BARTON COUNTY COMMUNITY COLLEGE

Financial Statements With Independent Auditors' Report

For the Years Ended June 30, 2021 and 2020

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Barton County Community College
Great Bend, Kansas

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and discretely presented component unit of **Barton County Community College**, as of and for the years ended June 30, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the 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 opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America, the *Kansas Municipal Audit and Accounting Guide*, 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. The financial statements of the Barton County Community College Foundation were not audited in accordance with *Government Auditing Standards* or the *Kansas Municipal Audit and Accounting Guide*.

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

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

ADAMS BROWN
Strategic Allies and CPAs
adamsbrowncpa.com

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Barton County Community College
Great Bend, Kansas

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and discretely presented component unit of **Barton County Community College**, as of and for the years ended June 30, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the 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 opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America, the *Kansas Municipal Audit and Accounting Guide*, 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. The financial statements of the Barton County Community College Foundation were not audited in accordance with *Government Auditing Standards* or the *Kansas Municipal Audit and Accounting Guide*.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of **Barton County Community College** as of June 30, 2021 and 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise **Barton County Community College's** basic financial statements. The combining schedule of revenues, expenditures, encumbrances, and changes in fund balance 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* (CFR) 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 combining schedule of revenues, expenditures, encumbrances, and changes in fund balance and 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 combining schedule of revenues, expenditures, encumbrances, and changes in fund balance and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated November 23, 2021, on our consideration of **Barton 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 **Barton 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 **Barton County Community College's** internal control over financial reporting and compliance.

Adams Brown, LLC

ADAMSBROWN. LLC
Certified Public Accountants
Great Bend, Kansas

November 23, 2021

Overview of the Financial Statements and Financial Analysis

Barton County Community College ("College") is presenting this discussion and analysis of its financial statements to provide an overview of the financial activities for the year. The annual financial statements are presented in accordance with pronouncements issued by the Governmental Accounting Standards Board (GASB), the authoritative body for establishing Generally Accepted Accounting Principles (GAAP) for state and local governments, including public institutions of higher learning. The statements and notes continue to improve so that readers may receive full value from this information.

As defined by generally accounting principles established by GASB, the financial reporting entity consists of the College, as well as its component unit, the Barton County Community College Foundation. The following discussion focuses on the College; separately issued audited financial statements for the Foundation can be obtained as discussed in Note 1.

The basic financial statements focus on the College as a whole. The statements are designed to emulate corporate presentation models whereby all College activities are consolidated into one total. There are three financial statements presented: The Statement of Net Position; the Statement of Revenues, Expenses, and Change in Net Position; and the Statement of Cash Flows. The discussions about these statements are based on comparative data.

Statement of Net Position

The Statement of Net Position is a point of time financial statement. The purpose of the Statement of Net Position is to present to the readers of the financial statements a fiscal snapshot of Barton County Community College. The Statement of Net Position presents end-of-year data concerning Assets (current and noncurrent), Liabilities (current and noncurrent) and Net Position (assets minus liabilities).

From the data presented, readers of the Statement of Net Position are able to determine the assets available to continue the 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 assets (assets minus liabilities) and their availability for expenditure by the institution.

Net position is divided into three major categories. The first category, invested in capital assets, net of debt, provides the institution's equity in property, plant and equipment owned by the institution. The next asset category is restricted net assets, which is divided into two categories, nonexpendable and expendable. The corpus of nonexpendable restricted resources is only available for investment purposes. Expendable restricted net assets are available for expenditure by the institution but must be spent for specific purposes as determined by donors, the Board, and/or external entities that have placed time or purpose restrictions on the use of the assets. The final category is unrestricted net assets. Unrestricted assets are available to the institution for any lawful purpose of the institution.

		2021	2020
Assets			
Current Assets	$	**40,977,971**	37,183,711
Noncurrent Assets, Net		**22,455,885**	22,839,652
Total Assets	$	**63,433,856**	60,023,363

Deferred Outflows of Resources	$	**752,832**	718,629
Total Assets and Deferred Outflows of Resources		**64,186,688**	60,714,992
Liabilities			
Current Liabilities		**3,440,153**	3,289,525
Noncurrent Liabilities		**9,807,842**	10,279,364
Total Liabilities		**13,247,995**	13,568,889
Deferred Inflows of Resources		**334,991**	127,831
Total Liabilities and Deferred Inflows of Resources		**13,582,986**	13,696,720
Net Position			
Invested in Capital Assets, Net of Debt		**13,548,560**	13,511,769
Unrestricted		**37,055,142**	33,533,503
Total Net Position	$	**50,603,702**	47,045,272

The College's Total Net Position improved over last year. Our overall credit hour production decreased this past year by 8.2%. BartOnline credit hour production decreased by 0.92%. Fort Riley saw a reduction of 19%, Fort Leavenworth saw a reduction of approximately 6.2% and our Grandview operations was down approximately 17%. These reductions in credit hour production and operations can be attributed to the COVID pandemic and changes in our operations.

Statement of Revenues, Expenses and Change in Net Position

The purpose of the statement is to present the revenues received by the institution, both operating and nonoperating, the expenses paid by the institution, operating and nonoperating, and any other revenues, expenses, gains and losses received or spent by the institution. In addition, the Total Net Position is provided for both the beginning of the year as well as the end of the year.

Generally speaking, operating revenues are received for 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. Examples of nonoperating revenues are state appropriations and local ad valorem taxes. These are "nonoperating" because the Kansas Board of Regents provides state appropriations to the institution, and the Kansas Board of Regents does not directly receive goods or services for those revenues. Like the state appropriations, the property owners of Barton County provide the local ad valorem taxes, and the property owners do not directly receive goods or services for those revenues.

		2021	2020
Operating Revenues	$	**20,748,398**	18,079,965
Operating Expenses		**(43,376,232)**	(42,138,059)
Net Operating Loss		**(22,627,834)**	(24,058,094)
Net Nonoperating Revenues (Expenses)		**25,806,182**	26,044,057
Total Extraordinary Items		**380,082**	680,196
Change in Net Position		**3,558,430**	2,666,159
Total Net Position - Beginning		**47,045,272**	44,379,113
Total Net Position - Ending	$	**50,603,702**	47,045,272

The Statement of Revenues, Expenses, and Change in Net Position reflects an increase for this year. Our credit hour production decreased for the year (8.2%). Our in-state credit hour production decreased by 1.4% and we also experienced a decrease of 20.2% in out-of-state credit hours. Our increase in revenues can be attributed to small amounts of additional revenue made up of state aid (restored), federal grants and contracts, insurance reimbursements (Camp Aldrich), and local/state/federal COVID funds. Tuition rates were increased by $4 per credit hour for out of state and International, and fees were increased for all sectors with the exception of BartOnline classes.

Operations at Ft. Riley/Grandview decreased by 19% and 17% this last year due to the COVID pandemic. The number of students occupying student housing decreased as compared to last year, again due to the COVID pandemic and the uncertainty of the pandemic situation. Occupancy for the spring semester remained stable, which unusual as we typically see a significant decrease for the spring semester.

We again saw a decrease in state support of SB155 (High School students funded for tiered technical courses) primarily from the removal of eligible courses that these HS students can take and a lack of funding as compared to the number of HS students taking these courses system wide.

Because of the uncertainty of the COVID pandemic, we were unable to provide salary increases for our employees this past year. Our health insurance plan, which operates on a self-insured basis, continues to see increases in its costs. The health insurance cash reserve is stable. Because health insurance is a major employee benefit, the college continues to cover the cost of a single plan for our employees.

Statement of Cash Flows

The final statement presented by Barton County Community College is the Statement of Cash Flows. The Statement of Cash Flows presents detailed information about the cash activity of the institution during the year. The statement is divided into five parts. The first part deals with operating cash flows and shows the net cash used by the operating activities of the institution (tuition and fees, grants, auxiliary enterprises, payments to employees and benefits, payments to suppliers, and activity revenues). The second section reflects cash flows from noncapital financing activities (state appropriations, local taxes, Pell and SEOG grants, and contributions). This section reflects the cash received and spent for nonoperating, noninvesting, and noncapital financing purposes. The third section reflects the cash flows from capital and related financing activities. This section deals with the cash used for the acquisition and construction of capital and related items (purchase of capital assets, principle on debt, interest payments, and loss on sale of assets). The fourth section deals with cash flows from investing activities and shows the interest received from investing activities. The fifth section reconciles the net cash used to the operating income or loss reflected on the Statement of Revenues, Expenses and Change in Net Position.

		2021	2020
Operating Activities	$	**(24,025,239)**	(23,328,611)
Noncapital Financing Activities		**26,325,389**	26,783,982
Capital and Related Financing Activities		**(1,437,248)**	(1,943,729)
Investing Activities		**85,384**	156,535
Net Change in Cash		**948,286**	1,668,177
Cash - Beginning		**33,626,606**	31,958,429
Cash - Ending	$	**34,574,892**	33,626,606

The cash balance at year-end increased as compared to the previous year due to additional revenue made up of state aid (restored), federal grants and contracts, insurance reimbursements (Camp Aldrich), and local/state/federal COVID funds. Even though our credit hours decreased, the increase in fees helped offset scholarship expenditures. The combination of these sources resulted in an increase in our ending cash balance. The College's cash balance will help the future operations of the College.

Capital Asset and Debt Administration

The College had $40,114,411 of plant, property, and equipment, which is an increase of $1,453,782 over the prior year. The related accumulated depreciation increased to $17,678,824 with depreciation charges of $1,055,402 recognized in the current fiscal year. More detailed financial activity related to the changes in Capital Assets is presented in Note 6.

The College decreased long-term debt by a net amount of $435,000 in 2021. This decreases long-term debt to $9,115,000 at fiscal year-end. More detailed financial information related to long-term debt is presented in Note 8.

Economic Outlook

Barton's overall credit hour production decreased significantly for FY21. While COVID did affect our FY21 enrollments, the biggest impact on enrollments will be for FY22. Our hours generated through all delivery methods decreased significantly due to COVID. The effects of COVID on enrollment are similar to all nationwide trends in education. It will be several years before Barton, and education in general, recovers from the pandemic.

Our dependency on state funding and local valuations for funding play a major role in our financial success. The ongoing political and financial uncertainty of the state continues to be a challenge for higher education. After four straight years of level funding by the State, and then two additional years of reductions (4%), the State restored 2% of the reduction for fiscal year 2019, and then another 2% for FY20. Funding remained level for Community Colleges for FY21 as the pandemic again played a role in the funding available through the state of Kansas. The college continues to focus its efforts in areas that will provide funding such as SB155, online, and specific targeted markets. Unfortunately, the State has decreased those courses eligible for SB155 funds due to the lack of state revenues and increased participation. The state continues to discuss additional programs such as the Promise Act scholarship program, which may lead to increases in enrollment in select areas of study. With the additional funding also comes additional restrictions, labor, reporting, and management of these programs.

The college will continue to increase the efficiency of its operation, using the resources it receives to make the lives of our students better. We will take appropriate actions to increase our credit hour production where possible and ensure the success of our educational operations.



Mark Dean
Vice President of Administration

BARTON COUNTY COMMUNITY COLLEGE

Basic Financial Statements

BARTON COUNTY COMMUNITY COLLEGE
Statements of Net Position
June 30, 2021 and 2020

	College		Foundation	
	2021	2020	**2021**	2020
ASSETS AND DEFFERED OUTFLOWS OF RESOURCES				
Current Assets				
Cash - Unrestricted	$ **32,058,312**	29,634,017	**69,535**	39,588
Cash - Restricted	**2,516,580**	3,992,589	**-**	-
Total Cash	**34,574,892**	33,626,606	**69,535**	39,588
Investments	**-**	-	**4,069,123**	3,312,705
Accounts Receivable - Taxes in Process, Net of Uncollectible	**327,073**	223,763	**-**	-
Accounts Receivable, Students, Net of Allowance for Doubtful Accounts of $2,396,462 and $1,846,591, Respectively	**2,254,051**	2,141,614	**-**	-
Federal Grant Receivable	**3,499,915**	529,510	**-**	-
Other Receivables	**-**	-	**66,458**	16,270
Unconditional Promises to Give	**-**	-	**24,394**	29,394
Inventory	**120,957**	164,905	**-**	-
Prepaid Insurance and Other Expenses	**201,083**	497,313	**-**	-
Total Current Assets	**40,977,971**	37,183,711	**4,229,510**	3,397,957
Noncurrent Assets				
Unconditional Promises to Give	**-**	-	**11,894**	26,288
Beneficial Interest in Remainder Trusts	**-**	-	**783,842**	524,739
Beneficial Interest in Assets Held by Others	**-**	-	**18,429**	14,964
Endowment Investments - Restricted	**-**	-	**5,655,849**	4,545,601
Equity Interest in Joint Venture - Workfit, LLC	**20,298**	20,496	**-**	-
Capital Assets, Not Depreciated	**678,800**	678,800	**982,385**	976,077
Capital Assets, Net of Accumulated Depreciation of $17,678,824 and $16,742,642, Respectively	**21,756,787**	21,239,187	**-**	-
Construction in Progress	**-**	901,169	**-**	-
Total Noncurrent Assets	**22,455,885**	22,839,652	**7,452,399**	6,087,669
Deferred Outflows of Resources				
Deferred Outflows Related to Pensions	**120,846**	58,821	**-**	-
Deferred Outflows Related to OPEB	**286,773**	292,607	**-**	-
Deferred Refunding, Net of Accumulated Amortization of $136,918 and $114,930, Respectively	**345,213**	367,201	**-**	-
Total Deferred Outflows of Resources	**752,832**	718,629	-	-
Total Assets and Deferred Outflows of Resources	$ **64,186,688**	60,741,992	**11,681,909**	9,485,626

The notes to the financial statements are an integral part of this statement.

