

Johnson County Community College  
Committee of the Whole  
October 31, 2022  
8:30 am  
GEB 112 / Zoom Webinar

- 8:30 Review Audited Financial Statements for Fiscal Year Ended June 30, 2022 – Chester Moyer, Partner, RubinBrown; Corey Robinson, Manager, RubinBrown
- Recommendation: FY22 Annual Audit
- 9:00 Committee Structure Report; 100 Series Policy Review Report – Nancy Ingram, Trustee; Laura Smith-Everett, Trustee; Dawn Rattan, Trustee; Greg Musil, Trustee; Greg Musil, Trustee
- Recommendation
- 9:30 Retiree Benefit Committee – Barry Bailey, Professor/Librarian; Doug Copeland, Professor, Economics; Robin Judkins, Senior Network Analyst; Jim Lane, Dean, Arts, Humanities & Social Sciences; Ed Lovitt, Director, Education Technology/Distance Learning
- 10:00 Review monthly purchasing recommendations – Janelle Vogler, Associate Vice President, Business Services
- Recommendation: On-Call Architectural Services
  - Recommendation: Student Loan Delinquency Management & Default Prevention Services
  - Recommendation: Employee Engagement Survey
- 10:15 Strategic Planning – Elisa Waldman, Vice President, Workforce Development and Continuing Education; Kate Allen, Vice President, College Advancement and Government Affairs; Jodie Dietz, Coordinator, Collaboration Center; Jeff Hoyer, Executive Director, Space Management; Andrew Lutz, Associate Professor, Information Technology; Mary Anne Matos, Community Relations Manager, Nerman Museum, Jannell Rinne, Coordinator Marketing, Performing Arts; Debbie Rulo, Executive Director, Continuing Education
- Community Partnerships

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Informational Items:

- Single Source Purchase Report \$35,000 - \$150,000
- Agreements
  - Johnson County Library
  - Anesthesia Associates of Kansas City, PC
  - Score 1 for Health

Committee of the Whole  
October 31, 2022

**REPORT:**

The College's external auditors from RubinBrown LLP have completed the audits of the financial statements and major federal award programs for the fiscal year ended June 30, 2022.

The packet includes the draft reports and auditor communications, which will be presented by RubinBrown at the Committee meeting on October 31, 2022.

**RECOMMENDATION:**

**It is the recommendation of the Committee of the Whole that the Board of Trustees accept the recommendation of the college administration to accept the audits of the financial statements and major federal award programs for the fiscal year ended June 30, 2022.**

# Johnson County Community College Year-End Meeting

For the year ended June 30, 2022





**Auditor Communications** ..... 3 - 10

**Exhibits:**

**Appendix A - Passed Journal Entries**

**Appendix B - Management Representation Letter**



# Auditor Communications



# Board Of Trustees And Management

Johnson County Community College  
Overland Park, Kansas

We have audited the financial statements of Johnson County Community College as of and for the year ended June 30, 2022, and expect to issue an unmodified opinion in our report. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 5, 2022. Professional standards also require that we communicate to you the following information related to our audit.

This information is intended solely for the information and use of the Board of Trustees and Management of Johnson County Community College and is not intended to be and should not be used by anyone other than these specified parties.

**October 21, 2022**



# Auditor Communications

## QUALITATIVE ASPECTS OF ACCOUNTING PRACTICES

- Management is responsible for the selection and use of appropriate accounting policies.
- Significant accounting policies are described in Note 1 to the financial statements
- The College adopted GASB 87, *Leases* in the current year which required retrospective application. No other new accounting policies were adopted, and the application of other existing policies was not changed in the current year.
- No transactions entered into during the year lacked authoritative guidance or consensus
- No transactions were recorded out of the period they occurred
- No instances where a significant accounting practice acceptable under the applicable financial reporting framework is not appropriate
- No significant unusual transactions noted

## COMMENTS

The adoption in the current year of the new accounting standard, GASB 87, *Leases*, resulted in the recognition of right-to-use assets and lease liabilities for the College's existing leases. No further comments.





# Auditor Communications

## QUALITATIVE ASPECTS OF ACCOUNTING PRACTICES (CONTINUED)

### ACCOUNTING ESTIMATES

Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

Depreciable lives used to calculate depreciation of buildings and equipment is based on the assets' estimated useful lives.

Allowance for uncollectible student accounts receivable is based on the amount that management does not expect to collect utilizing historical collection percentages.

Liability for pension and other post-employment benefits is based on actuarial assumptions as provided by the actuary specialists and informed by management inputs.

We evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

## QUALITATIVE ASPECTS OF ACCOUNTING PRACTICES (CONTINUED)

### DISCLOSURES

The disclosures to the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to the users of the financial statements. The most sensitive disclosures affecting the financial statements are:

Deposits, Investments, and Risk (Note 2)

Long-term Obligations (Note 4)

Defined Benefit Pension Plan (Note 5)

Other Postemployment Benefit Plans (Note 6)

Johnson County Community College Foundation (Note 11)



# Auditor Communications

## CORRECTED AND UNCORRECTED MISSTATEMENTS

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. The attached schedule summarizes uncorrected misstatements of the financial statements. Those uncorrected misstatements (including the current year effect of prior periods' uncorrected misstatements), in the aggregate would have decreased the change in net position by \$300,000, increased beginning net position by \$300,000, increased current liabilities by \$292,000 and decreased noncurrent liabilities by \$292,000 with no impact to ending net position. Management has determined these uncorrected misstatements are not material, both individually and in the aggregate, to the financial statements taken as a whole. Uncorrected misstatements or matters underlying those uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even though the uncorrected misstatements are immaterial to the financial statements currently under audit.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. There were no misstatements that we identified as a result of our audit procedures that were brought to the attention of, and corrected by, management.



# Auditor Communications

## OTHER REQUIRED COMMUNICATIONS

- No circumstances affected the form and content of our independent auditors' report aside from the new standard implementation GASB 87 Leases
- No significant matters resulted in consultation outside our engagement team
- No significant difficulties in dealing with management in performing or completing our audit
- No disagreements with management related to financial accounting, reporting or auditing matters
- Management did not consult with other independent accountants
- No other audit findings or issues
- We will request management to provide a copy of the draft management representation letter attached

## COMMENTS

Adoption of GASB 87, *Leases* resulted in an additional paragraph in our audit report to communicate that there was a new standard implemented this year and to indicate where in the footnotes more information can be found about the implementation.

No further comments



# Auditor Communications

## OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report on our consideration of the 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.

## COMMENTS

There were no findings required to be reported in accordance with *Government Auditing Standards* that we identified during our audit.

The audit of Johnson County Community College Foundation was not performed under *Government Auditing Standards*.



# Auditor Communications

## SINGLE AUDIT

During the year ended June 30, 2022, Johnson County Community College expended greater than \$750,000 of federal awards. Accordingly, we performed a single audit pursuant to 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).

## New Accounting Pronouncements

GASB Statement 96: *Subscription Agreements* will be implemented by the College next year.

## COMMENTS

The federal program selected as major during the single audit was:

- Higher Education Emergency Relief Fund (HEERF)

We did not identify any findings during our audit of the Higher Education Emergency Relief Fund (HEERF) for the year ended June 30, 2022.

## COMMENTS

Recognize a subscription liability and a right-to-use subscription asset for the right to use another party's information technology.



**Appendix A**  
*Passed Journal*  
*Entries Report*



DESCRIPTION	Increase (Decrease) On Financial Statement Captions If the Following Uncorrected Entries Had Been Recorded							IMPACT ON FUTURE YEAR NET INCOME
	BEGINNING NET POSITION	EXPENSES	CHANGE IN NET POSITION	ENDING NET POSITION	CURRENT LIABILITIES	NONCURRENT LIABILITIES		
To record reversal of prior year passed journal entry related to estimated allowance for doubtful accounts.	\$ 300,000	\$ 300,000	\$ (300,000)	\$ —	\$ —	—	No	
To record current portion of OPEB Liability	—	—	—	—	292,000	(292,000)	No	
<b>Total</b>	<b>\$ 300,000</b>	<b>\$ 300,000</b>	<b>\$ (300,000)</b>	<b>\$ —</b>	<b>\$ 292,000</b>	<b>(292,000)</b>		

**Description Of Omitted Disclosures Including Amounts**

None noted



**Appendix B**  
*Management  
Representation Letter*





Johnson County Community College

DATE

RubinBrown LLP  
1200 Main Street  
Suite 1000  
Kansas City, Missouri 64105

This representation letter is provided in connection with your audit of the basic financial statements of Johnson County Community College as of June 30, 2022 and 2021 and for the years then ended for the purpose of expressing opinions as to whether the basic financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows, where applicable, of Johnson County Community College, its discretely presented component unit, and the aggregate remaining funds, in accordance with accounting principles generally accepted for governments in the United States of America (U.S. GAAP).

We understand we are responsible for management decisions and functions, for designating a qualified employee to oversee any nonattest services you provide, for evaluating the adequacy and results of the services performed and accepting responsibility for such services.

Certain representations in this letter are described as being limited to matters that are material. Misstatements, including omissions, are considered material if there is a substantial likelihood that individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

We confirm, to the best of our knowledge and belief, as of the date of this letter the following representations made to you during your audit.

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP.
- We acknowledge our responsibility for 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.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- Significant assumptions used by us in making accounting estimates are reasonable.
- All related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
- All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
- The effects of the uncorrected misstatements, which would have decreased the change in net position by \$300,000, increased beginning net position by \$300,000, increased current liabilities by \$292,000 and decreased noncurrent liabilities by \$292,000, are immaterial to the applicable opinion unit and to the financial statements as a whole.
- The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
- With regard to items reported at fair value:

- The underlying assumptions are reasonable, and they appropriately reflect management's intent and ability to carry out its stated courses of action.
- The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
- The disclosures related to fair values are complete, adequate, and in conformity with U.S. GAAP.
- There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.
- All component units, as well as joint ventures with an equity interest, are included and other joint ventures and related organizations are properly disclosed.
- All funds and activities are properly classified.
- All net position components and fund balance classifications have been properly reported.
- All expenses have been properly classified in or allocated to functions and programs in the statement of revenues and changes in net position, and allocations, if any, have been made on a reasonable basis.
- All interfund and intra-entity transactions and balances have been properly classified and reported.
- Deposit and investment risks have been properly and fully disclosed.
- Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
- All required supplementary information is measured and presented within the prescribed guidelines.
- Nonexchange and exchange financial guarantees, either written or oral, under which it is more likely than not that a liability exists have been properly recorded, or if we are obligated in any manner, are disclosed.
- With regard to pensions and OPEB:
  - We believe that the actuarial assumptions and methods used to measure pension and OPEB liabilities and costs for financial accounting purposes are appropriate in the circumstances.
  - Increases in benefits, elimination of benefits and all similar amendments have been disclosed in accordance with U.S. GAAP and are included in the most recent actuarial valuation, or disclosed as a subsequent event.

## Information Provided

- We have provided you with:
  - Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;
  - Additional information that you have requested from us for the purpose of the audit; and
  - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
  - Minutes of the meetings of the Board of Trustees or summaries of actions of recent meetings for which minutes have not yet been prepared.
- All transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

- We have provided to you our analysis of the entity's ability to continue as a going concern, including significant conditions and events present.
- We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
  - Management;
  - Employees who have significant roles in internal control; or
  - Others where the fraud could have a material effect on the financial statements.
- We have no knowledge of any instances, that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance, whether communicated by employees, former employees, vendors (contractors), regulators, or others.
- We have no knowledge of any instances that have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that has a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
- We have no knowledge of any instances that have occurred or are likely to have occurred of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
- We have taken timely and appropriate steps to remedy fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements, or abuse that you have reported to us.
- We have a process to track the status of audit findings and recommendations.
- We have identified for you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- We have provided views on your reported audit findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
- We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- We have disclosed to you the identity of all the College's related parties and the nature of all the related party relationships and transactions of which we are aware.
- There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
- The College has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
- We have disclosed to you all guarantees, whether written or oral, under which the entity is contingently liable.
- We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
- There are no violations or possible violations or laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
- There are no other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB 62.
- We are not aware of any pending or threatened litigation, claims or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements in accordance with U.S. GAAP, and we have not consulted a lawyer concerning litigation, claims or assessments.

- Johnson County Community College has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
- We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB-62. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.
- We have appropriately disclosed Johnson County Community College's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available and have determined that net assets were properly recognized under the policy.

#### Supplementary Information:

- We acknowledge our responsibility for presenting the Supplementary Information in accordance with U.S. GAAP, and we believe the Supplementary Information, including its form and content, is fairly presented in accordance with U.S. GAAP. The methods of measurement and presentation of the Supplementary Information have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
- When the Supplementary Information is not presented with the audited financial statements, management will make the audited financial statements ready available to the intended users of the Supplementary Information no later than the date of issuance by the entity of the supplementary information and the auditors' report thereon.
- With respect to the required supplementary information accompanying the financial statements:
  - a. We acknowledge our responsibility for the presentation of the required supplementary information accordance with U.S. GAAP.
  - b. We believe the required supplementary information, including its form and content, is measured and fairly presented in accordance with U.S. GAAP.
  - c. The methods of measurement or presentation have not changed from those used in the prior period.

#### Single Audit

- With respect to federal awards, we represent the following to you:
  - a. We are responsible for understanding and complying with, and have complied 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).
  - b. We are responsible for the preparation and presentation of the schedule of expenditures of federal awards (SEFA) in accordance with the Uniform Guidance.
  - c. We believe the SEFA, including its form and content, is fairly presented in accordance with the Uniform Guidance.
  - d. We acknowledge or responsibility for presenting the SEFA in accordance with the requirements of the Uniform Guidance, and we believe the SEFA, including its form and content, is fairly presented in accordance with the Uniform Guidance. The methods of measurement or presentation of the SEFA have not changed from those used in the prior

period, and we have disclosed to you any significant assumptions and interpretations underlying the measurement or presentation of the SEFA.

- e. We are responsible for including the auditor's report on the SEFA in any document that contains the schedule and that indicates that the auditor has reported on such information.
- f. We have identified and disclosed all of our government programs and related activities subject to the Uniform Guidance compliance audit.
- g. When the SEFA is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the SEFA no later than the date of issuance by the entity of the SEFA and the auditor's report thereon.
- h. We have, in accordance with the Uniform Guidance, identified in the SEFA, expenditures made during the audit period for all awards provided by federal agencies in the form of grants, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, food commodities, direct appropriations, and other assistance.
- i. We have provided to you our interpretations of any compliance requirements that are subject to varying interpretations.
- j. We have made available to you all federal awards (including amendments, if any) and any other correspondence relevant to federal programs and related activities that have taken place with federal agencies or pass-through entities.
- k. We have received no requests from a federal agency to audit one or more specific programs as a major program.
- l. We have identified and disclosed to you all amounts questioned and any known noncompliance with the direct and material compliance requirements of federal awards, including the results of other audits or program reviews, or stated that there was no such noncompliance. We also know of no instances of noncompliance with direct and material compliance requirements occurring subsequent to period covered by the auditor's report.
- m. We have disclosed to you any communications from federal awarding agencies and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.
- n. We have made available to you all documentation related to compliance with the direct and material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
- o. Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the basic financial statements have been prepared and are prepared on a basis consistent with the schedule of expenditures of federal awards.
- p. The copies of federal program financial reports provided to you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.
- q. We have properly classified amounts claimed or used for matching in accordance with related guidelines in the Uniform Guidance, as applicable.
- r. We have charged costs to federal awards in accordance with applicable cost principles.
- s. We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by the Uniform Guidance, and we have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.
- t. We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly

relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.

- u. The reporting package does not contain personally identifiable information.
- v. We have disclosed all contracts or other agreements with service organizations and disclosed to you all communications from these service organizations relating to noncompliance at the organizations.
- w. We have disclosed to you the nature of any subsequent events that provide additional evidence with respect to conditions that existed at the end of the reporting period that affect noncompliance during the reporting period.
- x. We are responsible for understanding and complying with the requirements of federal statutes, regulations, and the terms and conditions of federal awards related to each of our federal programs and have identified and disclosed to you the federal statutes, regulations, and the terms and conditions of federal awards that are considered to have a direct and material effect on each major federal program; and we have complied with these direct and material compliance requirements.
- y. We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance for federal programs that provide reasonable assurance that we are managing our federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal award that could have a material effect on our federal programs. Also, no changes have been made in the internal control over compliance or other factors that might significantly affect internal control, including any corrective action taken by management with regard to significant deficiencies and material weaknesses in internal control over compliance, have occurred subsequent to the period covered by the auditor's report.
- z. We are responsible for and have accurately completed the appropriate sections of the Data Collection Form and we are responsible for taking corrective action on audit findings of the compliance audit and have developed a corrective action plan that meets the requirements of the Uniform Guidance.

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Christal Williams, Director of Financial Aid

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Rachel Lierz, Associate Vice President for Financial Services/Chief Financial Officer

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Mike Neal, Executive Vice President/Chief Operating Officer

**Johnson County Community College**

Financial Report  
June 30, 2022

Draft for  
Discussion  
Purposes Only

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## **Independent Auditors' Report**

Board of Trustees  
Johnson County Community College  
Overland Park, Kansas

### **Report On The Audit Of The Financial Statements**

#### ***Opinions***

We have audited the financial statements of the business-type activities, fiduciary activities, and the discretely presented component unit of Johnson County Community College (the College) as of and for the years then ended June 30, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, fiduciary activities, and the discretely presented component unit of the College, as of and for the years ended June 30, 2022 and 2021, 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 (GAAP).

#### ***Basis For Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities For The Audit Of The Financial Statements section of our report. We are required to be independent of the College and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Emphasis Of Matter***

As discussed in Note 1 to the financial statements, the College implemented the provisions of Governmental Accounting Standards Board Statement Number 87, *Leases*. Our opinion is not modified with respect to this matter.

### ***Responsibilities Of Management For The Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the College's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditors' Responsibilities For The Audit Of The Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements. The financial statements of the discretely presented component unit, Johnson County Community College Foundation, were not audited in accordance with *Government Auditing Standards*.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the College's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of College's Proportionate Share of the Net Pension Liability, Schedule of the College's Contributions to Defined Benefit Pension Plan, Schedule of College's Net OPEB Liability – Medical and Prescription Drug Plan, and Schedule of College's Net OPEB Liability – KPERS Long-term Disability and Life Insurance Benefit Plans, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, is the responsibility of management and, 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 inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, 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***

Management is responsible for the other information included in the annual report. The other information comprises the supplemental schedule of budgetary expenditures with appropriations, as listed in the table of contents, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

**Other Reporting Required By *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2022 on our consideration of Johnson County Community College's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 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 Johnson County Community College's internal control over financial reporting and compliance.

October 31, 2022

Draft for  
Discussion  
Purposes Only

## Johnson County Community College

### Management's Discussion and Analysis Years Ended June 30, 2022 and 2021

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#### Introduction

This section of Johnson County Community College's (the College) annual financial report presents management's discussion and analysis (MD&A) of the College's financial activity for the fiscal years ended June 30, 2022 and 2021. It should be read in conjunction with the financial statements and footnote disclosures that follow. A comparative analysis to financial activity for the fiscal years ended June 30, 2021 and 2020 is also presented.

The College prepared the financial statements in accordance with Governmental Accounting Standards Board (GASB) Statement No. 35, *Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities*. GASB Statement No. 35 establishes standards for external financial reporting for public colleges and universities and requires that the financial statements be presented to focus on the College as a whole.

As defined by generally accepted accounting principles established by GASB, the financial reporting entity consists of the College, as well as its discretely presented component unit, the Johnson County Community College Foundation, and its fiduciary fund, the Johnson County Community College Retiree Benefit Trust.

#### Using This Annual Report

The financial statements focus on the College as a whole and are designed to emulate corporate presentation models whereby all College activities are consolidated into one total. The financial statements consist of four primary parts: (1) the statements of net position, (2) statements of revenues, expenses, and changes in net position, (3) statements of cash flow and (4) notes to the financial statements. The financial statements are prepared on the accrual basis of accounting and economic resources measurement focus. Under the accrual basis of accounting, expenses are recorded when incurred, and all revenues are recognized when earned in accordance with generally accepted accounting principles.

The Statement of Net Position is presented in the format where assets plus deferred outflows of resources equal liabilities plus deferred inflows of resources plus net position. Assets and liabilities are presented in order of liquidity and are classified as current (convertible into cash or payable within one year) and non-current. This statement combines and consolidates current financial resources (short-term spendable resources) with long-term capital assets and deferred inflows and outflows of resources. The focus of this statement is to show the overall liquidity and health of the College as of the end of the fiscal year. The change in net position indicates whether the financial condition has improved or worsened during the year.

The Statement of Revenues, Expenses, and Changes in Net Position focuses on both the gross and net costs of College activities, which are supported substantially by property taxes, state and federal grants and contracts, student tuition and fees, and auxiliary enterprises revenues. This approach is intended to summarize and simplify the user's analysis of the financial results of the various College services to students and the public.

The Statements of Cash Flows disclose net cash provided by or used for operating, non-capital financing, capital and related financing, and investing activities. This statement provides information about the cash receipts and cash payments during the fiscal year and shows that the College's cash flows are sufficient to pay current liabilities.

The Notes to the Financial Statements are an integral part of the basic statements and describe the College's significant accounting policies. The reader is encouraged to review the notes in conjunction with management's discussion and analysis of the financial statements.

## Johnson County Community College

### Management's Discussion and Analysis Years Ended June 30, 2022 and 2021

#### Financial Highlights

##### Statements of Net Position

The major components of the College's assets, deferred outflows, liabilities, deferred inflows and net position as of June 30, 2022, 2021 and 2020 are as follows (in millions of dollars):

	2022	2021	2020	Change 2022-21	Change 2021-20
<b>ASSETS</b>					
Current assets	\$ 120.3	\$ 120.6	\$ 135.0	\$ (0.3)	\$ (14.4)
Capital assets, net	228.4	214.3	214.4	14.1	(0.1)
Other noncurrent assets	77.4	77.3	40.0	0.1	37.3
Total Assets	<u>\$ 426.1</u>	<u>\$ 412.2</u>	<u>\$ 389.4</u>	<u>\$ 13.9</u>	<u>\$ 22.8</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
	<u>\$ 0.9</u>	<u>\$ 1.2</u>	<u>\$ 1.4</u>	<u>\$ (0.3)</u>	<u>\$ (0.2)</u>
<b>LIABILITIES</b>					
Current liabilities	\$ 22.8	\$ 15.9	\$ 16.9	\$ 6.9	\$ (1.0)
Noncurrent liabilities	62.8	73.6	78.7	(10.8)	(5.1)
Total Liabilities	<u>\$ 85.6</u>	<u>\$ 89.5</u>	<u>\$ 95.6</u>	<u>\$ (3.9)</u>	<u>\$ (6.1)</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
	<u>\$ 2.4</u>	<u>\$ 1.7</u>	<u>\$ 1.2</u>	<u>\$ 0.7</u>	<u>\$ 0.5</u>
<b>NET POSITION</b>					
Net investment in capital assets	\$ 167.4	\$ 157.7	\$ 157.0	\$ 9.7	\$ 0.7
Restricted	21.1	14.8	13.8	6.3	1.0
Unrestricted	150.5	149.7	123.2	0.8	26.5
Total Net Position	<u>\$ 339.0</u>	<u>\$ 322.2</u>	<u>\$ 294.0</u>	<u>\$ 16.8</u>	<u>\$ 28.2</u>

#### Fiscal Year 2022 Compared to Fiscal Year 2021

##### **Assets**

Total current assets decreased slightly from \$120.6 million as of June 30, 2021 to \$120.3 million as of June 30, 2022. The net decrease was due to decreases in cash and accounts receivable, offset by purchases of current investments.

Capital assets, net of accumulated depreciation and amortization, increased by \$14.1 million during the fiscal year ending June 30, 2022 due to various capital improvement projects, including renovation of science laboratory and classroom spaces on campus.

Other noncurrent assets increased slightly to \$77.4 million as of June 30, 2022 from \$77.3 million as of June 30, 2021. The increase was primarily related to increases in restricted cash and investments.

Total deferred outflows of resources decreased by \$0.3 million in the current year.

## Johnson County Community College

### Management's Discussion and Analysis Years Ended June 30, 2022 and 2021

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The College records deferred contributions to the Kansas Public Employees Retirement System (KPERs) pension plan associated with certain KPERs retirees employed by the College. The College makes contributions directly to KPERs for the KPERs retirees filling these positions. The balances for these deferred charges decreased by \$0.1 million in the current year and will be recognized as pension expense in future years.

Deferred outflows related to OPEB were \$0.8 million and \$1.0 million as of June 30, 2022 and 2021, respectively. The balances for these deferred charges will be recognized as benefits expense in future years.

#### **Liabilities**

Total current liabilities increased to \$22.8 million as of June 30, 2022 from \$15.9 million as of June 30, 2021 due to timing of accounts payable.

Noncurrent liabilities decreased by \$10.8 million in fiscal year 2022. This was primarily related to a decrease in compensated absences due to the planned June 30, 2023 end date for the benefit that provides payments based on accrued sick leave and years of service upon retirement. The remaining decrease in noncurrent liabilities is the result of scheduled maturities of long-term obligations.

#### **Net Position**

Total net position increased by \$16.8 million in fiscal year 2022, primarily due to non-operating revenues from county property taxes and federal grants and contracts, specifically the pandemic related Higher Education Emergency Relief Funds (HEERF). Net Position includes three primary categories: Net Investment in Capital Assets, Restricted, and Unrestricted. The first category, Net Investment in Capital Assets, provides the College's equity in capital assets – the property, plant and equipment owned by the College. The next category is Restricted, which is available for expenditure by the College but must be spent for purposes as specified by donors and/or external entities that have placed purpose restrictions on the use of the assets. The final category, Unrestricted, is not subject to externally imposed stipulations and is available for use by the College for any legal purpose.

#### **Fiscal Year 2021 Compared to Fiscal Year 2020**

##### **Assets**

Total current assets decreased to \$120.6 million as of June 30, 2021 from \$135.0 million as of June 30, 2020, primarily due to purchases of noncurrent investments.

Capital assets, net of accumulated depreciation and amortization, decreased by \$0.1 million during the fiscal year ending June 30, 2021.

Other noncurrent assets increased to \$77.3 million as of June 30, 2021 from \$40.0 million as of June 30, 2020. This increase is the net result of purchases of noncurrent investments and the expenditure of proceeds from the Series 2017 Certificates of Participation. The net proceeds from the issuance, plus bond premium, were deposited into a Project Fund which is classified in restricted cash and cash equivalents and in restricted investments on the Statements of Net Position. The Certificates were issued to finance various capital projects on the campus.

Total deferred outflows of resources increased by \$0.2 million in the fiscal year ending June 30, 2021.

The College records deferred contributions to the Kansas Public Employees Retirement System (KPERs) pension plan associated with certain KPERs retirees employed by the College. The College makes contributions directly to KPERs for the KPERs retirees filling these positions. The balances for these deferred charges decreased by \$0.1 million in fiscal 2021 and will be recognized as pension expense in future years.

