ALLEN COUNTY
COMMUNITY COLLEGE

Iola, Kansas

Independent Auditors' Report and
Financial Statements with
Supplementary Information

For the Year Ended June 30, 2019

ALLEN COUNTY COMMUNITY COLLEGE
Iola, Kansas

TABLE OF CONTENTS

	SCHEDULE NUMBER	PAGE NUMBER
Management's Discussion and Analysis		i – x
Independent Auditors' Report		1-3
FINANCIAL STATEMENTS:		
Statement of Net Position		4
Statement of Revenues, Expenses, and Changes in Net Position		5
Statement of Cash Flows		6-7
Notes to Financial Statements		8-28
REQUIRED SUPPLEMENTARY INFORMATION:		
Schedule of Funding Progress	1	29
SUPPLEMENTARY INFORMATION:		
Combining Schedule of Net Position – Primary Institution	2	30-31
Combining Schedule of Revenues, Expenses, and Changes in Net Position – Primary Institution	3	32-33
Schedule of Revenues, Expenditures, and Changes in Unencumbered Cash - Budget and Actual (Budget Basis): All Budgeted Funds - Current Funds – Unrestricted (With Comparative Actual Amounts for the Prior Year)		
General Fund	4	34-35
Postsecondary Technical Education Fund	5	36
Adult Supplemental Education Fund	6	37
Auxiliary Enterprise Fund	7	38
Unexpended (Capital Outlay) Fund	8	39

TABLE OF CONTENTS
(Continued)

	SCHEDULE NUMBER	PAGE NUMBER
Schedule of Changes in Assets and Liabilities – All Agency Funds – Primary Institution	9	40-41
Auditor Information Sheet		42-43
Schedule of Expenditures of Federal Awards	10	44
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*		45-46
Independent Auditors' report on Compliance with Each Major Program and on Internal Control Over Compliance required by the Uniform Guidance		47-48
Schedule of Findings and Questioned Costs	11	49
Summary of Resolutions of Prior Year's Audit Findings and Questioned Costs	12	50

ALLEN COUNTY COMMUNITY COLLEGE

Management's Discussion and Analysis

Overview of the Financial Statements and Financial Analysis

The discussion and analysis of Allen County Community College's financial statements focuses on the College as a whole and provides an overview of the College's financial activities for the year ended June 30, 2019 with selected comparative information for the year ended June 30, 2018. The emphasis of discussion about these statements is on current year data and based on currently known facts. This discussion should be read along with the College's basic financial statements and the footnotes to those statements. A separate audit is issued for the Allen County Community College Endowment Association and is available for review at 1801 North Cottonwood, Iola, Kansas 66749.

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

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

Statement of Net Position

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

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

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

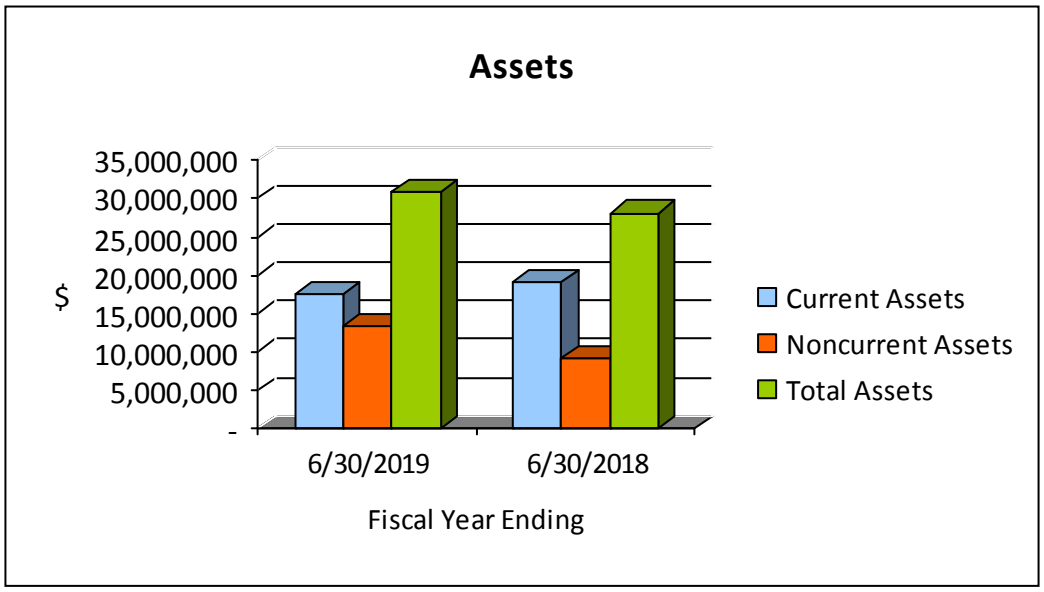
Analysis of Assets, Liabilities and Net Position