BARTON COUNTY COMMUNITY COLLEGE
Statements of Net Position
June 30, 2021 and 2020

	College		Foundation	
	2021	2020	**2021**	2020
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES				
Current Liabilities				
Current Obligations - Certificates of Participation	**$ 435,000**	435,000	**-**	-
Accounts Payable	**494,860**	253,166	**-**	-
Accrued Payroll and Benefits	**762,751**	820,667	**-**	-
Accrued Interest Payable	**79,732**	82,331	**-**	-
Compensated Absences	**1,011,337**	1,087,425	**-**	-
Deposits and Other Payables	**656,473**	610,936	**-**	-
Total Current Liabilities	**3,440,153**	3,289,525	**-**	-
Noncurrent Liabilities				
Noncurrent Obligations - Certificate of Participation	**8,680,000**	9,115,000	**-**	-
Total OPEB Liability	**783,665**	901,059	**-**	-
Net Pension Liability	**226,937**	138,717	**-**	-
Bond Premium, Net of Accumulated Amortization of $48,612 and $41,264	**117,240**	124,588	**-**	-
Total Noncurrent Liabilities	**9,807,842**	10,279,364	**-**	-
Deferred Inflows of Resources				
Deferred Inflows Related to OPEB	**329,915**	108,590	**-**	-
Deferred Inflows Related to Pensions	**5,076**	19,241	**-**	-
Total Deferred Inflows of Resources	**334,991**	127,831	**-**	-
Total Liabilities and Deferred Inflows of Resources	**13,582,986**	13,696,720	**-**	-
NET POSITION				
Invested in Capital Assets, Net of Related Debt	**13,548,560**	13,511,769	**-**	-
Restricted - Expendable for Other	**-**	-	**4,950,382**	3,125,437
Restricted - Nonexpendable	**-**	-	**4,613,564**	4,613,551
Unrestricted	**37,055,142**	33,533,503	**2,117,963**	1,746,638
Total Net Position	$ **50,603,702**	47,045,272	**11,681,909**	9,485,626

The notes to the financial statements are an integral part of this statement.

BARTON COUNTY COMMUNITY COLLEGE
Statements of Revenues, Expenses and Change in Net Position
For the Years Ended June 30, 2021 and 2020

	College		Foundation	
	2021	2020	**2021**	2020
Operating Revenues				
Tuition and Fees	**$ 14,098,638**	15,800,697	**-**	-
Less: Student Scholarship Allowances	**(5,460,991)**	(5,743,627)	**-**	-
Net Tuition and Fees	**8,637,647**	10,057,070	**-**	-
Federal Grants and Contracts	**6,547,948**	2,123,885	**-**	-
Housing Payments	**2,005,318**	2,095,741	**-**	-
Bookstore Sales	**531,663**	622,597	**-**	-
Activity Revenue and Other	**3,025,822**	3,180,672	**5,513**	2,240
Contributions and Other Fundraisers	**-**	-	**440,550**	839,613
Total Operating Revenues	**20,748,398**	18,079,965	**446,063**	841,853
Operating Expenses				
Instruction	**16,565,331**	17,479,620	**-**	-
Public Service	**726,604**	719,534	**-**	-
Academic Support	**3,431,679**	3,461,148	**-**	-
Student Services	**3,847,413**	3,842,203	**-**	-
Institutional Support	**10,195,638**	8,861,645	**177,910**	153,495
Physical Plant Operations	**3,872,726**	3,691,214	**-**	-
Student Financial Support	**1,627,113**	1,699,423	**351,292**	885,055
Auxiliary Services	**2,039,689**	1,373,373	**-**	-
Depreciation and Amortization	**1,070,039**	1,009,899	**-**	-
Total Operating Expenses	**43,376,232**	42,138,059	**529,202**	1,038,550
Net Operating Loss	**(22,627,834)**	(24,058,094)	**(83,139)**	(196,697)
Nonoperating Revenues (Expenses)				
State Appropriations	**12,780,743**	12,106,878	**-**	-
County Property Taxes	**9,818,064**	10,417,019	**-**	-
Pell and SEOG Grants	**3,398,943**	3,589,420	**-**	-
Contributions	**50,867**	78,206	**-**	-
Interest Income	**55,596**	94,058	**-**	-
Investment Income	**29,788**	62,477	**2,279,422**	308,645
Gain (Loss) From Sale of Assets	**(18,837)**	14,362	**-**	-
Interest Expense on Debt	**(308,982)**	(318,363)	**-**	-
Net Nonoperating Revenues (Expenses)	**25,806,182**	26,044,057	**2,279,422**	308,645
Extraordinary Items				
Camp Aldrich Fire Insurance Proceeds	**380,082**	295,381	**-**	-
Camp Aldrich Fire Contributions	**-**	384,815	**-**	-
Total Extraordinary Items	**380,082**	680,196	**-**	-
Change in Net Position	**3,558,430**	2,666,159	**2,196,283**	111,948
Total Net Position - Beginning	**47,045,272**	44,379,113	**9,485,626**	9,373,678
Total Net Position - Ending	**$ 50,603,702**	47,045,272	**11,681,909**	9,485,626

The notes to the financial statements are an integral part of this statement.

BARTON COUNTY COMMUNITY COLLEGE
Statements of Cash Flows
For the Years Ended June 30, 2021 and 2020

	2021	2020
Cash Flows From Operating Activities		
Student Tuition and Fees, Net of Scholarships	$ **8,525,210**	9,793,432
Grants and Contracts	**3,577,543**	2,144,607
Auxiliary Enterprise Revenue	**2,536,981**	2,719,838
Payments to Employees and for Employee Benefits	**(20,246,611)**	(22,767,431)
Payments to Suppliers	**(21,489,919)**	(18,526,304)
Activity Revenue and Other	**3,071,557**	3,307,247
Net Cash Used by Operating Activities	**(24,025,239)**	(23,328,611)
Cash Flows From Noncapital Financing Activities		
State Appropriations	**12,780,743**	12,106,878
County Property Taxes	**9,714,754**	10,329,282
Pell and SEOG Grants	**3,398,943**	3,589,420
Insurance Proceeds	**380,082**	295,381
Contributions	**50,867**	463,021
Net Cash Provided by Noncapital Financing Activities	**26,325,389**	26,783,982
Cash Flows From Capital and Related Financing Activities		
Purchase of Capital Assets	**(708,211)**	(1,202,873)
Proceeds From Sale of Assets	**17,540**	-
Principal Paid on Long-Term Debt	**(435,000)**	(420,000)
Interest Payments	**(311,577)**	(320,856)
Net Cash Used by Capital and Related Financing Activities	**(1,437,248)**	(1,943,729)
Cash Flows From Investing Activities		
Investment Income	**29,788**	62,477
Interest on Investments	**55,596**	94,058
Net Cash Provided by Investing Activities	**85,384**	156,535
Net Increase in Cash	**948,286**	1,668,177
Cash - Beginning of Year	**33,626,606**	31,958,429
Cash - End of Year	$ **34,574,892**	33,626,606
Cash per Statements of Net Position		
Cash - Unrestricted	$ **32,058,312**	29,634,017
Cash - Restricted	**2,516,580**	3,992,589
Total Cash per Statements of Net Position	$ **34,574,892**	33,626,606
Reconciliation of Net Operating Loss to Net Cash Used by Operating Activities		
Net Operating Loss	$ **(22,627,834)**	(24,058,094)
Adjustments to Reconcile Net Operating Loss to Net Cash Used by Operating Activities		
Depreciation and Amortization	**1,070,039**	1,009,899
(Increase) Decrease in		
Accounts Receivable	**(3,082,842)**	(241,416)
Inventory	**43,948**	74,160
Prepaid Insurance and Other Expenses	**296,230**	(143,418)
Equity Interest in Joint Venture	**198**	3,525
Increase (Decrease) in		
Accounts Payable	**241,694**	(194,159)
Accrued Payroll and Benefits	**(57,916)**	38,592
Compensated Absences	**(76,088)**	17,077
Net OPEB Obligation	**109,765**	83,671
Net Pension Liability	**12,030**	(41,498)
Other Liabilities	**45,537**	123,050
Net Cash Used by Operating Activities	$ **(24,025,239)**	(23,328,611)

The notes to the financial statements are an integral part of this statement.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Barton County Community College is located in central Kansas in Barton County. The College is a modern comprehensive community college authorized by Kansas House Bill #893-1963 and approved by the State Superintendent of Education in July 1965. The College offers a multi-faceted curriculum for a student population of approximately 3,500 full-time equivalent students annually. Presently, about one-third of the students attend classes on the main campus. The other two-thirds are either enrolled in BartOnline courses or at one of a number of off-campus sites operated in the six surrounding counties, as well as, in or near the cities of Salina and Junction City, Kansas.

Financial Reporting Entity

The College is governed by an elected six-member board. The financial statements of the College have been prepared in conformity with accounting principles generally accepted in the United States of America as applicable to colleges and universities. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. These financial statements present **Barton County Community College** (the primary government) and its component unit. The component unit is included in the College's reporting entity because of the significance of its operational or financial relationship with the College.

Barton County Community College Foundation is a discretely presented component unit of the College and is included in the component unit column in the College's basic financial statements. It is reported in a separate column to emphasize that it is a not-for-profit entity legally separate from the College. Foundation board members are appointed by the existing Foundation board members. The discretely presented component unit has a June 30 year end.

Barton County Community College Foundation is a nonprofit corporation whose purpose is to raise private sector funds by providing leadership and to prudently manage gifts to benefit educational opportunities and initiatives of **Barton County Community College**. The majority of the contributions received are from individual supporters of the Foundation. Scholarships totaling $237,128 and $317,401 and expenditure reimbursements of $48,288 and $498,835 were provided to the College during the 2021 and 2020 years, respectively.

Barton County Community College Foundation is a not-for-profit corporation under Internal Revenue Code Section 501(c)(3) and is not considered a private foundation. The Foundation reports its financial results under Financial Accounting Standard Board (FASB) Statements. 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 Foundation's financial information in the College's financial reporting entity for these differences. The component unit's financial data has, however, been aggregated into like categories for presentation purposes. Separately issued audited financial statements for the Foundation may be obtained from the College's administrative office.

Use of Estimates

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

Joint Venture

In November 2006, **Barton County Community College** entered into an operating agreement to jointly own and operate Workfit, LLC, a partnership dedicated to reducing work-related injuries and associated costs for

surrounding employers. Workfit, LLC offers the Physical Capacity Profile testing procedure, which is ADA, EEOC and HIPPA compliant. The College purchased a 33% equity interest by providing $20,000 worth of services. In 2014, Workfit, LLC bought out one of the partners, which resulted in the remaining partners increasing their ownership percentage to 50%. If needed, the College has an ongoing financial obligation to the continued existence of Workfit, LLC. The College's equity interest in Workfit, LLC as of June 30, 2021 and 2020 was $20,298 and $20,496, respectively. Unaudited financial statements for Workfit, LLC may be obtained from the College's administrative office.

Measurement Focus and Basis of Accounting
For financial statement reporting purposes, the College is considered a special-purpose government engaged only in business-type activities. Accordingly, the College's financial statements are prepared using the flow of economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period incurred, regardless of the timing of related cash flows. All significant intra-agency transactions have been eliminated.

Nonexchange transactions, in which the College receives value without directly giving equal value in return, includes property taxes; federal, state and local grants; state appropriations and other contributions. On an accrual basis, revenue from property taxes is recognized in the period for which the levy is intended to finance. Revenue from grants, state appropriations, and other contributions are recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used in the fiscal year when use is first permitted; matching requirements, in which the College must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the College on a reimbursement basis.

When both restricted and unrestricted resources are available for use, it is the College's policy to use restricted resources first and then unrestricted resources as needed.

Cash
For purposes of the statements of cash flows, the College considers all unrestricted, highly liquid deposits with original maturities of twelve months or less as cash. The Foundation considers the checking account as cash. Cash contributions that are restricted by the donor for long-term purposes are not included in the definition of cash even though the funds are invested in short-term liquid investments.

Investments
Foundation investments are recorded at cost if purchased, fair value on date of donation if donated. Thereafter, investments are reported at their fair values in the statements of net position. Net investment return (loss) is reported in the statements of revenues, expenses and change in net position and consists of interest and dividend income, realized and unrealized gains and losses, less external and direct internal investment expenses.

Property Taxes
Property taxes are levied each calendar year on all taxable real property located in the taxing district. The College's property taxes are assessed on a calendar year basis, are levied, and become a lien on the property on November 1st of each year. The determination of assessed valuation and the collection of property taxes for all political subdivisions in the State of Kansas is the responsibility of the various counties. The County Appraiser's Office annually determines assessed valuation and the County Clerk spreads the annual assessment to the taxing units. One-half of the property taxes are due December 20th and the second half is due May 10th. The College draws available funds from the County Treasurer's office at designated times throughout the year.