## Johnson County Community College

### Management's Discussion and Analysis Years Ended June 30, 2022 and 2021

Deferred outflows related to OPEB were \$1.0 million and \$1.1 million as of June 30, 2021 and 2020, respectively. The balances for these deferred charges will be recognized as benefits expense in future years.

#### Liabilities

Total current liabilities decreased to \$15.9 million as of June 30, 2021 from \$16.9 million as of June 30, 2020 due to timing of accounts payable.

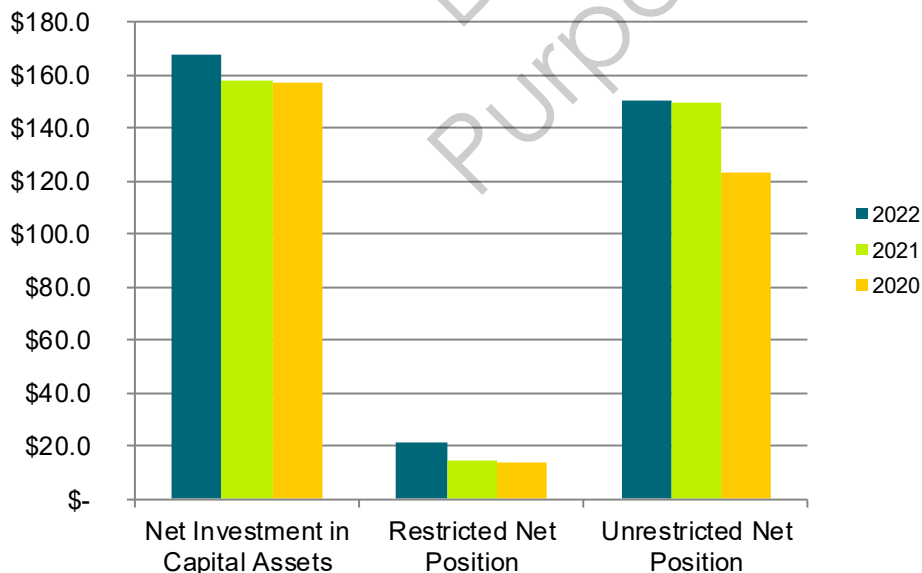
Noncurrent liabilities decreased by \$5.1 million in fiscal year 2021 compared to fiscal year 2020, which was primarily the result of scheduled maturities of long-term obligations.

#### Net Position

Total net position increased by \$28.2 million in 2021, primarily due to non-operating revenues from county property taxes and federal grants and contracts, specifically the pandemic related Higher Education Emergency Relief Funds (HEERF). Net Position includes three primary categories: Net Investment in Capital Assets, Restricted, and Unrestricted. The first category, Net Investment in Capital Assets, provides the College's equity in capital assets – the property, plant and equipment owned by the College. The next category is Restricted, which is available for expenditure by the College but must be spent for purposes as specified by donors and/or external entities that have placed purpose restrictions on the use of the assets. The final category, Unrestricted, is not subject to externally imposed stipulations and is available for use by the College for any legal purpose.

#### Comparison of Net Position

The following table presents the comparisons of net investment in capital assets, restricted net position and unrestricted net position for the College for fiscal years 2022, 2021 and 2020 (in millions of dollars):





## Johnson County Community College

### Management's Discussion and Analysis Years Ended June 30, 2022 and 2021

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

The following table presents the statements of revenues, expenses and changes in net position for the College for fiscal years 2022, 2021 and 2020 (in millions of dollars):

	2022	2021	2020	Change 2022-21	Change 2021-20
Operating Revenues					
Student tuition and fees, net	\$ 29.2	\$ 30.4	\$ 31.9	\$ (1.2)	\$ (1.5)
Gifts, grants and contracts	3.4	0.9	1.6	2.5	(0.7)
Auxiliary enterprises	6.3	5.4	7.7	0.9	(2.3)
Other operating revenues	5.5	3.2	4.4	2.3	(1.2)
Total Operating Revenues	\$ 44.4	\$ 39.9	\$ 45.6	\$ 4.5	\$ (5.7)
Less Operating Expenses	210.3	196.0	196.8	14.3	(0.8)
Operating Income (Loss)	\$(165.9)	\$(156.1)	\$(151.2)	\$ (9.8)	\$ (4.9)
Non-Operating Revenues (Expenses)					
County property taxes	\$ 119.9	\$ 115.5	\$ 108.7	\$ 4.4	\$ 6.8
State appropriations	36.8	36.6	37.2	0.2	(0.6)
Federal grants and contracts	28.9	33.3	15.8	(4.4)	17.5
Investment & other income (loss)	(1.7)	0.1	2.4	(1.8)	(2.3)
Interest on capital asset debt	(1.7)	(1.9)	(2.2)	0.2	0.3
Total Nonoperating revenues, net	\$ 182.2	\$ 183.6	\$ 161.9	\$ (1.4)	\$ 21.7
Capital gifts	\$ 0.5	\$ 0.7	\$ 2.8	\$ (0.2)	\$ (2.1)
Change in Net Position	\$ 16.8	\$ 28.2	\$ 13.5	\$ (11.4)	\$ 14.7
Net Position, Beginning of Year	\$ 322.2	\$ 294.0	\$ 280.5	\$ 28.2	\$ 13.5
Net Position, End of Year	\$ 339.0	\$ 322.2	\$ 294.0	\$ 16.8	\$ 28.2

#### Revenues

##### Fiscal Year 2022 Compared to Fiscal Year 2021

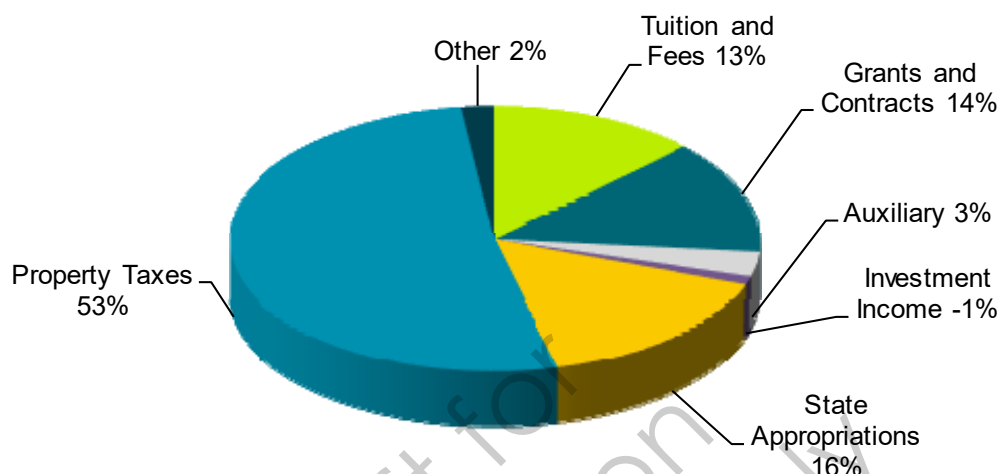
The College's operating and non-operating revenues were \$226.6 million for fiscal 2022, an increase of \$3.1 million from fiscal 2021. Three primary revenue sources accounted for 82% of total revenues in fiscal 2022. County property taxes were \$119.9 million, or 53%, of total revenues. State appropriations were \$36.8 million, or 16%, of total revenues, and student tuition and fees were \$29.2 million and accounted for 13% of total revenues.

## Johnson County Community College

### Management's Discussion and Analysis Years Ended June 30, 2022 and 2021

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#### Operating and Non-Operating Revenues June 30, 2022



Operating revenues from student tuition and fees decreased by \$1.2 million in fiscal 2022 due to a decline in student credit hour enrollment. Tuition and fee rates did not change in fiscal 2022 compared to fiscal 2021.

Auxiliary enterprise revenues increased by \$0.9 million in fiscal 2022 as the campus resumed in person operations, specifically in the bookstore and dining services.

Non-operating revenues were \$182.2 million in fiscal 2022, a decrease of \$1.4 million from fiscal 2021. Revenue from county property taxes grew by \$4.4 million due to increases in assessed valuation in Johnson County for the 2021 tax year. The College's tax levy rate decreased slightly to 9.110 mills per thousand in 2022 from 9.191 mills per thousand in 2021.

Revenue from the state of Kansas was \$36.8 million in fiscal 2022 compared to \$36.6 million in fiscal 2021, an increase of approximately \$0.2 million. Contributions made by the state of Kansas on behalf of the College to KPERS were \$12.1 million in fiscal 2022 compared to \$12.6 million in fiscal 2021, a decrease of \$0.5 million. The College records offsetting revenue and expense for the payments made by the State to KPERS on its behalf. State funding for the College's credit hour operating grant and Excel in Career and Technical Education (CTE) initiatives increased to \$24.7 million in 2022 from \$24.0 million in 2021 due to increases in state appropriations.

Federal grants and contracts revenues were \$28.9 million in fiscal 2022, a decrease of \$4.4 million from the prior year. The decrease was primarily related to revenue received through the Higher Education Emergency Relief Fund (HEERF), found in Section 18004 of the Coronavirus Aid, Relief, and Economic Security (CARES) Act, which provided funding to institutions of higher education in response to the COVID-19 global pandemic. HEERF revenues were \$15.9 million in fiscal 2022 and \$19.3 million in fiscal 2021.

Non-operating revenues are presented net of non-operating expenses (interest on capital asset debt), which decreased slightly to \$1.7 million in 2022 from \$1.9 million in 2021.

Capital gifts from the Johnson County Community College Foundation for improvements to campus facilities were \$0.5 million in fiscal 2022 compared to \$0.7 million in fiscal 2021.

## Johnson County Community College

### Management's Discussion and Analysis Years Ended June 30, 2022 and 2021

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#### **Fiscal Year 2021 Compared to Fiscal Year 2020**

The College's operating and non-operating revenues were \$223.5 million for fiscal 2021, an increase of \$16.0 million from fiscal 2020. The College's three primary revenue sources accounted for 83% of total revenues in fiscal 2021. County property taxes were \$115.5 million, or 52%, of fiscal 2021 total revenues. State appropriations were \$36.6 million, or 16%, of total revenues, and federal grants and contracts were \$33.3 million and accounted for 15% of total revenues.

Operating revenues from student tuition and fees decreased by \$1.5 million in fiscal 2021 due to a decline in student credit hour enrollment due to the COVID-19 global pandemic. Tuition and fee rates did not change in fiscal 2021 compared to fiscal 2020.

Non-operating revenues increased by \$21.7 million to \$183.6 million in fiscal 2021. Revenue from county property taxes increased by \$6.8 million due to increases in assessed valuation in Johnson County for the 2020 tax year. The College's tax levy rate increased slightly to 9.191 mills per thousand in 2021 from 9.121 mills per thousand in 2020.

Revenue from the state of Kansas was \$36.6 million in fiscal 2021 compared to \$37.2 million in fiscal 2020, a decrease of approximately \$0.6 million. Contributions made by the state of Kansas on behalf of the College to KPERS were \$12.6 million in fiscal 2021 compared to \$12.9 million in fiscal 2020, a decrease of \$0.3 million. The College records offsetting revenue and expense for the payments made by the State to KPERS on its behalf. The College's credit hour state operating grant revenue increased to \$22.1 million in 2021 from \$22.0 million in 2020 due to increases in state budget appropriations.

Federal grants and contracts revenue were \$33.3 million in fiscal 2021, an increase of \$17.5 million over prior year. This increase was primarily related to \$19.3 million received through the Higher Education Emergency Relief Fund (HEERF), found in Section 18004 of the Coronavirus Aid, Relief, and Economic Security (CARES) Act, which provided funding to institutions of higher education in response to the COVID-19 global pandemic.

Non-operating revenues are presented net of non-operating expenses (interest on capital asset debt), which decreased slightly to \$1.9 million in 2021 from \$2.2 million in 2020.

Capital gifts from the Johnson County Community College Foundation for improvements to campus facilities were \$0.7 million in fiscal 2021 compared to \$2.8 million in fiscal 2020.

## Johnson County Community College

### Management's Discussion and Analysis Years Ended June 30, 2022 and 2021

#### Expenses

The following table presents the College's operating expenses by function for fiscal years 2022, 2021 and 2020 (in millions of dollars):

	2022	2021	2020	Change 2022-21	Change 2021-20
<b>Operating Expenses</b>					
Instruction	\$ 73.1	\$ 69.3	\$ 67.4	\$ 3.8	\$ 1.9
Community services	1.0	0.8	1.1	0.2	(0.3)
Academic support	29.4	27.2	25.9	2.2	1.3
Student services	17.9	17.4	16.9	0.5	0.5
Institutional support	43.0	38.5	39.8	4.5	(1.3)
Student financial aid	6.6	7.6	8.9	(1.0)	(1.3)
Plant and maintenance	12.3	10.2	12.9	2.1	(2.7)
Auxiliary	11.2	10.4	11.6	0.8	(1.2)
Depreciation and amortization	15.8	14.6	12.3	1.2	2.3
<b>Total Operating Expenses</b>	<b>\$ 210.3</b>	<b>\$ 196.0</b>	<b>\$ 196.8</b>	<b>\$ 14.3</b>	<b>\$ (0.8)</b>

#### Fiscal Year 2022 Compared to Fiscal Year 2021

Total operating expenses for fiscal 2022 were \$210.3 million, an increase of \$14.3 million compared to fiscal 2021.

The increase in instruction costs is primarily related to increases in salaries and benefits for faculty members.

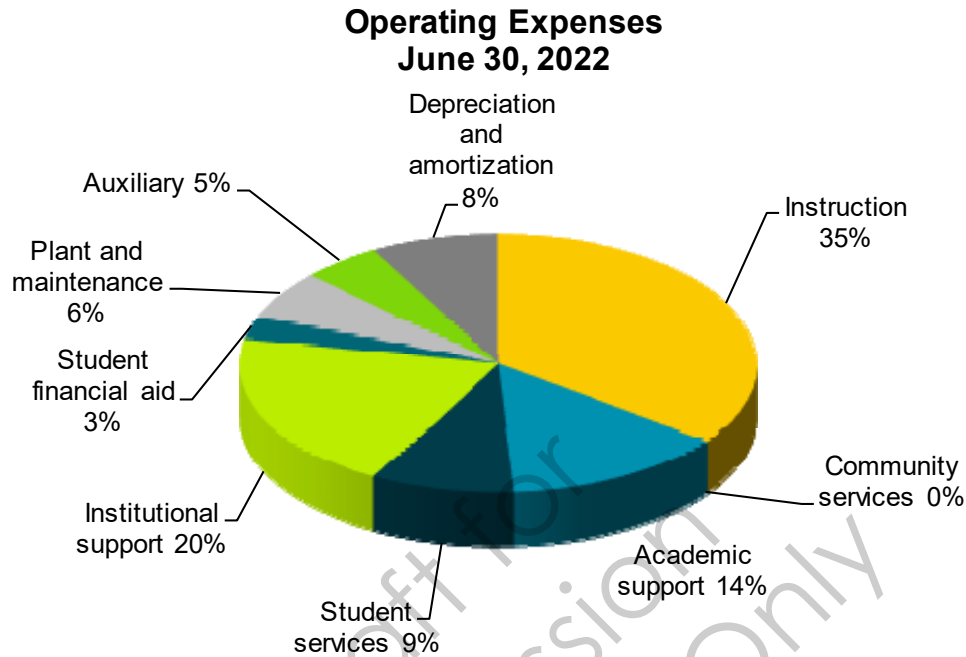
Plant and maintenance expenses were higher in fiscal 2022 as utilities and maintenance costs increased as the campus in-person operations. Similarly, auxiliary expenses increased consistent with increases in auxiliary revenues, specifically in the bookstore and dining services.

The increase in depreciation expense is consistent with the increase in cost of depreciable capital assets in fiscal 2022 compared to fiscal 2021.

**Johnson County Community College**

**Management's Discussion and Analysis  
Years Ended June 30, 2022 and 2021**

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**Fiscal Year 2021 Compared to Fiscal Year 2020**

Total operating expenses for fiscal 2021 were \$196.0 million, a decrease of 1%, or approximately \$0.8 million compared to fiscal 2020.

The decrease in plant and maintenance costs in fiscal 2021 was due to the impact of COVID-19 on campus operations.

Similarly, the decrease in auxiliary expenses was due to the impact of COVID-19 on functions including the bookstore and dining services.

The increase in depreciation expense was consistent with the increase in cost of depreciable capital assets in fiscal 2021 as compared to fiscal 2020.

## Johnson County Community College

### Management's Discussion and Analysis Years Ended June 30, 2022 and 2021

#### Statement of Capital Assets and Long-Term Debt

The College's Capital Assets and Long-Term Debt as of June 30, 2022, 2021 and 2020 were as follows (in millions of dollars):

	2022	2021	2020	Change 2022-21	Change 2021-20
<b>Capital Assets</b>					
Land	\$ 1.0	\$ 1.0	\$ 1.0	\$ -	\$ -
Construction in progress	23.9	2.1	6.4	21.8	(4.3)
Works of art	3.8	3.8	3.8	-	-
Land improvements	53.9	53.0	52.4	0.9	0.6
Buildings and improvements	303.2	298.8	285.7	4.4	13.1
Equipment	30.9	30.3	29.2	0.6	1.1
Leased buildings and improvements	1.5	1.5	-	-	1.5
Leased equipment	0.3	0.3	-	-	0.3
<b>Total Capital Assets</b>	<b>418.5</b>	<b>390.8</b>	<b>378.5</b>	<b>27.7</b>	<b>12.3</b>
Less accumulated depreciation	189.6	176.3	164.1	13.3	12.2
Less accumulated amortization	0.5	0.2	-	0.3	0.2
<b>Net Capital Assets</b>	<b>\$ 228.4</b>	<b>\$ 214.5</b>	<b>\$ 214.4</b>	<b>\$ 14.4</b>	<b>\$ 0.1</b>
<b>Long-Term Debt</b>					
Revenue bonds	\$ 10.0	\$ 11.5	\$ 12.8	\$ (1.5)	\$ (1.3)
Certificates of participation	48.6	50.7	52.8	(2.1)	(2.1)
General obligation capital outlay bonds	-	-	1.9	-	(1.9)
<b>Total Long-Term Debt</b>	<b>\$ 58.6</b>	<b>\$ 62.2</b>	<b>\$ 67.5</b>	<b>\$ (3.6)</b>	<b>\$ (5.3)</b>

#### Fiscal Year 2022 Compared to Fiscal Year 2021

As of June 30, 2022, the College had \$418.3 million invested in capital assets and \$189.9 million in accumulated depreciation and amortization, for total net capital assets of \$228.4 million. The increase in construction in progress during fiscal 2022 was primarily the result of renovation of science laboratory and classroom spaces on campus. In total, net capital assets increased by \$14.4 million in fiscal 2022.

Detailed information about the College's capital assets is presented in Note 3 to the financial statements.

The College's long-term debt decreased by \$3.6 million in fiscal 2022 due to scheduled maturities. No new debt was issued during fiscal 2022.

As of June 30, 2022, the College's outstanding Series 2017 Certificates of Participation were rated Aa2 by Moody's Investors Services with a 'stable' outlook. The College's outstanding revenue bonds were rated AA+ by Standard and Poor's Global Ratings with a 'stable' outlook.

Detailed information about the College's long-term debt obligations is presented in Note 4 to the financial statements.

## Johnson County Community College

### Management's Discussion and Analysis Years Ended June 30, 2022 and 2021

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#### **Fiscal Year 2021 Compared to Fiscal Year 2020**

As of June 30, 2021, the College had \$390.6 million invested in capital assets and \$176.3 million in accumulated depreciation, for total net capital assets of \$214.3 million. The increase in buildings and improvements in fiscal 2021 resulted from various capital improvement projects, as well as completion of projects previously included in construction in progress that were transferred to this depreciable asset category. In total, net capital assets decreased by \$0.1 million in fiscal 2021.

The College's long-term debt decreased by \$5.3 million in fiscal 2021 due to scheduled maturities. No new debt was issued during fiscal 2021.

#### **Current Issues**

The College's Board of Trustees passed a \$183.4 million general fund operating budget for fiscal year 2023. The budget plans for modest draws from general fund reserves for completion of certain capital projects, including the multi-year renovation of science laboratory and classroom spaces on the campus, fully funded with College reserves.

The Board of Trustees voted to decrease the College's tax levy rate by one-half mill for fiscal 2023, from 9.110 mills per thousand to 8.610 mills per thousand. However, property tax revenue is expected to increase year over year due to continued growth in assessed valuation in Johnson County, Kansas.

The College's fiscal 2023 budget increased student tuition rates per credit hour for the first time in three years. The per credit hour increases are \$3 for Johnson County resident students, \$4 for out of district Kansas resident students, and \$5 for out of state and international students.

Management is not aware of any other currently known facts, decisions, or conditions that would have a significant impact on the College's financial position (net position) or results of operations (revenues, expenses, and other changes in net position).

#### **Economic Factors That Will Affect the Future**

Revenues from county property taxes represent 53% of the College's operating and non-operating revenues. The College administration continues to monitor residential and commercial property values and economic activity in Johnson County, Kansas to estimate the future funding impact on the College.

The unemployment rate of Johnson County, Kansas generally impacts the College's student credit hour enrollment. The College administration continues to monitor the local economy and employment trends to estimate the future funding impact on the College.

The College administration continues to monitor the State of Kansas budget and legislative actions to estimate the future funding impact on the College's budget.

#### **Contacting Financial Management**

This financial report is designed to provide a general overview of Johnson County Community College's finances for all those with an interest and to demonstrate the College's accountability for the resources it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Financial Services Department, Johnson County Community College, 12345 College Boulevard, Overland Park, Kansas 66210, (913) 469-8500.

Johnson County Community College

Statements of Net Position

June 30, 2022 and 2021 (As Restated)

	2022	2021 (As Restated)
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 12,508,774	\$ 19,124,809
Investments	100,220,768	88,511,814
Accounts receivable, net of uncollectible accounts 2022 \$2,588,068; 2021 \$2,968,391	6,229,096	11,466,668
Inventories	1,069,356	1,208,350
Other assets	241,851	337,683
<b>Total Current Assets</b>	<b>120,269,845</b>	<b>120,649,324</b>
<b>Noncurrent Assets</b>		
Investments	53,674,447	66,392,860
Restricted cash and cash equivalents	2,772,717	832,347
Restricted investments	20,991,576	10,000,000
Capital assets not being depreciated	28,696,409	6,911,946
Capital assets being depreciated, net	198,419,855	205,806,125
Right to use leased assets, net	1,246,969	1,586,283
<b>Total Noncurrent Assets</b>	<b>305,801,973</b>	<b>291,529,561</b>
<b>Total Assets</b>	<b>426,071,818</b>	<b>412,178,885</b>
<b>Deferred Outflows of Resources</b>	<b>947,144</b>	<b>1,168,996</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts payable	6,259,956	2,134,932
Accrued salaries	4,203,192	4,204,244
Current portion of lease liability	312,441	361,221
Accrued compensated absences	4,862,483	2,068,322
Other accrued liabilities	651,403	577,209
Unearned student tuition and fee revenue	2,705,231	2,954,565
Deposits held in custody for others	361,196	329,920
Current portion of revenue bonds payable	1,410,000	1,270,000
Current portion of certificates of participation	2,070,000	1,970,000
<b>Total Current Liabilities</b>	<b>22,835,902</b>	<b>15,870,413</b>
<b>Noncurrent Liabilities</b>		
Accrued compensated absences	2,682,511	8,237,526
Net pension liability	275,278	318,080
Lease liability	934,528	1,225,062
Revenue bonds payable	8,631,946	10,183,749
Certificates of participation	46,486,955	48,731,752
OPEB liability	3,766,048	4,886,566
<b>Total Noncurrent Liabilities</b>	<b>62,777,266</b>	<b>73,582,735</b>
<b>Total Liabilities</b>	<b>85,613,168</b>	<b>89,453,148</b>
<b>Deferred Inflows of Resources</b>	<b>2,450,382</b>	<b>1,691,918</b>
<b>NET POSITION</b>		
Net investment in capital assets	167,393,457	157,696,790
Restricted, expendable for:		
Capital projects	15,922,076	10,043,672
Loan funds and other	5,149,353	4,783,680
Unrestricted	150,490,526	149,678,673
<b>Total Net Position</b>	<b>\$ 338,955,412</b>	<b>\$ 322,202,815</b>

See Notes to Financial Statements.



Johnson County Community College

Johnson County Community College Foundation - Component Unit

Statements of Financial Position  
June 30, 2022 and 2021

<b>ASSETS</b>	<b>2022</b>	<b>2021</b>
Cash and cash equivalents	\$ 1,384,082	\$ 2,335,132
Promises to give, net	273,531	1,028,214
Other receivable	2,500	13,505
Accrued interest receivable	76,106	66,280
Investments	33,150,499	38,076,721
Inventory	8,131	4,305
Campus artwork	6,078,002	5,857,676
Prepaid expenses	18,182	-
Other assets	73,955	89,256
Cash surrender value of life insurance	11,158	10,751
Intangible assets	26,737	30,556
<b>Total Assets</b>	<b>41,102,883</b>	<b>47,512,396</b>
<b>LIABILITIES</b>		
Accounts payable	74,018	907,358
<b>Total Liabilities</b>	<b>74,018</b>	<b>907,358</b>
<b>NET ASSETS</b>		
Without donor restrictions	5,943,749	6,798,239
With donor restrictions	35,085,116	39,806,799
<b>Total Net Assets</b>	<b>41,028,865</b>	<b>46,605,038</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 41,102,883</b>	<b>\$ 47,512,396</b>

See Notes to Financial Statements.

Johnson County Community College

Statements of Revenues, Expenses and Changes in Net Position  
Years Ended June 30, 2022 and

	<u>2022</u>	<u>2021</u> (As Restated)
<b>REVENUES</b>		
<b>Operating Revenues</b>		
Student tuition and fees, net of scholarship allowances and uncollectible accounts 2022 \$5,716,217; 2021 \$4,668,508	\$ 29,224,830	\$ 30,410,857
State grants and contracts	2,059,759	388,507
Private gifts, grants and contracts	1,292,535	452,038
Local grants and contracts	33,199	51,245
Auxiliary enterprises	6,290,481	5,357,617
Other operating revenue	5,522,964	3,269,272
<b>Total Operating Revenues</b>	<u>44,423,768</u>	<u>39,929,536</u>
<b>EXPENSES</b>		
<b>Operating Expenses</b>		
Salaries	93,113,311	90,709,989
Benefits	42,796,676	42,671,974
Contractual services	9,966,786	8,128,249
Supplies and other operating expenses	18,521,768	17,028,293
Auxiliary enterprises	4,363,476	4,173,799
Utilities	3,054,303	2,814,895
Repairs and maintenance to plant	2,549,303	1,475,166
Scholarships and financial aid	20,088,489	14,274,307
Depreciation and amortization	15,848,782	14,758,730
<b>Total Operating Expenses</b>	<u>210,302,894</u>	<u>196,035,402</u>
<b>Operating Loss</b>	<u>(165,879,126)</u>	<u>(156,105,866)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
County property taxes	119,864,060	115,456,137
State appropriations	36,812,938	36,601,366
Federal grants and contracts	28,863,889	33,319,131
Investment income (loss)	(1,681,384)	63,572
Interest on capital asset debt	(1,733,045)	(1,862,885)
<b>Total Nonoperating Revenues, Net</b>	<u>182,126,458</u>	<u>183,577,321</u>
<b>Income Before Capital Appropriations and Gifts</b>	<u>16,247,332</u>	<u>27,471,455</u>
<b>CAPITAL APPROPRIATIONS AND GIFTS</b>		
Capital gifts	505,265	750,000
<b>Total Capital Appropriations and Gifts</b>	<u>505,265</u>	<u>750,000</u>
<b>Increase in Net Position</b>	16,752,597	28,221,455
<b>Net Position at Beginning of Year</b>	<u>322,202,815</u>	<u>293,981,360</u>
<b>Net Position at End of Year</b>	<u>\$ 338,955,412</u>	<u>\$ 322,202,815</u>

See Notes to Financial Statements.

