	<b>\$ 3,034,575</b>	<b>\$ 2,812,569</b>	<b>\$ 2,172,485</b>
Liabilities				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Deposits Held For Others	1,950,479	2,787,192	2,565,186	2,172,485
<b>TOTAL LIABILITIES</b>	<b>\$ 1,950,479</b>	<b>\$ 2,787,192</b>	<b>\$ 2,565,186</b>	<b>\$ 2,172,485</b>



**ALLEN COUNTY COMMUNITY COLLEGE**  
IOLA, KANSAS

**FEDERAL COMPLIANCE SECTION**

For the Year Ended June 30, 2020

EIN NUMBER: 480697480  
OPE ID NUMBER: 00191600  
DUNS NUMBER: 030648901

COMPLIANCE ATTESTATION EXAMINATION  
INCLUDING TITLE IV STUDENT FINANCIAL ASSISTANCE PROGRAMS

IOLA, KANSAS  
BURLINGAME, KANSAS

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

**AUDITOR INFORMATION SHEET**

**ALLEN COUNTY COMMUNITY COLLEGE**

1801 N. COTTONWOOD  
IOLA, KANSAS 66749

EIN NUMBER: 480697480  
OPE ID NUMBER: 00191600  
DUNS NUMBER: 030648901

TELEPHONE: (620) 365-5116  
FAX: (620) 365-7406

PRESIDENT: John Masterson  
CONTACT PERSON & TITLE: Roberta Nickell, Chief Financial Officer  
LEAD AUDITOR: Neil L. Phillips, CPA  
EMAIL ADDRESS: nphillips@jgppa.com  
LICENSE NUMBER & HOME STATE: 3699 KS  
FIRM'S NAME & ADDRESS: JARRED, GILMORE & PHILLIPS, PA  
Certified Public Accountants  
1815 S. Santa Fe  
PO 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 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	<.001%
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
Iola, KS	Yes	Yes	Yes	1923	N/A	2020	N/A
Burlingame, KS	Yes	Yes	Yes	1991	N/A	2020	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:

ALLEN COUNTY COMMUNITY COLLEGE  
 1801 N COTTONWOOD  
 IOLA, KANSAS 66749

For Close-Out Examination only:  
 None

**ALLEN COUNTY COMMUNITY COLLEGE**

Iola, Kansas

Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2020

FEDERAL GRANTOR/ PASS THROUGH GRANTOR/PROGRAM TITLE	Pass-Through Entity Identifying Number	Federal CFDA Number	Passed Through to Subrecipients	Disbursements/ Expenditures
<b>U.S. DEPARTMENT OF EDUCATION</b>				
Direct Programs:				
Student Financial Aid Cluster				
Federal Supplemental Education Opportunity Grant	N/A	84.007	\$ -	\$ 33,096
Federal Supplemental Education Opportunity Grant - Admin	N/A	84.007	-	12
		Total 84.007	-	33,108
Federal Direct Student Loans	N/A	(1) 84.268	-	1,210,493
Federal Work-Study	N/A	84.033	-	35,659
Federal Pell Grant Program	N/A	84.063	-	1,994,648
Federal Pell Grant Program - Admin	N/A	84.063	-	2,615
		Total 84.063	-	1,997,263
Total Student Financial Aid Cluster			-	3,276,523
Direct Programs:				
Higher Education Emergency Relief Fund-Student Aid	N/A	84.425E	-	208,250
Higher Education Emergency Relief Fund-Institutional	N/A	84.425F	-	208,249
		Total 84.425	-	416,499
Total U.S. Department of Education			-	3,693,022
<b>U.S. DEPARTMENT OF THE TREASURY</b>				
Passed Through:				
Allen County, Kansas				
Coronavirus Relief Fund	Not Assigned	21.019	-	37,030
Total U.S. Department of the Treasury			-	37,030
FEDERAL ASSISTANCE TOTALS				
			\$ -	\$ 3,730,052

NOTE A -- BASIS OF PRESENTATION

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

NOTE B --INDIRECT COST RATE

Allen County 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.

**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  
Allen County Community College  
Iola, 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 the Allen County Community College, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Allen County Community College's basic financial statements and have issued our report thereon dated November 20, 2020.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Allen County 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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Allen County Community College's internal control. Accordingly, we do not express an opinion on the effectiveness of the Allen County 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 the Allen County 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  
November 20, 2020

**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  
Allen County Community College  
Iola, Kansas

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

We have audited the Allen County 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 each of the Allen County Community College's major federal programs for the year ended June 30, 2020. Allen County Community College's major federal programs are identified in the summary of auditor's 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 the Allen County 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 the Allen County 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 the Allen County Community College's compliance.

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

In our opinion, the Allen County 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, 2020.

**Report on Internal Control over Compliance**

Management of the Allen County 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 the Allen County 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 the Allen County 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.

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  
November 20, 2020



**ALLEN COUNTY COMMUNITY COLLEGE**  
Iola, Kansas

Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2020

**I. SUMMARY OF AUDITORS' RESULTS**

**Financial Statements:**

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	_____	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 Supplemental 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
--	----------------------	-----	-------	----

**II. FINANCIAL STATEMENT FINDINGS**

NONE

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

NONE

**ALLEN COUNTY COMMUNITY COLLEGE**  
Iola, Kansas

Schedule of Resolution of Prior Year's Findings and Questioned Costs  
For the Year Ended June 30, 2020

---

---

None