

**Johnson County Community College  
Committee of the Whole  
November 29, 2021  
8:30 am  
Zoom Webinar**

- 8:30 Review Audited Financial Statements – Chester Moyer, Audit Partner, RubinBrown; Corey Robinson, Audit Manager, RubinBrown
- Recommendation: FY21 Annual Audit
- 9:00 Ruffalo Noel Levitz Student Satisfaction Survey – Natalie Alleman Beyers, Director, Institutional Planning & Research; Gina Brewer, Senior Planning and Research Analyst, Institutional Planning & Research
- 9:30 FY2022-2023 Budget Calendar and Guidelines – Rachel Lierz, Associate Vice President, Financial Services/CFO
- Recommendation: FY 2022-2023 Budget Guidelines
- 9:45 Review monthly purchasing recommendations – Janelle Vogler, Associate Vice President, Business Services
- Recommendation: John A. Marshall
  - Recommendation: Scott Rice
  - Recommendation: Kone, Inc.
  - Recommendation: Spaces
  - Recommendation: JCCC Gym Door Replacements
  - Recommendation: OHEC Simulation Room Remodel

Informational Items

- Single Source Purchase Reports under \$150,000
- Contract Renewals
- Other Agreements
- Curriculum
- Mill Levy and Assessed Valuation Update

Committee of the Whole  
November 29, 2021

Audit Recommendation FY21 Annual Audit

**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, 2021.

The Committee packet includes the draft reports and auditor communications, which will be presented by Mr. Chester Moyer, Audit Partner with RubinBrown, at the meeting on November 29.

**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, 2021.**

# Johnson County Community College



Year-End Meeting



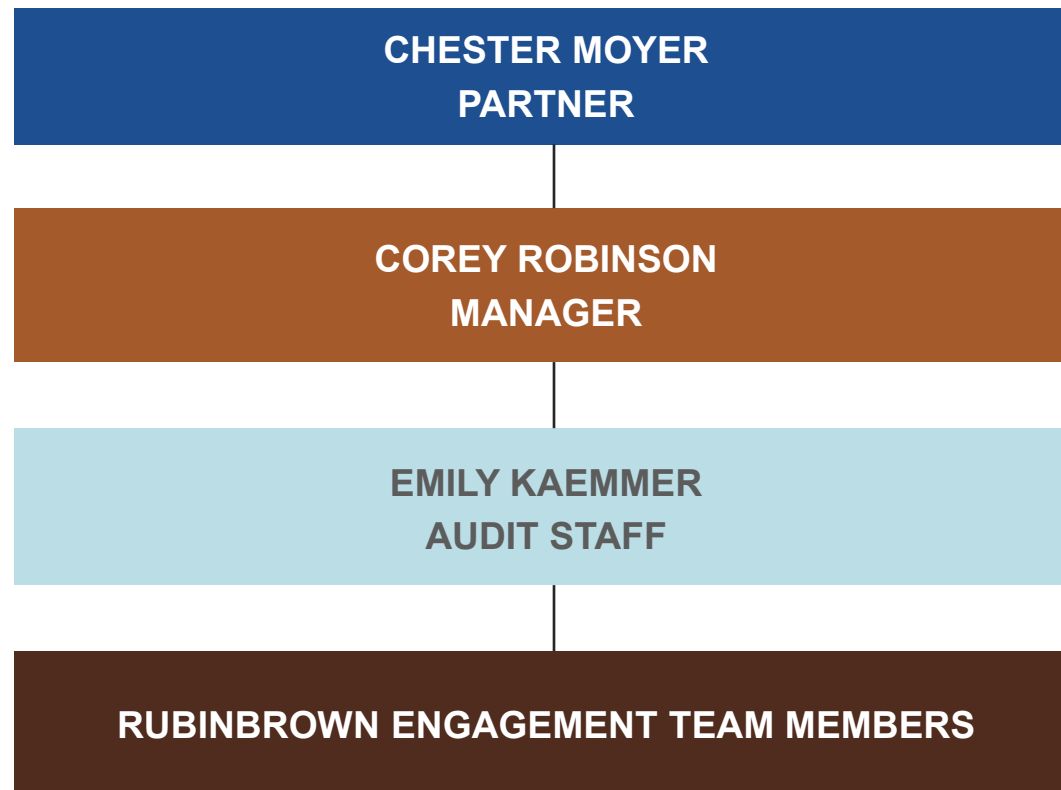
for the year ended  
June 30, 2021

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# Engagement Team



# Introduction

Board Of Trustees and Management  
Johnson County Community College  
Overland Park, Kansas

We are pleased to have the opportunity to present to you the results of our audit engagement of Johnson County Community College as of and for the year ended June 30, 2021. The accompanying report presents information regarding the scope of our audit and other matters, which summarizes the results of our audit engagement.

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

*RubinBrown LLP*

November 15, 2021

# Auditor Communications

Board Of Trustees and Management  
Johnson County Community College  
Overland Park, Kansas

We have audited the basic financial statements and the major federal programs of Johnson County Community College (the College) as of and for the years ended June 30, 2021 and 2020. Our audits were performed in accordance with auditing standards generally accepted in the United States of America, Uniform Guidance, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement and presented in accordance with accounting principles generally accepted in the United States of America and that the College complied, in all material respects, with the applicable compliance requirements of its major federal programs. Our audits included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. We also assessed the accounting principles used by the College and the significant estimates made by the College's management, as well as evaluated the overall financial statement presentation. The financial statements of Johnson County Community College Foundation were not audited in accordance with Government Auditing Standards.

Auditing standards require the auditor to ensure that those charged with corporate governance receive additional information regarding the scope and results of the audit that may assist the governing body in overseeing the financial reporting and disclosure process for which management is responsible. The following section describes matters which are required to be reported to you.

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

*RubinBrown LLP*

November 15, 2021

For Board Of Trustees And Management Use Only

# Auditor Communications *(Continued)*

AREA	COMMENTS
<p><b>Auditors' Responsibility Under U.S. Generally Accepted Auditing Standards, <i>Government Auditing Standards</i> And the Uniform Guidance</b></p> <p>Our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management, with your oversight, are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and that the College complied in all material respects with the applicable compliance requirements of its major federal programs. Our audit of the financial statements and compliance does not relieve you or management of responsibility for the accuracy of the financial statements or compliance with applicable requirements.</p> <p>Professional standards also require that we obtain a significant understanding of the College's internal controls to plan the audit. However, such understanding is required for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control. Accordingly, we express no assurance.</p>	<p>We expect to issue the following:</p> <ul style="list-style-type: none"> <li>■ An unmodified opinion on the College's financial statements for the year ended June 30, 2021</li> <li>■ A report on compliance and on internal control over financial reporting based on an audit of the financial statements in accordance with <i>Government Auditing Standards</i></li> <li>■ An unmodified opinion on compliance for each major program, a report on internal control over compliance, and an in-relation-to opinion on the schedule of expenditures of federal awards required by the Uniform Guidance</li> </ul>



# Auditor Communications *(Continued)*

AREA	COMMENTS
<b>Other Information In Documents Containing Audited Financial Statements</b>	To our knowledge, the 2021 financial statements are not included in any other document.
<b>Planned Scope And Timing Of The Audit</b>	We performed the audit according to the planned scope and timing previously communicated to the Board of Trustees on May 24, 2021 during our presentation regarding the nature, timing and extent of our audit procedures.
<b>Qualitative Aspects Of Accounting Practices</b> Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about appropriateness of accounting policies and their application.	<ul style="list-style-type: none"> <li>■ Significant accounting policies are described in Note 1.</li> <li>■ No new accounting policies were adopted, and the application of existing policies was not changed in the current year.</li> <li>■ We noted no transactions entered into during the year for which there was a lack of authoritative guidance or consensus.</li> <li>■ No significant transactions have been recognized in a different period than when the transactions occurred.</li> </ul>

# Auditor Communications *(Continued)*

AREA	COMMENTS
<p><b>Management Judgments And Accounting Estimates</b></p> <p>The preparation of the financial statements requires the use of accounting estimates. Certain estimates are particularly sensitive due to their significance to the financial statements and the possibility that future events may differ significantly from management's expectations.</p>	<p>The most notable estimates affecting the financial statements are:</p> <ul style="list-style-type: none"> <li>■ Depreciable lives used to calculate depreciation of buildings and equipment: Management's estimate of depreciable lives is based on the assets' estimated useful lives.</li> <li>■ Allowance for uncollectible student accounts receivable: Management has calculated an estimated amount of student accounts receivable that will not be collected in the future, utilizing historical collection percentages.</li> <li>■ Liability for pension and other post-employment benefits: Management has provided input for certain actuarial assumptions used in the calculation of these liabilities.</li> </ul> <p>We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.</p>

# Auditor Communications *(Continued)*

AREA	COMMENTS
<p><b>Financial Statement Disclosures</b>                      The disclosures are neutral, consistent and clear. Certain disclosures are particularly sensitive because of their significance to the financial statements users.</p>	<p>The most sensitive disclosures affecting the financial statements are:</p> <ul style="list-style-type: none"> <li>■ Deposits, Investments and Risk (Note 2)</li> <li>■ Long-term Obligations (Note 4)</li> <li>■ Defined Benefit Pension Plan (Note 5)</li> <li>■ Other Postemployment Benefit Plans (Note 6)</li> <li>■ Johnson County Community College Foundation (Note 10)</li> </ul>
<p><b>Difficulties Encountered In Performing The Audit</b></p>	<p>There were no difficulties encountered in dealing with management related to the performance of the audit.</p>

# Auditor Communications *(Continued)*

AREA	COMMENTS
Corrected And Uncorrected Misstatements	<p>Professional standards require us to accumulate factual, judgmental and projected misstatements identified during the audit, other than those that are trivial, communicate them to the appropriate level of management, and request their correction. There were no corrected misstatements considered to be material, either individually or in the aggregate. In addition, we are required to accumulate uncorrected misstatements, including the current-year effect of prior-periods' uncorrected misstatements, that management has determined are not material, both individually and in the aggregate, to the financial statements taken as a whole.</p> <p>Attached to this communication is an uncorrected misstatement, which is an estimate to decrease the allowance for doubtful accounts. The effect of uncorrected misstatement would increase a) Student Tuition and Fees, Net of Scholarship Allowances and b) Uncollectible Accounts and Accounts Receivable, Net of Uncollectible Accounts by \$300,000. Unrestricted net position would also increase by \$300,000.</p>

# Auditor Communications *(Continued)*

AREA	COMMENTS
Disagreements With Management	None
Management Representations	We will request certain representations from management that are included in a management representation letter. A copy of the draft representation letter is attached.
Management Consultations With Other Independent Accountants	None
Other Audit Findings Or Issues	There were no matters of significant discussion that affected our retention as the College's auditors.

# Federal Compliance

## Total federal expenditures of the College in the last 5 years:

- 2017: \$25,552,245
- 2018: \$24,176,245
- 2019: \$21,356,981
- 2020: \$24,067,534
- 2021: \$40,504,813

## Audit procedures performed:

- \$1,710,780 Coronavirus Relief Funds (Audited as a major program)
- \$19,249,416 Higher Education Relief Fund (Audited as a major program)
- \$17,736,455 Student Financial Aid Cluster (Other audit procedures)
- *Total of federal funds with audit procedures: \$38,696,651 (96% of total federal expenditures)*

## Results of Single Audit:

- We expect to issue an unmodified opinion
- 2021-001: Student Financial Aid - Enrollment Reporting: reporting submission made for 7 out of 37 students up to 2 days after the deadline. No questioned costs.
- 2021-002: Student Financial Aid - Return of Title IV Funds: return of funds to the Department of Education made for 2 out of 43 students 4 days after the deadline. No questioned costs.

# New Accounting Pronouncements

## GASB Statement No. 87, *Leases*

- Requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases.
- Establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset.
- Recognize a lease liability and an intangible right-to-use lease asset.
- Effective for periods beginning after June 15, 2021 (June 30, 2022 year end).

## GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*

- Defined as a contract that conveys control of the right to use another party's information technology.
- Recognize a subscription liability and a right-to-use subscription asset.
- Effective for periods beginning after June 15, 2022 (June 30, 2023 year end).

# Draft 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 financial statements of Johnson County Community College as of June 30, 2021 and 2020 and for the years then ended for the purpose of expressing an opinion as to whether the financial statements present fairly, in all material respects, the financial position of Johnson County Community College, its discretely presented component unit, the aggregate remaining funds, and the respective changes in financial position and cash flows thereof in conformity with U.S. generally accepted accounting principles. We confirm that we are responsible for the fair presentation of the previously mentioned financial statements in conformity with U.S. generally accepted accounting principles.

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. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

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.
- The financial statements referred to above have been fairly presented in accordance with U.S. GAAP and include all properly classified funds, required supplementary information, and notes to the basic financial statements.
- 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.
- 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 misstatement, which increases tuition and fees and unrestricted net position by \$300,000, is 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 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 the College's related parties and 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 in accordance with the Uniform Guidance.
  - c. We believe the schedule of expenditures of federal awards, including its form and content, is fairly presented in accordance with the Uniform Guidance.
  - d. The methods of measurement or presentation have not changed from those used in the prior period.

- e. We believe the significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.
- f. We are responsible for including the auditor's report on the schedule of expenditures of federal awards in any document that contains the schedule and that indicates that the auditor has reported on such information.
- g. We have identified and disclosed all of our government programs and related activities subject to the Uniform Guidance compliance audit.
- h. When the schedule of expenditures of federal awards is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the schedule of expenditures of federal awards no later than the date of issuance by the entity of the schedule of expenditures of federal awards and the auditor's report thereon.
- i. We have, in accordance with the Uniform Guidance, identified in the schedule of expenditures of federal awards, 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.
- j. We have provided to you our interpretations of any compliance requirements that are subject to varying interpretations.
- k. 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.
- l. We have received no requests from a federal agency to audit one or more specific programs as a major program.
- m. 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.
- n. 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.
- o. 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.
- p. 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.
- q. 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.
- r. We have properly classified amounts claimed or used for matching in accordance with related guidelines in the Uniform Guidance, as applicable.
- s. We have charged costs to federal awards in accordance with applicable cost principles.
- t. 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.

- u. 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.
- v. The reporting package does not contain personally identifiable information.
- w. 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.
- x. 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.
- y. 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.
- z. 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.
- aa. 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

Client: **20286.0000 - Johnson County Community College**  
 Engagement: **2021 AUD - Johnson County Community College**  
 Period Ending: **6/30/2021**  
 Trial Balance: **TB Database**  
 Workpaper: **3003 - Passed Journal Entries Report**

Account	Description	W/P Ref	Debit	Credit
<b>Passed Journal Entries JE # 9</b>		<b>4204</b>		
To record estimated reduction of allowance for doubtful accounts.				
15999-201	Allow for Uncollected Enrollment		300,000.00	
53270-201-62	Bad Debt Expense			300,000.00
<b>Total</b>			<b><u>300,000.00</u></b>	<b><u>300,000.00</u></b>

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**Johnson County Community College**

Financial Report  
June 30, 2021



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## **Independent Auditors' Report**

Board of Trustees  
Johnson County Community College  
Overland Park, Kansas

### **Report On The Financial Statements**

We have audited the accompanying 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 ended June 30, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

### ***Management's Responsibility For The Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the discretely presented component unit, Johnson County Community College Foundation, were not audited in accordance with *Government Auditing Standards*.

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

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

### ***Opinions***

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

### ***Other Matters***

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, 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, 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*

Our audit was conducted for the purpose of forming an opinion on the basic financial statements that collectively comprise the College's basic financial statements. The accompanying supplemental schedule of budgetary expenditures with appropriations, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied by us in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated \_\_\_\_\_\* 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.

\_\_\_\_\_\*

## Johnson County Community College

### Management's Discussion and Analysis Years Ended June 30, 2021 and 2020

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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, 2021 and 2020. It should be read in conjunction with the financial statements and footnote disclosures that follow. A comparative analysis to financial activity for the fiscal year ended June 30, 2019 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 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 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 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, 2021 and 2020

#### 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, 2021, 2020 and 2019 are as follows (in millions of dollars):

	2021	2020	2019	Change 2021-20	Change 2020-19
<b>ASSETS</b>					
Current assets	\$ 120.6	\$ 135.0	\$ 160.0	\$ (14.4)	\$ (25.0)
Capital assets, net	212.7	214.4	191.2	(1.7)	23.2
Other noncurrent assets	77.3	40.0	26.5	37.3	13.5
Total Assets	<u>\$ 410.6</u>	<u>\$ 389.4</u>	<u>\$ 377.7</u>	<u>\$ 21.2</u>	<u>\$ 11.7</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
	<u>\$ 1.2</u>	<u>\$ 1.4</u>	<u>\$ 1.0</u>	<u>\$ (0.2)</u>	<u>\$ 0.4</u>
<b>LIABILITIES</b>					
Current liabilities	\$ 15.5	\$ 16.9	\$ 20.6	\$ (1.4)	\$ (3.7)
Noncurrent liabilities	72.4	78.7	76.8	(6.3)	1.9
Total Liabilities	<u>\$ 87.9</u>	<u>\$ 95.6</u>	<u>\$ 97.4</u>	<u>\$ (7.7)</u>	<u>\$ (1.8)</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
	<u>\$ 1.7</u>	<u>\$ 1.2</u>	<u>\$ 0.8</u>	<u>\$ 0.5</u>	<u>\$ 0.4</u>
<b>NET POSITION</b>					
Net investment in capital assets	\$ 157.7	\$ 157.0	\$ 142.3	\$ 0.7	\$ 14.7
Restricted	14.8	13.8	12.0	1.0	1.8
Unrestricted	149.7	123.2	126.2	26.5	(3.0)
Total Net Position	<u>\$ 322.2</u>	<u>\$ 294.0</u>	<u>\$ 280.5</u>	<u>\$ 28.2</u>	<u>\$ 13.5</u>

#### 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, decreased by \$1.7 million during the fiscal year ending June 30, 2021 due to depreciation.