Johnson County Community College

Johnson County Community College Foundation - Component Unit

Statement of Activities

Year Ended June 30, 2022

	2022		
	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUE</b>			
Contributions of cash and other financial assets	\$ -	\$ 2,236,401	\$ 2,236,401
Contributed services	726,678	-	726,678
Gifts in kind and donated facilities	28,950	69,055	98,005
Dividend and interest income	235,289	688,669	923,958
Net realized and unrealized gains (losses) on investments	(1,075,105)	(4,073,719)	(5,148,824)
Net assets released from restrictions	3,642,089	(3,642,089)	-
<b>Total Support and Revenue</b>	<b>3,557,901</b>	<b>(4,721,683)</b>	<b>(1,163,782)</b>
<b>EXPENSES</b>			
<b>Program expenses</b>			
Scholarship programs	1,418,229	-	1,418,229
Foundation programming	93,489	-	93,489
Performing arts programs	437,141	-	437,141
Visual arts programs	200,217	-	200,217
Capital projects	766,693	-	766,693
Educational program support	391,882	-	391,882
Project support	1,643	-	1,643
<b>Total Program Expenses</b>	<b>3,309,294</b>	<b>-</b>	<b>3,309,294</b>
<b>Supporting Services</b>			
Fundraising	626,502	-	626,502
Management and general	476,595	-	476,595
<b>Total Supporting Services</b>	<b>1,103,097</b>	<b>-</b>	<b>1,103,097</b>
<b>Total Expenses</b>	<b>4,412,391</b>	<b>-</b>	<b>4,412,391</b>
<b>Change in Net Assets</b>	<b>(854,490)</b>	<b>(4,721,683)</b>	<b>(5,576,173)</b>
<b>Net Assets - Beginning of Year</b>	<b>6,798,239</b>	<b>39,806,799</b>	<b>46,605,038</b>
<b>Net Assets - End of Year</b>	<b>\$ 5,943,749</b>	<b>\$ 35,085,116</b>	<b>\$ 41,028,865</b>

See Notes to Financial Statements.

Johnson County Community College

Johnson County Community College Foundation - Component Unit

Statement of Activities

Year Ended June 30, 2021

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUE</b>			
Contributions of cash and other financial assets	\$ 59,677	\$ 3,166,987	\$ 3,226,664
Contributed services	726,758	-	726,758
Gifts in kind and donated facilities	60,450	9,703	70,153
Dividend and interest income	171,984	541,711	713,695
Net realized and unrealized gains on investments	1,145,440	6,106,740	7,252,180
Net assets released from restrictions	3,419,590	(3,419,590)	-
<b>Total Support and Revenue</b>	<b>5,583,899</b>	<b>6,405,551</b>	<b>11,989,450</b>
<b>EXPENSES</b>			
<b>Program expenses</b>			
Scholarship programs	1,746,612	-	1,746,612
Foundation programming	-	-	-
Performing arts programs	274,722	-	274,722
Visual arts programs	14,798	-	14,798
Capital projects	750,000	-	750,000
Educational program support	181,570	-	181,570
Project support	10,487	-	10,487
<b>Total Program Expenses</b>	<b>2,978,189</b>	<b>-</b>	<b>2,978,189</b>
<b>Supporting Services</b>			
Fundraising	591,312	-	591,312
Management and general	417,896	-	417,896
<b>Total Supporting Services</b>	<b>1,009,208</b>	<b>-</b>	<b>1,009,208</b>
<b>Total Expenses</b>	<b>3,987,397</b>	<b>-</b>	<b>3,987,397</b>
<b>Change in Net Assets</b>	<b>1,596,502</b>	<b>6,405,551</b>	<b>8,002,053</b>
<b>Net Assets - Beginning of Year</b>	<b>5,201,737</b>	<b>33,401,248</b>	<b>38,602,985</b>
<b>Net Assets - End of Year</b>	<b>\$ 6,798,239</b>	<b>\$ 39,806,799</b>	<b>\$ 46,605,038</b>

See Notes to Financial Statements.

Johnson County Community College

Statements of Cash Flows

Years Ended June 30, 2022 and 2021 (As Restated)

	2022	2021 (As Restated)
<b>CASH FLOWS (USED IN) OPERATING ACTIVITIES</b>		
Student tuition and fees	\$ 28,843,868	\$ 31,070,322
Payments to suppliers	(29,105,411)	(27,059,572)
Payments to employees	(93,114,364)	(90,493,452)
Payments for scholarships and financial aid	(20,088,489)	(14,274,307)
Payments for employee benefits	(44,241,589)	(43,327,562)
Payments for utilities	(3,052,442)	(2,811,077)
Auxiliary enterprises	2,199,159	1,114,854
Grants and contracts	3,521,054	797,076
Other receipts, net	4,428,148	2,849,985
<b>Net Cash (Used in) Operating Activities</b>	<b>(150,610,066)</b>	<b>(142,133,733)</b>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>		
County property taxes	118,991,643	115,035,709
State appropriations	36,812,938	36,601,366
Grants and contracts	34,567,721	27,579,330
Funds held for (returned to) others	31,276	74,412
<b>Net Cash From Non-Capital Financing Activities</b>	<b>190,403,578</b>	<b>179,290,817</b>
<b>CASH FLOWS (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Purchases of capital assets	(27,415,543)	(13,124,181)
Proceeds from the sale of capital assets	18,338	132,866
Proceeds from capital gifts	505,265	750,000
Interest paid on leases	(11,969)	-
Payments made for leases	(327,345)	(190,000)
Principal paid on bonds payable	(1,270,000)	(3,170,000)
Principal paid on certificates of participation	(1,970,000)	(1,875,000)
Interest paid on bonds payable	(187,786)	(252,653)
Interest paid on certificates of participation	(1,890,266)	(1,986,397)
<b>Net Cash (Used in) Capital and Related Financing Activities</b>	<b>(32,549,306)</b>	<b>(19,715,365)</b>
<b>CASH FLOWS (USED IN) INVESTING ACTIVITIES</b>		
Purchase of investments	(153,794,861)	(279,177,401)
Proceeds from sale of investments	141,581,171	173,267,634
Interest on investments	293,819	55,631
<b>Net Cash (Used in) Investing Activities</b>	<b>(11,919,871)</b>	<b>(105,854,136)</b>
<b>Decrease in Cash and Cash Equivalents</b>	<b>(4,675,665)</b>	<b>(88,412,417)</b>
<b>Cash and Cash Equivalents - Beginning of Year</b>	<b>19,957,156</b>	<b>108,369,573</b>
<b>Cash and Cash Equivalents - Ending of Year</b>	<b>\$ 15,281,491</b>	<b>\$ 19,957,156</b>

(Continued)

Johnson County Community College

Statements of Cash Flows (Continued)  
Years Ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
<b>RECONCILIATION OF OPERATING (LOSS) TO NET CASH (USED IN) OPERATING ACTIVITIES</b>		
Operating (loss)	\$ (165,879,126)	\$ (156,105,866)
Adjustments to reconcile operating (loss) to net cash (used in) operating activities:		
Depreciation and amortization expense	15,848,782	14,758,730
Changes in assets and liabilities:		
Accounts receivable, net	662,527	768,000
Other assets	95,832	(124,433)
Inventories	138,994	165,951
Accounts payable	1,614,568	(1,664,600)
Accrued salaries	(1,052)	216,537
Accrued compensated absences	(2,760,854)	(388,414)
Other accrued liabilities	102,601	(32,690)
Net pension liability	(42,802)	(385,478)
Unearned student tuition and fee revenue	(249,334)	377,246
OPEB liability	(1,120,518)	(466,191)
Deferred outflows of resources	221,852	261,017
Deferred inflows of resources	758,464	486,458
<b>Net Cash (Used in) Operating Activities</b>	<u>\$ (150,610,066)</u>	<u>\$ (142,133,733)</u>
Schedule of Noncash Capital and Related Items,		
Accounts payable and other liabilities related to capital asset acquisitions	\$ 3,624,074	\$ 1,113,617
Additions of right to use assets and lease liabilities	\$ 26,893	\$ 1,776,283

See Notes to Financial Statements.

Johnson County Community College  
 Retiree Benefit Trust  
 Statements of Fiduciary Net Position  
 June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
Cash restricted for employee health benefits	<u>\$ 1,753,556</u>	<u>\$ 1,548,787</u>
<b>Total Assets</b>	<u><b>1,753,556</b></u>	<u>1,548,787</u>
<b>NET POSITION</b>		
Held in trust for employee health benefits	<u><u>\$ 1,753,556</u></u>	<u><u>\$ 1,548,787</u></u>

See Notes to Financial Statements.

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 Discussion  
 Purposes Only

Johnson County Community College  
 Retiree Benefit Trust  
 Statements of Changes in Fiduciary Net Position  
 June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
<b>ADDITIONS</b>		
<b>Contributions</b>		
Employer	<u>\$ 576,862</u>	<u>\$ 508,096</u>
<b>Total contributions</b>	<u>576,862</u>	<u>508,096</u>
<b>DEDUCTIONS:</b>		
Benefit payments	<u>372,093</u>	<u>343,581</u>
<b>Total deductions</b>	<u>372,093</u>	<u>343,581</u>
<b>Change in net position</b>	<b>204,769</b>	164,515
<b>Net Position, Beginning of Year</b>	<b>1,548,787</b>	1,384,272
<b>Net Position, End of Year</b>	<u><u>\$ 1,753,556</u></u>	<u><u>\$ 1,548,787</u></u>

See Notes to Financial Statements.



## Johnson County Community College

### Notes to Financial Statements

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#### **Note 1. Organization and Summary of Significant Accounting Policies**

The Johnson County Community College (the College) taxing district includes all of Johnson County, Kansas, which is located immediately west of Kansas City, Missouri, and immediately south of Kansas City, Kansas. The College was organized and established in 1967 under the provisions of then Section 72-6901 et seq. of Kansas Statutes Annotated (now K.S.A. 71-201 et seq.). The College is governed by a Board of Trustees of seven members, all being elected at large. The College is a public two-year community college offering a comprehensive curriculum with liberal arts and sciences, as well as vocational and technical programs for credit and noncredit students from Johnson County and surrounding communities.

The accounting policies of the College conform to accounting principles generally accepted in the United States of America as applicable to public colleges and universities. The following is a summary of the more significant policies.

#### **Reporting entity:**

As defined by accounting principles generally accepted in the United States of America established by GASB, the financial reporting entity consists of the College, as well as its discretely presented component unit, the Johnson County Community College Foundation (the Foundation) and its fiduciary fund, the Johnson County Community College Retiree Benefit Trust.

#### **Discretely presented component unit:**

The Foundation is considered to be a related organization to the College. The Foundation is a legally separate, tax-exempt organization that acts primarily as a fundraising organization to supplement the resources that are available to the College in support of its programs. Two members of the College's Board of Trustees and the President of the College serve on the 35-member Board of Directors of the Foundation. The other five members of the College's Board of Trustees serve as members of the Foundation. In addition, the directors of the Foundation approve the election of the additional Foundation members, not to exceed 250 members. Although the College does not control the timing or amount of receipts from the Foundation, the majority of resources, or income thereon that the Foundation holds and invests, are restricted to the activities of the College by the donors. Because these restricted resources held by the Foundation can only be used by, or for the benefit of, the College, the College has determined it would be misleading to exclude the Foundation which is considered a component unit of the College and is discretely presented in the College's financial statements. During the years ended June 30, 2022 and 2021, the College received direct contributions from the Foundation of \$3,307,651 and \$2,967,702, respectively. Contributions are included in the statement of revenues, expenses and changes in net position in the private gifts, grants and contracts line, in the other operating revenue line in the operating revenues section, and in the capital gifts line in the capital appropriations and gifts section.

The Foundation is reported in separate financial statements because of the difference in its reporting model, as further described below:

The Foundation is a private not-for-profit organization that reports its financial results under FASB standards. Most significant to the Foundation's operations and reporting model are FASB Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*, FASB Codification ASC 958, *Not-for-Profit Entities*, and FASB Codification ASC 958-605, *Revenue Recognition -Contributions Received*. 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; however, significant note disclosures (see Note 11) to the Foundation's financial statements have been incorporated into the College's notes to the financial statements.

# Johnson County Community College

## Notes to Financial Statements

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### Note 1. Organization and Summary of Significant Accounting Policies (Continued)

Financial statements for the Foundation can be obtained by calling the Foundation at 913-469-3835.

#### Measurement focus, basis of accounting and financial statement presentation:

The College's basic financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

The College maintains an encumbrance system for tracking outstanding purchase orders and other commitments for material or services not received during the year. Encumbrances at June 30, 2022 and 2021 were \$19,811,551 and \$11,501,601, respectively, which represent the estimated amount of expenses ultimately to result if unperformed contracts in process at fiscal year-end are completed. Encumbrances outstanding at June 30, 2022 and 2021 do not constitute expenses or liabilities and are not reflected in these basic financial statements.

The financial statements of the College are prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. The Government Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards, which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units.

#### Property taxes:

The County Treasurer is the tax collection agent for all taxing entities within the county. Valuations are established and taxes are assessed on a calendar year basis. Taxes are levied and become a lien on the property on November 1<sup>st</sup> in the year of assessment and are revenue for the fiscal year ending on the following June 30.

Taxes levied on November 1 become due and payable, generally on the following December 20 and May 10, followed by major distributions to the taxing units on January 20 and June 5. Smaller distributions are made to taxing units in March, September and October each year. Substantially all tax revenues applicable to the preceding calendar year are received by the College by each June 30. Property taxes are recognized as revenue in the period for which the taxes are levied. The College received approximately 53% of its financial support (exclusive of investment activity) from property taxes during the years ended June 30, 2022 and 2021, respectively.

The tax rates for the fiscal years ended June 30, 2022 and 2021, expressed in mills per \$1,000 of assessed valuation, are reflected in the following table:

	2022	2021
<b>Fund</b>		
General	8.575	8.652
Capital outlay	0.501	0.505
Special assessment	0.034	0.034
<b>Total Mill Levy</b>	<u>9.110</u>	<u>9.191</u>

## Johnson County Community College

### Notes to Financial Statements

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#### Note 1. Organization and Summary of Significant Accounting Policies (Continued)

##### **Federal grants and state appropriations:**

Funds from federal grants are recognized as revenue when eligibility requirements are met. Funds from state appropriations consist primarily of state grants and payments made by the state to the Kansas Public Employees Retirement System (KPERs) on behalf of the College. For state grants, the funds are recognized when eligibility requirements are met. The College recognizes the contributions made to KPERs by the state on behalf of the College as revenues and expenses in the Statements of Revenue, Expenses and Changes in Net Position (See Notes 5 and 6).

##### **Student tuition and fees, net of scholarship allowances:**

Student tuition and fee revenue is earned over the length of the course. Unearned revenue represents student tuition and fees received before year-end which relate to subsequent periods. Student tuition and fees revenues are reported net of certain scholarship allowances in the Statements of Revenues, Expenses and Changes in Net Position.

##### **Scholarship allowances and student aid:**

Certain federal financial aid grants to students are reported as federal grants and contracts in non-operating revenue in the financial statements as prescribed by the National Association of College and University Business Officers (NACUBO). Since certain of these grants, including Pell and Supplement Educational Opportunity Grants (SEOG), are for the payment of students' tuition and fees, a like amount is reported as scholarship allowance or if the grant exceeds tuition, excess aid is distributed to students as student aid expense which is reported as an operating expense in the financial statements. Federal Work-Study grant expenses are reported as operating expenses as students work for compensation. Certain other student aid sources (loans, funds provided to students as awarded by third parties and Federal Direct Lending) are paid directly to the students or credited to the students' account and do not impact revenues or expenses reported in the financial statements.

##### **Operating and nonoperating activities:**

Operating activities, as reported in the statement of revenues, expenses and changes in net position, have the characteristics of exchange transactions, such as payments received for providing services and payments made for services or goods received. Operating revenues include student tuition and fees, net of scholarship discounts and allowances; sales and services of auxiliary enterprises, net of cost of goods sold; and certain federal, state and local grants and contracts. Nonoperating activities have the characteristics of non-exchange transactions, including certain Federal grants such as Pell grants and SEOG grants, state appropriations, property taxes and investment earnings.

##### **Cash and cash equivalents:**

Cash and cash equivalents include deposits held at banks and all highly liquid instruments purchased with an original maturity of three months or less, plus small amounts of cash maintained for change funds.

## Johnson County Community College

### Notes to Financial Statements

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#### Note 1. Organization and Summary of Significant Accounting Policies (Continued)

##### Investments:

It is the College's policy to invest in obligations of the U.S. Treasury, repurchase agreements, bank certificates of deposit, the Kansas Municipal Investment Pool and other instruments authorized by Kansas statutes. Investments in bank certificates of deposit are carried at cost and investments in the Kansas Municipal Investment Pool are carried at net asset value, which approximates fair value. There are no restrictions on the redemption of the funds as the strategy of the funds is to provide liquidity with an investment return. Investments other than bank certificates of deposit, repurchase agreements, and the Kansas Municipal Investment Pool are reported at fair value. Fair value is determined using quoted market prices or other observable inputs. The College's investments are limited to an original maturity of two years or less.

##### Accounts receivable:

Accounts receivable consists primarily of property taxes receivable and enrollment receivables. Accounts receivable are carried at the unpaid balance of the original amount billed to students. Both property tax and enrollment receivables are net of an allowance for doubtful accounts. Management determines the allowance for doubtful accounts by calculating a specific percent reserve on accounts based on historical experience. Property tax and enrollment receivable are written off when deemed uncollectible. Recoveries of property tax and enrollment previously written off are recorded as revenue when received.

##### Inventories:

Inventories consist primarily of items held for resale by the bookstore and supply inventories which are stated at the lower of cost (determined on a first-in, first-out basis) or market. The costs are recorded as expenses as the inventories are consumed.

##### Capital assets:

Capital assets include property, plant, equipment, land improvements such as roads and sidewalks, and works of art. Capital assets are defined by the College as assets with an initial unit cost of \$5,000 or more with an estimated useful life of two years or more. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

The College has elected not to capitalize its collection of library books. This collection adheres to the College's policy to (a) maintain them for public exhibition, education or research; (b) protect, keep unencumbered, care for, and preserve them; and (c) require proceeds from their sale to be used to acquire other collection items.

Works of art are stated at cost, or if donated, at acquisition value at the date of the donation. The College does not depreciate artwork, as management believes the value of such has not diminished.

## Johnson County Community College

### Notes to Financial Statements

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#### Note 1. Organization and Summary of Significant Accounting Policies (Continued)

Capital assets of the College are depreciated using the straight-line method over the following useful lives (see Note 3 for further detail).

	<u>Years</u>
Buildings	40
Building improvements	15
Land improvements	10
Furniture	10
Equipment	5
Technology	4

#### Leasing arrangements:

The implementation of GASB Statement No. 87, *Leases* required the College to restate the financial statements for the fiscal year ending June 30, 2021. The requirements of this GASB Statement require retroactive application. Therefore, for the year ended June 30, 2021, the College recorded the addition of right to use intangible assets and lease liabilities in the amount of \$1,776,283 for leases entered into during the year ended June 30, 2021. The College also recognized \$190,000 of lease liability payments and \$190,000 of corresponding amortization of the right-to-use assets. These additions, payments and amortization are shown in the restated capital asset (note 3) and restated long-term liabilities (note 4) footnotes and in the restated statement of cash flows for the year ended June 30, 2021. At June 30, 2021, the College reported net right-to-use intangible assets and lease liabilities of \$1,586,283 in the restated statement of net position. There was no restatement to overall net position reported at June 30, 2021 due to the adoption of GASB 87.

For arrangements where the College is a lessee, a lease liability and a right to use (RTU) intangible asset are recognized at the commencement of the lease term. RTU assets represent the College's right to use an underlying asset for the lease term and lease liabilities represent the College's obligation to make lease payments arising from the lease. RTU assets and lease liabilities are recognized at the lease commencement date based on the estimated present value of lease payments over the lease term.

The College uses the average interest rate from the most recent bond issuance to calculate the present value of lease payments when the rate implicit in the lease is not known. The College includes lease extension and termination options in the lease term if, after considering relevant economic factors, it is reasonably certain the College will exercise the option. The College has elected to combine lease and nonlease components for all lease contracts and has not recognized RTU assets and lease liabilities for leases with terms for 12 months or less.

The College had no arrangements wherein it was the lessor during fiscal year 2022 or 2021.

#### Deferred inflows and outflows of resources:

In addition to assets, the Statements of Net Position include a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and will not be recognized as an expense until the future period. The College's deferred outflows include deferred charges on advanced refunding which represents the difference in the carrying value of the refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. At June 30, 2021, \$13,203 was reported as deferred charges on advanced refunding. At June 30, 2022, no deferred charges on advance refunding remained.

## Johnson County Community College

### Notes to Financial Statements

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#### **Note 1. Organization and Summary of Significant Accounting Policies (Continued)**

The College reports deferred outflows of resources related to pensions as described in Note 5. The College reports deferred outflows of resources related to postemployment benefits as described in Note 6.

In addition to liabilities, the Statements of Net Position include a separate section for deferred inflows of resources. This separate financial element represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources until then. The College's deferred inflows of resources include deferred inflows of resources related to pensions and OPEB as described in Notes 5 and 6, respectively.

#### **Compensated absences:**

The College records a liability for employees' vacation leave earned but not taken. Employees are allowed to carry over a limited number of vacation days from year to year. At June 30, 2022 and 2021, the College had recorded a vacation liability of \$4,514,023 and \$4,649,712, respectively.

Sick leave benefits expected to be realized as paid time off are recognized as expense when the time off occurs, and no liability is accrued for such benefits that employees have earned but not yet realized as these benefits do not vest.

On July 1, 2019, the College implemented a new benefit for employees meeting certain criteria and who are eligible to retire under the Kansas Public Employees Retirement System. Payments are based on accrued sick leave and years of service. At June 30, 2022 and 2021, the College had recorded a retirement benefit liability of \$3,030,971 and \$5,656,136, respectively. This benefit will end on June 30, 2023.

#### **Net position:**

Net position is presented in three major categories. The first is net investment in capital assets, which represents the College's investment in its capital assets, net of debt used to acquire or construct the capital assets. The second is restricted, and the third is unrestricted.

Restricted net position represents funds that are subject to externally imposed stipulations in terms of the purpose and time for which the funds can be spent. Restricted net position is further categorized between expendable and nonexpendable.

Restricted expendable net position is available to be spent by the College after externally imposed stipulations have been fulfilled or after the passage of time. Restricted nonexpendable net position is endowments for which only the earnings can be spent. The College had no restricted nonexpendable net position at June 30, 2022 and 2021.

Unrestricted net position is available to the College for any lawful purpose that is not subject to externally imposed stipulations. The College first applies restricted sources when an expense or outlay is incurred for purposes for which both restricted and unrestricted sources are available.

#### **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, expenses and other changes in net position during the reporting period. Actual results could differ from those estimates.

## Johnson County Community College

### Notes to Financial Statements

#### Note 2. Deposits, Investments and Risk

##### Deposits:

Deposits, depending on the source of receipts, are pooled, except when legal requirements dictate the use of separate accounts. The carrying amount of the College's deposits at June 30, 2022 and 2021 are reflected in the following table at cost. Actual bank statement balances for total deposits at June 30, 2022 and 2021 were \$16,677,342 and \$20,373,552, respectively. The difference between carrying amounts and bank balances primarily represents checks which had not cleared the bank and deposits in transit. The deposit balances and cash float from outstanding checks are deposited in interest-bearing accounts.

	2022	2021
Deposits with financial institutions:		
Cash and cash equivalents	\$ 15,190,512	\$ 19,953,917
Certificates of Deposit:		
Commerce Bank	29,000,000	104,774,000
<b>Total deposits with financial institutions</b>	<b>44,190,512</b>	<b>124,727,917</b>
Amounts that are not deposits but are classified as cash and cash equivalents:		
Kansas Municipal Investment Pool	90,979	3,239
Less deposits classified as investments:		
Certificates of Deposit	(29,000,000)	(104,774,000)
<b>Total cash and cash equivalents</b>	<b>\$ 15,281,491</b>	<b>\$ 19,957,156</b>

##### Custodial credit risk:

Custodial credit risk is the risk that, in the event of a bank failure, an entity's deposits may not be returned to it. The College's deposit policy for custodial credit risk exceeds the provisions of state law by requiring depository banks to pledge qualified securities with a market value equal to 105% of deposits in excess of FDIC coverage.

The College had no bank balances exposed to custodial credit risk at June 30, 2022 and 2021. State law requires collateralization of all deposits with federal depository insurance; bonds and other obligations of the U.S. Treasury, U.S. agencies or instrumentalities of the state of Kansas; bonds of any city, county, school district or special road district of the state of Kansas; bonds of any state; or a surety bond having an aggregate value at least equal to the amount of the deposits.

The custodial credit risk for investments is the risk that in the event of the failure of the counterparty to the transaction the College will not be able to recover the value of its investments or collateral securities that are in the possession of another party. Of the investments subject to custodial credit risk, all are sufficiently collateralized. The College had no investments exposed to custodial credit risk at June 30, 2022 and 2021.

## Johnson County Community College

### Notes to Financial Statements

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#### Note 2. Deposits, Investments and Risk (Continued)

##### Investments:

Funds available for investment are pooled to maximize return and minimize administrative cost, except for funds authorized by the College administration to be separately invested or which are separately invested to meet legal requirements. It is the practice of the College that investments ordinarily be held to maturity at which time the par value of the investments will be realized. Current investments are securities with a remaining maturity of one year or less.

Kansas statute K.S.A. 12-1675 authorizes the College to invest in temporary notes, time deposits, open accounts, certificates of deposit, repurchase agreements, United States Treasury bills or notes, United States agency securities, and the Kansas Municipal Investment Pool (MIP).

The State of Kansas Pooled Money Investment Board operates the MIP, which is invested in accordance with state statutes. The MIP is available for investment of funds administered by any Kansas municipality. All funds deposited in the MIP are classified as investments even though some could be withdrawn on a day's notice.