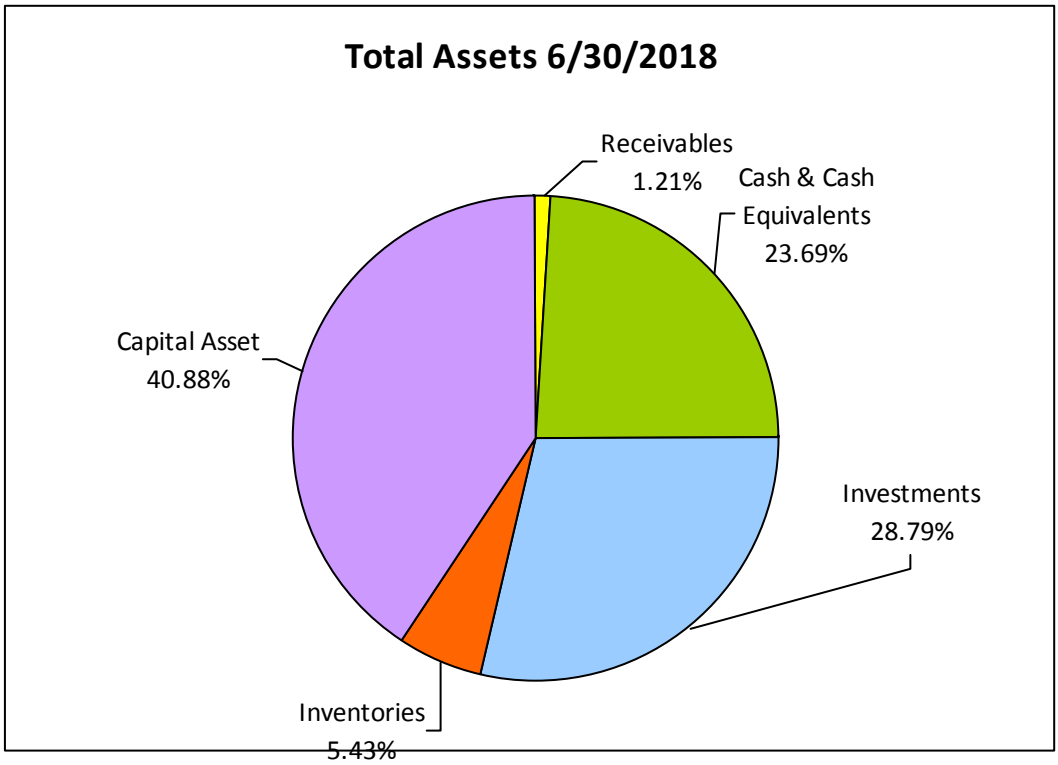
Assets

Comparison of Assets – Fiscal Year 2018 to 2019

	2018	% Total 2018	2019	% Total 2019
Current Assets	$ 18,996,767	67.52%	$ 17,422,304	56.56%
Non-Current Assets	$ 9,137,116	32.58%	$ 13,377,777	43.44%
Total Assets	$ 28,133,883	100.00%	$ 30,800,081	100.00%
Deferred Outflows	$ 5,551		$ 5,347	

For the year ended June 30, 2019, total assets increased $2,666,198 [9.5%] over the previous fiscal year. The net increase in total assets included a decrease in Cash and Cash Equivalents of ($1,097,225) [-13.1%], an increase in Capital Assets (Net of Depreciation) of $3,689,788 [41.7%], and a decrease in investments of $ (310,694) [-3.4%]. Capital Assets increased primarily due to the addition and renovation to the student center on the Iola campus.