Collection of current year property tax by the County Treasurer is not completed, apportioned nor distributed to the various subdivisions until the succeeding year, such procedure being in conformity with governing state statutes. Consequently, for revenue recognition purposes, taxes levied during the current year are not due and receivable until the ensuing year. A percent of property taxes levied in November 2020 are normally distributed after June 30, 2021 and are presented as accounts receivable, net of estimated uncollectible amounts. As of June 30, 2021 and 2020, the County Treasurer had distributed to the College approximately 94% and 96%, respectively, of ad valorem taxes levied.

It is not practicable to apportion delinquent taxes held by the County Treasurer at the end of the audit period and, further, the amounts thereof are not material in relationship to the financial statements taken as a whole. Personal property taxes are recognized as revenue when made available and distributed by the County Treasurer.

Accounts Receivable
Accounts receivable consists of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty and staff. Accounts receivable are recorded net of estimated allowances for uncollectible amounts. Accounts receivable also include amounts due from the federal government, state and local governments (including property taxes) or private sources, in connection with reimbursement of allowable expenditures made pursuant to the College's grants and contracts.

Management determines the adequacy of the allowance for doubtful accounts based upon a level that in management's judgment is adequate to absorb the losses inherent to student services. Amounts determined uncollectible are written off to the allowance for doubtful accounts.

Unconditional Promises to Give
Unconditional promises to give are recorded at net realizable value. Generally accepted accounting principles require that unconditional promises to give that are due beyond the next year be discounted using risk free interest rates. The effect of recording these promises to give at net realizable value is not materially different than the discounted amount that would have been recorded at year end. The Foundation considers all pledges receivable to be collectible and therefore, the financial statements do not include an allowance for uncollectible accounts.

Inventory and Prepaid Items
Inventory, consisting mainly of new and used textbooks, school supplies and soft goods held for resale by the bookstore is stated at the lower of cost or net realizable value. The College records certain payments to vendors that reflect costs applicable to future accounting periods as prepaid items in its financial statements.

Capital Assets
Capital assets include property, plant, equipment and infrastructure, such as streets, sidewalks, parking lots, water system and sewer system. Capital assets are defined by the College as assets with an initial unit cost of $5,000 or more and have a useful life of at least 2 years. Such assets are recorded at historical cost or estimated cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized as projects are constructed. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the assets' lives are not capitalized.

The College capitalizes interest cost incurred on funds used during the construction phase to construct property, plant and equipment. The capitalized interest is recorded as part of the asset to which it relates and is amortized over the asset's estimated useful life. Interest cost capitalized, net of accumulated amortization, was $200,927 and $214,956 at June 30, 2021 and 2020, respectively.

Construction in progress is stated at cost, which includes the cost of construction and other direct costs attributable to the construction. No provision for depreciation is made on construction in progress until such time as the relevant assets are completed and put into use. Construction in progress at June 30, 2020 represents renovations for Camp Aldrich trails end building that was completed and placed in service during the year ended June 30, 2021.

Property, plant, and equipment of the College are depreciated using the straight-line method over the following estimated useful lives (see Note 8 for further detail):

Assets	Years
Buildings	80
Improvements	20-40
Furniture/Fixtures/Equipment	20-40
Vehicles	5
Library Materials	80
Infrastructure	10-80

The Foundation has an extensive collection of artwork that has been either donated to or purchased by the Foundation. All donations of artwork are recorded at fair value as of the date of the donation. All purchases of artwork are recorded at cost. The artwork has not had a recent appraisal and the current value of the collection is not known. The collection is not depreciated as part of capital assets.

The artwork is on display in the Shafer Art Gallery in the Fine Arts Building on the campus of **Barton County Community College** and at various offices and meeting rooms on campus, and is sometimes on loan to businesses in the community. The artwork that is not currently out for viewing is stored in a climate controlled and secure room in the Fine Arts Building.

Various individuals have donated books on Kansas history to the Foundation. The books are kept in the Cohen Center for Kansas History in the Barton County Community College Library. The books have been recorded on the Foundation's books at fair value as of the date of the donation.

Deferred Inflows of Resources/Deferred Outflows of Resources
In addition to assets, the statement of net position may report a separate section for deferred outflows of resources. Deferred outflows of resources represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The College currently reports deferred charges on early retirement on debt refunding. The deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The College also reports a collective deferred outflow of resources related to pensions and deferred outflows for OPEB, which is described further in Note 16 and Note 18, respectively.

In addition to liabilities, the statement of net position may report a separate section for deferred inflows of resources. Deferred inflows of resources represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The College reports a collective deferred inflow of resources related to pensions and OPEB, which is described further in Note 16 and Note 18, respectively.

On-Behalf Payments for Employee Benefits
The College recognizes revenues and expenses for contributions made by the State of Kansas to the Kansas Public Employees Retirement System (KPERS and KPERS Death and Disability OPEB) on behalf of the College's employees.

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

a. *Invested in capital assets, net of related debt*: This represents the College's total investment in capital assets, net of outstanding debt obligations related to those capital assets.

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

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

d. *Unrestricted*: Unrestricted net position represents resources derived from student tuition and fees, state appropriations, sales and services of auxiliary enterprises. These resources are used for transactions relating to the educational and general operations of the College and may be used at the discretion of the governing board to meet current expenses for any lawful purpose. These resources also include auxiliary enterprises, which are substantially self-supporting activities that provide services for students, faculty and staff.

Revenue Classification
The College has classified its revenues as either operating or nonoperating 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 allowances, (2) sales and services of auxiliary enterprises, (3) most federal, state and local grants and contracts, and (4) interest on institutional student loans.

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 Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*, and GASB Statement No. 34, such as state appropriations, property taxes and investment income.

Scholarship Allowances
Student tuition and fee revenues and certain other revenues from students are reported net of scholarship allowances in the statements of revenues, expenses, and change in net position. Scholarship allowances are the difference between the stated charge for goods and services provided by the College and the amount that is paid by students and/or third parties making payments on the student's behalf. Certain governmental grants, such as PELL, Supplemental Educational Opportunity Grants (SEOG), 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 allowance.

Income Taxes
The Foundation is exempt from federal income taxes under Internal Revenue Code 501(c)(3) and is not considered to be a private foundation; therefore, income taxes are not provided for in the financial statements.

Accounting principles generally accepted in the United States of America require the Foundation's management to evaluate the tax positions taken and recognize a tax liability (or asset) if the Foundation has taken an uncertain position that more likely than not, would not be sustained upon examination by the IRS. The Foundation believes it does not have any material uncertain tax positions that should be reflected in the financial statements. Tax years that remain subject to examination in the Foundation's major jurisdictions are for the years ended June 30, 2021, 2020 and 2019.

Budgetary Information
Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), bond and interest funds, and business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

a. Preparation of the budget for the succeeding calendar year on or before August 1st.

b. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.

c. Public hearing on or before August 15th, but at least 10 days after publication of notice of hearing.

d. 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 10 days after publication, the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments for the year ended June 30, 2021.

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. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

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

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

Budgetary Compliance – Regulatory Basis
By statute, the College prepares its annual budget on the regulatory basis of accounting. A reconciliation of these regulatory basis statements to the GAAP statements is presented in the notes to supplementary information.

Adoption of New Governmental Accounting Standards Board Statements
During the year, the College adopted GASB Statement No. 84, *Fiduciary Activities*. This Statement improves guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The statement establishes criteria for identifying fiduciary activities, with the focus of the criteria on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. An activity meeting the criteria should be reported in a fiduciary fund.

During the year, the College adopted GASB Statement No. 90, *Majority Equity Interests*. This Statement defines majority equity interest and specifies that a majority equity interest in a legally separate entity should be reported as an investment and measured using the equity method, if the government's holding of the equity interest meets the definition of an investment. All other holdings of a majority equity interest in a legally separate entity should be reported as a component unit.

Pending Governmental Accounting Standards Board Statements
GASB Statement No. 87, *Leases*, improves accounting and financial reporting for leases by governments. Statement 87 increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for periods beginning after June 15, 2021, as a result of GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance.*

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period,* enhances the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and simplifies accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The requirements for this statement are effective for periods beginning after December 15, 2020, as a result of GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance.*

NOTE 2 – CASH

Barton County Community College follows the practice of pooling cash and investments of all funds. Each fund's portion of total cash and investments is summarized in the individual fund financial statements.

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 or branch bank in the county in which the College is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The College has no other policies that would further limit interest rate risk.

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

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

Custodial Credit Risk – Deposits
Custodial credit risk is the risk that in the event of a bank failure, the College's deposits may not be returned to it. State statutes require the College's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The College does not use "peak periods".

The College's carrying amount of deposits was $34,574,892 and $33,626,606 and the bank balance was $34,715,628 and $33,713,166 at June 30, 2021 and 2020, respectively. The bank balance was held by eight banks resulting in a concentration of credit risk. Of the bank balance, $1,801,203 and $1,550,426 was covered by federal depository insurance and $32,914,425 and $32,162,740 was collateralized with securities held by the pledging financial institutions' agents in the College's name at June 30, 2021 and 2020, respectively.

The carrying amount of the Foundation's checking account at June 30, 2021 was $69,535 and the bank balance was $70,749. The carrying amount of the Foundation's checking accounts at June 30, 2020 was $39,588 and the bank balance was $39,794. The difference between the carrying amount and bank balance is due to outstanding checks and/or deposits in transit. The entire bank balance was fully insured by FDIC coverage at June 30, 2021 and 2020.

Custodial Credit Risk – Investments
For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the College will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured. The College had no investments at June 30, 2021 and 2020.

NOTE 3 – RESTRICTED CASH

Cash is restricted for the following purposes:

		2021	2020
Flexible Spending Funds	$	**44,575**	42,436
Benefit Management Self-Insured Funds		**2,472,005**	3,950,153
Total Restricted Cash	$	**2,516,580**	3,992,589

NOTE 4 – INVESTMENTS AND INVESTMENT RETURN

The Foundation's investments are stated at fair value on a recurring basis using quoted prices in active markets for identical assets and consist of money market funds, mutual funds, stocks, and bonds as follows:

		2021	2020
Money Market Fund	$	**299,968**	529,113
Equity Funds		**3,902,182**	2,571,235
Common Stocks		**2,947,546**	2,090,519
Government Obligations		**798,479**	743,028
Non-government Obligations		**1,160,679**	1,044,753
Fixed Income Funds		**616,118**	879,658
Total	$	**9,724,972**	7,858,306

Investment return is summarized below:

		2021	2020
Dividend and Investment Income	$	**178,555**	168,068
Net Realized and Unrealized Gain		**1,863,458**	158,597
External and Direct Internal Expenses		**(25,160)**	(22,919)
Total	$	**2,016,853**	303,746

Investment revenues are reported net of related external and direct internal investment expenses in the statement of activities.

Fair Value Measurements
Accounting guidance establishes the framework for measuring fair value. That framework 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 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of fair value hierarchy are described below.

Level 1 Quoted prices in active markets for identical assets or liabilities

Level 2 Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities

Level 3 Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities

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

Following is a description of the inputs and valuation methodologies used for assets measured at fair value on a recurring basis. There have been no changes in the methodologies used at June 30, 2021 and 2020.

Common stock, non-governmental obligations and government obligations are valued at the closing price reported on the active market on which the individual securities are traded.

Equity and fixed income funds are valued at the daily closing price as reported by the fund. The funds are required to publish their daily net asset value and to transact at that price.

The beneficial interest in remainder trusts and the beneficial interest in the assets held by the Golden Belt Community Foundation are reported at the Foundation's proportionate share of the fair value of the underlying assets in the trusts or in the assets held by Golden Belt Community Foundation as reported by the trustees. These assets are revalued annually by the Foundation based on investment statements provided by the third-party trustees.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although **Barton County Community College** believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

		Fair Value Measurements at June 30, 2021			
		Level 1	**Level 2**	**Level 3**	**Total**
Money Market Account	$	299,968	-	-	**299,968**
Equity Funds		3,902,182	-	-	**3,902,182**
Common Stocks		2,947,546	-	-	**2,947,546**
Government Obligations		798,479	-	-	**798,479**
Non-government Obligations		1,160,679	-	-	**1,160,679**
Fixed Income Funds		616,118	-	-	**616,118**
Beneficial Interest in Remainder Trusts		-	-	783,842	**783,842**
Beneficial Interest in Assets Held by Others		-	-	18,429	**18,429**
Total	$	9,724,972	-	802,271	**10,527,243**

		Fair Value Measurements at June 30, 2020			
		Level 1	Level 2	Level 3	Total
Money Market Account	$	529,113	-	-	529,113
Equity Funds		2,571,235	-	-	2,571,235
Common Stocks		2,090,519	-	-	2,090,519
Government Obligations		743,028	-	-	743,028
Non-government Obligations		1,044,753	-	-	1,044,753
Fixed Income Funds		879,658	-	-	879,658
Beneficial Interest in Remainder Trusts		-	-	524,739	524,739
Beneficial Interest in Assets Held by Others		-	-	14,964	14,964
Total	$	7,858,306	-	539,703	8,398,009

The following summarizes the Foundation's activities related to those items measured at fair value using level three inputs for the year ended June 30, 2021:

		Level 3 Investments
Fair Value – June 30, 2019	$	534,803
Change in Value of Beneficial Interest Agreements		5,396
Distributions		(496)
Fair Value – June 30, 2020		539,703
Change in Value of Beneficial Interest Agreements		263,183
Distributions		(615)
Fair Value – June 30, 2021	$	**802,271**

There were no transfers between levels one and two and there were no transfers in or out of level three during the current year.