##### Interest rate risk:

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. At June 30, 2022 and 2021, all investments classified as noncurrent on the College's Statement of Net Position had a maturity of between one and two years from the respective fiscal year end.

At June 30, 2022 and 2021, the College had investments in the Kansas Municipal Investment Pool – Overnight Pool, which mature in less than one year, of \$90,979 and \$3,239, respectively.

A summary of deposits and investments at June 30, 2022 and 2021 is as follows:

	2022	2021
Deposits:		
Cash and cash equivalents	\$ 15,190,512	\$ 19,953,917
Investments:		
Certificates of Deposit	29,000,000	104,774,000
Repurchase Agreements	-	16,000,000
Kansas Municipal Investment Pool	90,979	3,239
U.S. Treasury Bills	4,939,150	-
U.S. Treasury Notes	131,870,430	30,168,273
Federal Farm Credit Bank	6,879,635	11,721,610
Tennessee Valley Authority	2,197,576	2,240,791
<b>Total Deposits and Investments</b>	<b>\$ 190,168,282</b>	<b>\$ 184,861,830</b>



## Johnson County Community College

### Notes to Financial Statements

#### Note 2. Deposits, Investments and Risk (Continued)

##### Credit risk:

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Kansas Municipal Investment Pool is not rated. The Federal Farm Credit Bank and Tennessee Valley Authority investments were rated Aaa by Moody's at June 30, 2022 and 2021.

##### Concentration of credit risk:

At June 30, 2022 and 2021, there were no investments that exceed 5% of total investments that were not explicitly guaranteed by the United States Government other than the certificates of deposit. At June 30, 2021, repurchase agreements and the investments with Federal Farm Credit Bank also exceeded 5% of total investments.

##### Fair Value Measurements:

The College categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. In accordance with GASB Statement No. 72, *Fair Value Measurement and Application*, the investments in the Kansas Municipal Investment Pool, certificates of deposit, and repurchase agreements are not required to be included in the fair value hierarchy. Level 2 investments noted below are valued at the closing price reported for similar assets on active markets.

Fair values of investments at June 30, 2022 are as follows:

	June 30, 2022			
	Level 1	Level 2	Level 3	Total
Investments:				
U.S. Treasury Bills	\$ -	\$ 4,939,150	\$ -	\$ 4,939,150
U.S. Treasury Notes	-	131,870,430	-	131,870,430
Federal Farm Credit Bank	-	6,879,635	-	6,879,635
Tennessee Valley Authority	-	2,197,576	-	2,197,576
<b>Total</b>	<b>\$ -</b>	<b>\$ 145,886,791</b>	<b>\$ -</b>	<b>\$ 145,886,791</b>

Fair values of investments at June 30, 2021 are as follows:

	June 30, 2021			
	Level 1	Level 2	Level 3	Total
Investments:				
U.S. Treasury Notes	\$ -	\$ 30,168,273	\$ -	\$ 30,168,273
Federal Farm Credit Bank	-	11,721,610	-	11,721,610
Tennessee Valley Authority	-	2,240,791	-	2,240,791
<b>Total</b>	<b>\$ -</b>	<b>\$ 44,130,674</b>	<b>\$ -</b>	<b>\$ 44,130,674</b>

**Johnson County Community College**

**Notes to Financial Statements**

**Note 3. Capital Assets**

The following tables present the changes in the various capital asset categories at June 30, 2022 and 2021:

	June 30, 2021	Additions/ Transfers	Retirements	June 30, 2022 Ending Balance
	Ending Balance (As Restated)			
<b>Capital assets not being depreciated:</b>				
Land	\$ 1,028,265	\$ -	\$ -	\$ 1,028,265
Construction in progress	2,093,929	21,781,463	-	23,875,392
Works of art	3,789,752	3,000	-	3,792,752
<b>Total Assets not Being Depreciated</b>	<b>6,911,946</b>	<b>21,784,463</b>	<b>-</b>	<b>28,696,409</b>
<b>Capital assets being depreciated:</b>				
Land improvements	53,039,202	837,956	-	53,877,158
Buildings and improvements	298,819,520	4,467,377	-	303,286,897
Equipment, furniture and technology	30,269,437	2,881,677	(2,283,543)	30,867,571
<b>Total Assets Being Depreciated</b>	<b>382,128,159</b>	<b>8,187,010</b>	<b>(2,283,543)</b>	<b>388,031,626</b>
<b>Less accumulated depreciation:</b>				
Land improvements	28,983,444	2,255,300	-	31,238,744
Buildings and improvements	125,069,796	10,130,192	-	135,199,988
Equipment, furniture and technology	22,268,794	3,164,072	(2,259,827)	23,173,039
<b>Total Accumulated Depreciation</b>	<b>176,322,034</b>	<b>15,549,564</b>	<b>(2,259,827)</b>	<b>189,611,771</b>
<b>Right to use leased assets being amortized:</b>				
Buildings and improvements	1,507,984	26,893	(66,989)	1,467,888
Equipment, furniture and technology	268,299	-	-	268,299
<b>Total Assets Being Amortized</b>	<b>1,776,283</b>	<b>26,893</b>	<b>(66,989)</b>	<b>1,736,187</b>
<b>Less accumulated amortization:</b>				
Buildings and improvements	190,000	229,464	-	419,464
Equipment, furniture and technology	-	69,754	-	69,754
<b>Total Accumulated Amortization</b>	<b>190,000</b>	<b>299,218</b>	<b>-</b>	<b>489,218</b>
<b>Capital Assets, Net</b>	<b>\$ 214,304,354</b>	<b>\$ 14,149,584</b>	<b>\$ (90,705)</b>	<b>\$ 228,363,233</b>

Johnson County Community College

Notes to Financial Statements

Note 3. Capital Assets (Continued)

	June 30, 2020 Ending Balance	Additions/ Transfers	Retirements	June 30, 2021 Ending Balance (As Restated)
Capital assets not being depreciated:				
Land	\$ 1,028,265	\$ -	\$ -	\$ 1,028,265
Construction in progress	6,408,481	2,003,035	(6,317,587)	2,093,929
Works of art	3,786,752	3,000	-	3,789,752
<b>Total Assets not Being Depreciated</b>	<b>11,223,498</b>	<b>2,006,035</b>	<b>(6,317,587)</b>	<b>6,911,946</b>
Capital assets being depreciated:				
Land improvements	52,366,965	672,237	-	\$ 53,039,202
Buildings and improvements	285,746,805	13,072,715	-	298,819,520
Equipment, furniture and technology	29,151,600	3,517,599	(2,399,762)	30,269,437
<b>Total Assets Being Depreciated</b>	<b>367,265,370</b>	<b>17,262,551</b>	<b>(2,399,762)</b>	<b>382,128,159</b>
Less accumulated depreciation:				
Land improvements	26,790,960	2,192,484	-	\$ 28,983,444
Buildings and improvements	115,415,344	9,654,452	-	125,069,796
Equipment, furniture and technology	21,872,405	2,775,088	(2,378,699)	22,268,794
<b>Total Accumulated Depreciation</b>	<b>164,078,709</b>	<b>14,622,024</b>	<b>(2,378,699)</b>	<b>176,322,034</b>
Right to use leased assets being amortized:				
Buildings and improvements	-	1,507,984	-	1,507,984
Equipment, furniture and technology	-	268,299	-	268,299
<b>Total assets being amortized</b>	<b>-</b>	<b>1,776,283</b>	<b>-</b>	<b>1,776,283</b>
Less accumulated amortization:				
Buildings and improvements	-	190,000	-	190,000
Equipment, furniture and technology	-	-	-	-
<b>Total Accumulated amortization</b>	<b>-</b>	<b>190,000</b>	<b>-</b>	<b>190,000</b>
<b>Capital Assets, Net</b>	<b>\$ 214,410,159</b>	<b>\$ 6,232,845</b>	<b>\$ (6,338,650)</b>	<b>\$ 214,304,354</b>

Leases

The College has entered into lease agreements for space usage and equipment. The lease contracts expire at various dates through fiscal year ending June 30, 2027. The right to use assets are intangible assets and are recorded in capital assets as buildings and equipment as noted above. During the years ending June 30, 2022 and June 30, 2021, the College paid \$375,670 and \$397,278 in lease payments, respectively.

# Johnson County Community College

## Notes to Financial Statements

### Note 4. Long-Term Obligations

The following represents future minimum lease payments required under the lease arrangements as of June 30, 2022:

Fiscal Year:	Principal	Interest	Total
2023	\$ 312,441	\$ 23,477	\$ 335,919
2024	278,806	34,629	313,435
2025	266,004	45,183	311,187
2026	201,115	43,572	244,688
2027	188,602	50,040	238,642
<b>Total</b>	<b>\$ 1,246,969</b>	<b>\$ 196,902</b>	<b>\$ 1,443,870</b>

Long-term obligations consist of the following categories at June 30, 2022 and 2021:

Long-Term Obligations	July 1, 2021 Beginning Balance (As Restated)	Additions	Reductions	June 30, 2022 Ending Balance	Amounts Due Within One Year
<b>Revenue Bonds:</b>					
Series 2012	\$ 1,495,000	\$ -	\$ (310,000)	\$ 1,185,000	\$ 190,000
Series 2015	750,000	-	(750,000)	-	-
Series 2019	8,360,000	-	(210,000)	8,150,000	1,220,000
Premium on Series 2012 Bonds	94,803	-	(13,544)	81,259	-
Premium on Series 2015 Bonds	14,499	-	(14,499)	-	-
Premium on Series 2019 Bonds	739,447	-	(113,760)	625,687	-
<b>Total Revenue Bonds</b>	<b>11,453,749</b>	<b>-</b>	<b>(1,411,803)</b>	<b>10,041,946</b>	<b>1,410,000</b>
<b>Certificates of Participation:</b>					
Series 2017 COP	47,905,000	-	(1,970,000)	45,935,000	2,070,000
Premium on Series 2017 COP	2,796,752	-	(174,797)	2,621,955	-
<b>Total Certificates of Participation</b>	<b>50,701,752</b>	<b>-</b>	<b>(2,144,797)</b>	<b>48,556,955</b>	<b>2,070,000</b>
<b>Other Long-term Liabilities:</b>					
Lease Liability	1,586,283	26,894	(366,208)	1,246,969	312,441
Compensated Absences	10,305,848	1,311,996	(4,072,850)	7,544,994	4,862,483
Net Pension Liability	318,080	-	(42,802)	275,278	-
Net OPEB Obligation	4,886,566	342,757	(1,463,275)	3,766,048	-
<b>Total Other Long-Term Liabilities</b>	<b>17,096,777</b>	<b>1,681,647</b>	<b>(5,945,135)</b>	<b>12,833,289</b>	<b>5,174,924</b>
<b>Total Long-Term Obligations</b>	<b>\$ 79,252,278</b>	<b>\$ 1,681,647</b>	<b>\$ (9,501,735)</b>	<b>\$ 71,432,190</b>	<b>\$ 8,654,924</b>

**Johnson County Community College**

**Notes to Financial Statements**

**Note 4. Long-Term Obligations (Continued)**

	July 1, 2020 Beginning Balance	Additions (As Restated)	Reductions (As Restated)	July 1, 2021 Ending Balance (As Restated)	Amounts Due Within One Year
<b>Long-Term Obligations</b>					
Revenue Bonds:					
Series 2012	\$ 1,795,000	\$ -	\$ (300,000)	\$ 1,495,000	\$ 310,000
Series 2015	1,485,000	-	(735,000)	750,000	750,000
Series 2019	8,565,000	-	(205,000)	8,360,000	210,000
Premium on Series 2012 Bonds	108,347	-	(13,544)	94,803	-
Premium on Series 2015 Bonds	28,998	-	(14,499)	14,499	-
Premium on Series 2019 Bonds	853,207	-	(113,760)	739,447	-
<b>Total Revenue Bonds</b>	<b>12,835,552</b>	<b>-</b>	<b>(1,381,803)</b>	<b>11,453,749</b>	<b>1,270,000</b>
Certificates of Participation:					
Series 2017 COP	49,780,000	-	(1,875,000)	47,905,000	1,970,000
Premium on Series 2017 COP	2,971,549	-	(174,797)	2,796,752	-
<b>Total Certificates of Participation</b>	<b>52,751,549</b>	<b>-</b>	<b>(2,049,797)</b>	<b>50,701,752</b>	<b>1,970,000</b>
Other Long-Term Liabilities:					
Lease Liability	-	1,776,283	(190,000)	1,586,283	361,221
Compensated Absences	10,694,262	2,101,571	(2,489,985)	10,305,848	2,068,322
Net Pension Liability	703,558	-	(385,478)	318,080	-
Net OPEB Obligation	5,352,757	416,091	(882,282)	4,886,566	-
<b>Total Other Long-term Liabilities</b>	<b>16,750,577</b>	<b>4,293,945</b>	<b>(3,947,745)</b>	<b>17,096,777</b>	<b>2,429,543</b>
<b>Total Long-Term Obligations</b>	<b>\$ 82,337,678</b>	<b>\$ 4,293,945</b>	<b>\$ (7,379,345)</b>	<b>\$ 79,252,278</b>	<b>\$ 5,669,543</b>

## Johnson County Community College

### Notes to Financial Statements

#### Note 4. Long-Term Obligations (Continued)

##### Revenue Bonds:

Revenue bonds payable as of June 30, 2022 and 2021, consist of the following:

	2022	2021
Student Commons and Parking System Refunding Revenue Bonds, Series 2012, \$5,135,000, interest is paid semiannually on May 15 and November 15 at interest rates of 2%	\$ 1,185,000	\$ 1,495,000
Premium on Series 2012 Revenue Bonds	81,259	94,803
Student Commons and Parking System Refunding Revenue Bonds, Series 2015, \$4,250,000, interest is paid semiannually on May 15 and November 15 at interest rates of 2%	-	750,000
Premium on Series 2015 Revenue Bonds	-	14,499
Student Commons and Parking System Refunding Revenue Bonds, Series 2019, \$8,565,000, interest is paid semiannually on May 15 and November 15 at interest rates of 2% to 4%	8,150,000	8,360,000
Premium on Series 2019 Revenue Bonds	625,687	739,447
<b>Total Revenue Bonds Payable</b>	<b>10,041,946</b>	<b>11,453,749</b>
Less current portion of revenue bonds payable	1,410,000	1,270,000
<b>Noncurrent Revenue Bonds Payable</b>	<b>\$ 8,631,946</b>	<b>\$ 10,183,749</b>

Revenue bonds are secured by the net revenues derived from the operation and ownership of the Student Commons and Parking System. Revenue bond rate covenants require the College to operate and maintain the Student Commons and Parking System in a manner which will generate net revenues in an amount not less than 110% of the amount required to meet both principal and interest on all outstanding revenue bonds (see Note 11). The College was in compliance with this covenant at June 30, 2022 and June 30, 2021.

In an event of default, the owners of 25% of the principal amount of the outstanding bonds may provide written notice to the College declaring the principal of all outstanding bonds to be due and payable immediately. Events of default for the revenue bonds include default by the College in payment of principal or interest on the bonds, default in the performance or observance of certain covenants, or if the College becomes insolvent.

**Johnson County Community College**

**Notes to Financial Statements**

**Note 4. Long-Term Obligations (Continued)**

Future annual maturities of revenue bonds payable are as follows:

Fiscal Year:	Principal	Interest	Total Revenue Bonds
2023	\$ 1,410,000	\$ 293,300	\$ 1,703,300
2024	1,465,000	239,650	1,704,650
2025	1,530,000	183,700	1,713,700
2026	1,580,000	125,500	1,705,500
2027	1,640,000	65,050	1,705,050
2028	1,710,000	17,100	1,727,100
<b>Total Revenue Bonds</b>	<b>\$ 9,335,000</b>	<b>\$ 924,300</b>	<b>\$ 10,259,300</b>

**Certificates of Participation:**

Certificates of participation payable at June 30, 2022 and 2021, consist of the following:

	2022	2021
Facilities Master Plan Projects Certificates of Participation, Series 2017, \$50,000,000 in obligations for facilities (capital cost of \$46,419,916 and \$43,288,446 before accumulated depreciation of \$5,478,966 and \$3,100,190 as of June 30, 2022 and 2021, respectively, 3.00% to 5.00%, aggregate payments of \$68,341,844, including interest of \$18,446,844)	\$ 45,935,000	\$ 47,905,000
Premium on Series 2017 Certificates of Participation	2,621,955	2,796,752
<b>Total Certificates of Participation</b>	<b>48,556,955</b>	<b>50,701,752</b>
Less current portion of certificates of participation	2,070,000	1,970,000
<b>Noncurrent Certificates of Participation</b>	<b>\$ 46,486,955</b>	<b>\$ 48,731,752</b>

The College has recorded the cost of the equipment and facilities as assets and the corresponding obligations as liabilities.

In an event of default, the Trustee may declare all rent payable by the College under the lease to the end of the lease term to be due by providing written notice to the College and may take possession of the related capital assets constructed with such funding. Events of default for the certificates of participation include default by the College in payment of either the principal or interest portion of the rent payments when due, default in the performance or observance of certain covenants, or if the College becomes insolvent.

## Johnson County Community College

### Notes to Financial Statements

#### Note 4. Long-Term Obligations (Continued)

The minimum lease commitments for certificates of participation at June 30, 2022 are as follows:

Fiscal Year:	Principal	Interest	Total Certificates of Participation
2023	\$ 2,070,000	\$ 1,614,488	\$ 3,684,488
2024	2,180,000	1,508,238	3,688,238
2025	2,290,000	1,396,488	3,686,488
2026	2,410,000	1,278,988	3,688,988
2027	2,530,000	1,155,488	3,685,488
2028-2032	14,230,000	4,206,613	18,436,613
2033-2037	16,595,000	1,841,363	18,436,363
2038	3,630,000	56,715	3,686,715
<b>Total Certificates of Participation</b>	<b>\$ 45,935,000</b>	<b>\$ 13,058,381</b>	<b>\$ 58,993,381</b>

#### Arbitrage rebate liability:

The Tax Reform Act of 1986 placed restrictions on the non-purpose investment earnings from the proceeds of qualified tax-exempt bonds issued after August 15, 1986. Specifically, the non-purpose investment earnings on these bonds are limited to the yield on each individual bond issue (based on the initial offering price to the public). Non-purpose investments earnings in excess of the bond yield limitations are subject to rebate to the federal government. The total arbitrage rebate liability was \$0 as of June 30, 2022 and 2021.

#### Note 5. Defined Benefit Pension Plan

##### Plan description:

The College participates in the Kansas Public Employees Retirement System (KPERs), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et seq. KPERs provides benefit provisions to statewide pension groups for State/School employees, Local employees, Police and Firemen, and Judges under one plan. Those employees participating in the pension plan for the College are included in the State/School employee group.

KPERs provides retirement benefits, life insurance, disability income benefits, and death benefits. Benefits are established by statute and may only be changed by the state General Assembly. Member employees 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 an employee'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, member employees may withdraw their contributions from their individual accounts, including interest. Member employees who withdraw their accumulated contributions lose all rights and privileges of membership. The accumulated contributions and interest are deposited into and disbursed from the membership accumulated reserve fund as established by K.S.A. 74-4922.



## Johnson County Community College

### Notes to Financial Statements

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#### Note 5. Defined Benefit Pension Plan (Continued)

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

#### Funding policy:

K.S.A. 74-4919, as amended, establishes a three-tier benefit structure. Tier 1 members include active members hired before July 1, 2009. Tier 2 members include active members hired between July 1, 2009 and December 31, 2014. Tier 3 members include those first employed in a KPERS covered position after January 1, 2015. The member-employee contribution rate is 6%. Member-employees' contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

The State of Kansas is required to contribute the statutorily required employer's share. For fiscal year 2022, the State of Kansas contributed 13.33% for the period July 1, 2021 to March 31, 2022 and 13.11% for the period April 1, 2022 to June 30, 2022 of covered payroll. For fiscal year 2021, the State of Kansas contributed 14.23% for the period July 1, 2020 to March 31, 2021 and 13.33% for the period April 1, 2021 to June 30, 2021 of covered payroll.

Although KPERS administers one cost-sharing multiple-employer defined benefit pension plan, separate actuarial valuations are prepared to determine the actuarial determined contribution rate by group. To facilitate the separate actuarial valuations, KPERS maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the schedule of employer and non-employer allocations are applied to amounts presented in the schedules of pension amounts by employer and non-employer.

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

At June 30, 2021, the College's proportion of the net pension liability was 1.746%, which was a decrease of .016% from the proportion measured of 1.762% at June 30, 2020. The proportion recognized by the State of Kansas on behalf of the College was 1.741% (special funding situation). The proportion recognized by the College for KPERS retirees was 0.005%.

#### Special Funding Situation:

The employer contributions for the College, as defined in K.S.A. 74-4931 (2) and (3), are funded by the State of Kansas on behalf of the College. Therefore, the College is considered to be in a special funding situation as defined by GASB Statement No. 68.

The State of Kansas is treated as a non-employer contributing entity to KPERS and is required to recognize its proportionate share of the net pension liability, deferred outflows of resources, deferred inflows of resources, and expenses for the pension plan attributable to the College. At June 30, 2022 and 2021, the proportionate share of the net pension liability recognized by the State of Kansas that was attributable to the College was \$98,374,027 and \$131,671,144, respectively.

## Johnson County Community College

### Notes to Financial Statements

#### Note 5. Defined Benefit Pension Plan (Continued)

The State of Kansas contributed \$11,802,954 and \$12,315,887 directly to KPERS on behalf of the College for the years ended June 30, 2022 and 2021, respectively. The payments made by the State of Kansas on behalf of the College have been recorded as both revenues (in state appropriations) and expenses (in benefits) in the Statements of Revenues, Expenses and Changes in Net Position.

#### Net Pension Liability:

The College makes contributions directly to KPERS for KPERS retirees filling KPERS covered positions per K.S.A. 74-4937. During the years ended June 30, 2022 and June 30, 2021, the contribution made to KPERS for these employees was \$34,630 and \$31,910, respectively. The College reported a liability for its proportionate share of the net pension liability related to these employees of \$275,278 and \$318,080 at June 30, 2022 and 2021, respectively.

The June 30, 2022 net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020, which was rolled forward to June 30, 2021. The June 30, 2021 net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019, which was rolled forward to June 30, 2020.

The College's proportion of the net pension liability was based on the ratio of the College's actual contribution to KPERS, relative to the total employer and nonemployer contributions of the State/School subgroup within KPERS for the fiscal years ended June 30, 2022 and 2021. The contributions used exclude contributions made for prior service, excess benefits and irregular payments. The College's proportion was 0.005% at June 30, 2022 and 2021, respectively.

The College recognized pension income of \$116,070 and \$97,735 for the years ended June 30, 2022 and 2021, respectively, related to the College's net pension liability.

At June 30, 2022, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2022		2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 4,088	\$ (1,284)	\$ 4,430	\$ (3,496)
Net difference between projected and actual earnings on pension plan investments	-	(67,905)	28,181	-
Change in proportion	56,453	(440,126)	110,184	(637,959)
Change in assumptions	39,625	-	16,243	-
Total	<u>\$ 100,166</u>	<u>\$ (509,315)</u>	<u>\$ 159,038</u>	<u>\$ (641,455)</u>

## Johnson County Community College

### Notes to Financial Statements

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#### Note 5. Defined Benefit Pension Plan (Continued)

The net \$409,149 of amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the Statement of Revenues, Expenses and Changes in Net Position as follows:

<u>Fiscal Year:</u>	
2023	(168,723)
2024	(140,872)
2025	(83,542)
2026	(18,629)
2027	<u>2,617</u>
Total	<u>\$ (409,149)</u>

#### Discount Rate:

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the contractually required rate. The State, School and Local employers do not necessarily contribute the full actuarially determined rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

#### Actuarial Assumptions:

The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of December 31, 2020 which was rolled forward to June 30, 2021. The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of December 31, 2019 which was rolled forward to June 30, 2020. These actuarial valuations used the following actuarial assumptions, applied to all periods included in the measurement:

Price inflation	2.75 percent
Wage inflation	3.50 percent
Salary increase	3.50 to 12.00 percent, including price inflation
Investment rate of return	7.25 percent compounded annually, net of investment expense, including price inflation

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. The actuarial cost method is entry age normal. The amortization method is level percentage of payroll, closed.

The actuarial assumptions used in the December 31, 2020 valuation were based on the results of an actuarial experience study conducted for the period January 1, 2016, through December 31, 2018 and resulted in an increase of the wage inflation from 3.25% to 3.5% and a reduction in the long-term rate of return (net of investment expenses and including price inflation) from 7.5% to 7.25%.

**Johnson County Community College**

**Notes to Financial Statements**

**Note 5. Defined Benefit Pension Plan (Continued)**

The long-term expected rate of return on 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.

Best estimates of arithmetic real rates of return for each major asset class as of the most recent experience study, dated January 7, 2020, as provided by KPERS' investment consultant, are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
U.S. Equities	23.5%	5.20%
Non-U.S. Equities	23.5%	6.40%
Private Equity	8.0%	9.50%
Private Real Estate	11.0%	4.45%
Yield Driven	8.0%	4.70%
Real Return	11.0%	3.25%
Fixed Income	11.0%	1.55%
Short-term investments	4.0%	0.25%
<b>Total</b>	<b>100%</b>	

**Sensitivity to changes in the discount rate:**

The following presents the College's proportionate share of the net pension liability calculated using the discount rate of 7.25%, 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 (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	<b>1% Decrease (6.25%)</b>	<b>Current Discount Rate (7.25%)</b>	<b>1% Increase (8.25%)</b>
College's proportionate share of the net pension liability allocated to the State of Kansas	\$ 144,947,228	\$ 98,374,027	\$ 59,721,823
College's proportionate share of the net pension liability allocated to the College	\$ 404,471	\$ 275,278	\$ 166,652
<b>Total</b>	<b>\$ 145,351,699</b>	<b>\$ 98,649,305</b>	<b>\$ 59,888,475</b>

## Johnson County Community College

### Notes to Financial Statements

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#### Note 5. Defined Benefit Pension Plan (Continued)

KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 S. Kansas Ave., Suite 100, Topeka, Kansas 66603-3803) or by calling (888) 275-5737. The report is also available online at [www.kpers.org](http://www.kpers.org).

#### Note 6. Other Postemployment Benefit Plans

The College follows GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pensions*, for the accounting related to other postemployment benefit plans. The plan does not issue a separate standalone financial report. This Statement establishes the following measurement and recognition disclosures:

##### Medical and Prescription Drug Plan

###### Plan description:

The College sponsors a single-employer other postemployment benefit plan (OPEB) that provides medical and prescription drug benefits to qualifying retirees and their dependents. Employees who qualify for pension benefits under the Kansas Public Employee Retirement System (KPERS) and are enrolled in the College's insurance benefits during the benefit plan year prior to retirement and retired prior to June 1, 2013 are eligible for benefits. Under KPERS, a participant must be at least age 55 with at least 10 years of service or meet Rule of 85 (age + service  $\geq$  85) at any age to be eligible. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

###### Benefits provided:

All benefits are provided through fully insured arrangements. Three medical plan options (PPO, HMO and HSA) are available to qualifying retirees. Benefits are the same as those available to active employees. Coverage is available until the retiree qualifies for Medicare. Spouses may continue coverage upon retiree death or attainment of Medicare eligibility age (i.e. age 65) under COBRA for up to 36 months not to exceed the spouse's own age 65. All benefits renew annually starting June 1.