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 decreased by \$0.2 million in the current year.

## Johnson County Community College

### Management's Discussion and Analysis Years Ended June 30, 2021 and 2020

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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 \$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 \$15.5 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 \$6.3 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 fiscal year 2021, which is primarily due to increases in non-operating revenues from county property taxes and federal grants and contracts. 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 2020 Compared to Fiscal Year 2019**

#### **Assets**

Total current assets decreased to \$135.0 million as of June 30, 2020 from \$160.0 million as of June 30, 2019, primarily due to purchases of noncurrent investments.

Capital assets, net of accumulated depreciation, increased by \$23.2 million during the fiscal year ending June 30, 2020. The total cost value of capital assets increased by \$32 million due to various capital improvements to the College's campus connected to the Facilities Master Plan, including renovations to the Welding, Construction, Machining Technology Building and certain athletic facilities. Accumulated depreciation increased by \$8.7 million during the current year.

Other noncurrent assets increased to \$40.0 million as of June 30, 2020 from \$26.5 million as of June 30, 2019. 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 \$0.4 million in the current year.

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.

## Johnson County Community College

### Management's Discussion and Analysis Years Ended June 30, 2021 and 2020

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Deferred outflows related to OPEB were \$1.1 million and \$0.3 million as of June 30, 2020 and 2019, respectively. The balances for these deferred charges will be recognized as benefits expense in future years.

Deferred charges on bond refunding decreased by approximately \$0.3 million in the current year, largely due to the issuance of the Series 2019 Revenue Bonds, which refunded the Series 2011 Revenue Bonds on November 13, 2019.

#### Liabilities

Total current liabilities decreased to \$16.9 million as of June 30, 2020 from \$20.6 million as of June 30, 2019 due to timing of accounts payable.

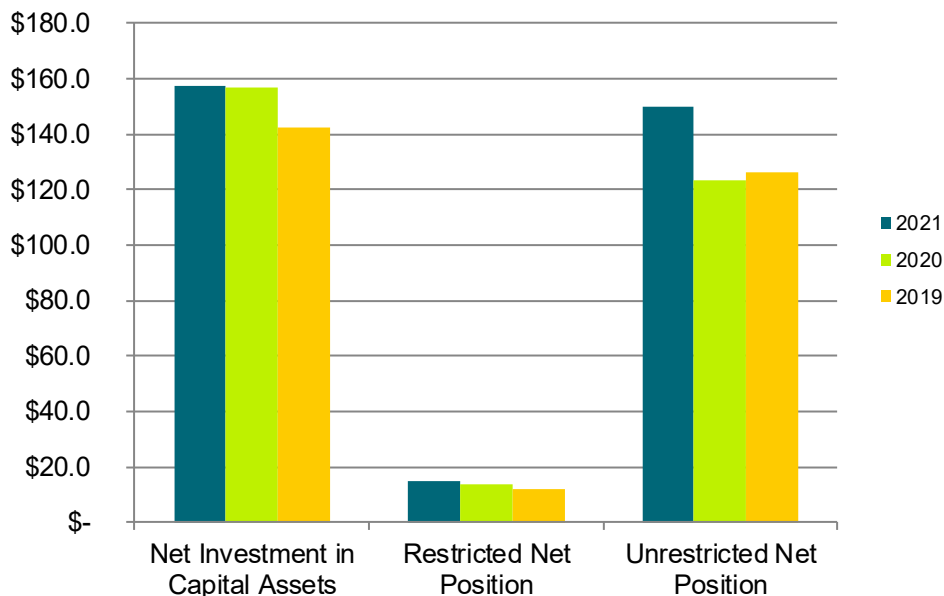
Noncurrent liabilities increased by \$1.9 million in fiscal year 2020 compared to fiscal year 2019, which was the net result of a new retirement benefit and scheduled maturities of long-term obligations.

#### Net Position

Total net position increased by \$13.5 million in 2020, which is primarily due to increases in non-operating revenues from county property taxes, state appropriations and federal grants and contracts. 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 2021, 2020 and 2019 (in millions of dollars):



## Johnson County Community College

### Management's Discussion and Analysis Years Ended June 30, 2021 and 2020

#### 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 2021, 2020 and 2019 (in millions of dollars):

	2021	2020	2019	Change 2021-20	Change 2020-19
Operating Revenues					
Student tuition and fees, net	\$ 30.4	\$ 31.9	\$ 33.2	\$ (1.5)	\$ (1.3)
Gifts, grants and contracts	0.9	1.6	1.5	(0.7)	0.1
Auxiliary enterprises	5.4	7.7	9.0	(2.3)	(1.3)
Other operating revenues	3.2	4.4	5.0	(1.2)	(0.6)
Total Operating Revenues	\$ 39.9	\$ 45.6	\$ 48.7	\$ (5.7)	\$ (3.1)
Less Operating Expenses	196.0	196.8	183.4	(0.8)	13.4
Operating Income (Loss)	\$(156.1)	\$(151.2)	\$(134.7)	\$ (4.9)	\$ (16.5)
Non-Operating Revenues (Expenses)					
County property taxes	\$ 115.5	\$ 108.7	\$ 106.7	\$ 6.8	\$ 2.0
State appropriations	36.6	37.2	35.3	(0.6)	1.9
Federal grants and contracts	33.3	15.8	13.3	17.5	2.5
Investment & other income	0.1	2.4	3.5	(2.3)	(1.1)
Interest on capital asset debt	(1.9)	(2.2)	(2.2)	0.3	-
Total Nonoperating revenues, net	\$ 183.6	\$ 161.9	\$ 156.6	\$ 21.7	\$ 5.3
Capital gifts	\$ 0.7	\$ 2.8	\$ 8.9	\$ (2.1)	\$ (6.1)
Change in Net Position	\$ 28.2	\$ 13.5	\$ 30.8	\$ 14.7	\$ (17.3)
Net Position, Beginning of Year	\$ 294.0	\$ 280.5	\$ 249.7	\$ 13.5	\$ 30.8
Net Position, End of Year	\$ 322.2	\$ 294.0	\$ 280.5	\$ 28.2	\$ 13.5

#### Revenues

##### 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 in 2021.

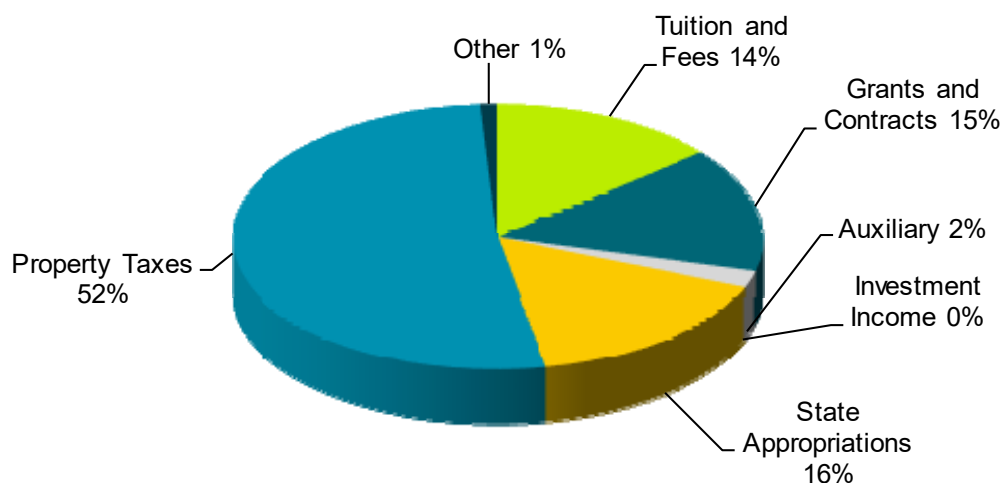


**Johnson County Community College**

**Management's Discussion and Analysis  
Years Ended June 30, 2021 and 2020**

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**Operating and Non-Operating Revenues  
June 30, 2021**



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 the increase in assessed valuation in Johnson County for the 2020 tax year. The College's tax levy increased slightly to 9.191 mills in 2021 from 9.121 mills 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 a revenue and expense for the payments made by the State to KPERs. 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 revenues were \$33.3 million in fiscal 2021, an increase of \$17.5 million over prior year. This increase was 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 were \$0.7 million in fiscal 2021 compared to \$2.8 million in fiscal 2020, representing contributions for construction of new facilities on the campus.

## Johnson County Community College

### Management's Discussion and Analysis Years Ended June 30, 2021 and 2020

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#### **Fiscal Year 2020 Compared to Fiscal Year 2019**

The College's operating and non-operating revenues were \$207.5 million for fiscal 2020, an increase of \$2.2 million from fiscal 2019. The College's three primary revenue sources accounted for 85% of total revenues in fiscal 2020. County property taxes were \$108.7 million, or 52%, of fiscal 2020 total revenues. State appropriations were \$37.2 million, or 18%, of total revenues, and student tuition and fees were \$31.9 million and accounted for 15% of total revenues in 2020.

Operating revenues from student tuition and fees decreased by \$1.3 million in fiscal 2020 due to a decline in student credit hour enrollment. Tuition and fee rates increased in fiscal 2020 by \$1 per credit hour for Johnson County residents, \$2 per credit hour for Kansas residents and \$3 per credit hour for out of state and international students.

Non-operating revenues increased by \$5.3 million to \$161.9 million. Revenue from county property taxes increased by 2%, or approximately \$2 million due to the increase in assessed valuation in Johnson County for the 2019 tax year. The College's tax levy was reduced by the Board of Trustees from 9.253 mills in 2019 to 9.121 mills in 2020.

Revenue from the state of Kansas was \$37.2 million in fiscal 2020 compared to \$35.3 million in fiscal 2019, an increase of approximately \$1.9 million. Contributions made by the state of Kansas on behalf of the College to KPERS were \$12.9 million in fiscal 2020 compared to \$11.8 million in fiscal 2019, an increase of \$1.1 million. The College records a revenue and expense for the payments made by the State to KPERS. The College's credit hour state operating grant revenue increased from \$21.3 million in 2019 to \$22.0 million in 2020 due to restoration of the remainder of the 4% reduction in funding implemented in 2017 and the allocation of new funding for higher education in the State's fiscal 2020 budget.

Federal grants and contracts revenue were \$15.8 million in fiscal 2020, an increase of \$2.5 million over prior year. This increase was primarily related to revenues of \$1.8 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 was flat at \$2.2 million in fiscal 2020 and 2019, respectively.

Capital gifts from the Johnson County Community College Foundation were \$2.8 million in fiscal 2020 compared to \$8.9 million in fiscal 2019, representing contributions for construction of new facilities on the campus.

## Johnson County Community College

### Management's Discussion and Analysis Years Ended June 30, 2021 and 2020

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#### Expenses

The following table presents the College's operating expenses by function for fiscal years 2021, 2020 and 2019 (in millions of dollars):

	2021	2020	2019	Change 2021-20	Change 2020-19
<b>Operating Expenses</b>					
Instruction	\$ 69.3	\$ 67.4	\$ 67.0	\$ 1.9	\$ 0.4
Community services	0.8	1.1	1.1	(0.3)	-
Academic support	27.2	25.9	26.8	1.3	(0.9)
Student services	17.4	16.9	16.0	0.5	0.9
Institutional support	38.5	39.8	30.6	(1.3)	9.2
Student financial aid	7.6	8.9	8.2	(1.3)	0.7
Plant and maintenance	10.2	12.9	12.1	(2.7)	0.8
Auxiliary	10.4	11.6	11.7	(1.2)	(0.1)
Depreciation	14.6	12.3	9.9	2.3	2.4
<b>Total Operating Expenses</b>	<b>\$ 196.0</b>	<b>\$ 196.8</b>	<b>\$ 183.4</b>	<b>\$ (0.8)</b>	<b>\$ 13.4</b>

#### 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.

As previously discussed, the State's KPERS pension contributions, which are included in operating expenses, decreased by \$0.3 million in the current year. The state of Kansas makes these contributions on behalf of the College. The College records an expense and revenue for the payments made by the State to KPERS. The decrease in plant and maintenance costs in fiscal 2021 was due to the impact of COVID-19 on campus operations.

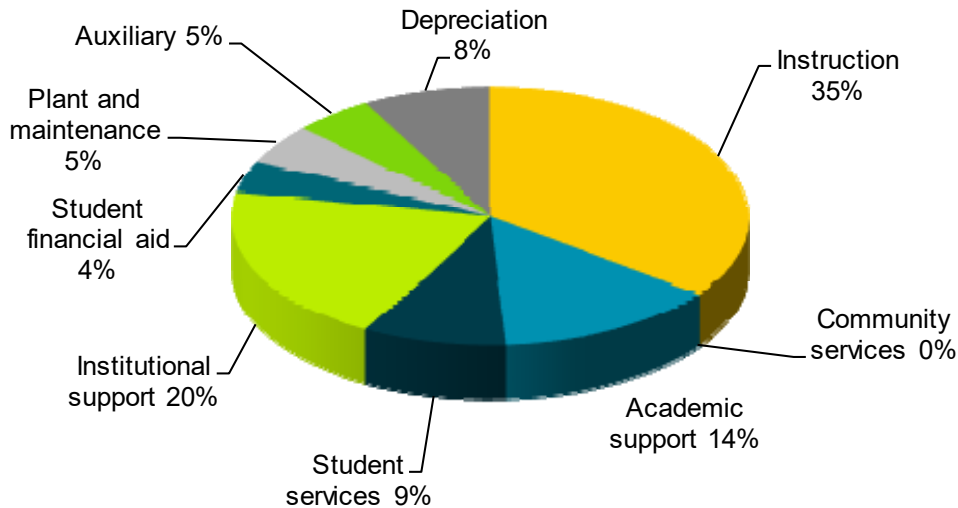
The increase in depreciation expense is consistent with the increase in cost of depreciable capital assets in fiscal 2021 as compared to fiscal 2020.

**Johnson County Community College**

**Management's Discussion and Analysis  
Years Ended June 30, 2021 and 2020**

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**Operating Expenses  
June 30, 2021**



**Fiscal Year 2020 Compared to Fiscal Year 2019**

Total operating expenses for fiscal 2020 were \$196.8 million, an increase of 7%, or approximately \$13.4 million compared to fiscal 2019.

As previously discussed, the State's KPERs pension contributions, which are included in operating expenses, increased by \$1.1 million in the current year. The state of Kansas makes these contributions on behalf of the College. The College records an expense and revenue for the payments made by the State to KPERs.

The \$9.4 million increase in institutional support expenses in fiscal 2020 was primarily due to the accrual of a new retirement benefit for employees meeting certain criteria and who are eligible to retire under the Kansas Public Employees Retirement System.

The increase in depreciation expense is consistent with the increase in cost of depreciable capital assets in fiscal 2020 as compared to fiscal 2019.

## Johnson County Community College

### Management's Discussion and Analysis Years Ended June 30, 2021 and 2020

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

The College's Capital Assets and Long-Term Debt as of June 30, 2021, 2020 and 2019 were as follows (in millions of dollars):

	2021	2020	2019	Change 2021-20	Change 2020-19
<b>Capital Assets</b>					
Land	\$ 1.0	\$ 1.0	\$ 1.0	\$ -	\$ -
Construction in progress	2.1	6.4	14.2	(4.3)	(7.8)
Works of art	3.8	3.8	3.8	-	-
Land improvements	53.0	52.4	39.6	0.6	12.8
Buildings and improvements	298.8	285.7	257.3	13.1	28.4
Equipment	30.3	29.2	30.6	1.1	(1.4)
<b>Total Capital Assets</b>	<b>389.0</b>	<b>378.5</b>	<b>346.5</b>	<b>10.5</b>	<b>32.0</b>
Less accumulated depreciation	176.3	164.1	155.4	12.2	8.7
<b>Net Capital Assets</b>	<b>\$ 212.7</b>	<b>\$ 214.4</b>	<b>\$ 191.1</b>	<b>\$ (1.7)</b>	<b>\$ 23.3</b>
	2021	2020	2019	Change 2021-20	Change 2020-19
<b>Long-Term Debt</b>					
Revenue bonds	\$ 11.5	\$ 12.8	\$ 14.2	\$ (1.3)	\$ (1.4)
Certificates of participation	50.7	52.8	53.0	(2.1)	(0.2)
General obligation capital outlay bonds	-	1.9	4.0	(1.9)	(2.1)
<b>Total Long-Term Debt</b>	<b>\$ 62.2</b>	<b>\$ 67.5</b>	<b>\$ 71.2</b>	<b>\$ (5.3)</b>	<b>\$ (3.7)</b>

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

As of June 30, 2021, the College had \$389.0 million invested in capital assets and \$176.3 million in accumulated depreciation, for total net capital assets of \$212.7 million. The increase in buildings and improvements is a result of projects in construction in progress being completed and transferred to this depreciable asset category during fiscal 2021. In total, net capital assets decreased by \$1.7 million in fiscal 2021 due to depreciation.

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 \$5.3 million in fiscal 2021 due to scheduled maturities on long-term obligations. No new bonds were issued during fiscal 2021.

As of June 30, 2021, the College's outstanding Series 2017 Certificates of Participation were rated Aa1 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, 2021 and 2020**

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#### **Fiscal Year 2020 Compared to Fiscal Year 2019**

As of June 30, 2020, the College had \$378.5 million invested in capital assets and \$164.1 million in accumulated depreciation, for total net capital assets of \$214.4 million. Total net capital assets increased by \$23.3 million in fiscal 2020 due to various new construction and capital improvement projects.

The College's long-term debt decreased by \$3.7 million in fiscal 2020 due to scheduled maturities on long-term obligations.

#### **Current Issues**

The College's Board of Trustees passed a \$188.3 million general fund operating budget for fiscal year 2022. The College's largest source of revenue, county property taxes, is expected to increase due to continued growth in assessed valuation in Johnson County.

The College's fiscal 2022 budget did not change the existing per credit hour student tuition rates.

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 to June 2020, the College campus was closed, and students, faculty and staff were moved to remote operations. Since July 2020, the College has operated in a modified hybrid environment, offering both face-to-face and virtual instruction and operations.