The carrying values of cash, receivables, accounts payable and accrued liabilities approximate their fair values due to the relatively short periods to maturity of these items or because they are receivable or payable on demand.

The fair value of the land, book collection and artwork owned by the Foundation is unknown. In order for the Foundation to determine the estimated fair value of these assets, the Foundation would incur excessive costs which could affect the Foundation's programs and activities.

NOTE 5 – BENEFICIAL INTEREST IN REMAINDER TRUSTS

Barton County Community College Foundation was named as a 20% beneficiary of two trusts which own farmland and a small amount of cash. The trust documents state that the farmland should remain in the trusts until twenty years and nine months after the death of the last survivor. The last survivor passed away on August 14, 2000 and therefore, the trusts will continue until 2021. The Foundation's interests in these trusts are recorded in the financial statements at 20% of the fair value of the farmland (as reported by the Trustee) and cash. The amounts recorded as the beneficial interest of these trusts were $226,107 and $89,921 as of June 30, 2021 and 2020, respectively.

The Foundation was named as a 50% beneficiary of a trust that contains cash and marketable securities. The income earned by the trust's assets is distributed to five beneficiaries and then, upon the death of the last income beneficiary, a portion of the trust corpus will be distributed to the Foundation. The Foundation has recorded its respective interest in the trust based on the fair value of the investments at year end. The amounts recorded as the beneficial interest of this trust at June 30, 2021 and 2020 are $557,735 and $435,818, respectively.

NOTE 6 – CAPITAL ASSETS

The following is a summary of changes in the various capital asset categories for the years ended June 30, 2021 and 2020 for **Barton County Community College**.

	2021			
	Beginning Balance	Increases	Decreases	**Ending Balance**
Land	$ 678,800	-	-	**678,800**
Improvements	279,186	-	-	**279,186**
Infrastructure	843,340	-	-	**843,340**
Buildings	26,545,748	1,048,132	19,360	**27,574,520**
Vehicles	1,957,825	271,737	76,985	**2,152,577**
Machinery and Equipment	6,467,693	278,882	54,303	**6,692,272**
Library Materials	1,888,037	10,629	4,950	**1,893,716**
Total	38,660,629	1,609,380	155,598	**40,114,411**
Less: Accumulated Depreciation	(16,742,642)	(1,055,402)	(119,200)	**(17,678,824)**
Construction in Progress	901,169	-	901,169	**-**
Capital Assets, Net	$ 22,819,156	553,978	937,547	**22,435,587**

	2020			
	Beginning Balance	Increases	Decreases	Ending Balance
Land	$ 678,800	-	-	678,800
Improvements	279,186	-	-	279,186
Infrastructure	843,340	-	-	843,340
Buildings	26,545,748	-	-	26,545,748
Vehicles	1,889,528	68,297	-	1,957,825
Machinery and Equipment	6,208,905	273,788	15,000	6,467,693
Library Materials	1,876,085	11,952	-	1,888,037
Total	38,321,592	354,037	15,000	38,660,629
Less: Accumulated Depreciation	(15,748,446)	(1,008,696)	(14,500)	(16,742,642)
Construction in Progress	24,035	877,134	-	901,169
Capital Assets, Net	$ 22,597,181	222,475	500	22,819,156

The following is a summary of changes in the various capital asset categories for the years ended June 30, 2021 and 2020 for Barton County Community College Foundation.

		2021			
		Beginning Balance	Increases	Decreases	**Ending Balance**
Land	$	94,000	-	-	**94,000**
Art Collection		758,257	6,308	-	**764,565**
Book Collection		123,820	-	-	**123,820**
Total	$	976,077	-	-	**982,385**

		2020			
		Beginning Balance	Increases	Decreases	Ending Balance
Land	$	94,000	-	-	94,000
Art Collection		758,257	-	-	758,257
Book Collection		123,820	-	-	123,820
Total	$	976,077	-	-	976,077

NOTE 7 – LEASES

Operating Leases

Barton County Community College currently has operating leases for an educational building located in Junction City and fourteen copy machines. The monthly payments on the education building include estimated pro-rata insurance and property taxes. As of June 30, 2021 and 2020, the total payments were as follows:

		2021	2020
Educational Building	$	**111,450**	115,876
Copy Machines		**48,676**	49,828

The following is a schedule by year of future minimum lease payments required under operating leases that have initial or remaining non-cancelable lease terms in excess of one year as of June 30, 2021.

Fiscal Year Ending		Educational Building	Copy Machines
2022	$	86,880	47,844
2023		86,880	46,124
2024		-	1,524
2025		-	1,374
2026		-	300
Total	$	**173,760**	**97,166**

NOTE 8 – LONG-TERM DEBT

Certificates of Participation Bonds

Series 2013

On May 16, 2013, the College issued certificate of participation bonds with an interest rate of 2.0% to 4.5% to finance the construction of a student housing facility in the amount of $6,665,000 for the purpose of providing funds for refunding the Series 2005 certificates of participation.

Series 2015

On November 3, 2015, the College issued certificates of participation bonds with an interest rate of 2.0% to 4.0% in the amount of $4,530,000 for the purpose of providing funds for refunding the Series 2008 certificates of participation.

Long-term debt activity for the year ended June 30, 2021 was as follows:

	Outstanding June 30, 2020	Additions	Reductions	Outstanding June 30, 2021	Current Portion	Interest Paid
Certificates of Participation						
Series 2013	$ 5,220,000	-	230,000	4,990,000	230,000	170,350
Series 2015	4,330,000	-	205,000	4,125,000	205,000	141,231
Total Long-Term Debt	$ 9,550,000	-	435,000	9,115,000	435,000	311,581

Long-term debt activity for the year ended June 30, 2020 was as follows:

	Outstanding June 30, 2019	Additions	Reductions	Outstanding June 30, 2020	Current Portion	Interest Paid
Certificates of Participation						
Series 2013	$ 5,440,000	-	220,000	5,220,000	230,000	175,575
Series 2015	4,530,000	-	200,000	4,330,000	205,000	145,281
Total Long-Term Debt	$ 9,970,000	-	420,000	9,550,000	435,000	320,856

The following is a schedule of future payments for the debt obligations:

Fiscal Year Ending	Principal	Interest	Total
2022	$ 435,000	302,019	737,019
2023	435,000	291,432	726,432
2024	455,000	280,763	735,763
2025	470,000	270,169	740,169
2026	485,000	257,706	742,706
2027-2031	2,615,000	1,059,861	3,674,861
2032-2036	3,130,000	553,445	3,683,445
2037-2038	1,090,000	114,016	1,204,016
Total	$ **9,115,000**	**3,129,412**	**12,244,412**

NOTE 9 – DONOR-RESTRICTED ENDOWMENT FUNDS

The Foundation's endowment consists of individual funds established for a variety of purposes. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Foundation's governing body has interpreted the State of Kansas Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation retains in perpetuity (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the endowment and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by us in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. Duration and preservation of the fund
2. Purposes of the Foundation and the fund
3. General economic conditions
4. Possible effect of inflation and deflation
5. Expected total return from investment income and appreciation or depreciation of investments
6. Other resources of the Foundation
7. Investment policies of the Foundation

Investment Return Objectives, Risk Parameters and Strategies – Barton County Community College Foundation's long-term financial objectives for its endowment funds are to generate income to provide for current needs and to preserve the principal of the endowment funds in order to provide a base for generating income to meet future needs. The Foundation has adopted investment and spending guidelines, approved by the Board of Directors, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. The Financial Planning Committee is charged with investing and managing the endowment funds as a prudent investor would while taking into consideration the purpose, terms, and distribution requirements of each endowment fund. In making and implementing investment decisions, the Committee has a duty to diversify the investments of the endowment funds unless, under the circumstances, it is not prudent to do so.

Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk. Endowment assets are invested in a well-diversified asset mix, which includes equity and debt securities, that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make an annual distribution of 5%, while growing the funds if possible. Therefore, the Foundation expects its endowments to have long term rates of return to exceed the distribution needs of the foundation and to provide growth for the principal assets commensurate with the rate of inflation over a rolling 5-year term. Actual returns in any given year may vary from this amount. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

Spending Policy – The Organization follows the policy of appropriating for distribution earnings from endowed funds based on a calculation of funds available April 30th of the fiscal year preceding the fiscal year in which the distribution is planned. The established practice of determining funds available for distribution is

calculating the difference between endowment market value and endowment principal balance with 5% held in reserve. The remaining balance is available for distribution, with consideration of donor restrictions on amounts available for distribution.

Funds with Deficiencies – From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). The Board of Trustees of the Organization has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law.

At June 30, 2021 and 2020, funds with original gift values of $3,344,971 and $3,273,551 and fair values of $5,655,849 and $4,545,601, respectively, were reported in restricted net position – nonexpendable and deficiencies of $0 and $308, respectively, were reported in restricted net position – nonexpendable. These deficiencies resulted from unfavorable market fluctuations that occurred shortly after the appropriation for certain programs that were deemed prudent by the Board of Directors.

Changes in endowment net assets are as follows:

		With Donor Restrictions
Endowment Net Assets, June 30, 2019	$	4,408,092
Investment Return, Net		181,546
Contributions		57,409
Appropriation of Endowment Assets for Expenditure		(200,472)
Transfers		99,026
Endowment Net Assets, June 30, 2020		4,545,601
Investment Return, Net		1,198,390
Contributions		76,084
Appropriation of Endowment Assets for Expenditure		(161,059)
Transfers		(3,167)
Endowment Net Assets, June 30, 2021	$	**5,655,849**

The above table includes the cash and investment accounts that are under the control of the Foundation and do not include other assets that may be part of an endowment, i.e., pledges, beneficial interests in remainder trusts, and/or other receivables.

NOTE 10 – CONCENTRATIONS

Barton County Community College provides the personnel that are used by Barton County Community College Foundation in its day to day operations and pays for some of the Foundation's office expenses. A change in this agreement between the College and the Foundation could adversely affect the Foundation's operations.

NOTE 11 – LITIGATION

Barton County Community College is a party to various legal proceedings which normally occur in governmental operations. These legal proceedings are not likely to have a material financial impact on the affected funds of the College.

NOTE 12 – SELF-INSURANCE PLANS

During the years ended June 30, 2021 and 2020, employees of **Barton County Community College** were covered by the College's medical self-insurance plan. The total premium contributed is approximately $1,627, $1,094, $1,145 and $615 per month per employee with family, employees with dependents or spouses, and single coverage, respectively. The College contributes $1,200, $890, $870 and $615 per month per employee with family, employees with dependents or spouses, and single coverage, respectively, with the employee paying the difference through authorized payroll withholdings. Claims were paid by a third party administrator acting on behalf of the College. The administration contract between the College and the third party administration is renewable annually and administration fees are included in the contractual provisions. Stop loss coverage was in effect for individual claims exceeding $90,000, which is based on a factor determined monthly by Pan American.

Self-Insurance Liability		**2020-2021**	2019-2020
Beginning of Fiscal Year Liability	$	**272,215**	87,834
Claims and Changes in Estimates		**2,810,627**	1,879,506
Claim Payments		**(2,753,872)**	(1,695,125)
End of Fiscal Year Liability	$	**328,970**	272,215
Assets Available To Pay Claims At June 30	$	**2,472,005**	3,950,153

NOTE 13 – RISK MANAGEMENT

Barton County Community College is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The College has been unable to obtain commercial insurance at a cost it considered to be economically justifiable. For this reason, the College joined together with other entities in the State of Kansas to participate in the Kansas Educational Risk Management Pool, LLC (KERMP), a public entity risk pool currently operating as a common risk management and insurance program for 82 participating members.

The College pays an annual premium to Kansas Educational Risk Management Pool, LLC (KERMP) for its commercial insurance coverage. The agreement to participate provides that KERMP will be self-sustaining through member premiums and will reinsure through commercial companies for property claims in excess of $350,000 for each insured event, depending on the type of insured event. Additional premiums may be due if total claims for the pool are different than what has been anticipated by KERMP management.

The College carries commercial insurance for risks of loss, including property, general liability, crime, automobile, cyber, workers' compensation, athletic, and school board legal liability. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 14 – GRANTS AND SHARED REVENUES

Barton County Community College participates in numerous state and federal grant programs, which are governed by various rules and regulations for the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the College has not complied with the rules and regulations governing the grants, refunds of any money received may be required. In the opinion of the College, any liability for reimbursement, which may arise as the result of the audit, is not believed to be material.

The College receives a significant portion of its revenues from grants for student financial aid, all of which are subject to audit by federal and state governments. The ultimate determination of amounts awarded under these programs generally is based upon eligibility of students based upon their financial need. Until such audits have been completed, there exists a contingency to refund any amount awarded to a student that was not eligible for student financial assistance. Management is of the opinion that no material liability will result from such audits.