###### Funding policy:

Retirees who retired prior to June 1, 2013 and either met the Rule of 85 or were age 59 with 15 years of service upon retirement pay no premiums for medical coverage including dependent coverage for up to 10 years or until the retiree attains age 65. Otherwise, retirees and dependents must pay COBRA rates to maintain medical coverage with the College. For dental and vision benefits, retirees and dependents must pay COBRA rates to maintain coverage with the College.

Employees covered by benefit terms:

At June 30, 2022, the following employees were covered by benefit terms:

Retirees currently receiving benefit payments	34
Retirees' spouses receiving benefit payments	8
Active employees	828
Total	<u>870</u>

## Johnson County Community College

### Notes to Financial Statements

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#### Note 6. Other Postemployment Benefit Plan (Continued)

##### Total OPEB liability:

The College's total OPEB liability of \$3,766,048 and \$4,886,566 was measured as of June 30, 2022 and 2021, respectively, and was determined by an actuarial valuation as of July 1, 2021 rolled forward to June 30, 2022 and as of July 1, 2019 rolled forward to June 30, 2021. There are no assets accumulated in a trust that meets the criteria of paragraph 4 of GASB 75.

##### Actuarial assumptions and other inputs:

The total OPEB liability in the July 1, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5 percent
Salary increases	2.5 percent, average, including inflation
Discount rate	3.9 percent
Healthcare cost trend rates	7.5 percent for 2022-23, 7.0 percent for 2023-24 decreasing 0.25 percent per year to an ultimate rate of 5.0 percent for 2031-32 and later years
Retirees' share of benefit-related costs	63 percent of projected health insurance premiums for retirees
Actuarial cost method	Entry age normal

The discount rate was based on the S&P Municipal Bond 20- year High Grade and the Fidelity GO AA-20 Years indexes.

Mortality rates were based on the Society of Actuaries Teachers Mortality with Scale MP-2021 Full Generational Improvement for the June 30, 2022 valuation and the Society of Actuaries Pub-2010 Public Retirement Plans Headcount-weighted Mortality Tables using Scale MP-2020 Full Generational Improvement for the June 30, 2021 valuation.

**Johnson County Community College**

**Notes to Financial Statements**

**Note 6. Other Postemployment Benefit Plan (Continued)**

**Changes in the Total OPEB Liability:**

	<b>Total OPEB Liability</b>
<b>Balances at 7/1/2020</b>	<u>\$ 5,352,757</u>
<b>Changes for the year:</b>	
Service cost	275,414
Interest	140,677
Changes of benefit terms	-
Differences between expected and actual experience	(313,451)
Changes in assumptions or other inputs	(133,831)
Benefit payments	<u>(435,000)</u>
<b>Net changes</b>	<u>(466,191)</u>
<b>Balances at 6/30/2021</b>	<u>4,886,566</u>
<b>Changes for the year:</b>	
Service cost	243,084
Interest	99,673
Changes of benefit terms	-
Differences between expected and actual experience	(453,352)
Changes in assumptions or other inputs	(717,923)
Benefit payments	<u>(292,000)</u>
<b>Net changes</b>	<u>(1,120,518)</u>
<b>Balances at 6/30/2022</b>	<u><u>\$ 3,766,048</u></u>

Changes of assumptions and other inputs reflect a change in the discount rate from 2.0% in fiscal year 2021 to 3.9% in 2022.

**Sensitivity of the total OPEB liability to changes in the discount rate:**

The following presents the total OPEB liability of the College, calculated using the discount rate of 3.9%, as well as what the College's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.9%) or 1-percentage-point higher (4.9%) than the current discount rate:

	<b>1% Decrease (2.9%)</b>	<b>Current Discount Rate (3.9%)</b>	<b>1% Increase (4.9%)</b>
Total OPEB Liability	\$ 4,054,201	\$ 3,766,048	\$ 3,498,305

**Johnson County Community College**

**Notes to Financial Statements**

**Note 6. Other Postemployment Benefit Plan (Continued)**

**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 healthcare cost trend rates that are 1-percentage-point lower (6.5% decreasing to 4%) or 1-percentage point higher (8.5% decreasing to 6%) than the current healthcare cost trend rates:

	<b>1% Decrease (6.5% decreasing to 4%)</b>	<b>Healthcare Cost Trend Rates (7.5% decreasing to 5%)</b>	<b>1% Increase (8.5% decreasing to 6%)</b>
Total OPEB Liability	\$ 3,390,770	\$ 3,766,048	\$ 4,201,134

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended June 30, 2022 and 2021, the College recognized OPEB expense of \$211,863 and \$415,338, respectively.

At June 30, 2022 and 2021, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>2022</b>		<b>2021</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 846,978	\$ (742,245)	\$ -	\$ (931,502)
Changes of assumptions or other inputs	\$ -	(1,198,822)	996,755	(118,961)
Total	<u>\$ 846,978</u>	<u>\$ (1,941,067)</u>	<u>\$ 996,755</u>	<u>\$ (1,050,463)</u>

The net \$1,094,089 of amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the Statement of Revenues, Expenses and Changes in Net Position as:

2023	\$ (130,894)
2024	(130,894)
2025	(130,894)
2026	(130,894)
2027	(146,009)
Thereafter	<u>(424,504)</u>
Total	<u>\$ (1,094,089)</u>



## Johnson County Community College

### Notes to Financial Statements

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#### Note 6. Other Postemployment Benefit Plan (Continued)

##### KPERS long-term disability and life insurance benefit plans

###### Plan description:

The College participates in a multiple-employer defined benefit OPEB plan which is administered by KPERS. This plan provides long-term disability benefits and a life insurance benefit for disabled members of KPERS, as provided by K.S.A. 74-04927. This 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, the trust does not meet the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Accordingly, this plan is considered to be administered on a pay-as-you-go basis.

###### Contributions:

Employer contributions are established and may be amended by state statute. Members are not required to contribute. There were no employer contributions paid for benefits during the fiscal years ended June 30, 2022 and 2021.

###### Special Funding Situation:

The employer contributions for the College, as defined by 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 of Kansas 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 KPERS Plan provides long-term disability benefits equal to 60 percent of annual compensation, offset by other benefits. Members receiving long-term disability benefits also receive credit towards their KPERS retirement benefits and have their group life insurance coverage continued under the waiver of premium provision.

The monthly long-term disability benefit is 60 percent of the member's monthly 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, workers compensation benefits, other disability benefits from any other sources by reason of employment, and earnings from any form of employment. If the disability begins before age 60, benefits are payable while the disability continues until the member's 65<sup>th</sup> birthday or retirement date, whichever occurs first. If the disability begins after age 60, benefits are payable while the disability continues, for a period of five years or until the member retires, whichever occurs first. Benefit payments for disabilities caused or contributed to by substance abuse or non-biologically based mental illnesses are limited to the shorter of the term of the disability or 24 months per lifetime.

The death benefit paid to beneficiaries of disabled members is 150% of the greater of 1) the member's annual rate of compensation at the time of disability, or 2) the member's previous 12 months of compensation at the time of the last date on payroll. If the member has been disabled for five or more years, the annual compensation or salary rate at the time of death will be indexed using the consumer price index, less one

## Johnson County Community College

### Notes to Financial Statements

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#### Note 6. Other Postemployment Benefit Plan (Continued)

percentage point, to compute the death benefit. If a member is diagnosed as terminally ill with a life expectancy of 12 months or less, the member may be eligible to receive up to 100% of the death benefit rather than having the benefit paid to the beneficiary. If a member retires or disability benefits end, the member may convert the group life insurance coverage to an individual insurance policy.

#### Covered employees:

The College has the following employees covered by the Plan as of December 31, 2020 (Measurement Date):

Inactive employees or beneficiaries currently receiving benefit payments	16
Active Employees	<u>1,173</u>
Total	<u><u>1,189</u></u>

#### Total OPEB Liability

At June 30, 2022 and 2021, the total OPEB liability recognized by the State of Kansas that was attributable to the College was \$3,217,314 and \$2,853,698, respectively.

#### Actuarial Assumptions:

The total OPEB liability was determined by an actuarial valuation as of December 31, 2020, which was rolled forward to June 30, 2021 (the measurement date) for the year ended June 30, 2022, using the following actuarial assumptions:

Price inflation	2.75 percent
Payroll Growth	3.00 percent
Wage Inflation	3.5 percent, average, including inflation
Discount rate (based on the Bond Buyer General Obligation 20-Bond Municipal Index)	2.21 percent

Mortality rates used for the death benefits were based on historical experience of the KPERS Death and Disability Plan for all participants.

The actuarial assumptions used in the December 31, 2020 valuation were based on the results of an actuarial experience study conducted during 2016-2018.

#### Revenue and OPEB Expense Recorded by the College

For the years ended June 30, 2022 and 2021, the College recognized revenue and OPEB expense in equal amounts of \$306,989 and \$282,942, respectively.

## Johnson County Community College

### Notes to Financial Statements

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#### Note 7. Defined Contribution Plan

The College sponsors a defined contribution retirement plan under the provisions of Internal Revenue Code Section 403(b), the Johnson County Community College 403(b) Plan. Full-time regular employees are eligible to participate in the plan. The College currently makes employer contributions to the 403(b) plan of 8% of an employee's base salary for individuals with a benefit eligibility date after June 1, 2014, or 7% of an employee's base salary for individuals with a benefit eligibility date prior to June 1, 2014, unless the employee has irrevocably elected to not receive flex-credit funding for benefits, in which case the College contributes 8%. Employees are immediately vested in the employer contributions.

Employer contributions paid and recorded as benefits expense totaled \$4,700,771 and \$4,619,246 for the years ended June 30, 2022 and 2021, respectively.

#### Note 8. Risk Management

The College is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; and employee health and accidental benefits. Commercial insurance coverage is purchased for claims arising from such matters. Settled claims have not exceeded this commercial coverage in the years ended June 30, 2022 and 2021.

#### Note 9. Contingencies

The College is named as a defendant in various legal actions arising in the normal course of operations. The College's management believes the resolution of those actions will not have a material effect on the College's basic financial statements.

#### Note 10. New Pronouncements

The Governmental Accounting Standards Board (GASB) has issued Statements not yet implemented by the College. The Statements which might impact the College are as follows:

In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements. These arrangements would be recorded as an intangible asset and a corresponding subscription liability. This Statement is effective for the fiscal year ending June 30, 2023, and the College has not yet evaluated its effect on the financial statements.

In April 2022, the GASB issued Statement No. 99, *Omnibus 2022*. This Statement provides clarification of provisions in Statement No. 96, *Subscription-Based Information Technology Arrangements*, information on disclosures related to nonmonetary transactions, and updates to terminology related to certain provisions of Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This Statement is effective for the fiscal year ending June 30, 2023, and the College has not yet evaluated its effect on the financial statements.

In June 2022, the GASB issued Statement No. 100, *Accounting Changes and Error Corrections*, which was created to enhance accounting and financial reporting requirements for accounting changes and error corrections. The intent was to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This Statement is effective for the fiscal year ending June 30, 2024, and the College has not yet evaluated its effect on the financial statements.

## Johnson County Community College

### Notes to Financial Statements

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#### Note 10. New Pronouncements (Continued)

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. This Statement amends certain previously required disclosures, and its objective is to align the recognition and measurement guidance under a unified model. It requires that compensated absences be recognized for 1. leave that has not been used and 2. leave that has been used but not yet paid either by cash or by noncash means. This Statement is effective for the fiscal year ending June 30, 2024, and the College has not yet evaluated its effect on the financial statements.

#### Note 11. Johnson County Community College Foundation – Accounting Policies and Other Disclosures

##### Basis of presentation:

The financial statements of the Foundation have been prepared on the accrual basis of accounting in accordance with the provisions of the FASB ASC. The FASB ASC requires the Foundation to distinguish between contributions that increase net assets with donor restrictions and net assets without donor restrictions. It also requires recognition of contributions, including contributed services meeting certain criteria, at fair values. The FASB ASC establishes standards for external financial statements of not-for-profit organizations and requires a statement of financial position, a statement of activities, and a statement of cash flows.

##### Tax status:

The Foundation is recognized as exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Foundation may be subject to federal and state income taxes on any net income from unrelated business activities. The Foundation files a Form 990 (Return of Organization Exempt from Income Tax) annually and unrelated business income (UBI) is reported on Form 990-T, as appropriate. Management has evaluated their material tax positions, which include such matters as the tax-exempt status of the Foundation and various positions relative to potential sources of UBI. As of June 30, 2022 and 2021, there were no income tax effects with respect to the financial statements. Forms 990 and 990-T filed by the Foundation for tax years 2019 and later remain subject to examination by taxing authorities.

##### Promises to give:

Unconditional promises to give are recognized as revenue at the present value of expected future payments when unconditional promises to give are received. As of June 30, 2022 and 2021, management believed that no allowance for doubtful collection was necessary based on the evaluation of the receivables and the related donors. Promises to give are scheduled to be received as follows:

	2022	2021
Due in less than one year	\$ 31,400	\$ 536,083
Due after one year to five years	250,000	500,000
<b>Total Promises to Give</b>	<b>281,400</b>	<b>1,036,083</b>
Less discount of present value (interest rates from 1.75% to 2.36%)	7,869	7,869
<b>Promises to Give, net</b>	<b>\$ 273,531</b>	<b>\$ 1,028,214</b>

## Johnson County Community College

### Notes to Financial Statements

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#### Note 11. Johnson County Community College Foundation – Accounting Policies and Other Disclosures (Continued)

Promises to give of \$250,000 and \$1,000,000 as of June 30, 2022 and 2021 respectively, were due from certain members of the Foundation's Board of Directors or affiliated organizations of these Directors. At June 30, 2022 and 2021, 89% and 97% of gross promises to give were due from one and two donors, respectively. There were no conditional promises to give as of June 30, 2022 and 2021.

During the years ended June 30, 2022 and 2021, the Foundation received 16% and 31% of its total gifts and contributions from one donor and one board member, respectively.

#### Investments:

The Foundation's investment portfolio as of June 30, 2022 and 2021 consisted of the following:

	2022	2021
U.S. government obligations	\$ 3,439,551	\$ 2,923,170
Equity funds	11,618,252	16,282,541
Corporate bonds	4,247,074	3,544,489
Common stock	12,767,217	14,067,575
Preferred stock	1,011,083	1,206,346
Exchange traded funds	67,322	52,600
	<u>\$ 33,150,499</u>	<u>\$ 38,076,721</u>

The investments of the Foundation are exposed to various risks, such as interest rate, market and credit risk. Due to the level of risk associated with such investments and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in risks in the near term would affect investment balances and the amounts reported in the financial statements.

#### Contributed services and related party transactions:

The College provides the Foundation with office space, furniture and equipment without charge. Certain College employees perform duties for the Foundation without compensation from the Foundation. Management of the Foundation has estimated the fair market value of these services, which are recorded as management and general and fundraising expenses and contributed services revenue, to be \$755,128 and \$755,208 for the years ended June 30, 2022 and 2021, respectively. No amounts have been reflected in the financial statements for donated services, which do not create or enhance nonfinancial assets; however, time and resources have been contributed by volunteers in furtherance of the Foundation's objectives.

During the years ended June 30, 2022 and 2021, the Foundation gifted \$505,265 and \$750,000, respectively, to the College for the purpose of constructing new facilities on the campus. This is included in capital appropriations and gifts in the Statements of Revenues, Expenses and Changes in Net Position.

At June 30, 2022 and 2021, the Foundation owed the College \$1,118 and \$878,906, respectively, which was included in accounts payable.

## Johnson County Community College

### Notes to Financial Statements

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#### Note 11. Johnson County Community College Foundation – Accounting Policies and Other Disclosures (Continued)

##### Net assets with donor restrictions:

At June 30, 2022 and 2021, net assets with donor restrictions are available for the following purposes:

	2022	2021
Scholarships to students	\$ 6,583,439	\$ 9,127,761
Support of College programs, including visual and performing arts programs and capital projects	6,433,303	9,065,132
Support of capital projects	79,535	55,867
Amounts with perpetual restrictions		
Scholarships to students	11,074,831	10,686,413
Support of College programs, including visual and performing arts programs	10,914,008	10,871,626
	<u>\$ 35,085,116</u>	<u>\$ 39,806,799</u>

Net assets that have perpetual restrictions are restricted for investment in perpetuity, the income from which is generally expendable for student scholarships and programs support. Net assets with perpetual restrictions also include significant portions of the campus art, which can only be sold under specific restrictions, including that the proceeds be reinvested in new campus art. The total of campus art included in net assets with perpetual restrictions was \$973,851 for both years ended June 30, 2022 and 2021 and is included in visual and performing art programs. Additionally, the Foundation has campus art that is restricted but not restricted in perpetuity. The total of campus art included in net assets with donor restrictions was \$696,938 and \$664,676 as of June 30, 2022 and 2021, respectively, and is included in support of college programs, including visual and performing arts programs and capital projects.

##### Assets released from restriction:

Net assets with donor restrictions were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors for the years ended June 30, 2022 and 2021 as follows:

	2022	2021
Scholarships to students	\$ 1,278,350	\$ 1,595,657
Support of College programs, including visual and performing arts programs and capital projects	2,363,739	1,823,933
	<u>\$ 3,642,089</u>	<u>\$ 3,419,590</u>

## Johnson County Community College

### Notes to Financial Statements

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#### Note 11. Johnson County Community College Foundation – Accounting Policies and Other Disclosures (Continued)

##### Fair value measurements:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of the observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

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 supported by little or no market activity and are significant to the fair value of the assets or liabilities.

A description of the valuation methodologies used for assets measured at fair value, on a recurring basis, as well as the general classification of such instruments pursuant to the valuation hierarchy, is set forth below:

**Common, Preferred Stocks and Exchange Traded Funds** – Valued at the closing price reported on the active market on which the individual securities are traded.

**Equity Funds** – Valued at the daily closing price as reported by the fund. Mutual Funds held by the Foundation are open-end investment companies that are registered with the Securities and Exchange Commission.

**U.S. Government Obligations and Corporate Bonds** – Valued by a pricing service based upon market transactions for comparable securities and various relationships between securities which are generally recognized by institutional traders.

There have been no changes in valuation techniques used during the years ended June 30, 2022 and 2021.

## Johnson County Community College

### Notes to Financial Statements

#### Note 11. Johnson County Community College Foundation – Accounting Policies and Other Disclosures (Continued)

The following tables summarize, by level, the assets measured at fair value on a recurring basis, as of June 30, 2022 and 2021, segregated by the general classification of such instruments pursuant to the valuation hierarchy:

	June 30, 2022			Total
	Level 1	Level 2	Level 3	
Investments				
U.S. government obligations	\$ -	\$ 3,439,551	\$ -	\$ 3,439,551
Equity funds:				
Fixed income mutual funds	3,032,583	-	-	3,032,583
International mutual funds	2,958,947	-	-	2,958,947
Domestic mutual funds	4,107,891	-	-	4,107,891
Alternative mutual funds	1,518,831	-	-	1,518,831
Corporate bonds	-	4,247,074	-	4,247,074
Common stock				
Energy	599,639	-	-	599,639
Materials	395,035	-	-	395,035
Industrials	1,395,537	-	-	1,395,537
Consumer discretionary	1,576,474	-	-	1,576,474
Consumer staples	1,042,306	-	-	1,042,306
Health care	1,672,097	-	-	1,672,097
Financials	1,351,120	-	-	1,351,120
Information technology	3,444,300	-	-	3,444,300
Real estate	168,569	-	-	168,569
Telecommunication services	999,643	-	-	999,643
Utilities	122,497	-	-	122,497
Preferred stock	1,011,083	-	-	1,011,083
Exchange traded funds	67,322	-	-	67,322
<b>Total</b>	<b>\$ 25,463,874</b>	<b>\$ 7,686,625</b>	<b>\$ -</b>	<b>\$ 33,150,499</b>



**Johnson County Community College**

**Notes to Financial Statements**

**Note 11. Johnson County Community College Foundation – Accounting Policies and Other Disclosures (Continued)**

	June 30, 2021			Total
	Level 1	Level 2	Level 3	
Investments				
U.S. government obligations	\$ -	\$ 2,923,170	\$ -	\$ 2,923,170
Equity funds:				
Fixed income mutual funds	5,058,504	-	-	5,058,504
International mutual funds	3,598,135	-	-	3,598,135
Domestic mutual funds	5,676,740	-	-	5,676,740
Alternative mutual funds	1,949,162	-	-	1,949,162
Corporate bonds	-	3,544,489	-	3,544,489
Common stock				
Energy	467,586	-	-	467,586
Materials	518,197	-	-	518,197
Industrials	1,414,315	-	-	1,414,315
Consumer discretionary	1,746,279	-	-	1,746,279
Consumer staples	950,331	-	-	950,331
Health care	1,581,982	-	-	1,581,982
Financials	1,514,586	-	-	1,514,586
Information technology	3,851,384	-	-	3,851,384
Real estate	278,365	-	-	278,365
Telecommunication services	1,623,361	-	-	1,623,361
Utilities	121,189	-	-	121,189
Preferred stock	1,206,346	-	-	1,206,346
Exchange traded funds	52,600	-	-	52,600
<b>Total</b>	<b>\$ 31,609,062</b>	<b>\$ 6,467,659</b>	<b>\$ -</b>	<b>\$ 38,076,721</b>

There were no transfers between Level 1, 2 or 3 for the fair value hierarchy for the fiscal years ended June 30, 2022 and 2021.

## Johnson County Community College

### Notes to Financial Statements

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#### Note 12. Information on Activities with Revenue-Backed Debt

The College has issued revenue bonds to construct a student center and parking garages as described in Note 4 which are revenue backed debt instruments. Information related to the associated activities is as follows:

	2022	2021
<b>Total Capital Assets, Net</b>	<u>\$ 14,983,259</u>	<u>\$ 15,710,014</u>
<b>Total Debt</b>	<u>\$ 10,041,946</u>	<u>\$ 11,453,749</u>
Operating revenues, sales and service	\$ 9,789,284	\$ 13,894,727
Less operating expenses, salaries, utilities, depreciation and other expenses	10,105,841	8,678,903
<b>Operating Income (Loss)</b>	<u>\$ (316,557)</u>	<u>\$ 5,215,824</u>

#### Note 13. Tax Abatement Disclosures

Property tax abatements are authorized under Kansas statutes KSA 12-1740 et. Seq. and KSA 79-201a. Abatements may not exceed a term of ten years by statute. Among other eligibility criteria, the developer must demonstrate a positive cost/benefit to the various taxing jurisdictions under Kansas law. Johnson County cities have used tax abatements for many years to spur industrial and office development. Kansas statutes provide a process for cities to abate property tax on qualifying property.

GASB 77 requires disclosure information about tax abatements entered into by other governments affecting revenues of the College. The following cities within Johnson County, Kansas have entered into tax abatement agreements that reduce property tax revenues for the College: De Soto, Gardner, Lenexa, Merriam, Mission, Olathe, Overland Park, Prairie Village, Roeland Park, Shawnee and Westwood. The gross dollar amount by which the College's property tax revenues were reduced as a result of these tax abatement agreements was approximately \$2,867,000 and \$2,669,000 during the years ending June 30, 2022 and June 30, 2021, respectively. There were no tax abatement agreements entered into by the College.

#### Note 14. Uncertainties

In January 2020, an outbreak of a new strain of coronavirus, COVID-19, was identified and recognized as a global pandemic by the World Health Organization. From March 2020 to June 2021, the College operated in various modified environments ranging from fully remote to hybrid in person. Since July 2021, the College has generally returned to its pre-pandemic environment for in person instruction and campus operations.

COVID-19 had an adverse effect on the College's enrollment and operations during the years ending June 30, 2022 and 2021. Given the uncertainty of the extent and duration of the pandemic, management cannot reasonably estimate the impact to the College's future results of operations, cash flows or financial condition. College leadership continues to monitor the coronavirus threat and adjust the institutional response as circumstances dictate.

**Johnson County Community College**

**Notes to Financial Statements**

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**Note 14. Uncertainties (Continued)**

The Higher Education Emergency Relief Fund (HEERF), found in Section 18004 of the CARES Act, provided funding to institutions of higher education. The College recorded HEERF federal grant revenue of \$15,937,137 and \$19,257,088 for the fiscal years ended June 30, 2022 and 2021, respectively. In keeping with the terms of the HEERF grants, the College has allocated grant funds to provide direct emergency aid to students, to cover institutional costs associated with significant changes to the delivery of instruction due to the coronavirus, and to reimburse lost revenues.

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**Johnson County Community College**

**Required Supplementary Information  
Schedules of College's Proportionate Share  
Year Ended June 30, 2022**

**KPERS Defined Benefit Pension Plan  
Schedule of College's Proportionate Share of the Net Pension Liability**

	As of Measurement Date: June 30,						
	2021	2020	2019	2018	2017	2016	2015*
Total proportion of the state/school group net pension liability allocated to the College	1.74608%	1.76221%	1.78835%	1.81410%	1.88268%	1.96949%	1.92353%
Less: proportion of the state/school group net pension liability allocated to the State of Kansas (special funding)	1.74063%	1.75746%	1.77618%	1.79760%	1.86020%	1.95760%	1.91227%
College's proportion of the state/school group net pension liability	<u>0.00545%</u>	<u>0.00475%</u>	<u>0.01217%</u>	<u>0.01650%</u>	<u>0.02248%</u>	<u>0.01189%</u>	<u>0.01126%</u>
Total proportionate share of the state/school group net pension liability allocated to the College	\$ 98,649,305	\$ 131,989,224	\$ 116,368,766	\$ 119,305,580	\$ 127,846,444	\$ 133,398,205	\$ 133,194,199
Less: proportionate share of the state/school group net pension liability allocated to the State of Kansas (special funding)	\$ 98,374,027	\$ 131,671,144	\$ 115,665,208	\$ 118,342,322	\$ 126,496,805	\$ 132,370,340	\$ 132,414,195
College's proportionate share of the state/school group net pension liability	<u>\$ 275,278</u>	<u>\$ 318,080</u>	<u>\$ 703,558</u>	<u>\$ 963,258</u>	<u>\$ 1,349,639</u>	<u>\$ 1,027,865</u>	<u>\$ 780,004</u>
College's state/school group covered payroll	\$ 151,303	\$ 183,627	\$ 311,055	\$ 525,582	\$ 710,293	\$ 323,900	\$ 242,814
College's state/school group proportionate share of net pension liability as a percentage of its covered payroll	181.94%	173.22%	226.18%	183.27%	190.01%	317.34%	321.24%
Plan fiduciary net position as a percentage of the total pension liability	76.40%	66.30%	69.88%	68.88%	67.12%	65.10%	64.95%

\* GASB 68 requires presentation of ten years. The College's proportionate share of the net pension liability allocated to employer prior to the plan year ended 2015 is not available.