COVID-19 continues to impact enrollment and operations. College leadership continues to monitor the coronavirus threat and adjust the institutional response as circumstances dictate.

In September 2021, the College received a ratings downgrade from Moody's Investors Service on the outstanding Series 2017 Certificates of Participation from Aa1 to Aa2 in accordance with the release of Moody's Higher Education Methodology. The outlook remained 'stable'.

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**

The College administration continues to monitor the State of Kansas budget, specifically the impact of COVID-19 on State revenues, to consider the future impact of State funding on the College's budget.

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, specifically the impact of COVID-19 on the unemployment rate, to consider the future impact on the College budget.

Revenues from county property taxes represent 52% 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, specifically the impact of COVID-19 on assessed valuations and delinquent payment rates, to attempt to forecast the future funding impact on the College.

**Johnson County Community College**

**Management's Discussion and Analysis  
Years Ended June 30, 2021 and 2020**

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**Contacting Financial Management**

This financial report is designed to provide bondholders, students, community members, and other interested parties with a general overview of Johnson County Community College's finances and to demonstrate the College's accountability for the funds it receives. Questions concerning any information provided in this report should be addressed to the Financial Services Department, 12345 College Blvd., Overland Park, Kansas 66210, (913) 469-8500.

Johnson County Community College

Statements of Net Position  
June 30, 2021 and 2020

	2021	2020
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 19,124,809	\$ 103,319,155
Investments	88,511,814	24,003,394
Accounts receivable, net of uncollectible accounts 2021 \$2,968,391; 2020 \$3,184,282	11,466,668	6,066,497
Inventories	1,208,350	1,374,301
Other assets	337,683	213,250
<b>Total Current Assets</b>	<b>120,649,324</b>	<b>134,976,597</b>
<b>Noncurrent Assets</b>		
Investments	66,392,860	24,997,663
Restricted cash and cash equivalents	832,347	5,050,418
Restricted investments	10,000,000	9,993,850
Capital assets not being depreciated	6,911,946	11,223,498
Capital assets being depreciated	382,128,159	367,265,370
Less accumulated depreciation	(176,322,034)	(164,078,709)
<b>Total Noncurrent Assets</b>	<b>289,943,278</b>	<b>254,452,090</b>
<b>Total Assets</b>	<b>410,592,602</b>	<b>389,428,687</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred charges on refunding	13,203	26,406
Deferred outflows - pension plan	159,038	257,075
Deferred outflows - postemployment benefit plan	996,755	1,146,532
<b>Total Deferred Outflows of Resources</b>	<b>1,168,996</b>	<b>1,430,013</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts payable	2,134,932	3,914,204
Accrued salaries	4,204,244	3,987,707
Accrued compensated absences	2,068,322	519,608
Other accrued liabilities	577,209	669,464
Unearned student tuition and fee revenue	2,954,565	2,577,319
Deposits held in custody for others	329,920	255,508
Current portion of revenue bonds payable	1,270,000	1,240,000
Current portion of certificates of participation	1,970,000	1,875,000
Current portion of general obligation capital outlay bonds	-	1,930,000
<b>Total Current Liabilities</b>	<b>15,509,192</b>	<b>16,968,810</b>
<b>Noncurrent Liabilities</b>		
Accrued compensated absences	8,237,526	10,174,654
Net pension liability	318,080	703,558
Revenue bonds payable	10,183,749	11,595,552
Certificates of participation	48,731,752	50,876,549
OPEB liability	4,886,566	5,352,757
<b>Total Noncurrent Liabilities</b>	<b>72,357,673</b>	<b>78,703,070</b>
<b>Total Liabilities</b>	<b>87,866,865</b>	<b>95,671,880</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows - pension plan	641,455	451,749
Deferred inflows - OPEB related	1,050,463	753,711
<b>Total Deferred Inflows of Resources</b>	<b>1,691,918</b>	<b>1,205,460</b>
<b>NET POSITION</b>		
Net investment in capital assets	157,696,790	156,963,731
Restricted, expendable for:		
Capital projects	10,043,672	9,373,565
Loan funds and other	4,783,680	4,475,547
Unrestricted	149,678,673	123,168,517
<b>Total Net Position</b>	<b>\$ 322,202,815</b>	<b>\$ 293,981,360</b>



Johnson County Community College

Johnson County Community College Foundation - Component Unit

Statements of Financial Position  
June 30, 2021 and 2020

	2021	2020
<b>ASSETS</b>		
Cash and cash equivalents	\$ 2,335,132	\$ 1,735,133
Promises to give, net	1,028,214	1,083,400
Other receivable	13,505	-
Investments	38,076,721	30,145,589
Accrued interest receivable	66,280	67,601
Inventory	4,305	5,202
Campus artwork	5,857,676	5,491,417
Other assets	89,256	104,557
Cash surrender value of life insurance	10,751	10,924
Intangible assets	30,556	34,376
<b>Total Assets</b>	<b>47,512,396</b>	<b>38,678,199</b>
<b>LIABILITIES</b>		
Accounts payable	907,358	75,214
<b>Total Liabilities</b>	<b>907,358</b>	<b>75,214</b>
<b>NET ASSETS</b>		
Without donor restrictions	6,798,239	5,201,737
With donor restrictions	39,806,799	33,401,248
<b>Total Net Assets</b>	<b>46,605,038</b>	<b>38,602,985</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 47,512,396</b>	<b>\$ 38,678,199</b>

See Notes to Financial Statements.

**Johnson County Community College**

**Statements of Revenues, Expenses and Changes in Net Position  
Years Ended June 30, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
<b>REVENUES</b>		
<b>Operating Revenues</b>		
Student tuition and fees, net of scholarship allowances and uncollectible accounts 2021 \$3,775,867; 2020 \$4,811,429	\$ 30,410,857	\$ 31,849,560
State grants and contracts	388,507	367,615
Private gifts, grants and contracts	452,038	1,156,242
Local grants and contracts	51,245	62,925
Auxiliary enterprises	5,357,617	7,664,462
Other operating revenue	3,269,272	4,457,189
<b>Total Operating Revenues</b>	<u>39,929,536</u>	<u>45,557,993</u>
<b>EXPENSES</b>		
<b>Operating Expenses</b>		
Salaries	90,709,989	90,911,437
Benefits	42,671,974	49,450,822
Contractual services	8,128,249	8,515,114
Supplies and other operating expenses	17,218,293	15,816,725
Auxiliary enterprises	4,173,799	4,457,663
Utilities	2,814,895	2,919,143
Repairs and maintenance to plant	1,475,166	2,120,313
Scholarships and financial aid	14,274,307	10,285,612
Depreciation	14,568,730	12,313,788
<b>Total Operating Expenses</b>	<u>196,035,402</u>	<u>196,790,617</u>
<b>Operating Loss</b>	<u>(156,105,866)</u>	<u>(151,232,624)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
County property taxes	115,456,137	108,752,523
State appropriations	36,601,366	37,169,270
Federal grants and contracts	33,319,131	15,774,946
Investment income	63,572	2,353,203
Interest on capital asset debt	(1,862,885)	(2,162,467)
<b>Total Nonoperating Revenues, Net</b>	<u>183,577,321</u>	<u>161,887,475</u>
<b>Income Before Capital Appropriations and Gifts</b>	<u>27,471,455</u>	<u>10,654,851</u>
<b>CAPITAL APPROPRIATIONS AND GIFTS</b>		
Capital gifts	750,000	2,801,770
<b>Total Capital Appropriations and Gifts</b>	<u>750,000</u>	<u>2,801,770</u>
<b>Increase in Net Position</b>	28,221,455	13,456,621
<b>Net Position at Beginning of Year</b>	293,981,360	280,524,739
<b>Net Position at End of Year</b>	<u>\$ 322,202,815</u>	<u>\$ 293,981,360</u>

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>			
Gifts and contributions	\$ 91,677	\$ 3,176,690	\$ 3,268,367
Contributed services	755,208	-	755,208
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

Johnson County Community College Foundation - Component Unit

Statement of Activities

Year Ended June 30, 2020

	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUE</b>			
Gifts and contributions	\$ 175,561	\$ 3,002,725	\$ 3,178,286
Contributed services	706,213	-	706,213
Dividend and interest income	183,557	583,496	767,053
Net realized and unrealized gains on investments	76,817	311,338	388,155
Net assets released from restrictions	5,420,742	(5,420,742)	-
<b>Total Support and Revenue</b>	<b>6,562,890</b>	<b>(1,523,183)</b>	<b>5,039,707</b>
<b>EXPENSES</b>			
<b>Program expenses</b>			
Scholarship programs	1,388,081	-	1,388,081
Foundation programming	43,302	-	43,302
Performing arts programs	386,049	-	386,049
Visual arts programs	104,010	-	104,010
Capital projects	2,801,770	-	2,801,770
Educational program support	438,993	-	438,993
Project support	15,177	-	15,177
<b>Total Program Expenses</b>	<b>5,177,382</b>	<b>-</b>	<b>5,177,382</b>
<b>Supporting Services</b>			
Fundraising	760,538	-	760,538
Management and general	388,246	-	388,246
<b>Total Supporting Services</b>	<b>1,148,784</b>	<b>-</b>	<b>1,148,784</b>
<b>Total Expenses</b>	<b>6,326,166</b>	<b>-</b>	<b>6,326,166</b>
<b>Change in Net Assets</b>	<b>236,724</b>	<b>(1,523,183)</b>	<b>(1,286,459)</b>
<b>Net Assets - Beginning of Year</b>	<b>4,965,013</b>	<b>34,924,431</b>	<b>39,889,444</b>
<b>Net Assets - End of Year</b>	<b>\$ 5,201,737</b>	<b>\$ 33,401,248</b>	<b>\$ 38,602,985</b>

See Notes to Financial Statements.

Johnson County Community College

Statements of Cash Flows  
Years Ended June 30, 2021 and 2020

	2021	2020
<b>CASH FLOWS (USED IN) OPERATING ACTIVITIES</b>		
Student tuition and fees	\$ 31,070,322	\$ 31,618,082
Payments to suppliers	(27,249,572)	(28,027,962)
Payments to employees	(90,493,452)	(90,934,929)
Payments for scholarships and financial aid	(14,274,307)	(10,285,612)
Payments for employee benefits	(43,327,562)	(41,436,216)
Payments for utilities	(2,811,077)	(2,926,147)
Auxiliary enterprises	1,114,854	3,383,086
Grants and contracts	797,076	1,644,514
Other receipts, net	2,849,985	4,447,716
<b>Net Cash (Used in) Operating Activities</b>	<b>(142,323,733)</b>	<b>(132,517,468)</b>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>		
County property taxes	115,035,709	108,680,467
State appropriations	36,601,366	37,169,270
Grants and contracts	27,579,330	14,852,762
Funds held for (returned to) others	74,412	(156,093)
<b>Net Cash From Non-Capital Financing Activities</b>	<b>179,290,817</b>	<b>160,546,406</b>
<b>CASH FLOWS (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Purchases of capital assets	(13,124,181)	(39,575,911)
Proceeds from the sale of capital assets	132,866	-
Proceeds from capital gifts	750,000	2,801,770
Proceeds from revenue bonds	-	8,565,000
Principal paid on bonds payable	(3,170,000)	(12,495,000)
Principal paid on certificates of participation	(1,875,000)	(115,000)
Interest paid on bonds payable	(252,653)	(716,647)
Interest paid on certificates of participation	(1,986,397)	(2,035,547)
Issuance costs, fees and premiums	-	910,087
<b>Net Cash (Used in) Capital and Related Financing Activities</b>	<b>(19,525,365)</b>	<b>(42,661,248)</b>
<b>CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES</b>		
Proceeds from sale (purchase) of investments	(105,909,767)	(58,994,907)
Interest on investments	55,631	2,611,682
<b>Net Cash From (Used In) Investing Activities</b>	<b>(105,854,136)</b>	<b>(56,383,225)</b>
<b>Decrease in Cash and Cash Equivalents</b>	<b>(88,412,417)</b>	<b>(71,015,535)</b>
<b>Cash and Cash Equivalents - Beginning of Year</b>	<b>108,369,573</b>	<b>179,385,108</b>
<b>Cash and Cash Equivalents - Ending of Year</b>	<b>\$ 19,957,156</b>	<b>\$ 108,369,573</b>

(Continued)

**Johnson County Community College**

**Statements of Cash Flows (Continued)  
Years Ended June 30, 2021 and 2020**

	2021	2020
<b>RECONCILIATION OF OPERATING (LOSS) TO NET CASH (USED IN) OPERATING ACTIVITIES</b>		
Operating (loss)	<b>\$ (156,105,866)</b>	<b>\$ (151,232,624)</b>
Adjustments to reconcile operating (loss) to net cash (used in) operating activities:		
Depreciation expense	<b>14,568,730</b>	12,313,788
Changes in assets and liabilities:		
Accounts receivable, net	<b>768,000</b>	(94,689)
Other assets	<b>(124,433)</b>	143,283
Inventories	<b>165,951</b>	166,200
Accounts payable	<b>(1,664,600)</b>	(722,006)
Accrued salaries	<b>216,537</b>	(23,492)
Accrued compensated absences	<b>(388,414)</b>	7,128,896
Other accrued liabilities	<b>(32,690)</b>	(187,814)
Net pension liability	<b>(385,478)</b>	(259,700)
Unearned student tuition and fee revenue	<b>377,246</b>	(356,979)
OPEB liability	<b>(466,191)</b>	601,277
Deferred outflows of resources:	<b>261,017</b>	(411,484)
Deferred inflows of resources:	<b>486,458</b>	417,876
<b>Net Cash (Used in) Operating Activities</b>	<b><u>\$ (142,323,733)</u></b>	<b><u>\$ (132,517,468)</u></b>
 Schedule of Noncash Capital and Related Items, accounts payable and other liabilities related to capital asset acquisitions	 <b>\$ 1,113,617</b>	 <b>\$ 1,228,290</b>

See Notes to Financial Statements.

**Johnson County Community College  
Retiree Benefit Trust  
Statements of Fiduciary Net Position  
June 30, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
<b>ASSETS</b>		
Cash restricted for employee health benefits	<u>\$ 1,548,787</u>	<u>\$ 1,384,272</u>
<b>Total Assets</b>	<u>1,548,787</u>	<u>1,384,272</u>
<b>NET POSITION</b>		
Held in trust for employee health benefits	<u>\$ 1,548,787</u>	<u>\$ 1,384,272</u>

See Notes to Financial Statements.

**Johnson County Community College  
Retiree Benefit Trust  
Statements of Changes in Fiduciary Net Position  
June 30, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
<b>ADDITIONS</b>		
<b>Contributions</b>		
Employer	<u>\$ 508,096</u>	<u>\$ 418,632</u>
<b>Total contributions</b>	<u>508,096</u>	<u>418,632</u>
<b>DEDUCTIONS:</b>		
Benefit payments	<u>343,581</u>	<u>271,006</u>
<b>Total deductions</b>	<u>343,581</u>	<u>271,006</u>
<b>Change in net position</b>	<b>164,515</b>	<b>147,626</b>
<b>Net Position, Beginning of Year</b>	<b>1,384,272</b>	<b>1,236,646</b>
<b>Net Position, End of Year</b>	<u><u><b>\$ 1,548,787</b></u></u>	<u><u><b>\$ 1,384,272</b></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, 2021 and 2020, the College received direct contributions from the Foundation of \$2,967,702 and \$5,118,903, 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 10) 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 has classified revenues as either operating or nonoperating revenues. Operating revenues include activities that have the characteristics of exchange transactions, such as (1) student tuition and fees, net of scholarship discounts and allowances, (2) sales and services of auxiliary enterprises, net of cost of goods sold, and (3) federal, state and local grants and contracts. Non-operating revenues include activities that have the characteristics of non-exchange transactions, such as state appropriations, federal grants and contracts, investment income and county property taxes.

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, 2021 and 2020 were \$11,501,601 and \$14,571,122, 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, 2021 and 2020 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 52% its financial support (exclusive of investment income) from property taxes during the years ended June 30, 2021 and 2020, respectively.

## Johnson County Community College

### Notes to Financial Statements

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

The tax rates for the fiscal years ended June 30, 2021 and 2020, expressed in mills per \$1,000 of assessed valuation, are reflected in the following table:

Fund	2021	2020
General	8.652	8.586
Capital outlay	0.505	0.501
Special assessment	0.034	0.034
<b>Total Mill Levy</b>	<b>9.191</b>	<b>9.121</b>

#### 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, are transactions that result from exchange transactions, such as payments received for providing services and payments made for services or goods received. Nonoperating activities include certain Federal grants consisting primarily of Pell grants and SEOG grants, state appropriations, property taxes and interest earnings.

## Johnson County Community College

### Notes to Financial Statements

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

##### 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.

##### 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. 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
Computer technology	4

#### 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.

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, 2021 and 2020, the College had recorded a vacation liability of \$4,649,712 and \$4,281,958, 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, 2021 and 2020, the College had recorded a retirement benefit liability of \$5,656,136 and \$6,412,304, respectively.

## Johnson County Community College

### Notes to Financial Statements

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

##### **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, 2021 and 2020.

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.

##### **Recent accounting pronouncements:**

Effective July 1, 2019, the College implemented the provisions of GASB Statement No. 84, *Fiduciary Activities*. This statement changes the definition of fiduciary activities, providing more refined guidance on how to determine if an activity is fiduciary in nature and therefore should be reported as such. Under this guidance, all fiduciary funds will now report a statement of net position and a statement of changes in net position. Implementation of this guidance resulted in the reporting of the Johnson County Community College Retiree Benefit Trust as a fiduciary fund which was not previously required to be reported. The Johnson County Community College Retiree Benefit Trust was established to hold funds on behalf of former employees to fund benefits provided through a health reimbursement arrangement.

##### **Reclassification:**

Certain amounts in the June 30, 2020 Statements of Net Position, Statements of Revenues, Expenses and Changes in Net Position and Statements of Cash Flows have been reclassified with no effect on net position in order to conform to June 30, 2021 classifications.