NOTE 15 – DEFERRED COMPENSATION PLAN

Barton County Community College sponsors a deferred compensation plan under Internal Revenue Code Section 403(b). Permanent and part-time employees are eligible to participate under the plan. The employee is responsible for the amount of deferred compensation to be contributed. The College is not required to make any contributions.

NOTE 16 – DEFINED BENEFIT PENSION PLAN

Plan Description

Barton County Community College participates in a cost-sharing multiple-employer defined benefit 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 employees group.

KPERS issues a stand-alone comprehensive annual financial report, which is available on the KPERS website at www.kpers.org.

Benefits

Benefits are established by statute and may only be changed by the Legislature. 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 credited service equal 85 “points”.

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. The 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.

The 2012 Legislature made changes affecting new hires, current members and employers. A new cash balance retirement pan (KPERS 3) was created for new hires starting after January 1, 2015. Normal retirement age for KPERS 3 is 65 with 5 years of service or 60 with 30 years of service. Early retirement is available at age 55 with 10 years of service with a reduced benefit. Monthly benefit options are an annuity benefit based on the account balance at retirement.

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.

Special Funding Situation
The employer contributions for community colleges, as defined in K.S.A.74-4931(2) and (3), are funded by the State of Kansas on behalf of the employer. Therefore, the College is considered to be in a special funding situation as defined by GASB Statement No. 68. The State is treated as a nonemployer contributing entity in the System. Since the College does not contribute directly to the System for active employees, there is no net pension liability or deferred inflows or outflows to report in the financial statements for active employees.

The notes to their financial statements must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective net pension liability that is associated with the community college. In addition, each community college employer must recognize the pension expense associated with their employer as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with their employer.

The College also makes contributions directly to KPERS for KPERS retirees filling KPERS covered positions per K.S.A. 74-4937, "working after retirement" employees. The resulting proportional share of these agencies "working after retirement" contributions and resulting net position liability are attributable to the College. These amounts are reflected separately and recorded in the financial statements.

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 statutory contribution rate was 14.09% and 14.41% for the fiscal years ended June 30, 2021 and 2020, respectively.

Contributions to the pension plan for the College were $23,022 and $21,644 for the fiscal years ended June 30, 2021 and 2020, respectively.

Employer 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 Fireman
- Judges

To facilitate the separate (sub) actuarial valuations, KPERS maintains separate accounts to identity 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 allocation percentages for the College's share of the collective pension amounts as of June 30, 2020 and 2019 were based on the ratio of each employer's contributions to the total of the employer and nonemployer contributions of the group for the fiscal years ended June 30, 2020 and 2019, respectively.

The contributions used exclude contributions made for prior service, excess benefits and irregular payments. The contributions used for determining allocation percentages for the state/school group exclude the $51 million transfer made in July 2019 from the state general fund to KPERS for the school group.

Net Pension Liability
Net pension liability activity for the following years ended is as follows:

		June 30, 2021		June 30, 2020
State Share of Net Pension Liability	$	24,853,217	$	21,434,232
College Share of Net Pension Liability		226,937		138,717
Measurement Date		June 30, 2020		June 30, 2019
Valuation Date		December 31, 2019		December 31, 2018
College's Proportion		.0030%		.0021%
Change in Proportion		.0009%		.0002%

Actuarial Assumptions
The actuarial valuation used the following actuarial assumptions applied to all periods included in the measurement:

Actuarial Cost Method	Entry age normal
Price inflation	2.75%
Salary increase	3.25 to 11.75%, including inflation
Investment rate of return net of investment expense, including price inflation	7.50%

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

The actuarial assumptions used in the December 31, 2020 calculation of the total pension liability were based on the results of the most recent actuarial experience study, which covered the three-year period of January 1, 2016 through December 31, 2018 and was dated January 7, 2020.

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 of the most recent experience study, dated January 7, 2020, as provided by KPERS' investment consultant, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US Equities	23.50%	5.20%
Non-US Equities	23.50	6.40
Private Equity	8.00	9.50
Private Real Estate	11.00	4.45
Yield Driven	8.00	4.70
Real Return	11.00	3.25
Fixed Income	11.00	1.55
Short-term	4.00	.25
Total	100.00%	

Discount Rate

The discount rate used to measure the total pension liability at the measurement date of June 30, 2020 and 2019, respectively, was 7.50% and 7.75%. The State/School groups do not necessarily contribute the full actuarial determined rate. Based on legislation passed in 1993 and subsequent legislation, the employer contribution rates certified by the Board may not increase by more than the statutory cap. The statutory cap was 1.2%.

In recent years, the Legislature has made several changes to statutory rates that deviate from the scheduled contribution increases set under the caps established in 2012 for the State/School group. Under 2015 SB 4, the previously certified State/School statutory rate for Fiscal Year 2015 of 11.27 percent was reduced to 8.65 percent for the last half of the fiscal year as part of the Governor's allotment. That same session, SB 228 recertified statutory rates for the State/School group to 10.91 percent for Fiscal Year 2016 and 10.81 percent for Fiscal Year 2017 in anticipation of the issuance of $1 billion in pension obligation bonds. Legislation in the 2016 session (SB 161) provided for the delay of up to $100 million in State and School contributions to the Pension Plan. Legislation passed by the 2017 Legislature removed the repayment provisions included in SB 161.

In addition, 2017 Senate Sub for Sub HB 2052 delayed $64.1 million in Fiscal Year 2017 State/School contributions, to be repaid over 20 years in level dollar installments. The first payment of $6.4 million was paid in full at the beginning of Fiscal Year 2019, and appropriations for Fiscal Year 2019 were made at the statutory contribution rate of 12.01 percent for the State/School group. Additional legislation in the 2017 Session (Senate Sub for HB 2002) provided for a reduction of $194 million from the previously certified contribution rate of 13.21 percent in the State/School contributions for Fiscal Year 2019. Like the Fiscal Year 2017 reduction, it is to be paid back over a 20-year period, beginning in Fiscal Year 2020. Therefore, both

reductions will be accounted for as long-term receivables by the Pension Plan. The 2019 Legislature passed House Sub for Sen Bill 109, which directed on-behalf payments of $56 million and $82 million be made to the System. The $56 million payment was received by the System on June 30, 2018 and recorded as Fiscal Year 2018 contributions. The $82 million was received July 1, 2019 and was recorded as Fiscal Year 2019 contributions. The 2019 Legislative session passed Senate Bill 9 which authorized a transfer of $115 million to KPERS, received in March 2019. House Sub for Senate Bill 25 from the 2019 Legislative session authorized additional funding for the KPERS School group in Fiscal Year 2020 of $51 million.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate
The following presents the College's proportionate share of the net pension liability as of June 30, 2021 calculated using the discount rate of 7.50%, as well as what the College's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.50%) or 1 percentage point higher (8.50%) than the current rate:

Fiscal Year	1% Decrease (6.50%)	Discount Rate (7.50%)	1% Increase (8.50%)
June 30, 2021	$300,885	$226,937	$164,567

The following presents the College's proportionate share of the net pension liability as of June 30, 2020 calculated using the discount rate of 7.75%, as well as what the College's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.75%) or 1 percentage point higher (8.75%) than the current rate:

Fiscal Year	1% Decrease (6.75%)	Discount Rate (7.75%)	1% Increase (8.75%)
June 30, 2020	$189,890	$138,717	$95,802

Pension Expense
For the years ended June 30, 2021 and 2020, the College recognized pension expense and revenue of $2,978,437 and $2,452,952, respectively, for support provided by the State in the form of non-employer contributions to KPERS on the College's behalf. The College recognized pension expense of $36,618 and $21,792 for June 30, 2021 and 2020, respectively, which includes the changes in the collective net pension liability, projected earnings on pension plan investments, and the amortization of deferred outflows of resources and deferred inflows of resources for the current period for employer contributions to KPERS for working after retirement employees.

Deferred Outflows of Resources and Deferred Inflows of Resources
At June 30, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2021		2020	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	$ 3,160	2,494	1,205	3,588
Net differences between projected and actual earnings on investments	20,106	-	2,306	-
Changes in assumptions	11,589	-	3,726	51
Changes in proportion	62,969	2,582	29,940	15,602
Contributions subsequent to measurement date	23,022	-	21,644	-
Total	$ 120,846	5,076	58,821	19,241

The $23,022 reported as deferred outflows of resources related to pensions resulting from College contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending June 30, 2022. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30		
2022	$	24,391
2023		23,989
2024		23,847
2025		18,901
2026		1,620
Thereafter		-

NOTE 17 – OTHER POST EMPLOYMENT BENEFITS – KPERS DEATH AND DISABILITY

Plan Description

The College contributes to the KPERS Long-Term Disability plan, a single-employer defined benefit other post-employment benefit (OPEB) plan which is administered by a board of trustees appointed by KPERS. The Plan provides long-term disability benefits and life insurance benefit for disabled members to KPERS members, as provided by K.S.A. 74-4925. The plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. However, because the trust's assets are used to pay employee benefits other than OPEB, no assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75. There is no stand-alone financial report for the plan.

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. Accordingly, the State is required to recognize the total OPEB liability, deferred outflows of resources, deferred inflows of resources and expense for the OPEB plan attributable to the College. The College records revenue and OPEB expense in an amount equal to the expense recognized by the State on behalf of the College.

Benefits Provided

Benefits are established by statute and may be amended by the KPERS Board of Trustees. The Plan provides long-term disability and life insurance benefits to eligible disabled members. Benefits provided are self-funded, and the full cost of the benefits is covered by the OPEB Plan. The monthly benefit is 60% of the member's monthly rate of compensation, with a minimum of $100 and a maximum of $5,000. The monthly benefit is subject to reduction by deductible sources of income, which include Social Security primary disability or retirement benefits, worker's compensation benefits, other disability benefits from any other source by reason of employment, and earnings from any form of employment. If the disability begins before age 60, benefits are payable while disability continues until the member's 65th birthday or retirement date, whichever first occurs. If the disability occurs at or after age 60, benefits are payable while disability continues, for a period of five years or until the date of the member's retirement, whichever first occurs. Upon the death of a member who is receiving monthly disability benefits, the plan will pay a lump sum benefit to eligible beneficiaries. The benefit amount will be 150% of the greater of (a) the member's annual rate of compensation at the time of disability, or (b) the member's previous 12 months of compensation at the time of the last date on payroll. If the member had been disabled for five or more years, the annual compensation or salary rate at the time of death will be indexed before the life insurance benefit is computed. The indexing is based on the consumer price index, less one percentage point. If a member is diagnosed as terminally ill with a life expectancy of 12 months or less, he or she may be eligible to receive up to 100% of the death benefit rather than having the benefit paid to the beneficiary.

Members Covered by Benefit Terms
At June 30 (the measurement date), the following members were covered by the benefit terms:

KPERS D&D

	2020	2019
Active Employees	312	313
Disabled Employees	1	1
Total	313	314

Total OPEB Liability
The total OPEB liability recognized by the State of Kansas that was attributable to the College was $193,964 and $180,291, respectively. The OPEB liability was measured as of June 30, 2020 and 2019, for the years ended June 30, 2021 and 2020, respectively, and was determined by actuarial valuations as of December 31, 2019 and 2018, rolled forward to June 30, 2020 and 2019, respectively.

For the year ended June 30, 2021 and 2020, the College recognized OPEB expense and revenue of $32,368 and $33,549 respectively, for support provided by the State in the form of non-employer contributions on the College's behalf.

Actuarial Assumptions and Other Inputs
The total OPEB liability in the December 31, 2020 and 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all period included in the measurement, unless otherwise noted:

	2020	2019
Price Inflation	2.75%	2.75%
Payroll Growth	3.0%	3.0%
Salary Increases, Including Inflation	3.5% to 11.5%	3.5% to 11.5%
Discount Rate	2.21%	3.50%

The discount rate was based on the Bond Buyer General Obligation 20-Bond Municipal Index. The discount rate decreased from 3.50% on June 30, 2019 to 2.21% on June 30, 2020.

Mortality rates were based on the RP-2014 Mortality tables, as appropriate, with adjustment for mortality improvements based on Scale MP-2020 and on Scale MP-2019 for the December 31, 2019 and 2018 actuarial valuation, respectively.

The actuarial assumptions used in the June 30, 2020 and 2019 valuations were based on the actual KPERS experience.

NOTE 18 – OTHER POST EMPLOYMENT BENEFITS – HEALTH INSURANCE

Plan Description
The health insurance benefit plan is a single-employer defined benefit healthcare plan administrated by **Barton County Community College**. K.S.A. 12-5040 establishes the authority that post-employment healthcare benefits be extended to retired employees who have met the age and/or service eligibility requirements and can amend benefit provisions by state legislature. The plan provides medical and dental insurance benefits to eligible retirees and their spouses. The benefit is available for selection at retirement and is extended to retirees until the retiree becomes covered under another employer health plan or until the age of 65. Costs under the self-insured program are paid from general operating funds. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75. The plan does not issue a stand-alone financial report.