Changes of assumptions for 2021: A reduction in the long-term rate of return (net of investment expenses including price inflation) from 7.5% to 7.25% and an increase in wage inflation from 3.5% to 12.0%. Price inflation remained the same at 2.75%.

Changes of assumptions for 2020: A reduction in the long-term rate of return (net of investment expenses including price inflation) from 7.75% to 7.5% and an increase in wage inflation from 3.25% to 11.75%. Price inflation remained the same at 2.75%.

Changes of assumptions for 2017: Price inflation dropped from 3.00% to 2.75%, a reduction of the wage inflation from 4.00% to 3.50% and a reduction in the long-term rate of return (net of investment expenses including price inflation) from 8.00% to 7.75%.

**Johnson County Community College**

**Required Supplementary Information  
Schedules of College's Contributions to Defined Benefit Pension Plan  
Year Ended June 30, 2022**

**KPERS Defined Benefit Pension Plan  
Schedule of College's Contributions**

	As of the College's Fiscal Year Ended						
	2022	2021	2020	2019	2018	2017	2016*
Required state/school group contribution	\$ 31,910	\$ 38,164	\$ 84,459	\$ 82,321	\$ 100,759	\$ 72,003	\$ 49,477
Contributions made in relation to the required contribution	31,910	38,164	84,459	82,321	100,759	72,003	49,477
Contribution deficiency	-	-	-	-	-	-	-
College's state/school group covered payroll	\$ 151,303	\$ 183,627	\$ 311,055	\$ 525,582	\$ 710,293	\$ 323,900	\$ 242,814
Contributions as a percentage of state/school group covered payroll	21.09%	20.78%	27.15%	15.66%	14.19%	22.23%	20.38%

\* GASB 68 requires presentation of ten years. The College's proportionate share of the net pension liability allocated to employer prior to the year ended 2016 is not available.

Johnson County Community College

Required Supplementary Information  
 Other Postemployment Benefit Plan – Medical and Prescription Drug Plan  
 Schedule of College’s Net OPEB Liability  
 Year Ended June 30, 2022

Total OPEB Liability for fiscal year:	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018*</u>
Service cost	\$ 243,084	\$ 275,414	\$ 216,560	\$ 219,211	\$ 199,797
Interest	99,673	140,677	143,836	172,831	175,654
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	(453,352)	(313,451)	(430,989)	(476,498)	-
Changes in assumptions or other inputs	(717,923)	(133,831)	1,018,870	86,333	254,651
Benefit payments	(292,000)	(435,000)	(347,000)	(537,000)	(620,000)
<b>Net change in total OPEB liability</b>	<u>(1,120,518)</u>	<u>(466,191)</u>	<u>601,277</u>	<u>(535,123)</u>	<u>10,102</u>
<b>Total OPEB liability-beginning</b>	<u>4,886,566</u>	<u>5,352,757</u>	<u>4,751,480</u>	<u>5,286,603</u>	<u>5,276,501</u>
<b>Total OPEB liability-ending</b>	<u>\$ 3,766,048</u>	<u>\$ 4,886,566</u>	<u>\$ 5,352,757</u>	<u>\$ 4,751,480</u>	<u>\$ 5,286,603</u>
<b>Covered payroll</b>	<u>\$ 59,956,158</u>	<u>\$ 63,713,791</u>	<u>\$ 63,713,791</u>	<u>\$ 60,651,205</u>	<u>\$ 60,651,205</u>
<b>Total OPEB liability as a percentage of covered payroll</b>	6.3%	7.7%	8.4%	7.8%	8.7%

\* GASB 75 requires presentation of ten years. The College’s OPEB liability detail prior to the plan year ended 2018 is not available.

**Notes to Schedule:**

The measurement date is the same date as the College’s fiscal year end.

**Changes of assumptions**

Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The discount rate was 3.9% for 2022.

**Johnson County Community College**

**Required Supplementary Information  
Other Postemployment Benefit Plan – KPERS long-term disability and life insurance benefit plans  
Schedule of College’s Net OPEB Liability  
Year Ended June 30, 2022**

<b>Total OPEB Liability for fiscal year:</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018*</b>
Service cost	\$ 253,068	\$ 229,657	\$ 223,630	\$ 220,557	\$ 234,775
Interest	64,569	105,510	131,616	127,988	114,376
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	413,362	(194,025)	(416,577)	102,156	-
Changes in assumptions or other inputs	4,898	107,722	39,354	(38,057)	(109,824)
Benefit payments	(372,281)	(357,114)	(383,153)	(793,183)	(536,459)
<b>Net change in total OPEB liability</b>	<b>363,616</b>	<b>(108,250)</b>	<b>(405,130)</b>	<b>(380,539)</b>	<b>(297,132)</b>
<b>Total OPEB liability-beginning</b>	<b>2,853,698</b>	<b>2,961,948</b>	<b>3,367,078</b>	<b>3,747,617</b>	<b>4,044,749</b>
<b>Total OPEB liability-ending</b>	<b>3,217,314</b>	<b>2,853,698</b>	<b>2,961,948</b>	<b>3,367,078</b>	<b>3,747,617</b>
Nonemployer contributing entity total proportionate share of the total OPEB liability:	100%	100%	100%	100%	100%
Nonemployer contributing entity total proportionate share (amount) of the total OPEB liability:	\$ 3,217,314	\$ 2,853,698	\$ 2,961,948	\$ 3,367,078	\$ 3,747,617
College's proportionate share of the total OPEB liability:	0%	0%	0%	0%	0%
College's proportionate share (amount) of the total OPEB liability:	\$ -	\$ -	\$ -	\$ -	\$ -

\* GASB 75 requires presentation of ten years. The College’s OPEB liability detail prior to the fiscal year ended 2018 is not available.

**Notes to Schedule:**

The measurement date of the liability is 12 months earlier than the fiscal year end of the College in each year.

**Changes of assumptions**

There are no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB 75 to pay related benefits.

There have been no factors that significantly affect the trends in the amounts reported.

**Budgetary Expenditures with Appropriations (Unaudited)**  
**Year Ended June 30, 2022**

	Budgetary Expenditures	Legal Appropriations Budget	Under Budget
<b>Current Unrestricted Funds:</b>			
General	\$ 134,979,003	\$ 180,196,670	\$ 45,217,667
Postsecondary technical education (PTE)	49,283,938	54,324,734	5,040,796
Subtotal General and PTE	184,262,941	234,521,404	50,258,463
Adult supplementary education	5,467,631	8,585,339	3,117,708
Truck driver training	427,113	810,102	382,989
Motorcycle driver	80,935	85,453	4,518
Auxiliary enterprises	11,450,532	14,932,986	3,482,454
<b>Total Current Unrestricted Funds</b>	<u>201,689,152</u>	<u>\$ 258,935,284</u>	<u>\$ 57,246,132</u>
<b>Current Restricted Funds:</b>			
Special assessments	221,491	<u>\$ 1,075,000</u>	<u>\$ 853,509</u>
Other restricted	32,816,935		
<b>Total Current Restricted Funds</b>	<u>33,038,426</u>		
<b>Total Current Funds</b>	<u>234,727,578</u>		
<b>Plant Funds:</b>			
Unexpended, capital outlay	6,449,277	<u>\$ 8,106,400</u>	<u>\$ 1,657,123</u>
Repair and replacement reserve	262,741		
Bond proceeds, construction	1,282,886		
Debt retirement, revenue bonds	1,602,130		
<b>Total Plant Funds</b>	<u>9,597,034</u>		
<b>Total Current and Plant Funds</b>	<u>\$ 244,324,612</u>		



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**JOHNSON COUNTY  
COMMUNITY COLLEGE**  
UNIFORM GUIDANCE  
SINGLE AUDIT REPORT  
JUNE 30, 2022

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Draft for  
Discussion  
Purposes Only

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**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***

Independent Auditors' Report

Board of Trustees  
Johnson County Community College  
Overland Park, Kansas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the business-type activities, the aggregate remaining fund information, and the discretely presented component unit of Johnson County Community College as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Johnson County Community College's basic financial statements and have issued our report thereon dated \_\_\_\_\_.\*. The financial statements of Johnson County Community College Foundation, the discretely presented component unit, 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 Johnson County Community College Foundation.

**Report On Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Johnson 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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Johnson County Community College's internal control. Accordingly, we do not express an opinion on the effectiveness of Johnson 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, and therefore, material weaknesses or significant deficiencies may exist that have not been identified. 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 or significant deficiencies may exist that were not identified.

### **Report On Compliance And Other Matters**

As part of obtaining reasonable assurance about whether Johnson County Community College's financial statements are free of 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 result of that testing, and not to provide an opinion on the effectiveness of Johnson County Community College's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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**Report On Compliance For The Major Federal  
Program; Report On Internal Control Over  
Compliance; And Report On The Schedule Of  
Expenditures Of Federal Awards Required  
By The Uniform Guidance**

Independent Auditors' Report

Board of Trustees  
Johnson County Community College  
Overland Park, Kansas

**Report On Compliance For The Major Federal Program**

***Opinion On The Major Federal Program***

We have audited Johnson County Community College's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on Johnson County Community College's major federal program for the year ended June 30, 2022. Johnson County Community College's major federal program is identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, Johnson County Community College complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2022.

***Basis For Opinion On The Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Johnson County Community College and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of Johnson County Community College's compliance with the compliance requirements referred to above.

### ***Responsibilities Of Management For Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Johnson County Community College's federal programs.

### ***Auditors' Responsibilities For The Audit Of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Johnson County Community College's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit is conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user for the report on compliance about Johnson County Community College's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Johnson County Community College's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of Johnson County Community College's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 Johnson County Community College's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report On 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

**Report On Schedule Of Expenditures Of Federal Awards Required By The Uniform Guidance**

We have audited the financial statements of the business-type activities, the aggregate remaining fund information, and the discretely presented component unit of Johnson County Community College as of and for the year ended June 30, 2022 and the related notes to the financial statements, which collectively comprise the College's basic financial statements. We have issued our report thereon dated \_\_\_\_\_\*, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management, and was derived from, and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

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**JOHNSON COUNTY COMMUNITY COLLEGE**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For The Year Ended June 30, 2022**

Federal Grantor/ Pass-Through Grantor/ Program Or Cluster Title	Assistance Listing Number	Pass-Through Entity/ Identifying Number	Passed Through To Subrecipients	Total Federal Expenditures
<b>U.S. Department Of Education</b>				
Student Financial Aid Cluster - Direct				
Federal Pell Grants	84.063		\$ —	\$ 10,729,988
Federal SEOG	84.007		—	398,567
Federal Work Study	84.033		—	125,382
Federal Direct Student Loans	84.268		—	6,295,432
<i>Total Student Financial Aid Cluster - Direct</i>			—	17,549,369
Education Stabilization Fund - Direct				
COVID-19 - Higher Education Emergency Relief Fund - Student Portion	84.425E		—	10,012,422
COVID-19 - Higher Education Emergency Relief Fund - Institutional Portion	84.425F		—	6,094,795
<i>Total Education Stabilization Fund</i>			—	16,107,217
Child Care Access Grant - Direct	84.335	P335A180187	—	95,130
UISFL-Expanding Global Awareness - Direct	84.016		—	58,129
<b>Passed Through Kansas Board Of Regents</b>				
Vocational Improvements				
Vocational Improvements	84.048A	V048A200016	—	371,909
Carl Perkins Reserve Grant	84.048A	V048A200016	—	7,480
Perkins Incentive Award	84.048A	V048A200016	—	8,000
Integrating Adult Education Grant	84.048A	V048A200016	—	200
<i>Total Vocational Improvements - Indirect</i>			—	387,589
Adult Basic Education				
Adult Basic Education - Staff Development	84.002	V002A200016	—	22,630
Adult Basic Education	84.002	V002A200016	—	452,601
Adult Basic Education - English Literature & Civics Education	84.002	V002A200016	—	126,288
Adult Basic Education - WF Innovation Funds	84.002	V002A200016	—	12,405
<i>Total Adult Basic Education - Indirect</i>			—	613,924
<b>Total U.S. Department Of Education</b>			—	34,811,358

# JOHNSON COUNTY COMMUNITY COLLEGE

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS *(Continued)* For The Year Ended June 30, 2022

Federal Grantor/ Pass-Through Grantor/ Program Or Cluster Title	Assistance Listing Number	Pass-Through Entity/ Identifying Number	Passed Through To Subrecipients	Total Federal Expenditures
<b>U.S. Department Of Health And Human Services</b>				
<b>Passed Through Kansas Department Of Children &amp; Families</b>				
COVID-19 - Hero Relief Funds - CCDF Cluster				
HHS-DCF-Hero Relief Supply Fund - Indirect	93.575	Unknown	\$ — \$	60,000
HHS-DCF-Hero Relief Sustainability Fund - Indirect	93.575	Unknown	—	60,000
HHS-DCF-Hero Relief Revenue Replacement - Indirect	93.575	Unknown	—	6,655
<i>Total Hero Relief Funds - CCDF Cluster- Indirect</i>			—	126,655
<b>Passed Through League For Innovation in the Community College</b>				
Project Firstline: Infection Control Infusion Into Community				
College Curriculum - Indirect	93.421	1 NU50CK000579-01-00	—	31,620
<b>Total U.S. Department Of Health And Human Services</b>			—	158,275
<b>U.S. Department Of Agriculture</b>				
NIFA SPECA Sustainable Agriculture - Direct	10.226	20163841425826	—	7,290
<b>Passed Through The Kansas Department Of Education</b>				
Child and Adult Care Food Program - Indirect	10.558	Unknown	—	17,662
<b>Total U.S. Department Of Agriculture</b>			—	24,952
<b>U.S. Small Business Administration</b>				
<b>Passed Through Kansas SBDC</b>				
Small Business Development 2022 - Indirect	59.037	2009	—	59,233
Small Business Development 2021 - Indirect	59.037	2109	—	59,409
COVID-19 - SBA - CARES Act - Indirect	59.037	2109	—	94,380
<b>Total U.S. Small Business Administration</b>			—	213,022
<b>U.S. Department Of Defense</b>				
<b>Passed Through Wichita State University</b>				
Procurement Technical Assistance - Indirect	12.002	SP4800-22-2-2265	—	23,383
<b>National Science Foundation</b>				
IUSE STEM Faculty & DBER - Direct	47.076	1711693	—	110
Research Coordination Network - Direct	47.074	2018322	—	21,105
<b>Total National Science Foundation</b>			—	21,215
<b>U.S. Department Of Transportation</b>				
DOT CMV Operator Safety Training Grant - Direct	20.235	FMDTG0073190100	—	55,930
<b>National Endowment For The Arts</b>				
<b>Passed Through Kansas Creative Arts Industries Commission</b>				
New Dance Partners - Indirect	45.024	Unknown	—	15,000
Arts Integration Program - Indirect	45.024	Unknown	—	25,000
<b>Total National Endowment For The Arts</b>			—	40,000
<b>Total Federal Awards Expended</b>			\$ — \$	35,348,135

# JOHNSON COUNTY COMMUNITY COLLEGE

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## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2022

### 1. Organization

The accompanying schedule of expenditures of federal awards presents the activity of all federal award programs of Johnson County Community College (the College) for the year ended June 30, 2022. All federal awards received directly from federal agencies, as well as federal awards passed through other governmental agencies, are included on the schedule.

### 2. Basis Of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the College under programs of the federal government for the year ended June 30, 2022. The information in this schedule is presented in accordance with the 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). Because the schedule presents only a selected portion of the operations of the College, it is not intended to and does not present the financial position, changes in net position, or cash flows of the College.

### 3. Summary Of Significant Accounting Policies

Expenditures reported on the schedule are reported on the accrual basis of accounting. Pass-through entity identifying numbers are presented where available.

### 4. Additional Audits

Grantor agencies reserve the right to conduct additional audits of the College's grant programs for economy and efficiency. Such audits may result in disallowed costs to the College. However, the College's management does not believe such audits would result in any disallowed costs that would be material to the College's financial position as of June 30, 2022.

**5. Federal Student Loan Programs**

The College is responsible only for the performance of certain administrative duties with respect to the Federal Direct Loan Program and, accordingly, it is not practical to determine the balance of loans outstanding to students and former students of the College under this program at June 30, 2022.

**6. Subrecipients**

Of the federal expenditures presented in this schedule, the College provided no federal awards to subrecipients.

**7. Indirect Cost Rate**

The College has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

Draft for  
Discussion  
Purposes Only

**JOHNSON COUNTY COMMUNITY COLLEGE**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For The Year Ended June 30, 2022**

**Section I - Summary Of Auditors' Results**

**Financial Statements**

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with generally accepted accounting principles:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?  yes  no
- Significant deficiency(ies) identified that are not considered to be material weakness(es)?  yes  none reported

Noncompliance material to financial statements noted?

yes  no

**Federal Awards**

Internal control over major federal programs:

- Material weakness(es) identified?  yes  no
- Significant deficiency(ies) identified that are not considered to be material weakness(es)?  yes  none reported

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

Unmodified

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

yes  no

Identification of major federal programs:

<b>Name Of Federal Program Or Cluster</b>	<b>Assistance Listing Number</b>
Higher Education Emergency Relief Fund - Student - COVID-19	84.425E
Higher Education Emergency Relief Fund - Institutional - COVID-19	84.425F

Dollar threshold used to distinguish between type A and type B programs:

\$1,060,444

Auditee qualified as low-risk auditee?

yes  no

**JOHNSON COUNTY COMMUNITY COLLEGE**

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**SCHEDULE OF FINDINGS AND QUESTIONED COSTS *(Continued)***  
**For The Year Ended June 30, 2022**

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**Section II - Financial Statement Findings**

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**None**

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**Section III - Federal Award Findings And Questioned Costs**

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**None**

Draft for  
Discussion  
Purposes Only

**JOHNSON COUNTY COMMUNITY COLLEGE**

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**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**For The Year Ended June 30, 2022**

Finding No.	CFDA No.	Program	Condition	Current Year Status
2021-001	84.268, 84.007, 84.033, 84.063	Student Financial Aid Cluster	In our nonstatistical sample of 37 students, we noted that four Fall 2020 graduates were reported as graduated within NSLDS 62 days after the graduation date which was the withdrawal determination date for the College. We noted that three students who were Fall 2020 unofficial withdrawals were reported as withdrawn in NSLDS within 61 days after the withdrawal determination date, which was the day after the Fall 2020 graduation date. All seven students whose status was not updated within the 60 day requirement were updated within NSLDS on February 17, 2021.	CORRECTIVE ACTION TAKEN
2021-002	84.268, 84.007, 84.063	Student Financial Aid Cluster	In our nonstatistical sample of 43 students who withdrew from the College, two instances were noted in which the reduction in funding was not communicated to the COD system within the 45 day requirement as required by 34 CFR 668.22(j)(1). We became aware during our testing that for two students that withdrew unofficially from the Fall 2020 semester that returns of funds were made to COD within 49 days of the withdrawal determination date which is four days past the 45 day requirement.	CORRECTIVE ACTION TAKEN

Draft  
 Discussion  
 Purposes Only

Committee of the Whole  
October 31, 2022

Report:

The Ad Hoc Board Committee on Committees has reviewed and recommended changes to the Board committee structure. The recommended changes create the following standing committees: Student Success; Management & Finance; Employee Engagement & Development; Inclusion & Belonging; Board Governance; and Audit.

The Ad Hoc Board Policy Committee has reviewed and recommended changes to the 100 Series Board Policies. The recommended changes include the addition of applicability and purpose statements and formatting changes, clarification of Board processes, changes to the Board committee structure as recommended by the Ad Hoc Board Committee on Committees and the timing of the organizational meeting, elaboration on Trustee professional development, and additional explanation of resolutions of censure.

**RECOMMENDATION**

**It is the recommendation of the Ad Hoc Board Committee on Committees and the Ad Hoc Board Policy Committee that the Board of Trustees approve modification to the 100 Series Board Policies, as shown subsequently in the Board packet.**

Board Responsibilities Policy 110.00

Johnson County Community College  
Series: 100 Board of Trustees  
Section: Duties and Responsibilities of the Board

**Applicability:** This Policy applies to the Johnson County Community College (“JCCC” or the “College”) Board of Trustees (the “Board”).

**Purpose:** The purpose of this Policy is to set out the powers and duties assigned to the Board of Trustees in accordance with Kansas law.

**Statement:**

In accordance with Kansas law, the Board of Trustees shall have custody of and be responsible for the property of the College and shall be responsible as the policy-making governing body for the operation, management and control of the College. Powers and duties assigned to the Board of Trustees shall be as set forth in K.S.A. 71-201, and amendments thereto, and shall generally include the following:

1. To hold at least one regular meeting each month.



2. To select its own chairperson and officers, and to fill vacancies on the Board for unexpired terms.
  3. To sue and be sued.
  4. To determine the educational program of the College.
  5. To appoint and fix the compensation and term of office of a President or chief administrative officer of the College.
  6. To appoint or employ agents and employees of the College, including administrative and teaching staff [based on policies](#), and to set standards regarding qualifications, duties, compensation, and terms and conditions of their employment.
  7. To enter into contracts.
  8. To accept funds and property from any source which the Board may use for or in aid of any of its purposes.
  9. To acquire property [by purchase or lease](#), real or personal, which is necessary or desirable for College purposes.
  10. To lease property owned by the College.
  11. To dispose of property that is no longer necessary for College purposes.
  12. To exercise the right of eminent domain.
  13. To make rules and regulations necessary and proper for the administration and operation of the College.
  14. To exercise all powers not inconsistent with the rules and regulations of the Board of Regents which may be reasonably necessary for the establishment, maintenance and operation of the College.
  15. To contract with outside agencies for the education of the students of the College.
  16. To establish a petty cash fund not to exceed \$1,000.
  17. To sell general obligation bonds, [certificates of participation](#), [or such similar debt instruments](#) for the acquisition of property and construction, repair or remodel of improvements on such property within the limits set by Kansas law.
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Date of Adoption:

Revised: 01/18/2018, 11/17/2022

## Number and Selection of Trustees Policy 111.01

Johnson County Community College

Series: 100 Board of Trustees

Section: Organization of the Board

**Applicability:** This Policy applies to the Johnson County Community College (“JCCC” or the “College”) Board of Trustees (the “Board”).

**Purpose:** The purpose of this Policy is to set out the number and selection of members for the Board of Trustees.

**Statement:**

The Board of Trustees will consist of seven (7) members who shall be elected at large from Johnson County in accordance with the Community College Election Act (K.S.A. 71-1401 et seq.) as amended. Each Trustee shall be a qualified elector of the county.

Elections are held on the first Tuesday following the first Monday of November of each odd-numbered year. The term of office is four years, beginning on the second Monday in January following the election.

Vacancies on the Board will be filled ~~by majority vote of the remaining Trustees~~ for the balance of the unexpired term by the majority vote of the remaining Trustees.

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Date of Adoption:

Revised: 05/21/2009, 01/18/2018, 11/17/2022

## Officers Policy 111.02

Johnson County Community College

Series: 100 Board of Trustees

Section: Organization of the Board/Officers

**Applicability:** This Policy applies to the Johnson County Community College (“JCCC” or the “College”) Board of Trustees (the “Board”).

**Purpose:** The purpose of this Policy is to set out the officer positions and their duties.

### **Statement:**

Pursuant to K.S.A. 71-201, the Board shall select its own officers as it may deem desirable, from among its own membership. The officers of the Board are Chair, Vice Chair, Treasurer and Secretary. The Secretary may be the chief administrative officer of the College or such other employee of the College as authorized by the Board. All other officers shall be Board members. To be eligible for election as Chair, a Board member shall have served at least one full year as a member of the Board prior to election as Chair. Each office shall be filled by majority vote of the Board following nomination and second from the floor by members of the Board at the annual Organizational Meeting in accordance with the Meetings of the Board Policy. Officers will serve for a term of one year or until a successor is appointed to such position. Modifications to the Board officers and committee members may be voted upon periodically: by majority vote to fill vacancies or to address unforeseen scheduling conflicts of Board members, or by a vote of five (5) members of the Board as otherwise deemed necessary.

An ad hoc nominating committee will be appointed by the Chair to recommend such officers to the Board; Each officer is subject to the approval of by a majority vote of the Board. To promote varied representation, no Trustee may be nominated for or serve in the same office for more than two consecutive years at a time. A Trustee completing a second consecutive term in an office of the Board shall not be eligible for re-election to that office for a minimum period of twelve (12) calendar months following until the next annual Organization Meeting.

### **Duties of Officers Officers:**

Officers of the Board will perform the general duties ascribed to each position below either personally or through designee.

#### **1. Duties of Chair**

- A. Presides at meetings of the Board of Trustees;
- B. Calls special meetings as ~~required~~ authorized necessary;
- C. Acts as spokesperson for the Board in communication to the public;
- D. Approves Trustees travel requests;

- E. Approves travel and expense reimbursement for other Trustees and the College President; and-
- F. Performs other duties as may be prescribed by law, assigned by the Board or reasonably necessary to carry out his/her duties as Chair.

## **II2. Duties of Vice Chair**

- A. Acts as temporary chair in the absence of the Chair or at his/her request;
- B. Acts as parliamentarian for Board meetings, in consultation with Board counsel;
- C. Approves travel and expense reimbursement for Chair of the Board; and-
- D. Performs other duties as may be prescribed by law, assigned by the Board or reasonably necessary to carry out his/her duties as Vice Chair.

## **III3. Duties of Treasurer**

- A. Through administrative staff, rReceives and arranges for custody of all College funds
- B. Reviews reports regarding the status of College funds and informs the Board of the fiscal condition of the College;
- C. Signs financial documents as prescribed by law; a-nd
- D. Performs other duties as may be prescribed by law, assigned by the Board or reasonably necessary to carry out his/her duties as Treasurer.

## **IV4. Duties of Secretary** (in conjunction with the chief administrative officer of the College or designee, if applicable)

- A. Prepares and distributes agendas for all meetings of the Board;
- B. Notifies Board members of the dates/times of all meetings of the Board;
- C. Provides for a record of the minutes of all meetings and transmits a copy to each member;
- D. Provides for the proper custody of all records, proceedings and documents of the Board; and
- E. Performs other duties as may be prescribed by law, assigned by the Board or reasonably necessary to carry out his/her duties as Secretary.

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Date of Adoption:

Revised: 06/17/1993, 11/06/1997, 05/21/2009, 07/16/2009, 01/18/2018, 11/18/2021, 11/17/2022

*Committees Policy 111.03 is suspended from April 1, 2021 through April 1, 2022 to trial the Board of Trustee's change in committee structure. The four standing committees have been replaced by a committee of the whole.*

Committees Policy 111.03

Johnson County Community College  
Series: 100 Board of Trustees  
Section: Organization of the Board

**Applicability:** This Policy applies to the Johnson County Community College ("JCCC" or the "College") Board of Trustees (the "Board").