## Johnson County Community College

### Notes to Financial Statements

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#### 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, 2021 and 2020 are reflected in the following table at cost. Actual bank statement balances for total deposits at June 30, 2021 and 2020 were \$20,373,552 and \$103,283,426, 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.

	2021	2020
Deposits with financial institutions:		
Cash and cash equivalents	\$ 19,953,917	\$ 17,868,145
Certificates of Deposit:		
Bank of Kansas City	-	7,000,000
Capitol Federal Savings	-	30,000,000
Commerce Bank	104,774,000	69,003,391
<b>Total deposits with financial institutions</b>	<b>124,727,917</b>	<b>123,871,536</b>
Amounts that are not deposits but are classified as cash and cash equivalents:		
U.S. Treasury Bills	-	3,999,264
Kansas Municipal Investment Pool	3,239	2,502,164
Less deposits classified as investments:		
Certificates of Deposit	(104,774,000)	(22,003,391)
<b>Total cash and cash equivalents</b>	<b>\$ 19,957,156</b>	<b>\$ 108,369,573</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, 2021 and 2020. 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, 2021 and 2020.

## 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 an original 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, 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, 2021 and 2020, 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, 2021 and 2020, the College had investments in the Kansas Municipal Investment Pool – Overnight Pool, which mature in less than one year, of \$3,239 and \$2,502,164, respectively. Included in the Kansas Municipal Investment Pool investment balance at June 30, 2021 and 2020 were unspent bond funds of \$0 and \$1,252,830, respectively.

A summary of deposits and investments at June 30, 2021 and 2020 is as follows:

	2021	2020
Deposits:		
Cash and cash equivalents	\$ 19,953,917	\$ 17,868,145
Certificates of Deposit	-	84,000,000
Investments:		
Certificates of Deposit	104,774,000	22,003,391
Repurchase Agreements	16,000,000	-
Kansas Municipal Investment Pool	3,239	2,502,164
U.S. Treasury Bills	-	13,993,114
U.S. Treasury Notes	30,168,273	-
Federal Farm Credit Bank	11,721,610	24,444,975
Federal Home Loan Mortgage Corporation	-	2,552,691
Tennessee Valley Authority	2,240,791	-
<b>Total Deposits and Investments</b>	<b>\$ 184,861,830</b>	<b>\$ 167,364,480</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 College's investments in the Kansas Municipal Investment Pool were rated AAf/S1+ by Standard & Poor's at June 30, 2021 and 2020. The Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation and Tennessee Valley Authority investments were rated AAA by Moody's at June 30, 2021 and 2020.

#### Concentration of credit risk:

At June 30, 2021 and 2020, there were no investments that exceed 5% of total investments that are not explicitly guaranteed by the United States Government other than the investments with Federal Farm Credit Bank and certificates of deposit. At June 30, 2021, repurchase agreements 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. The investments in the Kansas Municipal Investment Pool, certificates of deposit, and repurchase agreements are not required to be included in the fair value leveling table. 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, 2021 are as follows:

	June 30, 2021			
	Level 1	Level 2	Level 3	Total
Investments:				
U.S. Treasury Bills	\$ -	\$ 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>

Fair values of investments at June 30, 2020 are as follows:

	June 30, 2020			
	Level 1	Level 2	Level 3	Total
Investments:				
U.S. Treasury Notes	\$ -	\$ 13,993,114	\$ -	\$ 13,993,114
Federal Farm Credit Bank	-	24,444,975	-	24,444,975
Federal Home Loan Mortgage Corporation	-	2,552,691	-	2,552,691
<b>Total</b>	<b>\$ -</b>	<b>\$ 40,990,780</b>	<b>\$ -</b>	<b>\$ 40,990,780</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, 2021 and 2020:

	June 30, 2020	Additions/ Transfers	Retirements	June 30, 2021
	Ending Balance			Ending Balance
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 computer 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 computer 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>
<b>Capital Assets, Net</b>	<b>\$ 214,410,159</b>	<b>\$ 4,646,562</b>	<b>\$ (6,338,650)</b>	<b>\$ 212,718,071</b>

**Johnson County Community College**

**Notes to Financial Statements**

**Note 3. Capital Assets (Continued)**

	June 30, 2019 Ending Balance	Additions/ Transfers	Retirements	June 30, 2020 Ending Balance
<b>Capital assets not being depreciated:</b>				
Land	\$ 1,028,265	\$ -	\$ -	\$ 1,028,265
Construction in progress	14,238,970	4,927,608	(12,758,097)	6,408,481
Works of art	3,784,752	2,000	-	3,786,752
<b>Total Assets not Being Depreciated</b>	<b>19,051,987</b>	<b>4,929,608</b>	<b>(12,758,097)</b>	<b>11,223,498</b>
<b>Capital assets being depreciated:</b>				
Land improvements	39,598,831	12,768,134	-	52,366,965
Buildings and improvements	257,291,819	28,454,986	-	285,746,805
Equipment, furniture and computer technology	30,596,739	2,035,202	(3,480,341)	29,151,600
<b>Total Assets Being Depreciated</b>	<b>327,487,389</b>	<b>43,258,322</b>	<b>(3,480,341)</b>	<b>367,265,370</b>
<b>Less accumulated depreciation:</b>				
Land improvements	25,675,538	1,115,422	-	26,790,960
Buildings and improvements	107,017,379	8,397,965	-	115,415,344
Equipment, furniture and computer technology	22,672,984	2,678,542	(3,479,121)	21,872,405
<b>Total Accumulated Depreciation</b>	<b>155,365,901</b>	<b>12,191,929</b>	<b>(3,479,121)</b>	<b>164,078,709</b>
<b>Capital Assets, Net</b>	<b>\$ 191,173,475</b>	<b>\$ 35,996,001</b>	<b>\$ (12,759,317)</b>	<b>\$ 214,410,159</b>

The College had no capitalized interest related to construction projects for the years ended June 30, 2021 and 2020, respectively.

**Johnson County Community College**

**Notes to Financial Statements**

**Note 4. Long-Term Obligations**

Long-term obligations consist of the following categories at June 30, 2021 and 2020:

<b>Long-Term Obligations</b>	July 1, 2020 Beginning Balance	Additions	Reductions	June 30, 2021 Ending Balance	Amounts Due Within One Year
<b>Revenue Bonds:</b>					
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>
<b>Certificates of Participation:</b>					
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>
<b>General Obligation Bonds:</b>					
Series 2016 Capital Outlay	1,930,000	-	(1,930,000)	-	-
Premium on Series 2016 Capital Outlay	-	-	-	-	-
<b>Total General Obligation Bonds</b>	<b>1,930,000</b>	<b>-</b>	<b>(1,930,000)</b>	<b>-</b>	<b>-</b>
<b>Other Accrued Liabilities:</b>					
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 Accrued Liabilities</b>	<b>16,750,577</b>	<b>2,517,662</b>	<b>(3,757,745)</b>	<b>15,510,494</b>	<b>2,068,322</b>
<b>Total Long-Term Obligations</b>	<b>\$ 84,267,678</b>	<b>\$ 2,517,662</b>	<b>\$ (9,119,345)</b>	<b>\$ 77,665,995</b>	<b>\$ 5,308,322</b>

Johnson County Community College

Notes to Financial Statements

Note 4. Long-Term Obligations (Continued)

<b>Long-Term Obligations</b>	July 1, 2019 Beginning Balance	Additions	Reductions	June 30, 2020 Ending Balance	Amounts Due Within One Year
Revenue Bonds:					
Series 2011	\$ 9,425,000	\$ -	\$ (9,425,000)	\$ -	\$ -
Series 2012	2,300,000	-	(505,000)	1,795,000	300,000
Series 2015	2,210,000	-	(725,000)	1,485,000	735,000
Series 2019	-	8,565,000	-	8,565,000	205,000
Premium on Series 2011 Bonds	104,079	-	(104,079)	-	-
Premium on Series 2012 Bonds	121,891	-	(13,544)	108,347	-
Premium on Series 2015 Bonds	43,500	-	(14,502)	28,998	-
Premium on Series 2019 Bonds	-	910,087	(56,880)	853,207	-
<b>Total Revenue Bonds</b>	<b>14,204,470</b>	<b>9,475,087</b>	<b>(10,844,005)</b>	<b>12,835,552</b>	<b>1,240,000</b>
Certificates of Participation:					
Series 2017 COP	49,895,000	-	(115,000)	49,780,000	1,875,000
Premium on Series 2017 COP	3,146,346	-	(174,797)	2,971,549	-
<b>Total Certificates of Participation</b>	<b>53,041,346</b>	<b>-</b>	<b>(289,797)</b>	<b>52,751,549</b>	<b>1,875,000</b>
General Obligation Bonds:					
Series 2016 Capital Outlay	3,770,000	-	(1,840,000)	1,930,000	1,930,000
Premium on Series 2016 Capital Outlay	184,512	-	(184,512)	-	-
<b>Total General Obligation Bonds</b>	<b>3,954,512</b>	<b>-</b>	<b>(2,024,512)</b>	<b>1,930,000</b>	<b>1,930,000</b>
Other Accrued Liabilities:					
Compensated Absences	3,565,366	9,195,169	(2,066,273)	10,694,262	519,608
Net Pension Liability	963,258	-	(259,700)	703,558	-
Net OPEB Obligation	4,751,480	997,222	(395,945)	5,352,757	-
<b>Total Other Accrued Liabilities</b>	<b>9,280,104</b>	<b>10,192,391</b>	<b>(2,721,918)</b>	<b>16,750,577</b>	<b>519,608</b>
<b>Total Long-Term Obligations</b>	<b>\$ 80,480,432</b>	<b>\$ 19,667,478</b>	<b>\$ (15,880,232)</b>	<b>\$ 84,267,678</b>	<b>\$ 5,564,608</b>

## Johnson County Community College

### Notes to Financial Statements

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

##### Revenue Bonds:

Revenue bonds payable as of June 30, 2021 and 2020, consist of the following:

	2021	2020
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%	\$ 1,495,000	\$ 1,795,000
Premium on Series 2012 Revenue Bonds	94,803	108,347
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	1,485,000
Premium on Series 2015 Revenue Bonds	14,499	28,998
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%	8,360,000	8,565,000
Premium on Series 2019 Revenue Bonds	739,447	853,207
<b>Total Revenue Bonds Payable</b>	<b>11,453,749</b>	<b>12,835,552</b>
Less current portion of revenue bonds payable	1,270,000	1,240,000
<b>Noncurrent Revenue Bonds Payable</b>	<b>\$ 10,183,749</b>	<b>\$ 11,595,552</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, 2021 but was not in compliance with this covenant at June 30, 2020. In October 2020, the College adopted a revenue bond parity resolution that amended previously issued revenue bond resolutions to provide additional funds, if necessary, for the administration and operation of the system for the benefit of the owners of the parity bonds.

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. Non-compliance with the rate covenant as of June 30, 2020 did not create an event of default.

On November 13, 2019, the College issued the Student Commons and Parking System Refunding Revenue Bonds, Series 2019, in the amount of \$8,565,000 with premium of \$910,087 at interest rates of 2% to 4%. Interest is payable semiannually. The Series 2019 Bonds were issued to refund the Series 2011 Student Commons and Parking System Refunding Revenue Bonds. The College completed the refunding to reduce its total debt service payments by \$1,146,964 over the next eight years to obtain a \$1,077,699 economic gain (difference between present values of the old and new debt service payments).

**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
2022	\$ 1,270,000	\$ 334,400	\$ 1,604,400
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
2025-2028	3,350,000	82,150	3,432,150
<b>Total Revenue Bonds</b>	<u>\$ 10,605,000</u>	<u>\$ 1,258,700</u>	<u>\$ 11,863,700</u>

**General Obligation Capital Outlay Bonds:**

General obligation capital outlay bonds payable as of June 30, 2021 and 2020, consist of the following:

	2021	2020
General Obligation Capital Outlay Bonds, Series 2016, \$8,970,000, interest is paid semiannually on March 1 and September 1 at interest rates of 4% to 5%	\$ -	\$ 1,930,000
<b>Total General Obligation Capital Outlay Bonds Payable</b>	-	1,930,000
Less current portion of general obligation capital outlay bonds payable	-	1,930,000
<b>Noncurrent General Obligation Capital Outlay Bonds Payable</b>	<u>\$ -</u>	<u>\$ -</u>

Principal and interest on the general obligation bonds are paid from ad valorem taxes levied by the College. The full faith, credit and resources of the College are pledged for the payment of principal and interest on the general obligation bonds as they become due.

In an event of default, the owners of 10% of the principal amount of the outstanding bonds may by suit, action or other proceedings, enforce their rights against the College. Events of default for the general obligation bonds include default by the College in payment of principal or interest on the bonds or default in the performance or observance of certain covenants.

**Johnson County Community College**

**Notes to Financial Statements**

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

**Certificates of Participation:**

Certificates of participation payable at June 30, 2021 and 2020, consist of the following:

	<u>2021</u>	<u>2020</u>
Facilities Master Plan Projects Certificates of Participation, Series 2017, \$50,000,000 in obligations for facilities (capital cost of \$43,288,446 and \$41,525,914 before accumulated depreciation of \$3,100,190 and \$1,279,921 as of June 30, 2021 and 2020, respectively, 3.00% to 5.00%, aggregate payments of \$68,341,844, including interest of \$18,446,844)	\$ 47,905,000	\$ 49,780,000
Premium on Series 2017 Certificates of Participation	2,796,752	2,971,549
<b>Total Certificates of Participation</b>	<u>50,701,752</u>	<u>52,751,549</u>
Less current portion of certificates of participation	1,970,000	1,875,000
<b>Noncurrent Certificates of Participation</b>	<u>\$ 48,731,752</u>	<u>\$ 50,876,549</u>

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.

The minimum lease commitments for certificates of participation at June 30, 2021 are as follows:

Fiscal Year:	<u>Principal</u>	<u>Interest</u>	<u>Total Certificates of Participation</u>
2022	\$ 1,970,000	\$ 1,715,488	\$ 3,685,488
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
2027-2031	13,730,000	4,705,363	18,435,363
2032-2036	16,105,000	2,331,863	18,436,863
2037-2038	7,150,000	222,956	7,372,956
<b>Total Certificates of Participation</b>	<u>\$ 47,905,000</u>	<u>\$ 14,773,872</u>	<u>\$ 62,678,872</u>



## Johnson County Community College

### Notes to Financial Statements

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

The College leases office space under operating lease agreements that expire through fiscal year 2026. Rental expense totaled \$397,278 and \$391,514 for the years ended June 30, 2021 and 2020, respectively. Minimum rental commitments under these noncancelable operating leases with initial terms of one year or longer at June 30, 2021 are \$713,351.

#### 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, 2021 and 2020.

#### 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.

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.

## Johnson County Community College

### Notes to Financial Statements

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

##### 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 2021, the State of Kansas contributed 14.23% for the period July 1, 2020 to March 31, 2021 and 14.09% for the period April 1, 2021 to June 30, 2021 of covered payroll. For fiscal year 2020, the State of Kansas contributed 14.41% for the period July 1, 2019 to March 31, 2020 and 14.23% for the period April 1, 2020 to June 30, 2020 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, 2020, the College's proportion of the net pension liability was 1.762%, which was a decrease of .026% from the proportion measured of 1.788% at June 30, 2019. The proportion recognized by the State of Kansas on behalf of the College was 1.757% (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, 2021 and 2020, the proportionate share of the net pension liability recognized by the State of Kansas that was attributable to the College was \$131,671,144 and \$115,665,208, respectively.

The State of Kansas contributed \$12,315,887 and \$12,552,599 directly to KPERS on behalf of the College for the years ended June 30, 2021 and 2020, 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.

## Johnson County Community College

### Notes to Financial Statements

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

##### 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, 2021 and June 30, 2020, the contribution made to KPERS for these employees was \$31,910 and \$38,164, respectively. The College reported a liability for its proportionate share of the net pension liability related to these employees of \$318,080 and \$703,558 at June 30, 2021 and 2020, respectively.

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 June 30, 2020 net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018, which was rolled forward to June 30, 2019.

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, 2021 and 2020. The contributions used exclude contributions made for prior service, excess benefits and irregular payments. The College's proportion was 0.005% and 0.012% at June 30, 2021 and 2020, respectively.

The College recognized pension income of \$97,735 and income of \$45,724 for the years ended June 30, 2021 and 2020, respectively, related to the College's net pension liability.

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

	2021		2020	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 4,430	\$ (3,496)	\$ 6,113	\$ (18,197)
Net difference between projected and actual earnings on pension plan investments	28,181	-	11,694	-
Change in proportion	110,184	(637,959)	220,373	(433,293)
Change in assumptions	16,243	-	18,895	(259)
Total	<u>\$ 159,038</u>	<u>\$ (641,455)</u>	<u>\$ 257,075</u>	<u>\$ (451,749)</u>

## Johnson County Community College

### Notes to Financial Statements

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

The net \$482,417 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>	
2022	\$ (102,623)
2023	(161,254)
2024	(133,413)
2025	(75,773)
2026	<u>(9,354)</u>
Total	<u>\$ (482,417)</u>

#### Discount Rate:

The discount rate used to measure the total pension liability was 7.5%. 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, 2020 measurement date was determined by an actuarial valuation as of December 31, 2019 which was rolled forward to June 30, 2020. The total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of December 31, 2018 which was rolled forward to June 30, 2019. These actuarial valuations used the following actuarial assumptions, applied to all periods included in the measurement:

Price inflation	2.75 percent
Wage inflation	3.25 percent
Salary increase	3.25 to 11.75 percent, including price inflation
Investment rate of return	7.5 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, 2019 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 a reduction of the wage inflation from 3.5% to 3.25% and a reduction in the long-term rate of return (net of investment expenses and including price inflation) from 7.75 to 7.5%.