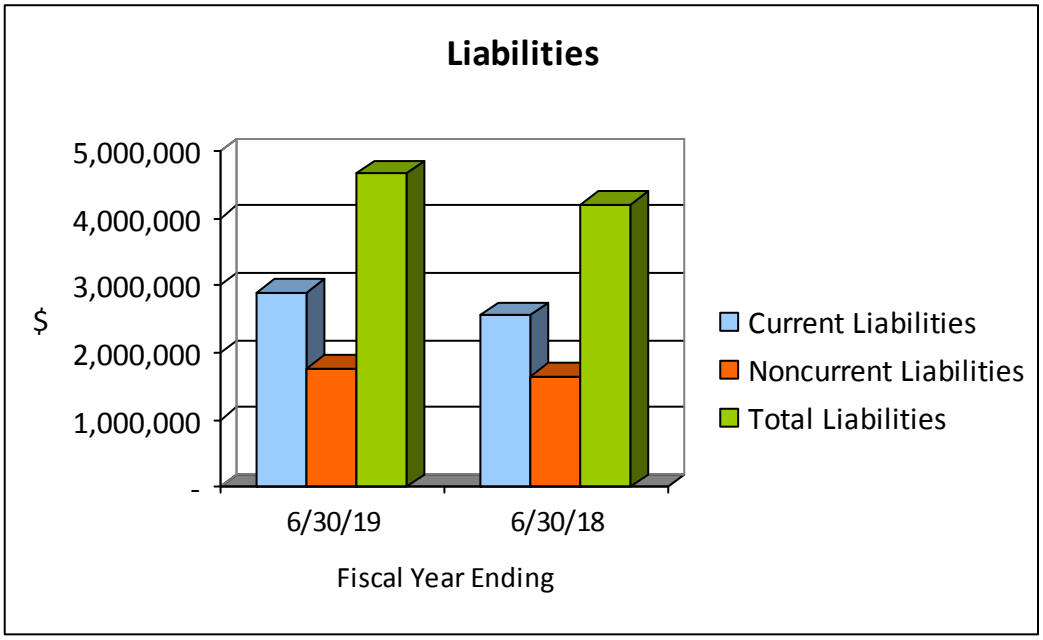


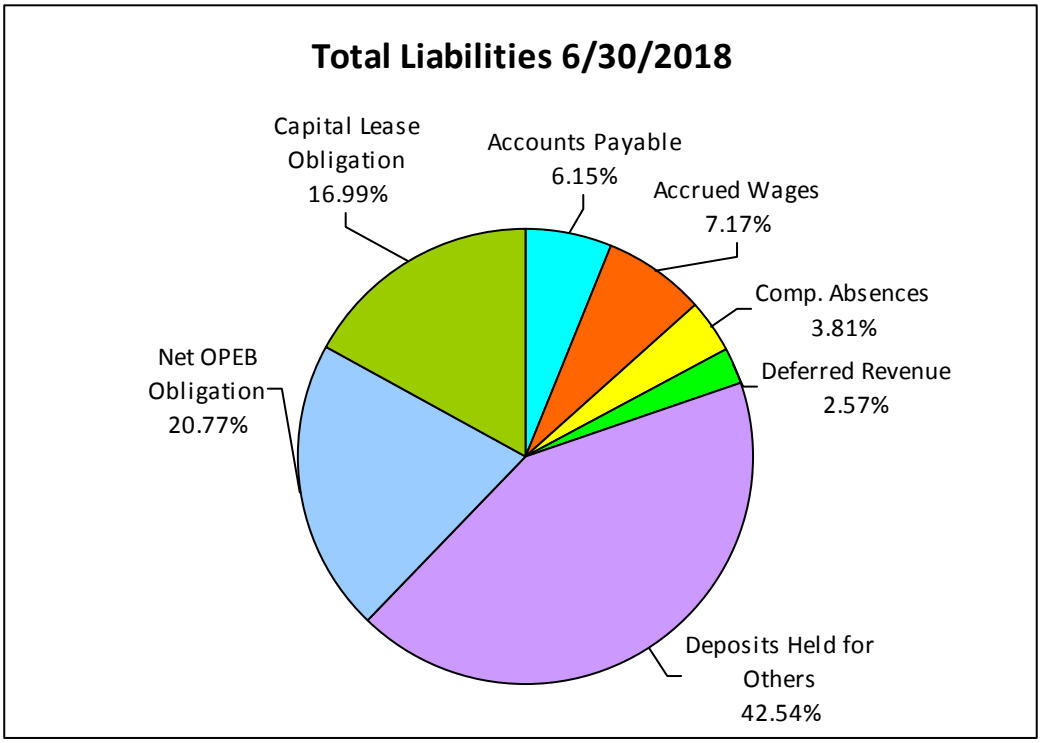
Liabilities

Comparison of Liabilities – Fiscal Year 2018 to 2019

	2018	% Total 2018	2019	% Total 2019
Current Liabilities	$ 2,553,570	60.64%	$ 2,895,076	62.02%
Non-Current Liabilities	$ 1,657,237	39.36%	$ 1,772,831	37.98%
Total Liabilities	$ 4,210,807	100.00%	$ 4,667,907	100.00%
Deferred Inflows	$ 123,650		$ 111,645	

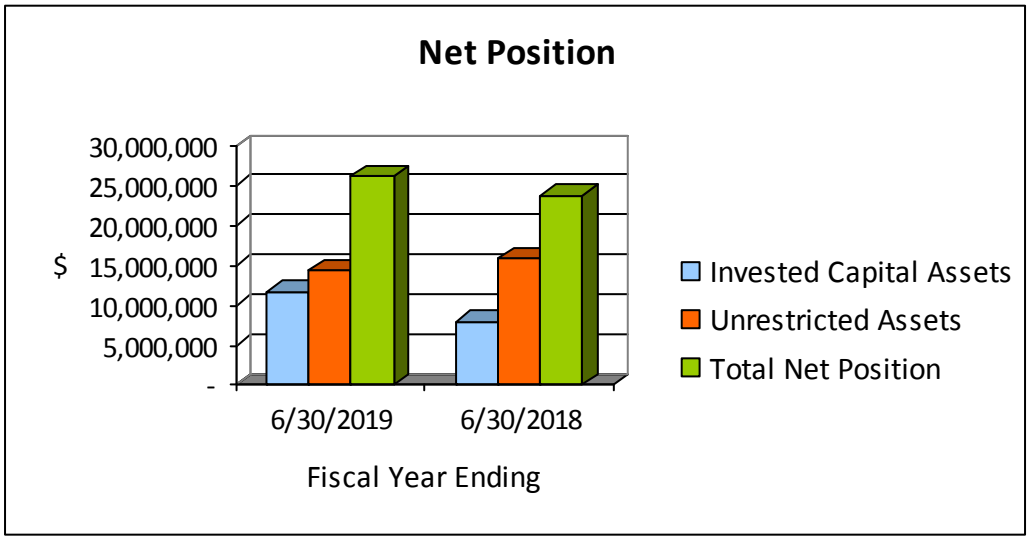
For the year ended June 30, 2019, total liabilities increased $457,100 [10.9%] over the previous year. The net change in total liabilities can be attributed to an increase in Accounts Payable of $101,992 [55.4%], an increase in accrued wages of $39,255 [13.3%], a decrease in compensated absences of ($11,296) [-6%], an increase in Deferred Revenue of $33,584 [39.1%], an increase in Net OPEB Obligation of $190,165 [24.5%], and a decrease in Capital Lease Obligations in the amount of ($80,000) [-9.2%]. Much of the increase in liabilities (38.9%) was due to an increase in deposits held for others of $177,971[9.9%], which was primarily due to an increase of $144,209 [8.8%] in the College scholarship pool.


Liabilities
5,000,000
4,000,000
3,000,000
2,000,000
1,000,000
-
$
6/30/19
6/30/18
Fiscal Year Ending
Current Liabilities
Noncurrent Liabilities
Total Liabilities


Total Liabilities 6/30/2018
Capital Lease Obligation 16.99%
Accounts Payable 6.15%
Accrued Wages 7.17%
Comp. Absences 3.81%
Deferred Revenue 2.57%
Net OPEB Obligation 20.77%
Deposits Held for Others 42.54%

Net Position

Total Net Position increased $2,356,238 [9.9%] for the year ending June 30, 2019. The change was mainly due to an increase in Capital Assets of $3,689,788. Capital Assets were impacted by the addition and renovation of the College student center, on the Iola campus. Specific liabilities that had a major impact on the increase in net position are listed in the liabilities section of this management discussion.