Benefits Provided

As provided and required by K.S.A. 12-5040, the College allows retirees and their spouses to participate in the group health insurance plan for medical and dental coverage. Kansas statutes, which can be amended by State legislature, established that participating retirees may remain in the College's health insurance plan by paying the full amount of the applicable premium. Conceptually, the College is subsidizing the retirees because each participant is charged a level of premium regardless of age. The total premium is approximately $1,627, $1,094, $1,145 and $615 per month per employee with family, employees with dependents or spouses, and single coverage, respectively. Retirees and spouses must contribute 125% of group plan premiums to maintain coverage. Upon retiree death or attainment of age 65, spouses may elect Cobra for up to 3 years. The College does not pay a portion of the premium.

Employees Covered by Benefit Terms

As of the November 1, 2019 census, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	-
Active employees	274

Total OPEB Liability

At June 30, 2021 and 2020, the total OPEB liability was $783,665 and $901,059, respectively. The OPEB liability was measured as of June 30, 2021 and 2020 and was determined by an actuarial valuation performed as November 1, 2019, which was rolled forward to June 30, 2021 and 2020.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the June 30, 2021 and 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

	2021	2020
Average Salary Scale	2.0% per year	2.0% per year
Discount Rate	2.0%	2.6%
Healthcare Cost Trend Rates	3.00% for 2020-2021, 5.50% for 2021-2022, 5.00% for 2022-2023, 4.75% for 2023-2024, and 4.50% for 2024-2025 (ultimate)	6.00% for 2019-2020, 5.50% for 2020-2021, 5.00% for 2021-2022, 4.75% for 2022-2023, and 4.50% for 2023-2024 (ultimate)

The discount rate was based on the average of the S&P Municipal Bond 20 Year High Grade and the Fidelity GO AA–20 year published yields.

Mortality rates were based on the Society of Actuaries Pub-2010 Public Retirement Plans headcount-weighted General Mortality Tables using Scale MP-2020 Full Generational Improvement for June 30, 2021. Mortality rates were based on the Society of Actuaries Pub-2010 Public Retirement Plans headcount-weighted General Mortality Tables using Scale MP-2019 Full Generational Improvement for June 30, 2020.

Changes in the Total OPEB Liability
The following table shows the changes of the College's total OPEB liability for the year:

		2021	2020
Total OPEB Liability – Beginning of Year	$	901,059	726,143
A. Service Cost		84,740	58,275
B. Interest Cost		25,631	11,766
C. Differences Between Actual and Expected Experience		16,679	(99,985)
D. Changes in Assumptions		(244,444)	204,860
Net Changes (A+B+C+D)		(117,394)	174,916
Total OPEB Liability – End of Year	$	**783,665**	901,059

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate
The following represents the total OPEB liability of the College as of June 30, 2021, as well as what the College's total OPEB liability would be if it were calculated using a discount rate that is one percentage lower (1.0%) or one percentage higher (3.0%) than the current discount rate:

	1% Decrease (1.0%)	Discount Rate (2.0%)	1% Increase (3.0%)
Total OPEB Liability	$ 866,345	783,665	706,748

The following represents the total OPEB liability of the College as of June 30, 2020, as well as what the College's total OPEB liability would be if it were calculated using a discount rate that is one percentage lower (1.6%) or one percentage higher (3.6%) than the current discount rate:

	1% Decrease (1.6%)	Discount Rate (2.6%)	1% Increase (3.6%)
Total OPEB Liability	$ 1,000,616	901,059	809,471

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates
The following presents the total OPEB liability of the College, as well as what the College's total OPEB liability would be if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current healthcare cost trend rates:

	1% Decrease (2.0% decreasing to 3.5%)	Health Cost Trend Rates (3.0% decreasing to 4.5%)	1% Increase (4.0% decreasing to 5.5%)
Total OPEB Liability – 2021	$ 657,712	783,665	939,531

	1% Decrease (5.0% decreasing to 3.5%)	Health Cost Trend Rates (6.0% decreasing to 4.5%)	1% Increase (7.0% decreasing to 5.5%)
Total OPEB Liability – 2020	$ 762,861	901,059	1,070,832

OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB
For the year ended June 30, 2021, and 2020, the College recognized OPEB expense of $109,765 and $83,671, respectively. At June 30, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2021		2020	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	$ 107,191	86,653	$ 99,183	93,319
Changes in assumptions	179,582	243,262	193,424	15,271
Total	$ 286,773	329,915	$ 292,607	108,590

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

Year Ending June 30	
2022	$ (606)
2023	(606)
2024	(606)
2025	(606)
2026	(606)
Thereafter	(40,112)

NOTE 19 – TAX ABATEMENTS

Barton County Community College participates in the Neighborhood Revitalization Rebate Program which provides to promote revitalization and development of participating Cities within Barton County by stimulating new construction and the rehabilitation, conservation or redevelopment of the area in order to protect the public health, safety or welfare of the residents. Abatements are obtained through application by the property owner to the participating cities, including proof that the improvements or construction have been made, and equal 95 percent in the first year of the additional property tax resulting from the increase in assessed value as a result of the improvements or construction. The abatement is on a sliding scale from 95% to 20% over a 10 year process. The amount of the abatement is deducted from the recipient's tax bill.

For the years ended June 30, 2021 and 2020, the College’s property tax revenues were reduced by $79,350 and $64,365, respectively.

NOTE 20 – COMPENSATED ABSENCES

Vacation
All 12-month employees of **Barton County Community College**, such as the executive, 12-month faculty, hourly and exempt personnel are entitled to vacation under the following schedule:

1. Executive personnel shall earn vacation at the rate of 14 hours per month (21 days per year) for the first 5 years and thereafter shall earn vacation at the rate of 16 hours per month (24 days per year) with an increase of 2 hours per month for every 5 additional years and allowed to accrue a maximum of 350 hours (44 days).

2. 12-month faculty on the Barton Campus and full-time exempt staff shall earn 8 hours of vacation per month (12 days per year) for the first 5 years and thereafter shall earn vacation at the rate of 12 hours per month (18 days per year) with an increase of 2 hours per month for every 5 additional years and allowed to accrue a maximum of 264 hours (33 days).

3. 12-month faculty on the Fort Riley Campus shall earn vacation at the rate of 20 hours per month (30 days per year) for the first 5 years and thereafter shall earn vacation at the rate of 22 hours per month (33 days per year) with an increase of 2 hours per month for every 5 additional years and allowed to accrue a maximum of 264 hours (33 days).

4. Full-time hourly personnel shall earn 7 hours of vacation per month (10.5 days per year) for the first 5 years and thereafter shall earn vacation at the rate of 10 hours per month (15 days per year) with an increase of 2 hours per month for every 5 additional years and allowed to accrue a maximum of 264 hours (33 days).

The College's potential liability for vacation at June 30, 2021 and 2020 has been estimated at $1,011,337 and $1,087,425, respectively, and is recorded in the financial statements.

Sick Leave
The College provides sick leave to its eligible employees as follows:

1. Executive personnel, faculty and full-time staff shall earn sick leave at the rate of 8 hours per month (12 days per year) and allowed to accrue a maximum of 960 hours (120 days).

2. Part-time hourly staff shall earn sick leave at the rate of .0462 hours per each hour worked and allowed to accrue a maximum of 960 hours (120 days).

Accumulated sick leave is not paid upon termination of employment except for those employees qualifying for early retirement. A qualified early retiree will be paid for accumulated sick leave at a rate of the retiree's average base salary for the last four years of employment times the number of accrued sick days up to $100 per day. The College's potential liability for sick leave at June 30, 2021 and 2020 has been estimated at $2,818,082 and $3,348,328, respectively, and is not recorded in the financial statements

The College has a donated leave program that allows its employees to contribute their paid leave time to their colleagues who are in need of it. Maximum leave which could be transferred to an employee requesting donated leave is 480 hours. Individuals must have a minimum of 126 hours of accrued sick leave before being eligible to donate sick leave under this program. The College's potential liability for donated leave at June 30, 2021 and 2020 has been estimated at $0, and is not recorded in the financial statements

Personal Leave
The College provides personal leave to its eligible employees. All full-time staff shall earn 16 hours of personal leave per fiscal year (2 days per year). All part-time staff shall earn 8 hours of personal leave per fiscal year (1 day per year). Unused leave does not carry over.

Families First Coronavirus Response Act
The Families First Coronavirus Response Act requires certain employers to provide their employees with paid sick leave or expanded family and medical leave for specified reasons related to COVID-19. The Department of Labor's Wage and Hour Division administers and enforces the new law's paid leave requirements. These provisions will apply through December 31, 2020.

NOTE 21 – JOINTLY GOVERNED ORGANIZATION

Western Kansas Community College Virtual Education Consortium is a jointly governed organization in which the College participates and is not included in the combined financial statements of the College's basic financial statements. The Consortium is a special purpose governmental unit organized under the Inter-local Agreement Act authorized by K.S.A. 12-2901 and approved by the office of the Attorney General October 29, 2002 and the Board of Regents November 14, 2002. The organization is jointly governed between four community colleges in Western Kansas: Barton, Dodge City, Pratt and Seward County. The Consortium is governed by a separate executive board comprised of the related College Presidents. The initial investment made by each College was completely repaid to the respective Colleges in the form of dividends in January 2007. The College approved a notice of termination of membership on March 23, 2021 and will cease membership on August 10, 2021. The College approved a notice of termination of membership on March 23, 2021 and will cease membership on August 10, 2021.

NOTE 22 – EXTRAORDINARY ITEMS

In August 2018, the College suffered a fire destroying the Trail's End Lodge Cabin at Camp Aldrich. The building was insured on replacement cost and preliminary architect estimates are around $1,300,000. At June 30, 2021 and 2020, the College recorded insurance proceeds of $380,082 and $295,381 and contributions of $0 and $384,815, respectively, as extraordinary items related to the Camp Aldrich fire.

NOTE 23 – RECLASSIFICATIONS

Certain prior year amounts have been reclassified to conform to the current year presentation. These reclassifications had no effect on the reported changes in net position.

NOTE 24 – RISKS AND UNCERTAINTIES

Barton County Community College Foundation invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of the investment securities will occur in the near term and that such changes could materially affect the activities of the Foundation.

The Foundation has tried to minimize the risk associated with these investment securities by having an investment committee review the investment activity throughout the year and by having regular meetings with the investment company representatives.

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus in Wuhan, China (the "COVID-19 outbreak") and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the College's financial condition, liquidity and future results of operations. Management is actively monitoring the global and local situation on its financial condition, liquidity, operations, suppliers, industry and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the College is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition or liquidity for fiscal year 2022.

NOTE 25 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through November 3, 2021 and November 23, 2021, which is the date the financial statements were available to be issued on Barton County Community College Foundation and **Barton County Community College**, respectively.

BARTON COUNTY COMMUNITY COLLEGE

Required Supplementary Information

BARTON COUNTY COMMUNITY COLLEGE
Required Supplementary Information
June 30, 2021

Schedule of Changes in the College's Total Other Post-Employment Benefits and Related Ratios

		2021	2020	2019	2018
Total OPEB Liability					
Service Cost	$	**84,740**	58,275	49,958	47,930
Interest Cost		**25,631**	11,766	20,296	18,518
Differences Between Actual and Expected Experience		**16,679**	(99,985)	114,441	-
Changes in Assumptions and Other Inputs		**(244,444)**	204,860	(17,621)	2,776
Employer Contributions (Benefit Payments)		**-**	-	(12,000)	(6,000)
Net Changes in Total OPEB Liability		**(117,394)**	174,916	155,074	63,224
Total OPEB Liability - Beginning of Year		**901,059**	726,143	571,069	507,845
Total OPEB Liability - End of Year	$	**783,665**	901,059	726,143	571,069
Covered-Employee Payroll	$	**13,713,288**	13,713,288	12,486,051	12,486,051
Total OPEB Liability as a Percentage of Covered-Employee Payroll		**5.71%**	6.57%	5.82%	4.57%

Notes to Schedule

Changes of Assumptions and Other Inputs
Changes of assumptions and other inputs reflect a change in the discount rate from 3.35% in 2017, 3.3% in 2018, 3.0% in 2019, 2.6% in 2020, and 2.0% in 2021.

*GASB 75 requires presentation of ten years. Until a full 10-year trend is compiled, the College will present information for those years for which information is available.

The mortality assumption was changed from the Society of Actuaries Pub-2010 Public Retirement Plans Headcount weighted General Mortality Tables using Scale MP-2019 Full Generational Improvement to the Society of Actuaries Pub-2010 Public Retirement Plans Headcount weighted General Mortality Tables using Scale MP-2020 Full Generational Improvement.