## 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:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
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 7.5%, 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 (6.5%) or 1-percentage-point higher (8.5%) than the current rate:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
College's proportionate share of the net pension liability allocated to the State of Kansas	\$ 175,009,379	\$ 131,671,144	\$ 95,719,989
College's proportionate share of the net pension liability allocated to the College	\$ 421,754	\$ 318,080	\$ 230,675
<b>Total</b>	<b>\$ 175,431,133</b>	<b>\$ 131,989,224</b>	<b>\$ 95,950,664</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, 2021, the following employees were covered by benefit terms:

Retirees currently receiving benefit payments	28
Retirees' spouses receiving benefit payments	9
Active employees	1,019
Total	<u>1,056</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 \$4,886,566 and \$5,352,757 was measured as of June 30, 2021 and 2020, respectively, and was determined by an actuarial valuation as of July 1, 2019 rolled forward to June 30, 2021 and as of July 1, 2019 rolled forward to June 30, 2020. 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, 2019 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	2.0 percent
Healthcare cost trend rates	6.75 percent for 2021-22, decreasing 0.25 percent per year to an ultimate rate of 5.0 percent for 2028-29 and later years
Retirees' share of benefit-related costs	52 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 Pub-2010 Public Retirement Plans Headcount-weighted Mortality Tables using Scale MP-2020 Full Generational Improvement for the June 30, 2021 valuation and MP-2019 Full Generational Improvement for the June 30, 2020 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 7/1/2019</b>	<u>\$ 4,751,480</u>
<b>Changes for the year:</b>	
Service cost	216,560
Interest	143,836
Changes of benefit terms	-
Differences between expected and actual experience	(430,989)
Changes in assumptions or other inputs	1,018,870
Benefit payments	<u>(347,000)</u>
<b>Net changes</b>	<u>601,277</u>
<b>Balances at 6/30/2020</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><u>\$ 4,886,566</u></u>

Changes of assumptions and other inputs reflect a change in the discount rate from 2.6% in fiscal year 2020 to 2.0% in 2021.

**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 2.0%, 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 (1.0%) or 1-percentage-point higher (3.0%) than the current discount rate:

	<u><b>1% Decrease (1.0%)</b></u>	<u><b>Current Discount Rate (2.0%)</b></u>	<u><b>1% Increase (3.0%)</b></u>
Total OPEB Liability	\$ 5,242,779	\$ 4,886,566	\$ 4,549,747



**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 (5.75% decreasing to 4%) or 1-percentage point higher (7.75% decreasing to 6%) than the current healthcare cost trend rates:

	<b>1% Decrease (5.75% decreasing to 4%)</b>	<b>Healthcare Cost Trend Rates (6.75% decreasing to 5%)</b>	<b>1% Increase (7.75% decreasing to 6%)</b>
Total OPEB Liability	\$ 4,337,058	\$ 4,886,566	\$ 5,529,802

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

For the year ended June 30, 2021 and 2020, the College recognized OPEB expense of \$415,338 and \$409,341, respectively.

At June 30, 2021 and 2020, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>2021</b>		<b>2020</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	\$ -	\$ (931,502)	\$ -	\$ (753,711)
Changes of assumptions or other inputs	996,755	(118,961)	1,146,532	-
Total	<u>\$ 996,755</u>	<u>\$ (1,050,463)</u>	<u>\$ 1,146,532</u>	<u>\$ (753,711)</u>

The net \$53,708 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:

2022	\$ (753)
2023	(753)
2024	(753)
2025	(753)
2026	(753)
Thereafter	<u>(49,943)</u>
Total	<u>\$ (53,708)</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, 2021 and 2020.

###### 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 June 30, 2020 (Measurement Date):

Inactive employees or beneficiaries currently receiving benefit payments	16
Active Employees	<u>1,191</u>
Total	<u>1,207</u>

#### Total OPEB Liability

At June 30, 2021 and 2020, the total OPEB liability recognized by the State of Kansas that was attributable to the College was \$2,853,698 and \$2,961,948, respectively.

#### Actuarial Assumptions:

The total OPEB liability was determined by an actuarial valuation as of December 31, 2019, which was rolled forward to June 30, 2020 (the measurement date) for the year ended June 30, 2021, 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)	3.5 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, 2019 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, 2021 and 2020, the College recognized revenue and OPEB expense in equal amounts of \$282,942 and \$311,747, respectively.

#### Note 7. 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, 2021 and 2020.

## Johnson County Community College

### Notes to Financial Statements

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#### Note 8. 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 9. 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 June 2017, the GASB issued Statement No. 87 *Leases*, which will require reporting of certain lease liabilities that currently are classified as operating leases. This statement will be effective for the College's fiscal year ending June 30, 2022. The College has not yet determined the effect that the adoption of this Statement will have on its financial statements.

In January 2020, the GASB issued Statement No. 92, *Omnibus 2020*. This statement has requirements related to the effective date of Statement 87, intra-entity transfers of assets, the application of Statement 84, and the measurement of liabilities and assets associated with asset retirement obligations. This statement is effective for the College's fiscal year ending June 30, 2022. Portions of the omnibus will affect the College, but the impact has not yet been determined.

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.

#### Note 10. 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, 2021 and 2020, there were no income tax effects with respect to the financial statements. Forms 990 and 990-T filed by the

## Johnson County Community College

### Notes to Financial Statements

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#### Note 10. Johnson County Community College Foundation – Accounting Policies and Other Disclosures (Continued)

Foundation are no longer subject to examination by the Internal Revenue Service for fiscal years ended June 30, 2017 and prior.

#### 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, 2021 and 2020, 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:

	2021	2020
Due in less than one year	\$ 536,083	\$ 592,000
Due after one year to five years	500,000	500,000
<b>Total Promises to Give</b>	<b>1,036,083</b>	<b>1,092,000</b>
Less discount of present value (interest rates from 1.75% to 2.36%)	7,869	8,600
<b>Promises to Give, net</b>	<b>\$ 1,028,214</b>	<b>\$ 1,083,400</b>

Promises to give of \$1,000,000 and \$1,009,950 as of June 30, 2021 and 2020 respectively, were due from certain members of the Foundation's Board of Directors or affiliated organizations of these Directors. At June 30, 2021 and 2020, 97% and 92% of gross promises to give were due from two and one donors, respectively. There were no conditional promises to give as of June 30, 2021 and 2020.

During the years ended June 30, 2021 and 2020, the Foundation received 31% of its total gifts and contributions from one board member and one donor, respectively.

#### Investments:

The Foundation's investment portfolio as of June 30, 2021 and 2020 consisted of the following:

	2021	2020
U.S. government obligations	\$ 2,923,170	\$ 1,904,032
Equity funds	16,282,541	12,396,929
Corporate bonds	3,544,489	3,728,693
Common stock	14,067,575	10,763,355
Preferred stock	1,206,346	1,051,000
Certificates of deposit	-	254,720
Exchange traded funds	52,600	46,860
	<b>\$ 38,076,721</b>	<b>\$ 30,145,589</b>

## Johnson County Community College

### Notes to Financial Statements

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#### Note 10. Johnson County Community College Foundation – Accounting Policies and Other Disclosures (Continued)

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 \$755,208 and \$706,213 for the years ended June 30, 2021 and 2020, 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, 2021 and 2020, the Foundation gifted \$750,000 and \$2,801,770, 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, 2021 and 2020, the Foundation owed the College \$878,906 and \$36,379, respectively, which was included in accounts payable.

#### Net assets with donor restrictions:

At June 30, 2021 and 2020, net assets with donor restrictions are available for the following purposes:

	2021	2020
Scholarships to students	\$ 9,127,761	\$ 5,973,432
Support of College programs, including visual and performing arts programs and capital projects	9,065,132	6,294,330
Support of capital projects	55,867	739,964
Amounts with perpetual restrictions		
Scholarships to students	10,686,413	10,539,033
Support of College programs, including visual and performing arts programs	10,871,626	9,854,489
	<u>\$ 39,806,799</u>	<u>\$ 33,401,248</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, 2021 and 2020 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 \$664,676 and \$662,831 as of June 30, 2021 and 2020, respectively, and is included in support of college programs, including visual and performing arts programs and capital projects.

## Johnson County Community College

### Notes to Financial Statements

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#### Note 10. Johnson County Community College Foundation – Accounting Policies and Other Disclosures (Continued)

##### 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, 2021 and 2020 as follows:

	2021	2020
Scholarships to students	\$ 1,595,657	\$ 1,257,487
Support of College programs, including visual and performing arts programs and capital projects	1,823,933	4,163,255
	<u>\$ 3,419,590</u>	<u>\$ 5,420,742</u>

##### Fair value measurements:

The Fair Value Measurements and Disclosures Topic of the FASB Accounting Standards Codification defines fair value, establishes a framework for measuring fair value, and requires disclosure of fair value measurements. The fair value hierarchy set forth in the Topic is as follows:

- Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.
- Level 2: Significant other 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.
- Level 3: Significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

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:

Investments: Where quoted prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. Level 1 securities would include equity funds and exchange traded equities. If quoted market prices are not available, then fair values are estimated by using pricing models, quoted prices of securities with similar characteristics, or discounted cash flow. Level 2 securities include U.S. government obligations of states and political subdivisions and certain corporate, asset backed and other securities. In certain cases where there is limited activity or less transparency around inputs to the valuation, securities are classified within Level 3 of the hierarchy.

There have been no changes in valuation techniques used for any assets measured at fair value during the years ended June 30, 2021 and 2020.

## Johnson County Community College

### Notes to Financial Statements

#### Note 10. 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, 2021 and 2020, segregated by the general classification of such instruments pursuant to the valuation hierarchy:

	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>



## Johnson County Community College

### Notes to Financial Statements

#### Note 10. Johnson County Community College Foundation – Accounting Policies and Other Disclosures (Continued)

	June 30, 2020			Total
	Level 1	Level 2	Level 3	
Investments				
U.S. government obligations	\$ -	\$ 1,904,032	\$ -	\$ 1,904,032
Equity funds:				
Fixed income mutual funds	3,086,515	-	-	3,086,515
International mutual funds	3,038,158	-	-	3,038,158
Domestic mutual funds	4,569,183	-	-	4,569,183
Alternative mutual funds	1,703,073	-	-	1,703,073
Corporate bonds	-	3,728,693	-	3,728,693
Common stock				
Energy	382,681	-	-	382,681
Materials	260,403	-	-	260,403
Industrials	959,111	-	-	959,111
Consumer discretionary	1,414,411	-	-	1,414,411
Consumer staples	798,720	-	-	798,720
Health care	1,356,130	-	-	1,356,130
Financials	1,020,951	-	-	1,020,951
Information technology	2,960,363	-	-	2,960,363
Real estate	291,452	-	-	291,452
Telecommunication services	1,145,401	-	-	1,145,401
Utilities	160,565	-	-	160,565
Reorgs, Expired, Mat or Call	13,167	-	-	13,167
Preferred stock	1,051,000	-	-	1,051,000
Exchange traded funds	46,860	-	-	46,860
	<u>\$ 24,258,144</u>	<u>\$ 5,632,725</u>	<u>\$ -</u>	<u>\$ 29,890,869</u>
Investments not subject to the fair value hierarchy:				
Certificates of deposit				254,720
<b>Total</b>	<u>\$ 24,258,144</u>	<u>\$ 5,632,725</u>	<u>\$ -</u>	<u>\$ 30,145,589</u>

There were no transfers between Level 1, 2 or 3 for the fair value hierarchy for the fiscal years ended June 30, 2021 and 2020.

## Johnson County Community College

### Notes to Financial Statements

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#### Note 11. Information on Activities with Revenue-Backed Debt

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

	2021	2020
<b>Total Capital Assets, Net</b>	<u>\$ 15,710,014</u>	<u>\$ 16,436,769</u>
<b>Total Debt</b>	<u>\$ 11,453,749</u>	<u>\$ 12,835,552</u>
Operating revenues, sales and service	\$ 13,894,727	\$ 11,656,283
Less operating expenses, salaries, utilities, depreciation and other expenses	8,678,903	10,126,823
<b>Operating Income</b>	<u>\$ 5,215,824</u>	<u>\$ 1,529,460</u>

#### Note 12. 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 \$2,669,000 and \$2,178,000 during the years ending June 30, 2021 and June 30, 2020, respectively. There were no tax abatement agreements entered into by the College.

#### Note 13. 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 to June 2020, the College campus was closed, and students, faculty and staff were moved to remote operations. Since July 2020, the College has operated in a modified hybrid environment, offering both face-to-face and virtual instruction and operations.

COVID-19 had an adverse effect on the College's enrollment and operations during the years ending June 30, 2021 and 2020. 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 13. 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 grant revenue of \$19,257,088 and \$1,825,164 for the fiscal years ended June 30, 2021 and 2020, respectively. In keeping with the terms of the HEERF grants, the College has allocated grant funds to provide direct emergency aid to students and to cover institutional costs associated with significant changes to the delivery of instruction due to the coronavirus and to reimburse lost revenues.

**Johnson County Community College**

**Required Supplementary Information  
Schedules of College's Proportionate Share  
Year Ended June 30, 2021**

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

	As of Measurement Date: June 30,					
	2020	2019	2018	2017	2016	2015*
Total proportion of the state/school group net pension liability allocated to the College	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)	1.75746%	1.77618%	1.79760%	1.86020%	1.95760%	1.91227%
College's proportion of the state/school group net pension liability	<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	\$ 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)	\$ 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>\$ 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	\$ 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	173.22%	226.18%	183.27%	190.01%	317.34%	321.24%
Plan fiduciary net position as a percentage of the total pension liability	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 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, 2021**

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

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

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

\* 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 2.0% for 2021.

**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, 2021**

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

	Budgetary Expenditures	Legal Appropriations Budget	Under Budget
<b>Current Unrestricted Funds:</b>			
General	\$ 115,862,638	\$ 153,868,407	\$ 38,005,769
Postsecondary technical education (PTE)	39,941,712	45,213,615	5,271,903
Subtotal General and PTE	<u>155,804,351</u>	<u>199,082,022</u>	<u>43,277,671</u>
Adult supplementary education	4,067,727	8,332,621	4,264,894
Truck driver training	219,573	797,183	577,610
Motorcycle driver	86,044	109,489	23,445
Auxiliary enterprises	9,670,435	14,706,990	5,036,555
<b>Total Current Unrestricted Funds</b>	<u>169,848,131</u>	<u>\$ 223,028,305</u>	<u>\$ 53,180,174</u>
<b>Current Restricted Funds:</b>			
Special assessments	220,066	<u>\$ 1,005,000</u>	<u>\$ 784,934</u>
Other restricted	<u>26,409,129</u>		
<b>Total Current Restricted Funds</b>	<u>26,629,195</u>		
<b>Total Current Funds</b>	<u>196,477,326</u>		
<b>Plant Funds:</b>			
Unexpended, capital outlay	406,878	<u>\$ 6,584,900</u>	<u>\$ 6,178,022</u>
Repair and replacement reserve	225,526		
Bond proceeds, construction	3,257,499		
Debt retirement, revenue bonds	<u>3,546,621</u>		
<b>Total Plant Funds</b>	<u>7,436,523</u>		
<b>Total Current and Plant Funds</b>	<u>\$ 203,913,849</u>		



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**JOHNSON COUNTY**  
**COMMUNITY COLLEGE**  
*UNIFORM GUIDANCE*  
*SINGLE AUDIT REPORT*  
*JUNE 30, 2021*

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Draft for  
Discussion  
Purposes Only

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**Independent Auditors' Report  
On Internal Control Over Financial  
Reporting And On Compliance And Other  
Matters Based On An Audit Of Financial  
Statements Performed In Accordance  
With *Government Auditing Standards***

Board of Trustees  
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, 2021, 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.

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

### **Compliance And Other Matters**

As part of obtaining reasonable assurance about whether 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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**Independent Auditors' Report  
On Compliance For Each Major Federal  
Program; Report On Internal Control Over  
Compliance; And Report On The Schedule  
Of Expenditures Of Federal Awards  
Required By The Uniform Guidance**

Board of Trustees  
Johnson County Community College  
Overland Park, Kansas

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

We have audited Johnson County Community College's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Johnson County Community College's major federal programs for the year ended June 30, 2021. Johnson County Community College's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

***Management's Responsibility***

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

***Auditors' Responsibility***

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

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

### ***Opinion On Each Major Federal Program***

In our opinion, Johnson County Community College complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

### ***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2021-001 and 2021-002. Our opinion on each major federal program is not modified with respect to this matter.

The College's response to the noncompliance findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs and the Corrective Action Plan. The College's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### **Report On Internal Control Over Compliance**

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2021-001 and 2021-002 that are considered to be significant deficiencies.