**Purpose:** The purpose of this Policy is to set out the Board committee structure.

**Statement:**

In order to facilitate the effective accomplishment of its business, the Board utilizes both standing and ad hoc committees. The committee system is not intended to supersede the primary responsibilities and leadership roles of the President and administration. Trustees assigned to each committee are expected to attend all regularly scheduled committee meetings absent exigent circumstances.

### **1. Ad hoc committees**

The Board may establish such ~~special or~~ ad hoc committees as it deems ~~appropriate~~ necessary. A nominating committee for the purpose of nominating Board members to serve as officers, committee chairs, and committee members, and liaisons to College-related departments or functions external organizations will be appointed on a temporary basis each year by the Chair, subject to the approval of a majority of the Board.

### **2. Committee of the Whole**

When utilized at the discretion of the Board, a committee of whole, consisting of all trustees, may consider any or a combination of issues listed under "Standing committees." No binding action shall be taken at a Committee of the Whole meeting. Agendas and meeting packets shall be posted in a similar form and availability as regular Board meetings and minutes shall be taken and published.

### **3. Standing committees**

The Board ~~may establish the following~~ standing committees, in consultation with the President, as necessary to effectively conduct the business of the Board and the College. Such committees will meet regularly at standing dates and times to be established by the committees. Standing committees will receive information and reports, monitor certain compliance obligations, review statuses/progress of pending initiatives and preview proposed policies and actions that will be recommended by

administration to the Board related to the areas of review set forth below was provided in each committee's working agenda. Standing committees do not have independent authority to act on behalf of the Board and shall be evaluated by the Board regularly. Any changes to standing committees shall be made by a majority Board vote at or before the last regular meeting prior to the annual Organizational Meeting, with such changes to become effective following the Organizational meeting. The Standing Committees are as follows:

**Aa. Learning Quality Student Success:** The committee will review matters related to instructional affairs and student engagement (including matters affecting academics, equitable student access and success, learning engagement, learning outcomes, curricular changes; and faculty and student development, and continuing education); accreditation and AQIP-related initiatives; workforce development/continuing education; and, Kansas Board of Regents requirements (including Performance Indicators that relate to curriculum, academic quality, achievement of academic outcomes, and promote student learning).

**Bb. Management & Finance:** The committee will review matters related to finance and administrative operations (including matters affecting budgeting, insurance, investments, facilities, purchasing, capital improvements, information services, technology, safety and security, but excluding personnel matters). The committee will monitor the financial performance of the College and monitor the strategic direction of the Foundation to ensure alignment with the College's strategic objectives/priorities.

**Cc. Human Resources Talent and Belonging Employee Engagement & Development:** The committee will review general personnel matters (including matters affecting compensation, employment services, benefits, employee relations, training and organizational development, cultural proficiency/diversity, organizational structure and succession planning). This committee will not consider personnel issues specific to an individual employee.

**Dd. Inclusion & Belonging:** The committee will address matters of diversity and inclusion, review inclusion and belonging programming and the impact on closing student success gaps and the impact on staff and faculty. The committee will also monitor key inclusion and belonging metrics that support the attainment of other strategic plan/College priorities.

**F. Board Governance:** The committee will review Board policies (100 series) and the performance review process for the President. Additionally, the committee will oversee the Board development, new Trustee onboarding, and the Board self-evaluation processes on an annual basis to ensure a high-performing Board., and

**Gf. Audit** (internal and external audit functions of the college): The committee will have oversight of and receive reports from JCCC's Internal Auditing functions. The committee will review reports and other information arising from the college's confidential reporting line. The committee will have ownership and oversight of the relationship with the external, independent auditors and -The committee will receive the annual audited financial statements of the independent auditor and recommend acceptance of the audited financial statements to the Board of Trustees. The Board Chair and Vice Chair will serve on this committee.

### 3. Committee Chairs and Members

The Board committees will consist of at least two Board members, one of whom is to act as committee chair, and an administrator appointed by the College President. The membership of Board Committees may be expanded to include other Trustees, employees and/or students at the discretion of the Board Chair and the President.

### 4. Working Agendas

Each committee will have a working agenda ~~which~~ that is approved annually by the Board and subject to change as determined necessary by the committee.

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Date of Adoption:

Revised: 01/28/1993, 05/26/1993, 08/10/1995, 09/15/2005, 09/21/2006, 01/18/2007, 09/18/2008, 11/18/2010, 08/16/2012, 11/17/2016, 01/18/2018, 11/17/2022



## Meetings of the Board Policy 112.00

Johnson County Community College

Series: 100 Board of Trustees

Section: Meetings of the Board

**Cross-Reference:** [Special Meetings of the Board Operating Procedure 112.01](#)

**Applicability:** This Policy applies to the Johnson County Community College (“JCCC” or the “College”) Board of Trustees (the “Board”).

**Purpose:** The purpose of this Policy is to set out the frequency and purpose of Board meetings.

**Statement:**

### **I1. Organizational Meeting**

~~The Organizational Meeting of the Board, will be the regular meeting in December of each year including selection of Board officers and committee members, will be voted upon by the Board at the regular Board meeting in January of each year, and officers, committee members and liaisons will take their positions immediately thereafter.~~

~~The purpose of the Organizational Meeting is to elect officers and appoint committee members and liaisons as set forth in Board policies and otherwise approved by the Board. New officers and committee members will begin their duties following the conclusion of the meeting. Modifications to the Board officers and committee members may be voted upon periodically: by majority vote to fill vacancies or to address unforeseen scheduling conflicts of Board members, or by a vote of five (5) members of the Board as otherwise deemed necessary. The Organizational Meeting shall be called to order by the then-current Chair of the Board, who will continue to serve as Chair until the Board has conducted an election of the Chair, at which point the incoming elected Chair presides. If the then-current Chair is no longer serving as a Board member at the Organizational Meeting, then the Vice Chair shall call the meeting to order. If the Vice Chair is no longer serving as a Board member, the convening officer duties shall proceed in the order of Treasurer, Secretary (if a Board member), and then the longest serving member of the Board. The purpose of the Organizational Meeting is to elect officers and appoint committee members and liaisons as set forth in Board policies and otherwise approved by the Board.~~

### **II2. Regular Meetings**

The Board of Trustees shall meet at least once each month at regularly scheduled meetings. Formal Board action may be taken at any regularly scheduled meeting or special meeting on any item listed in the Board's agenda or on any item which the Board by majority vote adds to the agenda ~~during~~ at the meeting. The regular meeting date and time may be changed by majority consent of the Board of Trustees. Board members may attend regular or special meetings via telephone, videoconference or

other available technology for attending remotely, and should make arrangements to do so prior to the Board meeting to the extent reasonably possible. Members appearing remotely should be reasonably visible to the public (i.e., with camera on) to the greatest extent possible. Trustees are encouraged expected to attend all regularly scheduled Board meetings in person absent exigent circumstances. Recording of any meeting is ~~discouraged as~~ disruptive, duplicative of professional taping and a potential contradiction to Code of Conduct tenets. To the extent possible, regular meetings will be live-streamed online for public viewing, and available for viewing after the meeting. A public comment period shall be offered each regular meeting.

### **III3. Special Meetings**

~~The Board of Trustees may schedule s~~Special meetings ~~of the Board of Trustees as~~ may be scheduled as necessary for the efficient operation of the College. A special meeting of the Board may be called by the Board Chair or by a majority of the members of the Board. The Board maintains procedures for determining how a special meeting may be called by a Board majority (see Special Meetings of the Board Operating Procedure). Notice of special meetings shall be provided as required by College ~~p~~Policy and state law.

### **IV4. Study Sessions, ~~f~~Workshops, ~~f~~and Retreats**

The Board may meet informally with College employees to familiarize itself with various aspects of College operations. ~~At any time that a quorum of the Board is expected to be present, the meetings will be handled in compliance with the Kansas Open Meetings Act (K.S.A. 75-4317 et seq.). Such meetings may be open shall comply with the Kansas Open Meeting Act.~~ However, no official Board action will may be taken on College business, except at regular or special meetings designated for such purpose. Any time a quorum of the Board is expected to be present, the meetings will be handled in compliance with the Kansas Open Meetings Act (K.S.A. 75-4317 et seq.).

### **V5. Agenda**

The President of the College, in consultation with the Chair of the Board, will prepare the agenda for all regular and special meetings of the Board. Provision will be made for a reasonable period of open forum communications from interested citizens related to College business and conducted in a civil manner. The Chair shall have the responsibility and authority for ensuring the open forum period is conducted in a civil, respectful, and productive manner. Unless by majority consent of all members present, Board action will take place only on items on the ~~published~~ agenda. Members desiring to have an item placed on the agenda should notify the Chair at least ~~seven (7)~~ five (5) calendar days prior to the meeting. The Chair and the President of the College will determine whether or when such item will be placed on the agenda. Alternatively, if an item may be added to the agenda at a meeting item upon is requested by consent of a majority of the Board, it shall be placed on the agenda. The agenda and related Board packet for each regular board meeting will be delivered to each Board member at least four (4) working days prior to the meeting time, and subsequent additions to the agenda will be communicated as soon as reasonably possible. The agenda and related Board packet for special meetings will be made available to Board members at or prior to the Board meeting as time permits.

## **VI6. Notice of Meeting**

Notice of the date, time and place of any regular or special meeting of the Board will be ~~furnished to any person requesting such information~~provided as required by law.

## **VII7. Quorum**

A majority of duly qualified and serving Board members shall be a quorum for conducting business at official Board sessions. A majority vote of the quorum will constitute Board action.

## **VIII8. Procedure During Meetings**

~~a-A.~~ The Secretary or designee will record the name of the Trustee initiating and seconding each motion. The disposition of each motion including the vote of each member will be recorded.

~~b-B.~~ The Board may expect split votes on controversial issues. On such occasions it is expected that all Board members will actively support all official actions of the Board.

~~c-C.~~ The absence of a Board member from any official meeting will be recorded in the minutes.

~~d-D. Parliamentary authority will be~~The Board may refer to Robert's Rules of Order Newly Revised for guidance on parliamentary procedures.

## **IX9. Executive Session**

~~a-A.~~ Conduct of executive sessions shall be in accordance with the Kansas Open Meetings Act. Upon formal motion made, seconded and carried, the Board may recess to an executive session. Any motion to recess for an executive session shall include: a statement of the justification for closing the meeting, the subjects to be discussed during the executive session, the individuals invited to attend, the time and place at which the open meeting shall resume, and such other items as required by State law. Such motion, including the required statement, shall be recorded in the minutes of the meeting and shall be maintained as part of the permanent records of the Board. Discussion during the executive session shall be limited to those subjects stated in the motion. The intent of any executive session is to maintain confidentiality and in order to protect confidentiality, executive sessions shall not be taped or otherwise recorded ~~nor should~~shall the items presented be disclosed to anyone not authorized to participate in executive session, ~~and~~ in-person attendance is the expectation. Attendance by telephone or other available technology will be permitted only if the attendance is verified as secure (i.e., neither the audio or video may be reviewed or overheard by any person not authorized to participate in the executive session) and is pre-approved by the Chair with reasonable advanced notice. ~~A majority of the Board~~The Chair may determine on an ad hoc basis that a specific executive session is sufficiently sensitive that remote participate will not be permitted.

~~b-B.~~ The only subjects which may be discussed at any executive meeting are those enumerated in the Kansas Open Meetings Act, which generally include:

~~1. (1)~~ The following matters relating to individual nonelected personnel: hiring, termination of employment and other forms of discipline, performance evaluations and complaints and grievances against such personnel;

~~2. (2)~~ Consultation with an attorney for the College which would be deemed privileged in the attorney-client relationship;

~~3. (3)~~ Matters relating to employer-employee negotiations, whether or not in consultation with the representative or representatives of the College;

~~4. (4)~~ Matters relating to actions adversely or favorably affecting a person as a student, except that any such student shall have the right to a public hearing if requested by the person;

~~5. (5)~~ Preliminary discussions relating to the acquisition of real property; and

~~6. (6)~~ Matters relating to the security of the College or its buildings, facilities, or information systems, if the discussion of such matters at an open meeting would jeopardize the security of the College, or such buildings, facilities or information systems.

~~7. (7)~~ All other subjects or activities permitted by Kansas law to be the subject of an executive session.

~~c-C.~~ No binding action shall be taken during executive sessions.

#### **~~X10.~~ Authority of Members of the Board of Trustees**

The Board members have authority for official Board action only during official meetings. No member of the Board shall have nor shall claim to have the power to act in the name of the Board unless authorized to do so by the majority of the Board in an official meeting.

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Date of Adoption:

Revised: 03/23/1992, 08/04/1992, 04/15/1993, 05/26/1993, 06/16/1994, 07/20/1995, 07/13/2000, 09/17/2009, 01/18/2018, 11/18/2021, 11/17/2022

## Special Meetings of the Board Operating Procedure 112.01

Johnson County Community College

Series: 100 Board of Trustees

Section: Meetings of the Board

**Cross-Reference:** [Meetings of the Board Policy 112.00](#)

**Applicability:** This Policy applies to the Johnson County Community College (“JCCC” or the “College”) Board of Trustees (the “Board”).

**Purpose:** The ~~following procedure is enacted~~purpose of this Operating Procedure is, in accordance with the Meetings of the Board Policy [112.00](#), to establish guidelines for Board members to call a special meeting.

### **Requesting a Special Meeting Procedures:**

It is the intent of the Board of Trustees to comply with the provisions of the Kansas Open Meetings Act (KOMA) when conducting any business of the Board. ~~Because~~ KOMA does not prevent discussion on purely procedural issues ~~such as including but not limited to~~ scheduling meetings, Trustee availability for meetings, items to be placed on the agenda or other procedural issues, ~~a special meeting may be called by a majority of the members of the Board.~~ When communicating for purposes of calling a special meeting, Board members must avoid the appearance of impropriety and therefore shall limit their discussion to procedural matters rather than substantive issues which will ultimately require a vote of the Board.

A Board member wishing to call a special meeting of the Board ~~may shall~~ contact the Board Chair to request such special meeting. The Chair may communicate with other Board members as permitted by KOMA regarding the request for a special meeting. If the Chair declines the Board member’s request, ~~or if~~ the Board member ~~chooses to may~~ contact other Board members directly, ~~the Board member making the request for special meeting may communicate with the other Board members~~ only to specify the request for a special meeting and to identify the topic of the special meeting. A ~~responding~~ Board member responding to the Chair or the requesting member should only provide a ‘Yes’ or ‘No’ reply to the meeting request. No discussion on the issue or merits of the topic may take place during ~~this~~ communication on whether a special meeting will be called.

If the Chair or the Board member requesting a special meeting receives a majority ‘Yes’ reply, ~~he/she/the~~ Board member shall notify the College President of the names of the Board members agreeing to request a special meeting and the topic of the meeting, and the President, in consultation with the Chair, shall prepare and distribute the agenda and meeting notice as required by College policy and state law.

Signature on File in Policy Office

President Chair

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Date of Adoption: 03/17/2010

Revised: 01/18/2018, 11/17/2022

Professional Development Policy 113.00

Johnson County Community College

Series: 100 Board of Trustees

Section: Duties and Responsibilities of the Board

**Applicability:** This Policy applies to the Johnson County Community College (“JCCC” or the “College”) Board of Trustees (the “Board”).

**Purpose:** The purpose of this Policy is to encourage professional development activities among the Board.

**Statement:**

Members of the Board of Trustees are encouraged to participate in and attend professional development activities, including national, state and regional programs related to the College. Trustees are encouraged to ensure participation in such professional development activities are reasonable and reflect a prudent expenditure of College funds. The Board may establish reasonable limitations on participation, including based on available resources and ensuring equal access of Board members to such opportunities or compliance with the Kansas Open Meeting Act. Trustees registered to attend such activities and programs are expected to actively participate in programs and sessions and to be prepared to report information received that may be of value to the College.

Reasonable travel expenses and other expenses reasonably incurred in connection with College business will be reimbursed in accordance with guidelines established by the Board and administered by the President’s office.

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Date of Adoption:

Revised: 01/18/2018, 11/17/2022

## Code of Conduct Policy 114.01

Johnson County Community College

Series: 100 Board of Trustees

Section: Duties and Responsibilities of the Board

**Applicability:** This Policy applies to the Johnson County Community College (“JCCC” or the “College”) Board of Trustees (the “Board”).

**Purpose:** The purpose of this Policy is to set out the expectations for members of the Board.

**Statement:**

In carrying out their functions on the Johnson County Community College Board of Trustees, Board members are expected:

1. To recognize that to serve on the Board of Trustees of Johnson County Community College is to commit oneself to achieving the stated vision, mission and goals of the College with vision thoughtful and reasonable perspective and to supporting the community college movement in general.
2. To devote sufficient time, energy, thought and study to the duties and responsibilities of this elected office so that the Board member may render effective and creditable service to the citizens, employees and students represented by the Board member, as well as to fellow Board members.
3. To work with fellow Board members in a spirit of harmony-collaboration and cooperation in spite of even during differences of opinion that arise during vigorous debates of points of issue. Civility and mutual respect and caring for one another and for the employees and students of the College, Johnson County citizens, and fellow Board members shall guide the conduct of Board members. Board members shall not engage in attacks which are purely personal or political in nature and shall not attack the integrity of or make accusations regarding individual, department or entity individuals without a considered and good faith factual foundation. Board members shall promote mutual respect among one another and among all College employees stakeholders and shall not use their position to embarrass, intimidate or threaten employees, students, citizens, or fellow Board members. Members of the Board of Trustees are leaders in the community and their conduct is important to the College and to the community and should enhance and promote the College’s mission.
4. To base personal-individual decisions as a trustee upon all available facts in each situation: to vote their honest conviction in every case, unswayed by partisan bias or prejudice of any kind; therefore, to acknowledge and abide by the final majority decision of the Board.



5. To remember at all times that as an individual, the Board member has no legal authority outside the meetings of the Board; therefore, the Board member must conduct relationships with the College employees, [students, citizens and all media](#) ~~the local citizenry and the press~~ on the basis of this fact and engage in no private action that will compromise the Board.

6. To avoid the reality or the appearance of conflict of interest and to refuse to use the Board position for personal or partisan gain, thereby ensuring that the welfare of the institution is placed above personal interest or the interests of family members or others who may be personally involved in substantial affairs affecting the institution. Board members shall not misuse their position to advance their own [personal](#) economic, professional or social status.

7. To resist influencing the vote or other action of other Board members, or the actions of any employee, [student or citizen](#) through threat, promise of award, deception, exchange of vote or by means other than legitimate open discussion.

8. To ~~forward through the Board Chair or College President~~ [forward](#) any request for information about College employees, [students, policies or other business of the College](#) ~~forward through the Board Chair or College President~~.

9. To bear in mind that the primary function of the Board is to establish effective policies for the College and to delegate authority for the administration [and management](#) of the educational program and the conduct of College business to the President and ~~employees~~ [the President's delegees](#).

10. To recognize that it is as important for the Board to understand and evaluate the educational program of the College as it is to plan for the business of College operations.

11. To follow all applicable College Policies, Procedures and Board of Trustee guidelines.

12. To welcome and encourage active cooperation by citizens [and stakeholders](#) of ~~the district~~ [Johnson County](#) and to engage in educational activities promoting the College.

13. To keep confidential all information of a confidential or sensitive nature provided to the Board, including [specifically any](#) information received [or presented](#) during executive session, the disclosure of which would be contrary to the fiduciary obligations of a Board member, [infringe on the confidential personnel interests of an employee](#), compromise the attorney-client privilege, or violate any law or court order.

[All Trustees are required to annually review this Code of Conduct and to affirm their commitment to uphold its principles.](#)

Date of Adoption: 08/06/1990

Revised: 05/26/1993, 01/18/2018, 11/17/2022

## Code of Ethics Policy 114.02

Johnson County Community College

Series: 100 Board of Trustees

Section: Duties and Responsibilities of the Board

**Applicability:** This Policy applies to each member of the Board of Trustees and to the following College officers (“Designated Officers”):

- President
- Executive Vice Presidents
- Vice Presidents
- Associate Vice Presidents
- Executive Directors
- Directors with significant oversight of purchasing and/or contracting

All other employees are subject to the Conflict of Interest Policy 431.00.

**Purpose:** ~~Johnson County Community College believes in the importance of~~ The purpose of this Policy is to promote transparency in leadership and public confidence in the integrity of its Board and employees. While the College acknowledges that its leaders may be involved in the affairs of other organizations, it remains crucial to address actual and perceived even the appearance of a conflicts of interest. It is with these thoughts in mind that the Board of Trustees has adopted this Code of Ethics.

**Scope:** ~~This Policy applies to each member of the Board of Trustees and to the following College officers (“Designated Officers”):~~

~~President~~

~~Executive Vice Presidents~~

~~Vice Presidents~~

~~Associate Vice Presidents~~

~~Executive Directors~~

~~Directors with significant oversight of purchasing and/or contracting~~

~~All other employees are subject to the Conflict of Interest Policy 431.00.~~

### Definitions:

**“Conflict of Interest”** - An actual Conflict of Interest occurs when financial or personal considerations compromise an individual’s objectivity, professional judgment, professional integrity and/or ability to perform his/her responsibilities for the College. A perceived or potential Conflict of Interest can occur when, although there is no actual Conflict of Interest, the circumstances are such that a reasonable person might question whether a decision maker is biased in carrying out his/her professional

responsibilities for the College. The following non-exclusive list provides examples of situations that often give rise to an actual or potential Conflict of Interest.

- A Trustee or Designated Officer:
  - Has an ownership interest in an entity with which the College does business
  - Receives significant salary or other compensation from an entity/individual with which/whom the College does business;
  - Receives significant personal gifts or individual discounts from an entity/individual with which/whom the College does business;
  - Is an officer, director or other key decision maker for an entity with which the College does business;
  - Receives significant commissions or fees as part of an outside business from a customer/client with which the College also does business; or

Has a Family Member who fits into one of the categories described above.

**“Family Member”** – For the purposes of this Policy and the Disclosure Form for Trustees and Designated Officers, a Family Member includes a spouse, parent, sibling, child or any other relative that resides in the same household as the Trustee or Designated Officer.

**Statement:**

**I1. Fiduciary Responsibilities:** Trustees and Designated Officers serve the public trust and have a clear obligation to fulfill their responsibilities in a manner consistent with this fact. All decisions of the Board and recommendations made by these Designated Officers are to be made solely on the basis of a desire to promote the best interest of the College and the public good. The College's integrity must be protected and advanced at all times.

**II2. Disclosure of Substantial Interests:** Although most potential Conflicts of Interest are and will be deemed inconsequential, in the interest of avoiding a perceived Conflict of Interest, Trustees and Designated Officers are responsible for disclosing substantial interests (as defined in the Disclosure Form) that may appear to create a Conflict of Interest for the College.

**Aa.** All Trustees and Designated Officers are required to annually review this Code of Ethics and complete the Disclosure Form for Trustees and Designated Officers identifying any substantial interests in other organizations and other potential Conflicts of Interest, as set forth in the Form. This Form must be completed and filed with the Chair and Secretary of the Board after April 15 and before April 30 each year. New Trustees and Designated Officers must file the disclosure form within 15 days of taking office if appointment or election to the position occurs after April 30.

**Bb.** If a Trustee or Designated Officer is uncertain whether to disclose a particular interest or relationship, he/she should keep in mind the purpose of this Code of Ethics, and consult the Office of General Counsel, if necessary.

**Ce.** Trustees and Designated Officers have an ongoing responsibility to timely update the Disclosure Form during the year upon the development of a new substantial interest or potential Conflict of Interest.

**De.** Disclosure Forms are subject to public inspection.

**III3. Restraint on Participation:** If a Trustee or Designated Officer has an actual or material perceived Conflict of Interest, that individual shall refrain from unduly influencing the College's decision-making process with respect to that item of business. Specifically, the individual must refrain from all of the following acts: (a) participating in related Board discussions, (b) making recommendations, (c) negotiating terms or contractual provisions and (d) voting on that item. In certain circumstances, the Trustee or Designated Officer may be asked to leave, as determined by the Board Chair (or Vice Chair if the Chair has the actual or material perceived Conflict of Interest), while the item of business is discussed, negotiated and/or taken to a vote.

**IV4. Ineligibility for Employment:** In accordance with Kansas Statute 71-1403(d), no member of the Board of Trustees shall be an employee of the College.

**V5. Violations:** A Trustee found to be in violation of this Code of Ethics or the Code of Conduct may be subject to a Resolution of Censure. A Designated Officer found to be in violation of this Code of Ethics may be subject to discipline, up to and including termination of employment, in accordance with College personnel policies.

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Date of Adoption: 05/26/1993

Revised: 10/03/1996, 10/21/2004, 07/14/2005, 08/08/2006, 02/24/2010, 01/18/2018, 11/17/2022

## Resolution of Censure Policy 114.03

Johnson County Community College

Series: 100 Board of Trustees

Section: Duties and Responsibilities of the Board

**Applicability:** This Policy applies to the Johnson County Community College (“JCCC” or the “College”) Board of Trustees (the “Board”).

**Purpose:** The purpose of this Policy is to set out the circumstances under which the Board may issue a resolution of censure.

**Definitions:**

“Censure” is a public statement of disapproval or reprimand of a member that is formally adopted by majority Board vote.

**Statement:**

~~In accordance with Robert's Rules of Order, t~~The Board of Trustees may, after investigation as determined by the Board, and hearing before the Board, adopt by majority vote and upon the adoption of written findings of fact, adopt, by majority vote, a resolution of Censure, admonishing a Trustee for violation of any provision of the Board’s Code of Conduct or Code of Ethics. In addition, after a ~~reasonable~~ investigation, hearing before the Board, and adoption of written findings, the Board may adopt a resolution of censure with respect to any Trustee who violates the provisions of the Board's Code of Conduct or Code of Ethics. The Chair in cooperation with the majority of the Board may determine the nature, extent, publication, and duration of any such admonition or Censure, which may also include removal from Board committees, officer positions, travel positions, and/or other discipline as deemed necessary.

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Date of Adoption: 05/26/1993

Revised: 01/18/2018, 11/17/2022

# VERB REPLACEMENT RECOMMENDATIONS



# Benefit – Retiree Committee

## Committee Members:

- Barry Bailey, Professor/Librarian – ABC Representative
- Doug Copeland, Professor Economics – FA Representative
- Robin Judkins, Senior Network Analyst – Staff Council Representative
- Jim Lane, Dean of Arts and Design, Humanities & Social Sciences – IDC Representative
- Ed Lovitt, Director Educational Tech/Distance Learning – Staff Council Representative

## Resources:

- Michelle Ohlde and Matt Wheeler, Holmes Murphy
- Colleen Chandler, Interim Vice President, Human Resources
- Shane Hardiman, Manager Employee Relations, Human Resources
- Thomas Heard, Director Employee Services, Human Resources
- Rachel Lierz, AVP Financial Services/Chief Financial Officer



## Benefit – Retiree Committee - Charge

- Weekly meetings began in early June to discuss and recommend VERB replacement options
- Charge of the Committee is to provide recommendation(s):
  - That are financially sustainable
  - Will reward employees for their service to JCCC whether that is an incentive, benefit, or recognition program

## Summary of Recommendations

1. Continue to offer the same early notification award of \$5,000/\$7,500
2. *To reward **future service***, increase employer contributions to 403(b) plans by 1.5% beginning July 1, 2023
3. *To reward **past service***, award faculty and staff for their years of service at retirement with a one-time lump-sum cash payment
4. Continue employee “perks” and access to the college after retirement

# Recommendation #1: Early Notification

## **Continue to offer the same early notification award of:**

- \$5,000 to staff level 17 and lower (new level 59.59 and lower)
- \$7,500 to staff level 18 and above (new level 60.60 and above)
- \$7,500 to faculty

If these employees provide a 6-month notification to JCCC before their retirement date.