Schedule of Changes in the College's Death and Disability Total OPEB Liability and Related Ratios

		2021	2020	2019	2018
Measurement Date		**June 30, 2020**	June 30, 2019	June 30, 2018	June 30, 2017
Total OPEB Liability					
Service Cost	$	**34,192**	32,467	32,135	32,981
Interest Cost		**7,440**	7,909	7,170	4,892
Changes in Benefit Terms		**-**	-	-	-
Differences Between Actual and Expected Experience		**(31,443)**	(32,524)	(29,699)	(4,535)
Changes in Assumptions and Other Inputs		**7,336**	2,469	(1,985)	(3,852)
Benefit Payments		**(3,852)**	(3,852)	(3,852)	
Net Changes in Total OPEB Liability		**13,673**	6,469	3,769	29,486
Total OPEB Liability - Beginning of Year		**180,291**	173,822	170,053	140,567
Total OPEB Liability - End of Year	$	**193,964**	180,291	173,822	170,053
State's Proportionate Share of the Total OPEB Liability	$	**193,964**	180,291	173,822	170,053
College's Proportionate Share of the Total OPEB Liability		**-**	-	-	-
Covered Payroll	$	**15,840,045**	15,139,481	14,769,205	14,148,381
Total OPEB Liability as a Percentage of Covered Payroll		**1.22%**	1.19%	1.18%	1.20%

Notes to Schedule

Changes of Assumptions and Other Inputs
Changes in assumptions and other inputs reflect a change in the discount rate from 2.85% on June 30, 2016, 3.58% on June 30, 2017, 3.87% on June 30, 2018, 3.5% on June 30, 2019, and 2.21% on June 30, 2020.

*GASB 75 requires presentation of ten years. Until a full 10-year trend is compiled, the College will present information for those years for which information is available.

BARTON COUNTY COMMUNITY COLLEGE
Required Supplementary Information
June 30, 2021

Schedule of the College's Proportionate Share of the Net Pension Liability
Kansas Public Employees Retirement System (KPERS)*

Fiscal Year-End	**June 30, 2021**	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Measurement Date	**June 30, 2020**	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
The College's proportion of the collective net pension liability	**0.0030%**	0.0021%	0.0019%	0.0018%	0.0015%	0.0014%	0.0024%
The College's proportionate share of the net pension liability	$ **226,937**	138,717	121,793	118,859	129,202	94,092	156,012
The State's proportionate share of the net pension liability	**24,853,217**	21,434,232	21,116,290	22,186,878	22,571,922	22,827,255	20,568,996
Total proportionate share of the net pension liability	$ **25,080,154**	21,572,949	21,238,083	22,305,737	22,701,124	22,921,347	20,725,008
The College's covered payroll	$ **16,670,919**	15,903,427	15,301,030	14,889,833	14,497,297	14,506,193	14,189,656
The College's proportionate share of the collective net pension liability as a percentage of its covered payroll	**1.36%**	0.87%	0.80%	0.80%	0.89%	0.65%	1.10%
Plan fiduciary net position as a percentage of the total pension liability	**66.30%**	69.88%	68.88%	67.12%	65.10%	64.95%	66.60%

Note: Information on this schedule is measured as of the measurement date.

Covered payroll is measured as of the measurement date, the most recent of which was June 30, 2020.

Changes of assumptions and other inputs
- Price inflation lowered from 3.00% to 2.75%
- Investment return was lowered from 8.00% to 7.75%
- General wage growth was lowered from 4.00% to 3.50%
- Payroll growth was lowered from 4.00% to 3.00%

Share of the College's Contributions
Kansas Public Employees Retirement System (KPERS)*

	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ **21,644**	13,808	10,694	8,771	8,984	5,903	11,009
Contributions in relation to the contractually required contribution	**21,644**	13,808	10,694	8,771	8,984	5,903	11,009
Contribution deficiency (excess)	$ **-**	-	**-**	-	-	-	-
The College's covered payroll	$ **15,278,895**	16,670,919	15,903,427	15,301,030	14,889,833	14,497,297	14,506,193
Contributions as a percentage of covered payroll	**0.142%**	0.083%	0.067%	0.057%	0.060%	0.041%	0.076%

*GASB 68 requires presentation of ten years. As of June 30, 2021, only seven years of information is available.

BARTON COUNTY COMMUNITY COLLEGE

Supplementary Financial Information

BARTON COUNTY COMMUNITY COLLEGE
General Fund
Summary Schedule of Revenues, Expenditures,
Encumbrances and Changes in Fund Balance - Budget and Actual
Current Funds - Unrestricted (Regulatory Basis)
For the Year Ended June 30, 2021

	Original and Final Budget	**Actual**	Variance Positive (Negative)
Revenues			
Tuition and Fees	$ 10,013,334	**11,442,285**	1,428,951
Federal Appropriations	-	**1,027,012**	1,027,012
Activity Revenue and Other	464,597	**758,345**	293,748
State Appropriations	4,986,441	**5,102,638**	116,197
County Property Taxes	10,086,366	**9,714,754**	(371,612)
Interest Income	9,809	**49,232**	39,423
Total Revenues	25,560,547	**28,094,266**	2,533,719
Expenditures			
Instruction	15,011,000	**9,074,309**	5,936,691
Academic Support	3,000,000	**2,056,580**	943,420
Student Services	3,000,000	**2,874,509**	125,491
Institutional Support	1,400,000	**2,748,313**	(1,348,313)
Physical Plant Operations	3,800,000	**4,401,788**	(601,788)
Student Financial Support	280,000	**203,859**	76,141
Total Expenditures	26,491,000	**21,359,358**	5,131,642
Excess Revenues Over (Under) Expenditures	(930,453)	**6,734,908**	7,665,361
Other Financing Sources			
Transfers In (Out)	(8,509,000)	**(6,198,426)**	2,310,574
Excess Revenues and Other Financing Sources (Uses) Over (Under) Expenditures	(9,439,453)	**536,482**	9,975,935
Fund Balance - Beginning	18,736,245	**16,881,304**	(1,854,941)
Fund Balance - Ending	$ 9,296,792	**17,417,786**	8,120,994

BARTON COUNTY COMMUNITY COLLEGE
Post Secondary Technical Education Fund
Summary Schedule of Revenues, Expenditures,
Encumbrances and Changes in Fund Balance - Budget and Actual
Current Funds - Unrestricted (Regulatory Basis)
For the Year Ended June 30, 2021

	Original and Final Budget	**Actual**	Variance Positive (Negative)
Revenues			
Federal Appropriations	$ 300,000	**95,269**	(204,731)
State Appropriations	3,519,749	**3,519,749**	-
Other Revenues	5,780,251	**101,538**	(5,678,713)
Total Revenues	9,600,000	**3,716,556**	(5,883,444)
Expenditures			
Instruction	10,980,000	**3,346,855**	7,633,145
Academic Support	1,000,000	**1,007,030**	(7,030)
Institutional Support	6,000,000	**5,445,523**	554,477
Physical Plant Operations	20,000	**-**	20,000
Total Expenditures	18,000,000	**9,799,408**	8,200,592
Excess Revenues Over (Under) Expenditures	(8,400,000)	**(6,082,852)**	2,317,148
Other Financing Sources			
Transfers In	8,350,000	**6,081,674**	(2,268,326)
Excess Revenues and Other Financing Sources (Uses) Over (Under) Expenditures	(50,000)	**(1,178)**	48,822
Fund Balance - Beginning	50,000	**33,530**	(16,470)
Fund Balance - Ending	$ -	**32,352**	32,352

BARTON COUNTY COMMUNITY COLLEGE
Adult Basic Education Fund
Summary Schedule of Revenues, Expenditures,
Encumbrances and Changes in Fund Balance - Budget and Actual
Current Funds - Unrestricted (Regulatory Basis)
For the Year Ended June 30, 2021

	Original and Final Budget	**Actual**	Variance Positive (Negative)
Revenues			
Federal Appropriations	$ 130,792	**188,180**	57,388
State Appropriations	57,388	**-**	(57,388)
Other Revenues	181,820	**-**	(181,820)
Total Revenues	370,000	**188,180**	(181,820)
Expenditures			
Instruction	350,000	**122,882**	227,118
Student Services	15,000	**-**	15,000
Institutional Support	15,000	**137,418**	(122,418)
Physical Plant Operations	10,000	**-**	10,000
Total Expenditures	390,000	**260,300**	129,700
Excess Revenues Over (Under) Expenditures	(20,000)	**(72,120)**	(52,120)
Other Financing Sources			
Transfers In	-	**70,000**	70,000
Excess Revenues and Other Financing Sources (Uses) Over (Under) Expenditures	(20,000)	**(2,120)**	17,880
Fund Balance - Beginning	20,000	**15,036**	(4,964)
Fund Balance - Ending	$ -	**12,916**	12,916

BARTON COUNTY COMMUNITY COLLEGE
Adult Supplementary Education Fund
Summary Schedule of Revenues, Expenditures,
Encumbrances and Changes in Fund Balance - Budget and Actual
Current Funds - Unrestricted (Regulatory Basis)
For the Year Ended June 30, 2021

		Original and Final Budget	**Actual**	Variance Positive (Negative)
Revenues				
Other Revenues	$	5,000	**-**	(5,000)
Expenditures				
Instruction		5,000	**-**	5,000
Excess Revenues Over (Under) Expenditures		-	**-**	-
Fund Balance - Beginning		-	**-**	-
Fund Balance - Ending	$	-	**-**	-

BARTON COUNTY COMMUNITY COLLEGE
Auxiliary Enterprise Funds
Summary Schedule of Revenues, Expenditures,
Encumbrances and Changes in Fund Balance - Budget and Actual
Current Funds - Unrestricted (Regulatory Basis)
For the Year Ended June 30, 2021

	Student Dormitory Fund			Student Union Fund			Athletic Fund		
	Original and Final Budget	**Actual**	Variance Positive (Negative)	Original and Final Budget	**Actual**	Variance Positive (Negative)	Original and Final Budget	**Actual**	Variance Positive (Negative)
Revenues									
Federal Appropriations	$ -	**262,453**	262,453	-	**-**	-	-	**-**	-
Housing Payments	2,780,000	**2,044,326**	(735,674)	-	**-**	-	-	**-**	-
Bookstore Sales	-	**-**	-	800,000	**548,805**	(251,195)	-	**-**	-
Interest	-	**1,594**	1,594	-	**951**	951	-	**-**	-
Other Revenue	120,000	**-**	(120,000)	2,100,000	**679,074**	(1,420,926)	160,000	**-**	(160,000)
Total Revenues	2,900,000	**2,308,373**	(591,627)	2,900,000	**1,228,830**	(1,671,170)	160,000	**-**	(160,000)
Expenditures									
Auxiliary Services	2,499,650	**1,267,263**	1,232,387	2,900,000	**1,392,391**	1,507,609	160,000	**-**	160,000
Debt Principal Payments	230,000	**230,000**	-	-	**-**	-	-	**-**	-
Debt Interest Payments	170,350	**170,350**	-	-	**-**	-	-	**-**	-
Total Expenditures	2,900,000	**1,667,613**	1,232,387	2,900,000	**1,392,391**	1,507,609	160,000	**-**	160,000
Excess Revenues Over (Under) Expenditures	-	**640,760**	640,760	-	**(163,561)**	(163,561)	-	**-**	-
Fund Balance - Beginning	4,425,265	**4,401,979**	(23,286)	878,542	**852,181**	(26,361)	159,186	**159,186**	-
Fund Balance - Ending	$ 4,425,265	**5,042,739**	617,474	878,542	**688,620**	(189,922)	159,186	**159,186**	-

BARTON COUNTY COMMUNITY COLLEGE
Auxiliary Enterprise Funds
Summary Schedule of Revenues, Expenditures,
Encumbrances and Changes in Fund Balance - Budget and Actual
Current Funds - Unrestricted (Regulatory Basis)
For the Year Ended June 30, 2021

	Camp Aldrich Fund			Total Auxiliary Enterprise Funds		
	Original and Final Budget	**Actual**	Variance Positive (Negative)	Original and Final Budget	**Actual**	Variance Positive (Negative)
Revenues						
Federal Appropriations	$ -	**-**	-	-	**262,453**	262,453
Housing Payments	-	**-**	-	2,780,000	**2,044,326**	(735,674)
Bookstore Sales	-	**-**	-	800,000	**548,805**	(251,195)
Interest	-	**-**	-	-	**2,545**	2,545
Other Revenue	110,000	**-**	(110,000)	2,490,000	**679,074**	(1,810,926)
Total Revenues	110,000	**-**	(110,000)	6,070,000	**3,537,203**	(2,532,797)
Expenditures						
Auxiliary Services	110,000	**-**	110,000	5,669,650	**2,659,654**	3,009,996
Debt Principal Payments	-	**-**	-	230,000	**230,000**	-
Debt Interest Payments	-	**-**	-	170,350	**170,350**	-
Total Expenditures	110,000	**-**	110,000	6,070,000	**3,060,004**	3,009,996
Excess Revenues Over (Under) Expenditures	-	**-**	-	-	**477,199**	477,199
Fund Balance - Beginning	102,816	**102,816**	-	5,565,809	**5,516,162**	(49,647)
Fund Balance - Ending	$ 102,816	**102,816**	-	5,565,809	**5,993,361**	427,552

BARTON COUNTY COMMUNITY COLLEGE
Capital Outlay Fund
Summary Schedule of Revenues, Expenditures,
Encumbrances and Changes in Fund Balance - Budget and Actual
Plant Funds (Regulatory Basis)
For the Year Ended June 30, 2021

	Original and Final Budget	**Actual**	Variance Positive (Negative)
Revenues			
Contributions	$ 900,000	**47,500**	(852,500)
Expenditures			
Plant Equipment and Facility	950,000	**245,596**	704,404
Excess Revenues Over (Under) Expenditures	(50,000)	**(198,096)**	(148,096)
Fund Balance - Beginning	256,469	**256,469**	-
Fund Balance - Ending	$ 206,469	**58,373**	(148,096)

BARTON COUNTY COMMUNITY COLLEGE
Notes to Supplementary Information
June 30, 2021

Reconciliation of Revenues, Expenditures and Other Financing Sources (Uses) for Budgetary Funds on a Regulatory Basis to GAAP Basis.