The College's responses to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs and corrective action plan. The College's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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, 2021 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 financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

\_\_\_\_\_\*



**JOHNSON COUNTY COMMUNITY COLLEGE**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For The Year Ended June 30, 2021**

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		\$ —	\$ 10,538,315
Federal SEOG	84.007		—	196,393
Federal Work Study	84.033		—	167,577
Federal Direct Student Loans	84.268		—	6,834,170
<i>Total Student Financial Aid Cluster - Direct</i>			—	<u>17,736,455</u>
Education Stabilization Fund - Direct				
Higher Education Emergency Relief Fund - Student Portion - COVID-19	84.425E		—	4,883,786
Higher Education Emergency Relief Fund - Institutional Portion - COVID-19	84.425F		—	14,365,630
<i>Total Education Stabilization Fund</i>			—	<u>19,249,416</u>
Child Care Access Grant - Direct	84.335	P335A180187	—	66,550
UISFL-Expanding Global Awareness - Direct	84.016		—	23,112
<b>Passed Through Kansas Board Of Regents</b>				
Vocational Improvements				
Vocational Improvements	84.048A	V048A200016	—	341,032
Carl Perkins Reserve Grant	84.048A	V048A200016	—	67,775
Perkins Incentive Award	84.048A	V048A200016	—	3,000
Integrating Adult Education Grant	84.048A	V048A200016	—	1,310
<i>Total Vocational Improvements - Indirect</i>			—	<u>413,117</u>
Adult Basic Education				
Integrating Adult Education	84.002	V002A200016	—	4,667
Adult Basic Education - Staff Development	84.002	V002A200016	—	21,421
Adult Basic Education	84.002	V002A200016	—	469,679
Adult Basic Education - English Literature & Civics Education	84.002	V002A200016	—	121,950
Adult Basic Education - WF Innovation Funds	84.002	V002A200016	—	1,302
<i>Total Adult Basic Education - Indirect</i>			—	<u>619,019</u>
<b>Total U.S. Department Of Education</b>				
			—	<u>38,107,669</u>
<b>U.S. Department Of The Treasury</b>				
<b>Passed Through Kansas Department of Commerce</b>				
Coronavirus Relief Funds - COVID-19				
CARES - KDOC - Advanced Manufacturing & IT Equipment - Indirect	21.019	Unknown	—	314,541
<b>Passed Through Johnson County, Kansas</b>				
Coronavirus Relief Funds - COVID-19				
Johnson County Coronavirus Relief - Indirect	21.019	182300007-27	—	383,748
<b>Passed Through Kansas Board Of Regents</b>				
Coronavirus Relief Funds - COVID-19				
CARES Act - SPARK Taskforce Award - Indirect	21.019	SLT0028, SLT0238	—	1,012,491
<i>Total Coronavirus Relief Funds - Indirect</i>			—	<u>1,710,780</u>
<b>Total U.S. Department Of The Treasury</b>				
			—	<u>1,710,780</u>
<b>U.S. Department Of Health And Human Services</b>				
<b>Passed Through The University Of Kansas</b>				
<b>Medical Center Research Institute</b>				
NIH_Impl ANBL Urban & Reservation - Indirect	93.279	R01DA047863	—	7,834
NIH-Assessing Telephone ANBL - Indirect	93.279	R01DA04895501	—	11,034
<i>Total Passed Through the University of Kansas Medical Center Research Institute</i>			—	<u>18,868</u>

# JOHNSON COUNTY COMMUNITY COLLEGE

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS *(Continued)* For The Year Ended June 30, 2021

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>Passed Through Kansas Department Of Children &amp; Families</b>				
Hero Relief Funds - COVID-19				
HHS-DCF-Hero Relief Supply Fund - Indirect	93.575		\$ — \$	3,000
HHS-DCF-Hero Relief Sustainability Fund - Indirect	93.575		—	6,000
HHS-DCF-Hero Relief Revenue Replacement - Indirect	93.575		—	8,142
<i>Total Hero Relief Funds - Indirect</i>			—	17,142
<b>Total U.S. Department Of Health And Human Services</b>				
			—	36,010
<b>U.S. Department Of Agriculture</b>				
NIFA SPECA Sustainable Agriculture - Direct	10.226	20163841425826	—	28,155
<b>Passed Through The Kansas Department Of Education</b>				
Child and Adult Care Food Program - Indirect	10.558	Unknown	—	20,945
<b>Total U.S. Department Of Agriculture</b>				
			—	49,100
<b>U.S. Small Business Administration</b>				
<b>Passed Through Kansas SBDC</b>				
Small Business Development 2020 - Indirect	59.037	2009	—	59,134
Small Business Development 2021 - Indirect	59.037	1909	—	60,591
SBA - CARES Act - COVID-19 - Indirect	59.037	Unknown	—	4,493
<b>Total U.S. Small Business Administration</b>				
			—	124,218
<b>National Science Foundation</b>				
Scholarship-STEM - Direct	47.076	1564432	—	164,130
IUSE STEM Faculty & DBER - Direct	47.076	1711693	—	97,723
Total CFDA 47.076			—	261,853
Research Coordination Network - Direct	47.074	2018322	—	37,009
<b>Total National Science Foundation</b>				
			—	298,862
<b>U.S. Department Of Transportation</b>				
DOT CMV Operator Safety Training Grant - Direct	20.235	FMDTG0073190100	—	13,497
DOT CMV Operator Safety Training Grant - Direct	20.235	FMDTG0094200100	—	79,900
<b>Total U.S. Department of Transportation</b>				
			—	93,397
<b>National Endowment For The Arts</b>				
<b>Passed Through Kansas Creative Arts Industries Commission</b>				
New Dance Partners 18 & 19 - Indirect	45.024	Unknown	—	30,000
New Dance Partners - Indirect	45.024	Unknown	—	15,000
Arts Integration Program - Indirect	45.024	Unknown	—	18,700
<b>Total National Endowment For The Arts</b>				
			—	63,700
<b>National Endowment For The Humanities</b>				
NEH - Humanities Initiatives - Direct	45.162	AE-264030-19	—	21,077
<b>Total National Endowment For The Humanities</b>				
			—	21,077
<b>Total Federal Awards Expended</b>				
			\$ — \$	40,504,813

# JOHNSON COUNTY COMMUNITY COLLEGE

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## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2021

### 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, 2021. 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, 2021. 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, 2021.

**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, 2021.

**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, 2021**

**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>
Coronavirus Relief Funds - COVID-19	21.019
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:

\$750,000

Auditee qualified as low-risk auditee?

yes  no

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## JOHNSON COUNTY COMMUNITY COLLEGE

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### SCHEDULE OF FINDINGS AND QUESTIONED COSTS *(Continued)* For The Year Ended June 30, 2021

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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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##### **Finding 2021-001 – Significant Deficiency**

**Federal Award No. 84.268, 84.007, 84.033, 84.038, 84.063 & 84.379**

**U.S. Department Of Education**

**Student Financial Aid Cluster**

**Criteria:** According to the Federal Student Aid Handbook, Volume 2, Chapter 3, an institution must report changes in student's enrollment status, the effective date of the status, and an anticipated completion date to National Student Loan Data System (NSLDS). Changes in enrollment to less than half-time, graduated, or withdrawn must be reported within 60 days of the withdrawal determination date for schools that submit roster files to NSLDS.

**Condition/Context:** 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.

**Effect:** Students may not enter repayment or their grace period within the appropriate timeframe from their exit from the College or students may not receive adequate notice of the timing of their grace period. The Department of Education may not have the correct data to utilize.

**Identification as a Repeat Finding:** This finding is not a repeat finding from the immediate prior year.

**Questioned Costs:** There were no questioned costs to report as the finding relates only to enrollment reporting and is not related to eligibility.

**Cause:** The College did not have proper processes and related controls in place to complete the required updates to NSLDS for reporting changes in enrollment status within the 60 day requirement.

# JOHNSON COUNTY COMMUNITY COLLEGE

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## SCHEDULE OF FINDINGS AND QUESTIONED COSTS (*Continued*) For The Year Ended June 30, 2021

**Recommendation:** The Registrar and Student Financial Aid department should review and consider revisions to its processes and related controls in place to ensure completion of updates to NSLDS within the required 60 day timeframe.

**Views Of Responsible Officials/Corrective Action Plan (Unaudited):** Management concurs with the finding, and the Financial Aid Office and Registrar Office have updated their dates to send files to the Student Clearinghouse/NSLDS based on a shorter semester. Fall 2020 was the first term to change from 16 weeks to 15 weeks.

**Completion Date:** May 2021

**Contact Person:** Christal D. Williams, Director of Financial Aid

**Finding 2021-002 – Significant Deficiency**  
**Federal Award No. 84.268, 84.007, 84.033, 84.038, 84.063 & 84.379**  
**U.S. Department Of Education**  
**Student Financial Aid Cluster**

**Criteria:** The College must return funds for federal direct student loans and report the reduction in Pell grant funding to the Common Origination & Disbursement (COD) system within 45 days for students who have withdrawn from the College and for whom a completed return calculation indicated that a return of and reduction in funding was required.

**Condition/Context:** 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.

**Effect:** The Department of Education did not receive the funds that were due to the Department of Education as a result of the Return to Title IV (R2T4) calculation in a timely manner.

**Identification as a Repeat Finding:** This finding is not a repeat finding from the immediate prior year.

**Questioned Costs:** There were no questioned costs to report as the finding relates only to timing for return of funds as the amount of the return made was properly calculated.

**Cause:** The College did not have proper processes and related controls in place to complete the required updates timely to COD related to returns required as a result of R2T4 for the Fall 2020 unofficial withdrawals.

## JOHNSON COUNTY COMMUNITY COLLEGE

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### SCHEDULE OF FINDINGS AND QUESTIONED COSTS *(Continued)* For The Year Ended June 30, 2021

**Recommendation:** The College should review its controls and procedures as described to ensure the procedure is functioning to ensure completion of the return and return notifications are made to the COD system within the 45-day timeframe.

**Views Of Responsible Officials/Corrective Action Plan (Unaudited):** The Financial Aid Office did not receive an error report for the students that were reported outside the required timeframe. We believe it was a Banner update glitch that caused the error. We have updated our process to reconcile our COD reports to ensure that this error does not happen again.

**Completion Date:** May 2021

**Contact Person:** Christal D. Williams, Director of Financial Aid

Draft for  
Discussion  
Purposes Only



**CORRECTIVE ACTION PLAN**  
**For The Year Ended June 30, 2021**

**Corrective Action Plan 2021-001:** The Financial Aid Office and Registrar Office have updated their dates to send files to the Student Clearinghouse/NSLDS based on the shorter semester. Fall 2020 was the first term to change from 16 weeks to 15 weeks.

**Completion Date:** May 2021

**Contact Person:** Christal D. Williams, Director of Financial Aid

**Corrective Action Plan 2021-002:** The Financial Aid Office did not receive an error report for the students that were reported outside the required timeframe. We believe it was a Banner update glitch that caused the error. We have updated our process to reconcile our COD reports to ensure that this error does not happen again.

**Completion Date:** May 2021

**Contact Person:** Christal D. Williams, Director of Financial Aid

**JOHNSON COUNTY COMMUNITY COLLEGE**  

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**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**For The Year Ended June 30, 2021**

**NONE**

Draft for  
Discussion  
Purposes Only

# Student Satisfaction & Student Engagement Surveys

November 2021

Natalie Alleman Beyers & Gina Brewer  
Johnson County Community College  
Office of Institutional Planning & Research



# Purpose

- Review survey results from:
  - Noel-Levitz Student Satisfaction Inventory
  - Community College Survey of Student Engagement

# Ruffalo Noel-Levitz Student Satisfaction Inventory

- Administered Spring 2021
- 9% response rate (331 of 3,711)
- Noel-Levitz SSI measures student satisfaction and priorities
  - Showing us how satisfied students are as well as what issues are important to them.



# Ruffalo Noel-Levitz: Top 5

## Level of Importance

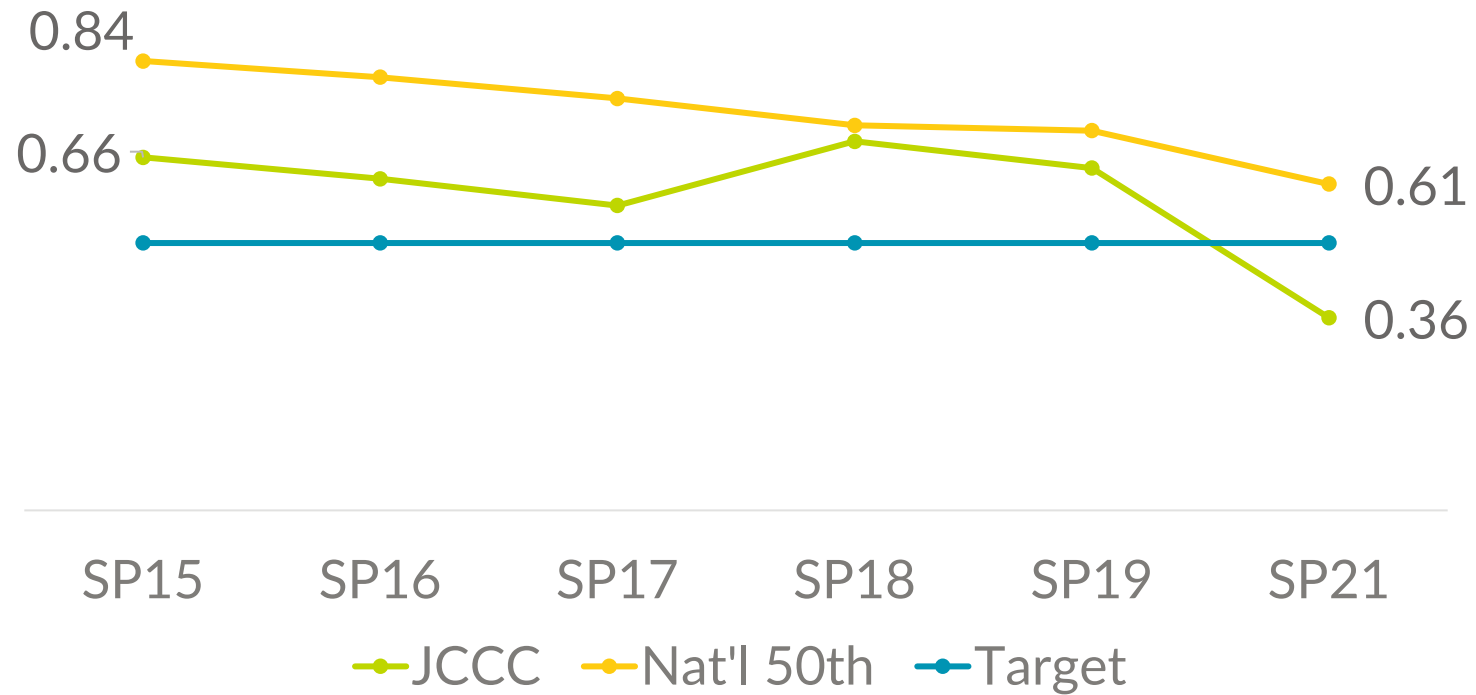
	JCCC 18	JCCC 19	JCCC 21	National
Safety and Security	6.36	6.84	6.52	6.32
Registration Effectiveness	6.36	6.47	6.50	6.36
Instructional Effectiveness	6.38	6.49	6.49	6.37
Academic Advising/Counseling	6.28	6.42	6.48	6.37
Admissions & Fin Aid	6.22	6.44	6.47	6.31

## Level of Satisfaction

JCCC 18	JCCC 19	JCCC 21	National
5.67	5.84	6.16	5.71
5.98	6.10	6.17	5.83
5.85	5.97	6.07	5.78
5.71	5.84	5.91	5.69
5.72	5.92	6.02	5.66