**Current approximate cost per year: \$200,000**

## Recommendation #2: Future Service

### **Increase Employer Contribution to 403(b) Plans *as a reward for future service.***

- Group 1 employees: 7% to 8.5%
- Group 2 employees: 8% to 9.5%
- **Current cost per year: \$5 Million per FY 23**
- **Approximate Future cost per year: \$6 Million per FY 23**
- All Full-time Employees will receive an additional 1.5% Employer Contribution to their 403(b) plans beginning July 1, 2023, as a reward for their future service and commitment to the college. This may help attract and to retain high-quality employees.
- Annual compensation increases would continue to increase the required annual employer contribution. A portion of the added annual cost may be offset by salary savings on replacement positions.
- Faculty and staff compensation tables will also impact future cost (New faculty are placed on the table based on various factors when hired; Staff may be impacted by new table and career ladders).

## Recommendation #3: Past Service

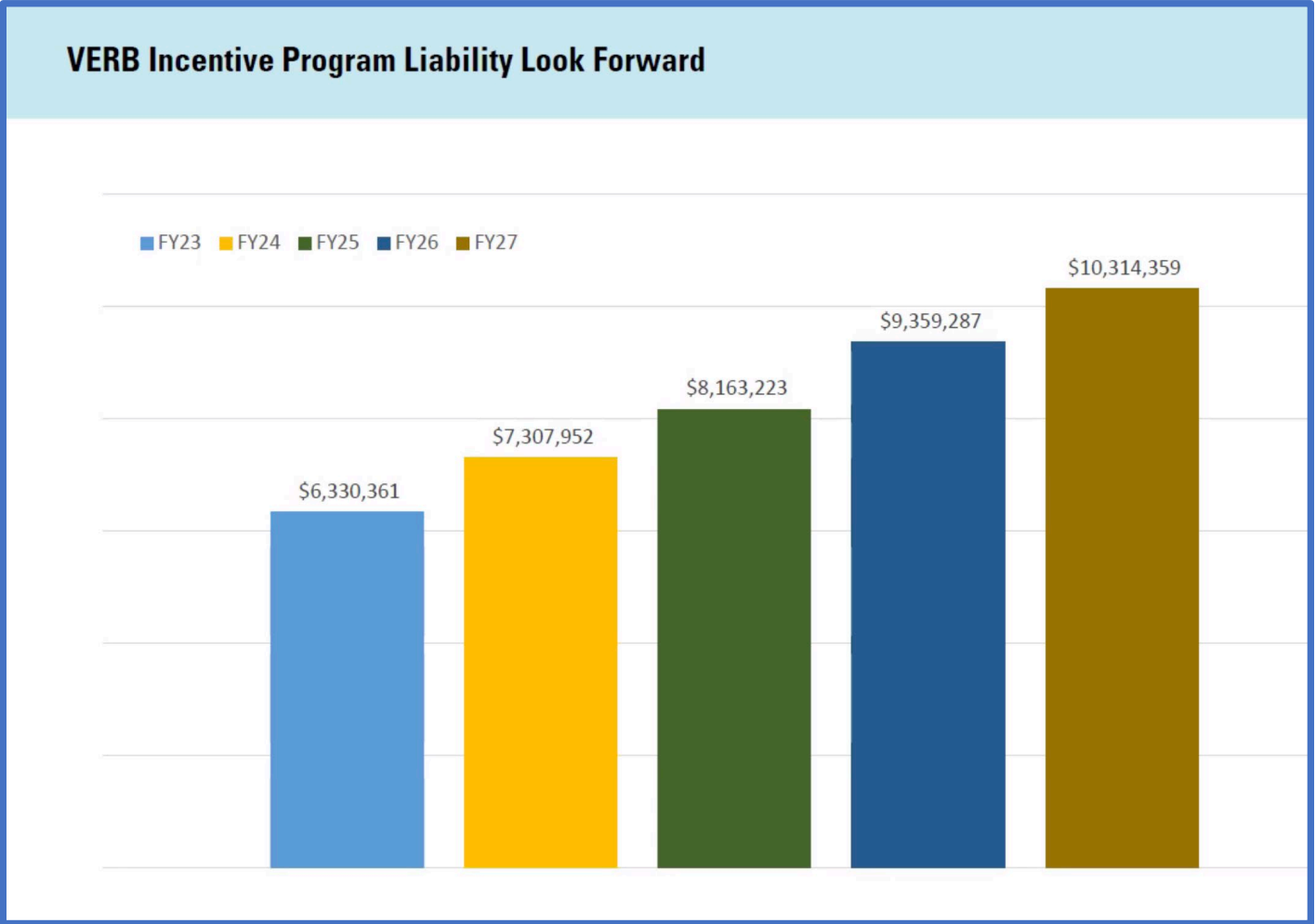
**JCCC will offer a one-time Lump-Sum cash payment Award to all full-time employees employed as of July 1, 2023, for their past service to be paid upon their retirement (whenever that should occur after July 1, 2023)**

- Eligibility
  - 9-month, 10-month, or 12-month full-time faculty
  - Full-time salaried or hourly staff
- Criteria
  - Have 10 or more years of full-time continuous service with JCCC, and are
  - KPERS eligible to retire, and **(OR: At least 55 years old or a KPERS 1 Participant with 85 or more points, and)**
  - Retire under the provisions of the Kansas Public Employees' Retirement System (KPERS), and
  - Provide a minimum six (6) months notice of retiring
- Lump-sum Award
  - Equal to .75% of the employee's annual salary as of July 1, 2023, multiplied by the number of years of full-time service prior to July 1, 2023.
  - Lump-sum paid (subject to applicable withholdings)
  - No Maximum amount

## Lump-Sum Award – Calculation Example #1:

- A Full-time employee meets previously described eligibility criteria
- Employee's salary on July 1, 2023, is \$68,000
- Employee has dedicated 20 years of full-time JCCC service prior to July 1, 2023
- Employee will be rewarded for their *past service* (prior to July 1, 2023), just as all employees are being rewarded for *future service* beyond July 1, 2023, by being granted a similar .75% of their salary as of July 1, 2023, for all previous years' service, and is given as a one-time Lump-Sum cash payment Award upon their date of retirement:
- $\$68,000(.0075) \times 20 \text{ years} = \$10,200$  lump-sum award

Unlike VERB, this Plan's Lump-Sum Award liability will never increase! In fact, it will continue to decline.



Source: "Fiscal Year 2023, Compensation Overview," *Committee of the Whole*, presented April 25, 2022

# Lump-Sum Award Cost Estimates

- There are 933 current full-time faculty and staff who could receive a lump-sum payment if they meet eligibility requirements upon their retirement (10 YOS, Age 55, KPERS)
- Total value of future payments to these 933 employees, calculated based on estimated salaries as of July 1, 2023 and years of service prior to July 1, 2023 is **\$7,028,987**.
- 255 of the 933 employees currently eligible to receive a payment. Total value of their payments is **\$3,583,007**. This is the liability the College would need to record at July 1, 2023.
- Each subsequent year, the liability would be valued, removing employees who retire or separate from the College and adding the remaining 678 employees as they become eligible.
- A liability would remain on the College's balance sheet until all 933 employees retired or separated from the College.



## Recommendation #4: Perks and Resources

### Prior to retirement -

- JCCC will provide Retirement Planning Workshops
  - Similar to K-State <https://www.k-state.edu/hcs/benefits/retirement/prep-to-retire.html>

### Following retirement -

- JCCC will allow retirees to maintain jccc.edu email upon request after KPERS waiting period
- Retirees will be provided with JCCC ID to continue access to use of JCCC facilities upon request after KPERS waiting period (for example, access to the Library, Gym, Fitness Center, Bookstore discounts, Midwest Trust Center Events, Hiersteiner Child Development Center, etc.)
- Retirees will retain access to Cariloop <http://www.cariloop.com/jccc>

**AWARD OF BIDS/RFPs - SINGLE PURCHASE: \$150,000+  
NOVEMBER 2022 COMMITTEE OF THE WHOLE (OCTOBER 31)**

<b>Bid Title Total Contract Period Fund Source</b>	<b>Awarded Vendors</b>	<b>Single Purchase</b>	<b>Justification</b>						
<p>On-Call Architectural Services (C21-062-00, 01, 02)</p> <p>Base Year, 4 Renewal Option Years: 7/1/2021 - 6/30/2026</p> <p>Fund Source: Varies</p>	<ol style="list-style-type: none"> <li>1. <b>Hollis + Miller Architects</b></li> <li>2. <b>BBN Architects Inc</b></li> <li>3. <b>Clark &amp; Enersen</b></li> </ol>	<p align="center"><i>\$400,000.00</i></p>	<p>For an additional \$400,000 to the original FY22 Board-approved amount of \$300,000, bringing the new FY22 total amount to \$700,000.</p> <p>This amount is competed among the On-Call contractors on a project-by-project basis and is for campus projects such as GEB first floor renovation, SCI backfill projects, and Active Learning Classrooms.</p> <p><i>BoT approval: July 2021</i></p>						
<p><b>PURPOSE &amp; DESCRIPTION</b></p>									
<p>The purpose of this RFP was to establish a contract for On-Call Architectural Services as has been done in years past. Typical services may include research, design, preparation of plans, specifications, and contract documents, cost estimating, submittals review, presentations, and coordination of subcontractors for projects relating to building improvements, including utilities such as lighting, water, electrical, gas, and sanitary sewer. The initial term of the contract was from July 1, 2021 through June 30, 2022 and is renewable for four additional years, in one-year increments, upon the approval of both parties.</p>									
<p><b>EVALUATION COMMITTEE</b></p>									
<table border="0"> <tr> <td data-bbox="96 954 1008 995"> <ul style="list-style-type: none"> <li>• Jeff Allen: Director, Campus Services &amp; Energy Management</li> </ul> </td> <td data-bbox="1008 954 2001 995"> <ul style="list-style-type: none"> <li>• Larry Allen: Senior Buyer, Procurement Services</li> </ul> </td> </tr> <tr> <td data-bbox="96 995 1008 1036"> <ul style="list-style-type: none"> <li>• Tom Hall: Associate Vice President, Campus Services/Facilities Planning</li> </ul> </td> <td data-bbox="1008 995 2001 1036"> <ul style="list-style-type: none"> <li>• Michael Rea: Sustainability, Project Manager</li> </ul> </td> </tr> <tr> <td data-bbox="96 1036 1008 1068"> <ul style="list-style-type: none"> <li>• Jim Feikert: Executive Director, Procurement Services</li> </ul> </td> <td data-bbox="1008 1036 2001 1068"> <ul style="list-style-type: none"> <li>• Richard Hill: Supervisor, Maintenance</li> </ul> </td> </tr> </table>				<ul style="list-style-type: none"> <li>• Jeff Allen: Director, Campus Services &amp; Energy Management</li> </ul>	<ul style="list-style-type: none"> <li>• Larry Allen: Senior Buyer, Procurement Services</li> </ul>	<ul style="list-style-type: none"> <li>• Tom Hall: Associate Vice President, Campus Services/Facilities Planning</li> </ul>	<ul style="list-style-type: none"> <li>• Michael Rea: Sustainability, Project Manager</li> </ul>	<ul style="list-style-type: none"> <li>• Jim Feikert: Executive Director, Procurement Services</li> </ul>	<ul style="list-style-type: none"> <li>• Richard Hill: Supervisor, Maintenance</li> </ul>
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<p><b>COMMITTEE OF THE WHOLE RECOMMENDATION</b></p>									
<p><b>It is the recommendation of the Committee of the Whole that the Board of Trustees accept the recommendation of the college administration to approve an additional \$400,000.00 for On-Call Architectural Services for a total FY22 amount of \$700,000.00.</b></p>									

**AWARD OF BIDS/RFPs - MULTI-YEAR PURCHASE: \$150,000+  
NOVEMBER 2022 COMMITTEE OF THE WHOLE (OCTOBER 31)**

<b>Bid Title</b> <b>Total Contract Period</b> <b>Fund Source / Firms Notified</b>	<b>Vendors</b> <b>Original Bid Amounts</b> <b>First Year / Multi-Year Total (if applicable)</b>	<b>Current Year Amount</b> <b>Multi-year Amount</b>	<b>Justification</b>
23-002 Student Loan Delinquency Management & Default Prevention Services  Base Year, 4 Renewal Option Years: 11/19/2022 - 11/18/2027  Base Year  Fund Source: 0201, General 3495, Federal Finance and Accounting Administration  Firms Notified: 90	1. <b>Nebraska Student Loan Program (dba Inceptia): \$66,302.20 / \$359,114.10</b> 2. Ascendium Education Solutions: \$21,575.20 / \$116,858.24 3. Financial Aid Network: \$169,608.00 / \$918,651.64	<p align="center"> <b>\$66,302.20</b>  <i>\$359,114.10</i> </p>	A thorough evaluation process was conducted which included reviewing and ranking the written proposals according to the evaluation criteria defined within the RFP. At the conclusion of the evaluation process, it was determined that the proposal submitted by Inceptia best met the needs of the college.
<b>PURPOSE &amp; DESCRIPTION</b>			
The purpose of this RFP is to solicit proposal responses for a qualified supplier to reduce student delinquency and default on financial aid repayments with the utilization of a Software as a Service (SaaS) Cloud-hosted system and financial management training materials.			
<b>EVALUATION COMMITTEE</b>			
<ul style="list-style-type: none"> <li>• Christal Williams: Director Financial Aid</li> <li>• Alex Prutsman: Business Analyst, IS Enterprise Application Support</li> <li>• Ivori Smith: Coordinator Financial Aid Default Management</li> <li>• Julie Lombard-Williamson: Senior Buyer Procurement Services</li> </ul>			
<b>COMMITTEE OF THE WHOLE RECOMMENDATION</b>			
<p><b>It is the recommendation of the Committee of the Whole that the Board of Trustees accept the recommendation of the college administration to approve the proposal from Inceptia for the Student Loan Delinquency Management &amp; Default Prevention Services program for a base year of \$66,302.20 and a total estimated expenditure of \$359,114.10 including the renewal options, through 2027.</b></p>			

**AWARD OF BIDS/RFPs - MULTI-YEAR PURCHASE: \$150,000+  
NOVEMBER 2022 COMMITTEE OF THE WHOLE (OCTOBER 31)**

<b>Bid Title</b> <b>Total Contract Period</b> <b>Fund Source / Firms Notified</b>	<b>Vendors</b> <b>Original Bid Amounts</b> <b>First Year / Multi-Year Total (if applicable)</b>	<b>Current Year Amount</b> <b>Multi-year Amount</b>	<b>Justification</b>		
23-008 Employee Engagement Survey  Base Year, 4 Renewal Option Years: 11/21/2022 - 11/20/2027  Base Year  Fund Source: 0201, General Firms Notified: 42	1. <b>ath Power Consulting Corp: \$31,500.00 / \$153,585.84</b> 2. Allen Gibbs & Houlik: \$74,500.00 / \$403,516.03 3. Perked!: \$48,700.00 / \$262,068.00	<p align="center"><b>\$31,500.00</b> \$153,585.84</p>	A thorough evaluation process was conducted which included reviewing and ranking the written proposals according to the evaluation criteria defined within the RFP. At the conclusion of the evaluation process, it was determined that the proposal submitted by ath Power Consulting Corp. best met the needs of the college.		
<b>PURPOSE &amp; DESCRIPTION</b>					
The purpose of this RFP is to establish a contract for an online survey tool that measures employee engagement for approximately 2500 employees. The initial term of the contract will be from November 21, 2022, through November 20, 2023, and is renewable for four additional years, in one-year increments, upon the approval of both parties.					
<b>EVALUATION COMMITTEE</b>					
<table border="0"> <tr> <td data-bbox="96 816 1102 930"> <ul style="list-style-type: none"> <li>• Rachel Haynes: Manager Staff &amp; Organizational Development</li> <li>• Colleen Chandler: Interim Vice President, Human Resources</li> <li>• Deanne Belshe: Strategic Communication &amp; Marketing</li> </ul> </td> <td data-bbox="1102 816 2005 930"> <ul style="list-style-type: none"> <li>• Gwenda Hawk: Associate Professor Legal Studies</li> <li>• Tamika McDonald: Senior Buyer, Procurement Services</li> </ul> </td> </tr> </table>				<ul style="list-style-type: none"> <li>• Rachel Haynes: Manager Staff &amp; Organizational Development</li> <li>• Colleen Chandler: Interim Vice President, Human Resources</li> <li>• Deanne Belshe: Strategic Communication &amp; Marketing</li> </ul>	<ul style="list-style-type: none"> <li>• Gwenda Hawk: Associate Professor Legal Studies</li> <li>• Tamika McDonald: Senior Buyer, Procurement Services</li> </ul>
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<b>COMMITTEE OF THE WHOLE RECOMMENDATION</b>					
<p><b>It is the recommendation of the Committee of the Whole that the Board of Trustees accept the recommendation of the college administration to approve the proposal from ath Power Consulting Corp. for an online employee engagement survey for a base year of \$31,500 and a total estimated expenditure of \$153,585.84 including the renewal options, through 2027.</b></p>					

# Strategic Plan: Goal 2

## Advance Diverse and Strategic Community Partnerships

Champions:

Elisa Waldman, VP Workforce Development & Continuing Education

Kate Allen, VP College Advancement & Government Affairs



# Strategy 1:

## Identify and align with those who advance JCCC's mission, vision, and values.

Co-Chairs:

Mary Anne Matos, Nerman Museum Community Outreach Manager

Andrew Lutz, Associate Professor Information Technology



### **Milestones:**

- Initiated pilot program for partnership inventory listing; 40 partnerships to date

### **Where headed:**

- Roll out the inventory process campus-wide
- Survey community to gather data, ensure engagement, and hear community voice
- Analyze inventory to identify emerging themes and existing partnerships involving economic/workforce development needs and personal/cultural needs of the community
- Analyze inventory to identify strategic partnerships as well as gaps

### **Barriers:**

- The amount of time it takes to complete the inventory campus-wide

# Strategy 2: Promote the College as a partner of choice for strategic collaborations.

Co-Chairs:

Janell Rinne, Coordinator Marketing Performing Arts

Debbie Rulo, Executive Director Continuing Education





### **Milestones:**

- Latino Arts Festival
- College of Trades (partnership w/NCircle, JoCo Adult Residential Ctr)
- Johnson County Mental Health

### **Where headed:**

- Identify Mentors to assist others in pursuing strategic partnerships
- Develop scalable/repeatable process to identify and build strategic partnerships
- Identify 3 Strategic Partnerships to enrich each year

### **Barriers:**

- None at this time

# Strategy 3:

## Be a convener for issues that transform and strengthen our communities.

Co-Chairs:

Jodie Dietz, Coordinator Collaboration Center

Jeff Hoyer, Executive Director Space Management



## Milestones:

- Identify college ambassadors to the community
- Receive list of those designated Strategic Partners from the work completed by those in Goal 2, Strategies 1 and 2 and flag as partner in event management system

## Where headed:

- Leverage campus experts to build internal and external partnerships
- Lead the way within our community to initiate/craft collaboration and collegial dialog
- Process to flag strategic partnerships from strategies identified by Goal 2, Strategies 1 and 2

## Barriers:

- Identifying improved record keeping systems to improve partnerships

Johnson County Community College  
Committee of the Whole  
October 31, 2022

Informational Items

- Single Source Purchase Report \$35,000 - \$150,000
- Agreements
  - Johnson County Library
  - Anesthesia Associates of Kansas City, PC
  - Score 1 for Health

**SINGLE SOURCE PURCHASE REPORT: \$35,000 - \$150,000**  
**NOVEMBER 2022 COMMITTEE OF THE WHOLE (OCTOBER 31 )**

<b>Vendor</b>	<b>Description of Services / Policy 215.04 Exception #</b>	<b>Fund</b>	<b>Department</b>	<b>Amount</b>
Steven Barclay Agency	Midwest Trust Center lecture from Nigella Lawson. <i>#2b. Films, manuscripts, works of art, or books</i>	0601, Adult Supplementary Education Fund	1441, MTC Sales and Marketing	\$ 45,000.00
The Hundred Acre Company, LLC	Midwest Trust Center performance of Winnie the Pooh. <i>#2b. Films, manuscripts, works of art, or books</i>	0601, Adult Supplementary Education Fund	1441, MTC Sales and Marketing	\$ 82,014.90
Blackboard	For the Blackboard Ally product that focuses on making digital course content more accessible to people with disabilities. Ally seamlessly integrates into the Canvas Learning Management System (LMS) already utilized by the College. <i>#2c. Specific educational objectives</i> <i>#2d. Compatibility with existing equipment</i>	0201, General Fund	6403, Chief Information Officer	\$ 44,000.00
BNSF/NARS	For Continuing Education to provide BNSF Railway/NARS railroad-industry education training. BNSF Railway/NARS requires a level of proficiency in the railroad industry for railroad operations. These courses satisfy that proficiency requirement. <i>#2c. Specific educational objectives</i>	0601, Adult Supplementary Education Fund	1439, Continuing Ed - NARS	\$ 75,000.00
LaRoux K Gillespie	For Continuing Education to provide an 80-Hour deburring course to be delivered at JCCC. <i>#2c. Specific educational objectives</i>	0601, Adult Supplementary Education Fund	1408, Continuing Education Business Solutions	\$ 40,000.00
Living As A Leader	For Continuing Education to provide web-based leadership classes to students in FY23. Living As A Leader provides online training and 1:1 coaching for business clients and their employees as well as open enrollment participants. JCCC receives as revenue, the difference between the cost of the class and the price charged to the student. <i>#2c. Specific educational objectives</i> <i>#2d. Compatibility with existing equipment</i>	0601, Adult Supplementary Education Fund	1401, Continuing Education Online Vendor Courses	\$ 35,940.00

**SINGLE SOURCE PURCHASE REPORT: \$35,000 - \$150,000**  
**NOVEMBER 2022 COMMITTEE OF THE WHOLE (OCTOBER 31 )**

Vendor	Description of Services / Policy 215.04 Exception #	Fund	Department	Amount
Micro Data Systems	For Continuing Education to provide trainers and curriculum to deliver computer technology course subjects throughout FY23 for enrollment and customized contract business clients.  <i>#2c. Specific educational objectives</i>	0501, Truck Driver Training Course Fund	1409, Microcomputer Training	\$ 85,000.00
Saint Louis University Workforce Development Center	Strategic partnership allowing potential Continuing Education students the ability to participate in Saint Louis University Center for Workforce Development and Organizational Development public course offerings.  <i>#2c. Specific educational objectives</i>	0601, Adult Supplementary Education Fund	1409, Microcomputer Training	\$ 100,000.00
Gaumard Scientific	For a Pediatric HAL S3005 simulator package which is compatible with current software and simulators currently in the program. Gaumard is the sole source provider for this tetherless simulator.  <i>#2d. Compatibility with existing equipment</i>	0201, General Fund	1243, Practical Nursing	\$ 38,379.00
Rave Mobile Safety	3-year renewal for JCCC's campus emergency alert system which allows the college to quickly and reliably communicate emergency information and urgent messages to students, faculty, and staff.  <i>#2d. Compatibility with existing equipment</i>	0201, General Fund	6401, Enterprise Application Support	\$ 48,012.45
University Tickets.com	Since 2011 the College has utilized this box office ticket software eCommerce system - AudienceView. The College has an ongoing need to utilize this software to support box office ticket sales.  <i>#2d. Compatibility with existing equipment</i>	0601, Adult Supplementary Education Fund	1410, MTC Programming - Box Office	\$ 50,000.00
MHC Trucking	4 semi-tractors for Continuing Education's truck driver training program (3-month pilot program).  <i>#11. Negotiation would render a more favorable pricing</i>	0501, Truck Driver Training Course Fund	1404, Transportation-Continuing Ed	\$ 60,000.00
The Home Depot Pro	Georgia Pacific toilet tissue and roll towels for campus-wide usage. <i>CO-OP: Omnia Partners #2020002299</i>  <i>#12. Cooperative purchasing</i>	0201, General Fund	7301, Housekeeping Services	\$ 85,380.30

**SCI LAB SINGLE SOURCE PURCHASE REPORT: \$35,000+  
NOVEMBER 2022 COMMITTEE OF THE WHOLE (OCTOBER 31 )**

Vendor	Description of Services / Policy 215.04 Exception #	Fund	Department	Amount
Conference Technologies, Inc.	For additional audio video equipment and integrator support services pertaining to the SCI lab project. <i>BoT Approval: May 2022</i> <i>CO-OP: State of Kansas #042604</i>  <i>#12. Cooperative purchasing</i>	0201, General Fund	7725, SCI Remodeling	\$77,012.30

Committee of the Whole  
10/31/2022

AFFILIATION, ARTICULATION AND REVERSE TRANSFER, COOPERATIVE AND OTHER AGREEMENTS

**REPORT:**

The following agreements are intended to establish contractual relationships between JCCC and other organizations but are not processed by the procurement department and/or do not involve a payment by JCCC. They are categorized below as either Affiliation Agreements, Articulation and Reverse Transfer Agreements, Cooperative Agreements, or Other Agreements.

*OTHER AGREEMENTS*

*(Other contractual relationships that do not involve a payment and/or are not processed by the procurement department)*

<b>Organization/ Individual</b>	<b>Program(s)</b>	<b>Credit/ CE</b>	<b>New/Renewal and Term</b>	<b>Financial Impact/Additional Information</b>
Johnson County Library	Adult Education	CE	Calendar year beginning January 1, 2023	The proposed renewal extends a more than 37-year partnership with Johnson County Library in support of community literacy and adult education. <i>No money will be exchanged.</i> Johnson County Library would continue to provide dedicated space for adult education classes (adult basic education and preparation for a high school diploma as well as English language instruction for non-native speakers) at the Antioch and Gardner Libraries. Each partner would continue to promote literacy activities in support of the other.
Anesthesia Associates of Kansas City, PC	EMS	Credit	Renewal	MOU agreement for the College to pay \$1,000 stipend per student to AAKC for five years for educational opportunities.



Score 1 for Health	Dental Hygiene; Nursing	Credit	Renewal	Internship for the educational experience for the students enrolled in the Dental Hygiene; Nursing program.
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**RECOMMENDATION:**

**It is the recommendation of the College administration that the Board of Trustees authorize the College to enter into agreements as set forth above.**

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Elisa Waldman  
Vice President Workforce Development  
and Continuing Education

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L. Michael McCloud  
Executive Vice President of Academic  
Affairs/CAO

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Andrew W. Bowne  
President