	General	Post Secondary Technical	Adult Basic Education	Auxiliary Enterprise	Capital Outlay	**Total Budgetary Funds**	Non-budgetary Funds	**Total All Funds**
Revenues								
Actual Amounts (Regulatory Basis) Revenues	$ 28,094,266	3,716,556	188,180	3,537,203	47,500	**35,583,705**	17,389,375	**52,973,080**
Adjustments								
Accounts Receivable Adjustment	662,307	-	-	-	-	**662,307**	-	**662,307**
Change in Allowance for Doubtful Accounts	(549,870)	-	-	-	-	**(549,870)**	-	**(549,870)**
Federal Grant Receivable Adjustment	3,200,286	-	5,787	-	-	**3,206,073**	(235,668)	**2,970,405**
Taxes Receivable Adjustment	103,310	-	-	-	-	**103,310**	-	**103,310**
Change in Equity Interest in Joint Venture	(198)	-	-	-	-	**(198)**	-	**(198)**
Total Revenues as Reported on the Statement of Revenues, Expenses and Change in Net Position	31,510,101	3,716,556	193,967	3,537,203	47,500	**39,005,327**	17,153,707	**56,159,034**
Expenditures								
Actual Amounts (Regulatory Basis) Expenditures	21,359,358	9,799,408	260,300	3,060,004	245,596	**34,724,666**	17,453,357	**52,178,023**
Adjustments								
Inventory Adjustment	-	-	-	43,948	-	**43,948**	-	**43,948**
Change in Debt	(205,000)	-	-	(230,000)	-	**(435,000)**	-	**(435,000)**
Change in OPEB Obligation	109,765	-	-	-	-	**109,765**	-	**109,765**
Change in Net Pension Obligation	12,030	-	-	-	-	**12,030**	-	**12,030**
Change in Construction in Process	-	-	-	901,169	-	**901,169**	-	**901,169**
Accrued Interest on Debt	(336)	-	-	(2,263)	-	**(2,599)**	-	**(2,599)**
Change in Prepaid Expenses	239,402	1,535	17,527	8,728	-	**267,192**	29,038	**296,230**
Change in Early Retirement Debt Refunding	16,889	-	-	5,099	-	**21,988**	-	**21,988**
Change in Debt Premium and Discount	(4,463)	-	-	(2,885)	-	**(7,348)**	-	**(7,348)**
Depreciation Expense	840,347	-	-	215,053	-	**1,055,400**	-	**1,055,400**
Additions to Capital Assets	(561,248)	-	-	(1,048,132)	-	**(1,609,380)**	-	**(1,609,380)**
Disposal of Capital Assets	28,029	-	-	8,349	-	**36,378**	-	**36,378**
Total Expenditures as Reported on the Statement of Revenue, Expenses and Change in Net Position	21,834,773	9,800,943	277,827	2,959,070	245,596	**35,118,209**	17,482,395	**52,600,604**
Other Financing Sources (Uses)								
Actual Amounts (Regulatory Basis) Other Financing Sources (Uses) From Schedule 1	(6,198,426)	6,081,674	70,000	-	-	**(46,752)**	46,752	**-**
Net Increase in Net Position, as Reported on the Statement of Revenue, Expenses and Change in Net Position	3,476,902	(2,713)	(13,860)	578,133	(198,096)	**3,840,366**	(281,936)	**3,558,430**
Net Position - Beginning	26,444,642	37,679	33,860	11,562,850	256,467	**38,335,498**	8,709,774	**47,045,272**
Net Position - Ending	$ 29,921,544	34,966	20,000	12,140,983	58,371	**42,175,864**	8,427,838	**50,603,702**

BARTON COUNTY COMMUNITY COLLEGE

Single Audit Information

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*

To the Board of Trustees
Barton County Community College
Great Bend, Kansas

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the *Kansas Municipal Audit and Accounting Guide* and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the discretely presented component unit of **Barton County Community College**, as of and for the year ended June 30, 2021, and the related notes to the financial statements which collectively comprise **Barton County Community College's** basic financial statements, and have issued our report thereon dated November 23, 2021. The financial statements of Barton County Community College Foundation were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with Barton County Community College Foundation.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered **Barton County Community College's** internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of **Barton County Community College's** internal control. Accordingly, we do not express an opinion on the effectiveness of **Barton 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 entity'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.

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*

To the Board of Trustees
Barton County Community College
Great Bend, Kansas

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the *Kansas Municipal Audit and Accounting Guide* and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the discretely presented component unit of **Barton County Community College**, as of and for the year ended June 30, 2021, and the related notes to the financial statements which collectively comprise **Barton County Community College's** basic financial statements, and have issued our report thereon dated November 23, 2021. The financial statements of Barton County Community College Foundation were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with Barton County Community College Foundation.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered **Barton County Community College's** internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of **Barton County Community College's** internal control. Accordingly, we do not express an opinion on the effectiveness of **Barton 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 entity'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 **Barton 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Adams Brown, LLC

ADAMSBROWN, LLC
Certified Public Accountants
Great Bend, Kansas

November 23, 2021

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

To the Board of Trustees
Barton County Community College
Great Bend, Kansas

Report on Compliance for Each Major Federal Program

We have audited **Barton 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 **Barton County Community College's** major federal programs for the year ended June 30, 2021. **Barton County Community College's** major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of **Barton 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 **Barton 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 **Barton County Community College's** compliance.

Opinion on Each Major Federal Program

In our opinion, **Barton 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, 2021.

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

To the Board of Trustees
Barton County Community College
Great Bend, Kansas

Report on Compliance for Each Major Federal Program

We have audited **Barton 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 **Barton County Community College's** major federal programs for the year ended June 30, 2021. **Barton County Community College's** major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of **Barton 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 **Barton 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 **Barton County Community College's** compliance.

Opinion on Each Major Federal Program

In our opinion, **Barton 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, 2021.

Report on Internal Control Over Compliance

Management of **Barton 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 **Barton 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 **Barton 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 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.

Adams Brown, LLC

ADAMSBROWN, LLC
Certified Public Accountants
Great Bend, Kansas

November 23, 2021

BARTON COUNTY COMMUNITY COLLEGE
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021

Federal Grantor/ Pass-through Grantor/ Program Title	Federal Assistance Listing Number	Agency or Pass-through Number	Federal Expenditures
U.S. Department of Education			
Direct Funding			
Student Financial Assistance Program Cluster - Title IV			
Federal Pell Grant Program	84.063	P063P122527	$ 3,329,443
Federal Supplemental Educational Opportunity Grants	84.007	P007A1111491	69,500
Federal Work-Study Program	84.033	P033A121491	26,261
Federal Direct Student Loans	84.268	N/A	3,237,448
Total Student Financial Assistance Program Cluster - Title IV			6,662,652
TRIO Cluster			
TRIO Student Support Services	84.042	P042A151139-21	369,020
TRIO Educational Opportunity Centers	84.066	P066A170069-120	304,861
TRIO Upward Bound	84.047	P047A171011-20	298,840
TRIO Upward Bound	84.047	P047A171013-21	316,947
Total TRIO Cluster			1,289,668
COVID-19 Funding			
Education Stabilization Fund			
Higher Education Emergency Relief Fund (HEERF)			
HEERF Student Portion	84.425E	P425F203459	471,000
HEERF Institutional Portion	84.425F	P425F203459	3,648,376
HEERF Strengthening Institutions Program (SIP)	84.425M	P425M200601	160,039
Total Education Stabilization Fund			4,279,415
Passed Through Kansas Board of Regents			
Career and Technical Education - Basic Grants to States	84.048	V048A190016/20016/210016	95,269
Adult Education - Basic Grants to States	84.002	N/A	136,580
Total Passed Through Kansas Board of Regents			231,849
Total U.S. Department of Education			12,463,584
Department of the Treasury			
COVID-19 Funding			
Passed Through Barton County			
Coronavirus Relief Fund	21.019	N/A	45,158
Passed Through Kansas Board of Regents			
Coronavirus Relief Fund	21.019	N/A	499,635
Passed Through Kansas Department of Commerce			
Coronavirus Relief Fund	21.019	N/A	15,000
Total Department of the Treasury			559,793
U.S. Department of Agriculture			
Passed Through State Department of Education			
Summer Food Service Program for Children	10.559	N/A	3,743
National Science Foundation			
Passed Through Fort Hays State University			
Education and Human Resources	47.076	1758501	2,361
Passed Through Kansas State University			
Education and Human Resources	47.076	HRD1817537	25,677
Total National Science Foundation			28,038
Health and Human Services			
Passed Through KS Department for Children and Family			
Child Care and Development Block Grant	93.575	2001KSCCS	4,598
Corporation for National and Community Service			
Direct Funding			
State Commissions	94.003	16CAHKS001	500
Retired and Senior Volunteer Program	94.002	19SRWKS008	58,914
Volunteer Generation Fund	94.021	16CAHKS001/17VTHKS001/ 18VGHKS001/19CAHDS001	8,490
Total Corporation for National and Community Service			67,904
Total Expenditures of Federal Awards			**$ 13,127,660**

Note: There were no awards to sub-recipients during the year.

See accompanying notes to schedule of expenditures of federal awards.

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of **Barton County Community College** and is presented on the accrual basis of accounting; therefore, some amounts presented in this schedule may differ from amounts presented or used in the preparation of the basic financial statements. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), *Audits of States, Local Governments, and Non-Profit Organizations*.

NOTE 2 – INDIRECT COST RATE

The College has elected not to use the 10% de minimis cost rate allowed under Section 200.414(f) of the Uniform Guidance.

NOTE 3 – FEDERAL LOAN PROGRAMS

The Federal Direct Student Loans is a program where a student or student's parent applies for a federal loan. When the loan is approved, the money is transferred to a bank account in **Barton County Community College's** name, but the loan funds are designated for the individual student. Total new loans made to eligible students and/or students' parents pursuant to this program totaled $3,237,448 for the year ended June 30, 2021.

NOTE 4 – ADMINISTRATIVE COST ALLOWANCE

Barton County Community College can receive an administrative cost allowance from the U.S. Department of Education federal awards for administering the federal awards program based upon Federal Supplemental Educational Opportunity Grants (FSEOG), Federal Work-Study Program costs (FWS), Federal Perkins Loan Program costs, and Federal Pell Grant Program disbursed to students during the year. The College received $4,720 as an administrative cost allowance, which is less than the administrative cost allowance allowed for the year ended June 30, 2021.

NOTE 5 – MATCHING CONTRIBUTIONS

The Federal Supplemental Educational Opportunity Grant (FSEOG) program provides grants to eligible undergraduate students with priority given to Pell grant recipients who have the lowest expected family contributions. **Barton County Community College** was granted a waiver from matching these funds by the U.S. Department of Education, so the College did not provide any matching contributions for FSEOG grants for the year ended June 30, 2021.

The Federal Work-Study Program (FWS) provides part-time employment to eligible undergraduate and graduate students who need the earnings to help meet costs of postsecondary education. **Barton County Community College** was granted a waiver from matching these funds by the U.S. Department of Education, so the College did not provide any matching contributions for FWS grants for the year ended June 30, 2021.

BARTON COUNTY COMMUNITY COLLEGE
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021

SECTION I - SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

Type of auditors' report issued:

Business-Type Activities	Unmodified
Discretely Presented Component Unit	Unmodified

Internal control over financial reporting:

● Material weakness identified?	____	Yes	X	No
● Significant deficiency identified?	____	Yes	X	None Reported
● Noncompliance material to financial statements noted?	____	Yes	X	No

FEDERAL AWARDS

Internal control over major programs:

● Material weakness identified?	____	Yes	X	No
● Significant deficiency identified?	____	Yes	X	None Reported

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a) of the Uniform Guidance?	____	Yes	X	No

Identification of major programs:

Assistance Listing Numbers	Name of Federal Program or Cluster
	Student Financial Assistance Program Cluster - Title IV
84.007	Federal Supplemental Educational Opportunity Grants
84.033	Federal Work-Study Program
84.063	Federal Pell Grant Program
84.268	Federal Direct Student Loans
	Education Stabilization Fund
	Higher Education Emergency Relief Fund (HEERF)
84.425E	HEERF Student Aid Portion
84.425F	HEERF Institutional Portion
84.425M	HEERF Strengthening Institutions Program (SIP)

Dollar threshold used to distinguish between Type A and Type B programs:	$ 750,000			
Auditee qualified as low-risk auditee?	____	Yes	X	No

BARTON COUNTY COMMUNITY COLLEGE
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021

SECTION II – FINANCIAL STATEMENT FINDINGS

None noted in the current year.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No material findings or questioned costs are required to be disclosed under the Uniform Guidance.

BARTON
COMMUNITY COLLEGE

Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2021

SECTION II – FINANCIAL STATEMENT FINDINGS

No matters noted for the year ended June 30, 2020.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No material findings or questioned costs for the year ended June 30, 2020 are required to be disclosed under the Uniform Guidance.

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