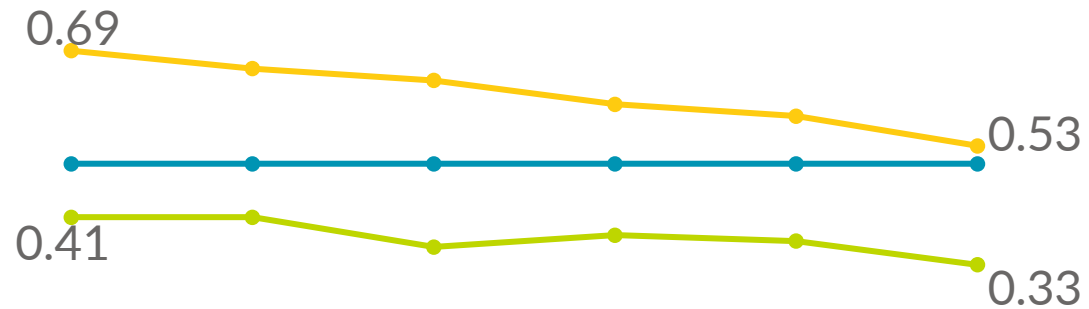
# Importance vs. Satisfaction **Gap**

## Safety & Security



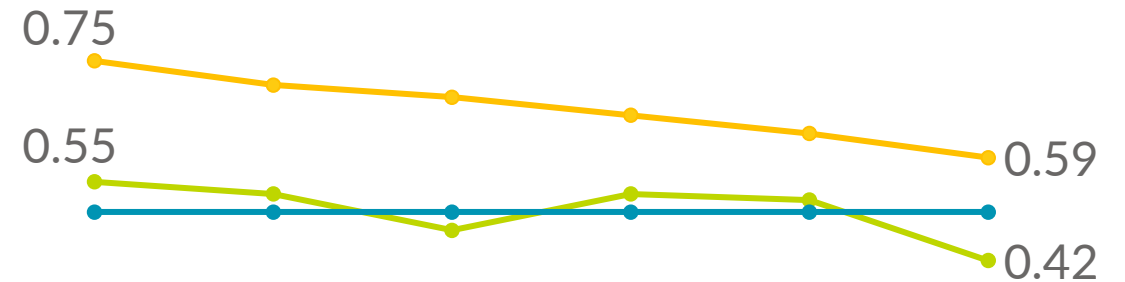
# Importance vs. Satisfaction **Gap**

## Registration Effectiveness



SP15 SP16 SP17 SP18 SP19 SP21  
● JCCC ● Nat'l 50th ● Target

## Instructional Effectiveness

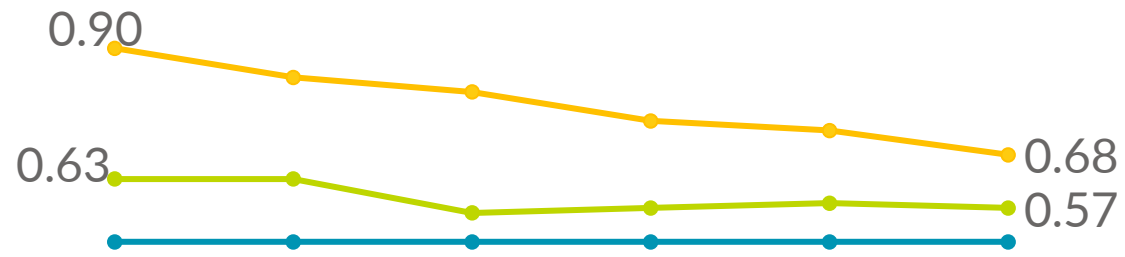


SP15 SP16 SP17 SP18 SP19 SP21  
● JCCC ● Nat'l 50th ● Target

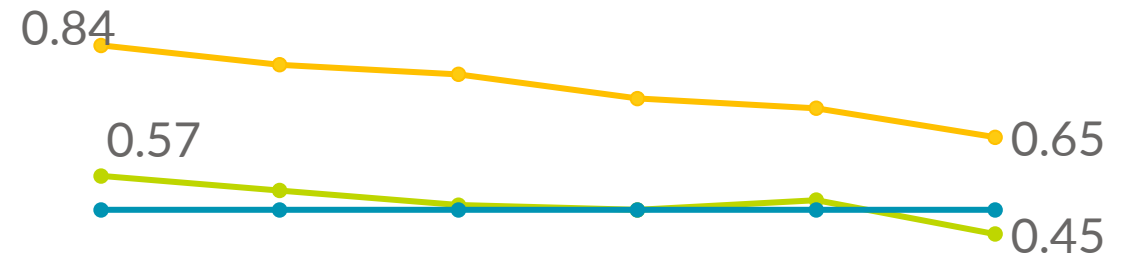


# Importance vs. Satisfaction **Gap**

## Advising & Counseling



## Admissions & Financial Aid



SP15 SP16 SP17 SP18 SP19 SP21

JCCC Nat'l 50th Target

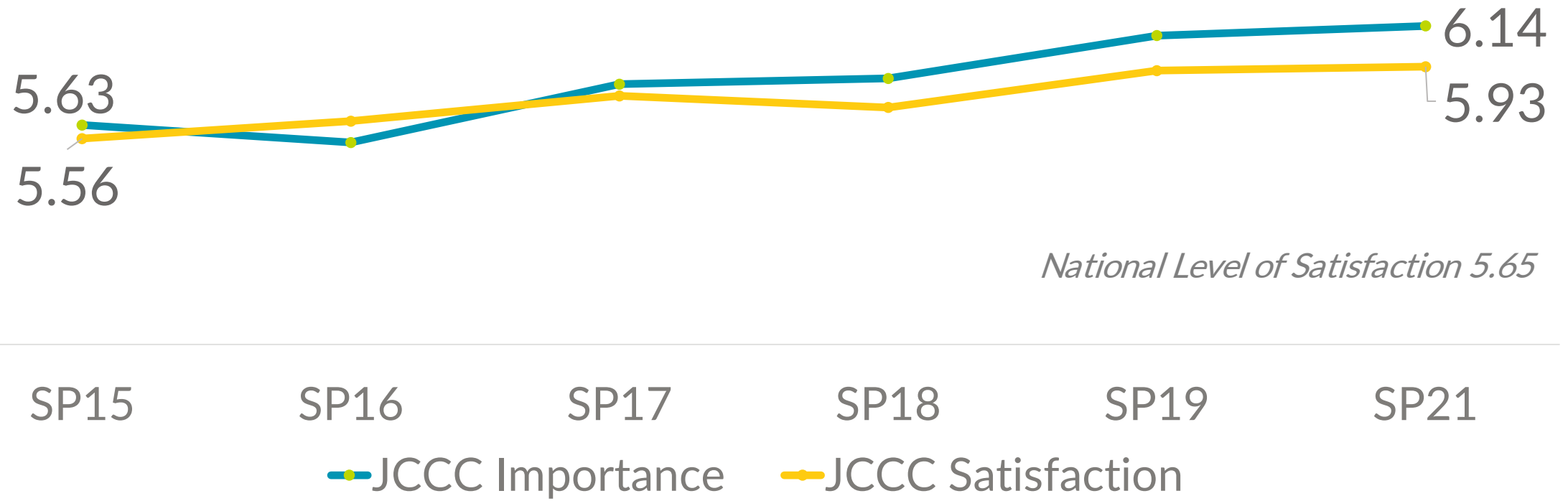
SP15 SP16 SP17 SP18 SP19 SP21

JCCC Nat'l Target

# Ruffalo Noel-Levitz

	JCCC 2018	JCCC 2019	JCCC 2021	National 2018- 2021
So far, how has your college experience met your expectations?	5.22	5.36	5.28	5.04
Rate your overall satisfaction with your experience here thus far.	5.92	5.98	5.99	5.62
All in all, if you had it to do over again, would you enroll here?	6.30	6.40	6.41	5.90

# Most students feel a sense of belonging here



# STRENGTHS

## SAFETY & SECURITY

- The campus is safe and secure for all students.
- Security staff respond quickly in emergencies.

## CAMPUS CLIMATE

- Students are made to feel welcome on this campus.
- People on this campus respect and are supportive of each other.
- The campus staff are caring and helpful.
- This institution has a good reputation within the community.

## INSTRUCTIONAL EFFECTIVENESS

- Nearly all of the faculty are knowledgeable in their fields.
- I am able to experience intellectual growth here.

## ACADEMIC SERVICES

- Library resources and services are adequate.
- Computer labs are adequate and accessible.
- Library staff are helpful and approachable.

## REGISTRATION EFFECTIVENESS

- There is a good variety of courses provided on this campus.
- There are convenient ways of paying my bill.

On the whole, the campus is well-maintained.

# CHALLENGES

## REGISTRATION EFFECTIVENESS

- I am able to register for classes I need with few conflicts.
- Classes are scheduled at times that are convenient for me.

## ACADEMIC ADVISING/COUNSELING

- Counseling staff care about students as individuals.
- My academic advisor is knowledgeable about transfer requirements of other schools.
- My academic advisor is knowledgeable about my program requirements.

## ADMISSIONS & FINANCIAL AID

- Adequate financial aid is available for most students.
- Financial aid counselors are helpful.
- Admissions counselors respond to prospective students' unique needs and requests.

## INSTRUCTIONAL EFFECTIVENESS

- The quality of instruction I receive in most of my classes is excellent.
- Faculty provide timely feedback about student progress in a course.

# Community College Survey of Student Engagement Spring 21 Findings

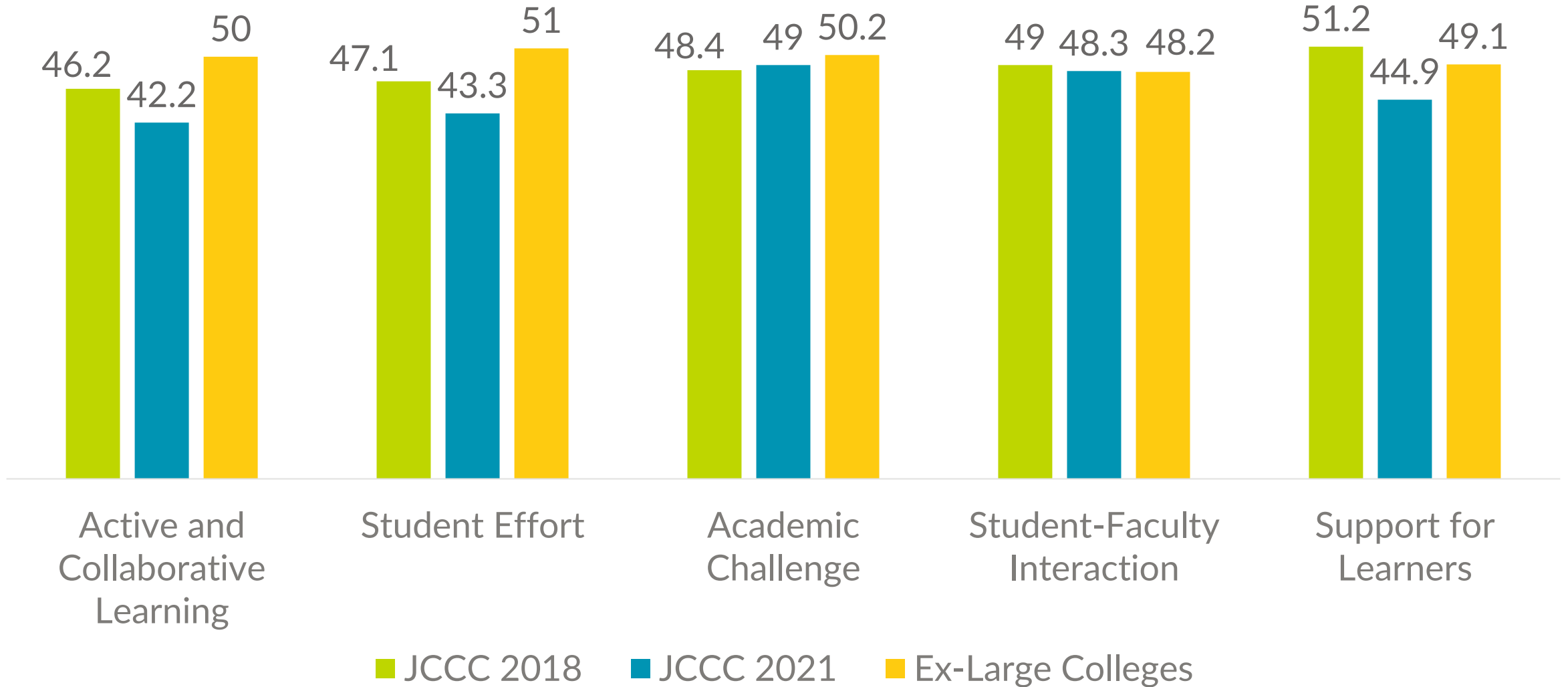
- CCSSE is designed to capture student engagement as a measure of institutional effectiveness
- 7% response rate (269 of 3,706)
  - Added Basic Need Questions



# What is Student Engagement?

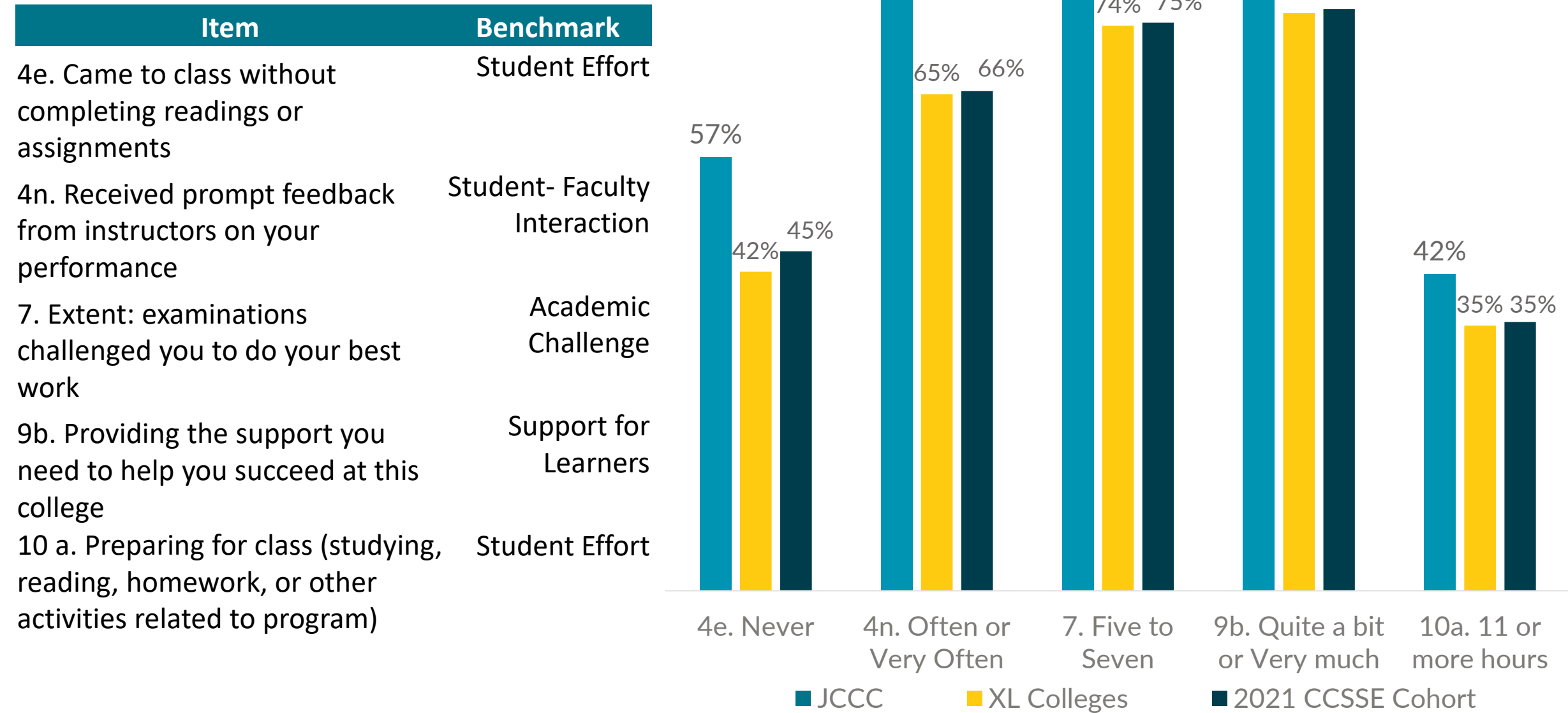
- The amount of time and energy students invest in meaningful educational practices
- The institutional practices and student behaviors that are highly correlated with student learning and retention

# CCSSE Benchmarks for Effective Educational Practice

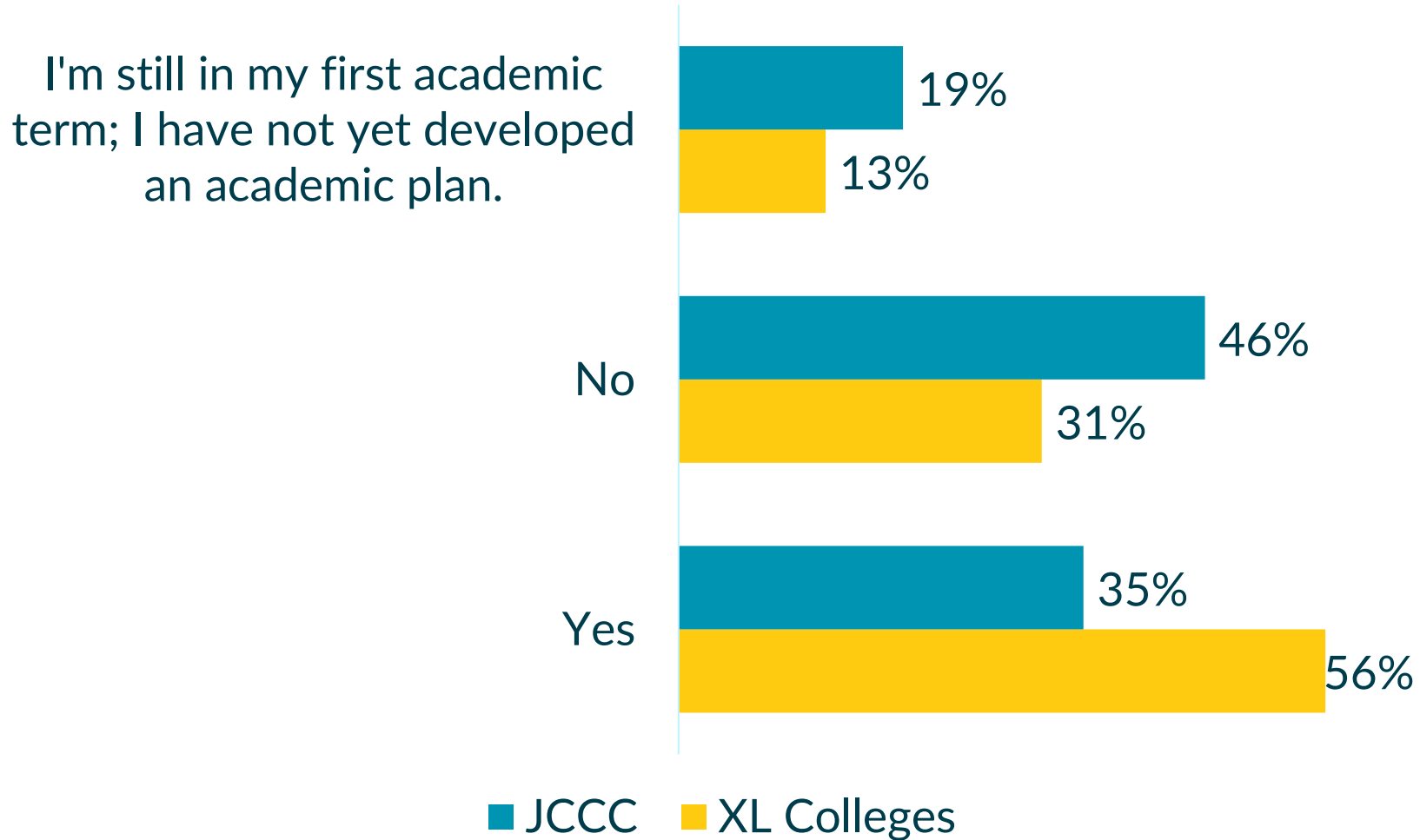




# Aspects of Student Engagement



# Student Pathways



- Before the end of my first academic term at this college, an advisor helped me develop an academic plan

# Final Thoughts

- Last year was challenging for many and....
  - While there are opportunities,
  - Overall, students indicate high levels of satisfaction with their experience at JCCC

Noel-Levitz (7 pt. scale)		CCSSE (4 pt. scale)	
JCCC	National	JCCC	XL Colleges
5.99	5.62	3.50	3.26

# Closing

- Any questions reach out to our office:
  - Natalie [nalleman@jccc.edu](mailto:nalleman@jccc.edu)
  - Gina [rbrewer6@jccc.edu](mailto:rbrewer6@jccc.edu)
- We will work to add reports to our office's Info Hub page soon.

Committee of the Whole  
November 29, 2021

FY 2022-2023 Budget Calendar and Guidelines

REPORT:

The purpose of the recommendation below is to approve preliminary budget guidelines to be used by the administration to begin the fiscal 2022-23 budget development process based on estimated revenues and expenses.

The attached preliminary budget guidelines for fiscal 2022-23 are subject to adjustment as updated information is received over the coming months, such as changes in estimated assessed valuation or state funding. Proposed tuition and fee rates for 2022-23 are under review and will be presented to the Board for approval in Spring 2022.

As a reminder, the final 2022-23 Management Budget will be presented to the Board of Trustees for approval in May 2022.

The attached budget calendar for fiscal 2022-23 was presented to the Committee on October 4, 2021 and is included in the packet again for reference.

RECOMMENDATION:

**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 preliminary guidelines for development of the college's FY 2022-2023 budget.**

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Rachel Lierz  
Associate Vice President, Financial Services  
Chief Financial Officer

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Michael D. Neal  
Executive Vice President,  
Chief Operating Officer

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Andrew W. Bowne  
President

**JOHNSON COUNTY COMMUNITY COLLEGE  
BUDGET CYCLE CALENDAR**

**FY 2022-2023**

<b>OCTOBER 2021</b>	<b>Budget Tasks</b>
4	Committee of the Whole review of preliminary budget calendar
21	Board of Trustees review of preliminary budget calendar
TBD	Student Senate budget discussion
<b>NOVEMBER 2021</b>	<b>Budget Tasks</b>
2	President's Cabinet discussion of FY23 proposed budget guidelines
8	Distribute FY 2022-23 budget calendar to Budget Administrators
8	Budget Administrators receive Excel worksheet(s), <i>Proposed Budget Based on Actuals</i> , including 2 prior years' actual expenditures and current adopted budget to assist in developing a proposed budget and justifications
8	Strategic Plan sponsors receive template for submission of budget requests tied to Strategic Plan action items
8	Remodel Requests for renovation/remodeling and equipment installation can be input in Team Dynamix
8	Replacement Capital Equipment reports are distributed by Business Services
8	Self-Service Budget Development and the Capital Schedule (Sharepoint) are available for entry
19	Remodel Requests due in Team Dynamix. Approved requests will be costed out by Campus Services and further prioritized
29	Committee of the Whole review of proposed budget guidelines
<b>DECEMBER 2021</b>	<b>Budget Tasks</b>
16	<b>Board of Trustees vote on FY 2022-23 budget guidelines</b>
17	Budget Administrators receive FY 2022-23 approved budget guidelines
30	Instructional program reviews and Administrative and Service Area reviews are finalized and submitted into Strategic Planning Online (SPOL) software
<b>JANUARY 2022</b>	<b>Budget Tasks</b>
13	Budget Kickoff Meeting with Budget Administrators
14	Information Technology Planning (ITP) reports are distributed by Information Services
14	Position Request forms due to Human Resources
<b>FEBRUARY 2022</b>	<b>Budget Tasks</b>
7	Proposed budget spreadsheets due to supervisors for review
17	Final approved budget requests due in Self-Service Budget Development with justification of all line items
17	Information Technology Planning (ITP) requests due to Information Services
17	Approved capital equipment requests due in the Capital Schedule Sharepoint site
<b>MARCH 2022</b>	<b>Budget Tasks</b>
1	Budget review and prioritization by President's Cabinet
TBD	Budget review and prioritization by President's Cabinet
<b>APRIL 2022</b>	<b>Budget Tasks</b>
21	Annual Board of Trustees Budget Workshop, 4:00 p.m.
25	Committee of the Whole review of proposed FY 2022-23 Management Budget
<b>MAY 2022</b>	<b>Budget Tasks</b>
12	<b>Board of Trustees vote on FY 2022-23 Management Budget</b>

<b>JUNE 2022</b>	<b>Budget Tasks</b>
15	Receive Revenue Neutral Rate (RNR) from County Clerk
30	Load FY 2022-23 Management Budget into accounting system
<b>JULY 2022</b>	<b>Budget Tasks</b>
1	First day of Fiscal Year 2022-2023
20	Notify County Clerk of intent to exceed RNR (if applicable)
<b>AUGUST 2022</b>	<b>Budget Tasks</b>
TBD	Committee of the Whole review of required budget publications
<b>TBD</b>	<b>Board of Trustees vote on required budget publications</b>
20	Publish notice of intent to exceed RNR and RNR hearing at least 10 days in advance of the RNR hearing (if applicable)
20	Publish notice of budget hearing at least 10 days in advance of the budget hearing
<b>SEPTEMBER 2022</b>	<b>Budget Tasks</b>
TBD	Committee of the Whole review of proposed FY 2022-23 Legal Budget
TBD	Revenue Neutral Rate (RNR) hearing for FY 2022-23 Legal Budget
TBD	Annual public hearing for FY 2022-23 Legal Budget
<b>TBD</b>	<b>Board of Trustees vote on FY 2022-23 Legal Budget</b>
<b>OCTOBER 2022</b>	<b>Budget Tasks</b>
1	File Adopted Legal Budget with state and county offices



**JOHNSON COUNTY COMMUNITY COLLEGE****PRELIMINARY BUDGET GUIDELINES****FY 2022-2023**

<b>1) Unencumbered Cash Balances</b>
Unencumbered cash balances will be maintained in accordance with the Cash Reserves Policy 210.07
<b>2) Assessed Valuation &amp; Property Tax Levy</b>
Johnson County assessed valuation will increase by 4%. The College's mill levy rate will remain flat at 9.110 mills, which exceeds the Revenue Neutral Rate. An estimated tax delinquency rate of 2% will be used.
<b>3) Enrollment</b>
Credit hour enrollment will remain flat with the 2021-22 budgeted credit hours.
<b>4) Tuition Cost per Credit Hour</b>
Tuition rates for FY 2022-23 are under review and will be presented to the Board for approval in Spring 2022.
<b>5) State Aid</b>
The budgeted state operating grant revenue will remain flat with the actual amount received in FY 2021-22.
<b>6) Salary and Benefits Budgets</b>
The total number of budgeted faculty and staff positions will not increase. This does not preclude reallocation of positions. An average salary increase will be budgeted pursuant to Master Agreement with the Faculty Association.
<b>7) Staff to Recommend Operating Budget Priorities</b>
College staff will recommend operating budget priorities for consideration. These recommendations will be informed by ongoing planning and assessment efforts, including the College's 2021-2025 Strategic Plan, Instructional Program Review and Administrative & Service Area Reviews. All budgeted line items will be supported by the appropriate justification.
<b>8) Base Budgets for Operating Budgets</b>
The two previous prior years and the current year-to-date actual results will serve as the base budgets for the FY 2022-23 operating budgets.
<b>9) Capital Budgets - General Fund</b>
The General Fund Capital budget will include allocations for renovation of the Science Labs and other approved remodel projects. Replacement of technology, furniture and equipment will be based on applicable replacement cycles.
<b>10) Debt Service - General Fund</b>
The General Fund budget will include \$3.7M for principal & interest due on the \$50 million Series 2017 Certificates of Participation.
<b>11) Capital Budgets - Capital Outlay Fund</b>
The Capital Outlay Fund budget will include revenue from the .5 mill tax levy. Budgets will be established for repairs, maintenance and capital projects.

**SINGLE SOURCE PURCHASE REPORT: \$150,000+**  
**DECEMBER 2021 COMMITTEE OF THE WHOLE (NOVEMBER 29 )**

Vendor	Description of Services / Policy 215.04 Exception #	Fund	Department	Amount
John A. Marshall	For the estimated purchase of Herman Miller furniture in FY22 through local dealer, John A. Marshall Co. <i>CO-OP: OMNIA Partners Education/US Communities Contract #AK2331</i>  <i>#12. Cooperative purchasing</i>	Varies	Varies	\$ 270,000.00

**COMMITTEE OF THE WHOLE RECOMMENDATION**

**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 Single Source Justification for furniture purchases in FY22, to John A. Marshall, for an estimated amount of \$270,000.00.**

Scott Rice	For the estimated purchase of Steelcase furniture in FY22 through local dealer, Scott Rice. <i>CO-OP: E&amp;I Steelcase #CNR01146 and Kansas Affinity Agreement</i>  <i>#12. Cooperative purchasing</i>	Varies	Varies	\$ 200,000.00
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**COMMITTEE OF THE WHOLE RECOMMENDATION**

**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 Single Source Justification for furniture purchases in FY22, to Scott Rice, for an estimated amount of \$200,000.00.**

**SINGLE SOURCE PURCHASE REPORT: \$150,000+**  
**DECEMBER 2021 COMMITTEE OF THE WHOLE (NOVEMBER 29 )**

Vendor	Description of Services / Policy 215.04 Exception #	Fund	Department	Amount
Kone, Inc.	MTC elevator upgrades. CO-OP: Omnia Partners Contract #GENRL_EV2516  #12. Cooperative purchasing	7111, Capital Outlay Fund	7102, Director, Campus Services	\$ 155,742.00

**COMMITTEE OF THE WHOLE RECOMMENDATION**

**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 Single Source Justification to Kone for elevator upgrades for \$155,742.00.**

Spaces	For the estimated purchase of Knoll furniture in FY22 through local dealer, Spaces. CO-OP: OMNIA Partners Education/US Communities Contract #2020000608  #12. Cooperative purchasing	Varies	Varies	\$ 150,000.00
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**COMMITTEE OF THE WHOLE RECOMMENDATION**

**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 Single Source Justification for furniture purchases in FY22, to Spaces, for an estimated amount of \$150,000.00.**

**AWARD OF BIDS/RFPs - SINGLE PURCHASE:**

***\$150,000+***

**DECEMBER 2021 COMMITTEE OF THE WHOLE (NOVEMBER 29)**

Bid Title Total Contract Period Fund Source / Firms Notified	Vendors Original Bid Amounts	Single Purchase/ Split Award	Justification
<b>22-014 JCCC Gym Door Replacements</b>  Base year/project completion  Fund Source: 7111, Capital Outlay  Firms Notified: 210	1. <b>Complete Property Solutions (CPS): \$172,654.39</b> 2. PARitrave Innovations: \$173,832.00 3. KBS Constructors: \$188,557.00. 4. The Wilson Group: \$200,000.00	<b>\$189,919.83</b> <i>Single Purchase (includes 10% contingency - \$17,265.44)</i>	Low Bid
<b>PURPOSE &amp; DESCRIPTION</b>			
The purpose of this Request for Bid (RFB) is for Gym Door Replacements on the JCCC main campus.			
<b>ORIGINAL EVALUATION COMMITTEE</b>			
- Jeff Allen: Director, Campus Services & Energy Management		- Larry Allen: Senior Buyer, Procurement Services	
- Tom Hall: Associate Vice President, Campus Services/Facilities Planning			
<b>COMMITTEE OF THE WHOLE RECOMMENDATION</b>			
<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 low bid from Complete Property Solutions in the amount of \$172,654.39 for the Gym Door Replacements on the JCCC main campus, with an additional 10% contingency of \$17,265.44 to allow for possible unforeseen costs, for a total estimated expenditure of \$189,919.83.</b>			

**AWARD OF BIDS/RFPs - SINGLE PURCHASE:**

***\$150,000+***

**DECEMBER 2021 COMMITTEE OF THE WHOLE (NOVEMBER 29)**

Bid Title Total Contract Period Fund Source / Firms Notified	Vendors Original Bid Amounts	Single Purchase	Justification
<b>22-037 - OHEC Simulation Room Remodel</b>  Base year/project completion  Fund Source: 0201, General Fund  Firms Notified: 183	1. <b>GPS-KC: \$268,474.00</b> 2. Loyd Builders: \$285,100.00 3. Vasquez Commercial Contracting: \$288,320.00 4. PARitrave Innovations: \$319,499.00 5. PARIC: \$356,151.00 6. Hartline Construction: \$361,600.00 7. Conco: \$588,207.00	<b>\$295,321.40</b> <i>Single Purchase (includes 10% contingency - \$26,847.40)</i>	Low Bid
<b>PURPOSE &amp; DESCRIPTION</b>			
The purpose of this Request for Bid (RFB) is for the OHEC Simulation Room Remodel.			
<b>ORIGINAL EVALUATION COMMITTEE</b>			
- Jeff Allen: Director, Campus Services & Energy Management - Tom Hall: Associate Vice President, Campus Services/Facilities Planning - Larry Allen: Senior Buyer, Procurement Services			
<b>COMMITTEE OF THE WHOLE RECOMMENDATION</b>			
<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 low bid from GPS-KC in the amount of \$268,474.00 for the OHEC Simulation Room Remodel, with an additional 10% contingency of \$26,847.40 to allow for possible unforeseen costs, for a total estimated expenditure of \$295,321.40.</b>			

**SINGLE SOURCE PURCHASE REPORT: \$35,000 - \$150,000**  
**DECEMBER 2021 COMMITTEE OF THE WHOLE (NOVEMBER 29)**

Vendor	Description of Services / Policy 215.04 Exception #	Fund	Department	Amount
Pullman Power, LLC	<p>This contract was approved for \$149,368 with an approved contingency of \$14,937. An additional \$76,743 is needed for additional MTC and Galileo Parking Garage repairs. Pullman Power is currently mobilized and familiar with the project requirements.</p> <p><i>#2d. Compatibility with existing equipment and #7. Emergency situations</i></p>	7127, Campus Development Fund	7501, Grounds	\$ 76,743.00

**RENEWALS SUMMARY:**

**\$50,000+**

**DECEMBER 2021 COMMITTEE OF THE WHOLE (NOVEMBER 29)**

<b>JCCC Contract Total Contract Period Fund Source / Renewal Option</b>	<b>Vendors Original Bid Amounts First Year / Multi-Year (if applicable)</b>	<b>Renewal Option Amount</b>	<b>Description of Services Original BoT Approval</b>
<p><b>Annual Contract for Window Washing Services (C19-008-00)</b></p> <p><b>Original Term:</b> Base Year, 4 Renewal Option Years 1/1/19 - 12/31/24</p> <p>Fund Source: 0201, General Fund <b>Renewal Option:</b> 3 of 4</p>	<ol style="list-style-type: none"> <li>1. <b>Jack &amp; Joe's Window Cleaning, Inc. dba Squeegee Squad: \$65,935 / \$343,128</b></li> <li>2. Rigdon, Inc.: \$67,703 / \$345,353</li> <li>3. Building Keepers, Inc.: \$83,589 / \$443,785</li> </ol>	<p align="right">\$92,617</p>	<p>Annual contract for window washing services to include interior and exterior windows and louvers in the identified buildings on the main campus and satellite locations. Pricing increase above the original amount is for the addition of FADS &amp; CTE buildings along with the allowed annual 2% price increase.</p> <p><i>December - 2018</i></p>

Committee of the Whole  
November 29, 2021

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>
Sutton Trucking	CDL	CE	Amendment to Equipment Rental Agreement with Sutton Trucking/Rental through June 30, 2022	Amendment incorporates rates for equipment rental from Sutton Trucking for CE open enrollment CDL classes, in addition to the rental rates for Sutton contract training. Open enrollment rates will be \$1,200 per tractor-trailer unit per class and \$100 per day for any additional unit.
Johnson County Library	Adult Education	CE	Calendar year beginning January 1, 2022	The proposed renewal extends a more than 35-year partnership with Johnson County Library in support of community



				<p>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 the other.</p>
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**RECOMMENDATION:**

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

JOHNSON COUNTY COMMUNITY COLLEGE  
Committee of the Whole

December 6, 2021

Curriculum

New Programs, Effective Academic Year 2022-2023

- 1020-AFA: Fine Arts

The associate of fine arts degree from JCCC:

- is designed for students who plan to transfer to another college or university to earn a bachelors degree.
- requires a minimum of 60 college-level credit hours within specified categories with a 2.0 or higher GPA.
- requires the completion of a cultural diversity course from a list of approved courses. Some of the courses in this list will also meet humanities, social science, or non-lab science requirements for this degree.

The total program hours necessary to complete the associate of fine arts degree include 30 credit hours of general education requirements plus a minimum of 30 additional credit hours of electives.

<u>General Education &amp; Elective Requirements</u>	<u>Credit Hours</u>
Communications- Gen Ed	9
Humanities- Gen Ed	6
Social Science and Economics- Gen Ed	6
Science and Mathematics- Gen Ed	9
Cultural Diversity	1 course
Program Electives*	30
<u>Total Program Hours:</u>	<u>60</u>

*\*Program elective options include courses in Animation, Art, Art History, Computer Desktop Publishing, Film and Media, Music, Photography, and Theater.*

- 3300-CERT: Personal Training Certificate

Students that pursue a Personal Training Certificate will be prepared for initial client consultation, assessment, exercise programming and implementation. Throughout the program, students will be provided with opportunities to learn to monitor exercise techniques and response to exercise, including modifications as necessary. This certificate prepares students to gain expertise in exercise leadership and client education, as well as preparing students to adhere to legal and professional responsibilities. Students will be provided a pathway to continue their education in related fields such as Exercise Physiology or Kinesiology if further education is desired.

<u>Course Requirements</u>	<u>Credit Hours</u>
BIOL 144 Human Anatomy and Physiology	5
ENGL 121 Composition I	3
HPER 186 Fitness Assessment	2
HPER 192 Wellness for Life	1
HPER 200 First Aid and CPR	2
HPER 202 Personal Community Health	3
HPER 209 Introduction to Kinesiology	3
HPER 211 Foundation of Fitness Training	3
HPER 215 Introduction to Exercise Science	3
Program Electives*	4
<u>Total Program Hours:</u>	<u>29</u>

*\*Program elective options include courses in Dietary Manager, and Physical Education, Health and Recreation.*

Committee of the Whole  
November 29, 2021

Mill Levy and Assessed Valuation Update

The final 2021 tax levy rates and assessed values have been published by Johnson County. The College's final 2021 tax levy rate is 9.110 mills on each \$1,000 of assessed valuation, as shown in the following table. The County Clerk has the responsibility to examine budgets and to establish the mill levy to raise the ad valorem tax to be levied, based on the final valuation.

<b>FUND</b>	<b>2021 TAX LEVY</b>	<b>2020 TAX LEVY</b>
General	8.575	8.652
Capital Outlay	0.501	0.505
Special Assessment	0.034	0.034
TOTAL	9.110	9.191

Total valuation increased by 4.49% as follows:

	<b>2021 VALUATION</b>	<b>2020 VALUATION</b>
TOTAL	\$12,260,371,273	\$11,733,829,400