Statement of Revenues, Expenses and Changes is Net Position

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

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

Analysis of Revenues and Expenses

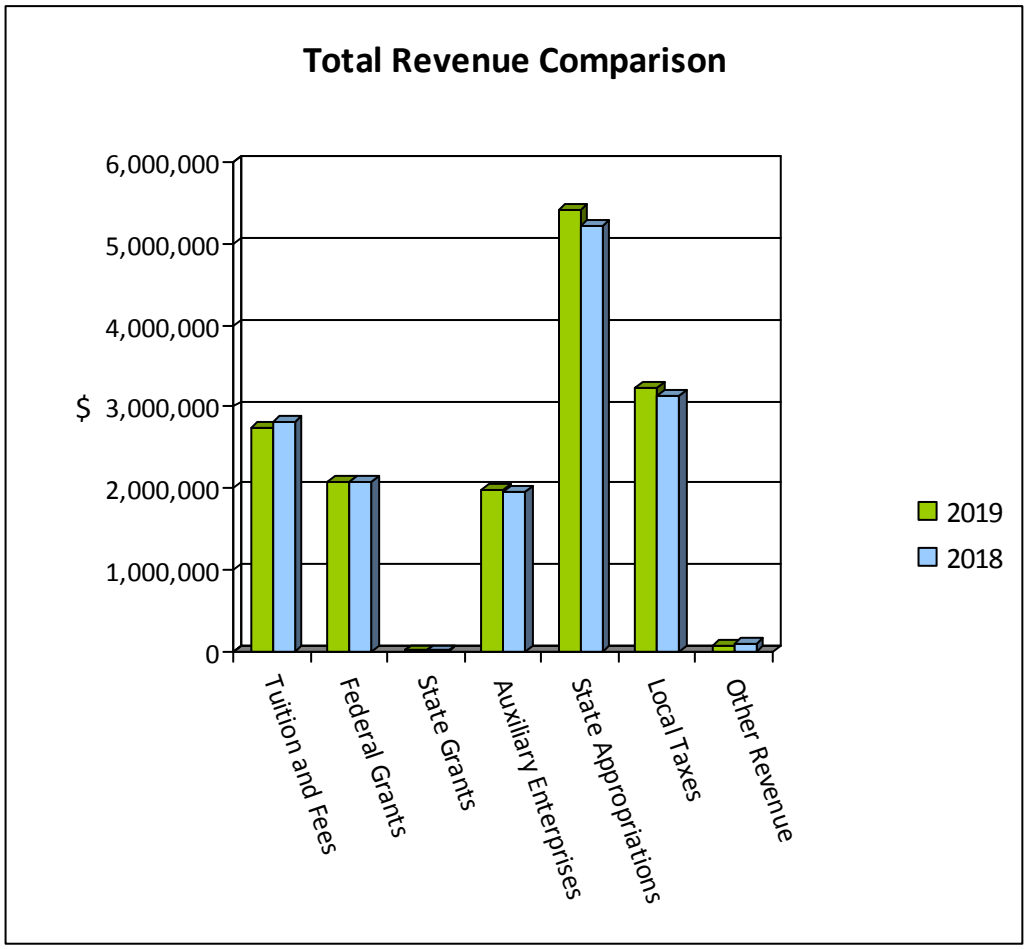
Revenues

Revenue	2018	% Total 2018	2019	% Total 2019
Student Tuition & Fees	$2,815,902	18.2%	$2,746,642	17.3%
State Appropriations	$5,222,614	33.7%	$5,416,578	34.0%
Federal Grants & Contracts	$72,170	0.5%	$80,731	0.5%
Federal Pell Grants	$2,007,560	13.0%	$2,007,933	12.6%
State Grants & Contracts	$13,601	0.1%	$13,957	0.1%
County Appropriations	$3,125,814	20.2%	$3,234,554	20.3%
Auxiliary Enterprises	$1,964,920	12.7%	$1,985,226	12.5%
Interest Income	$166,740	1.1%	$348,069	2.2%
Other Revenue	$104,305	0.7%	$81,854	0.5%
Total Revenue	$15,493,626		$15,915,544	

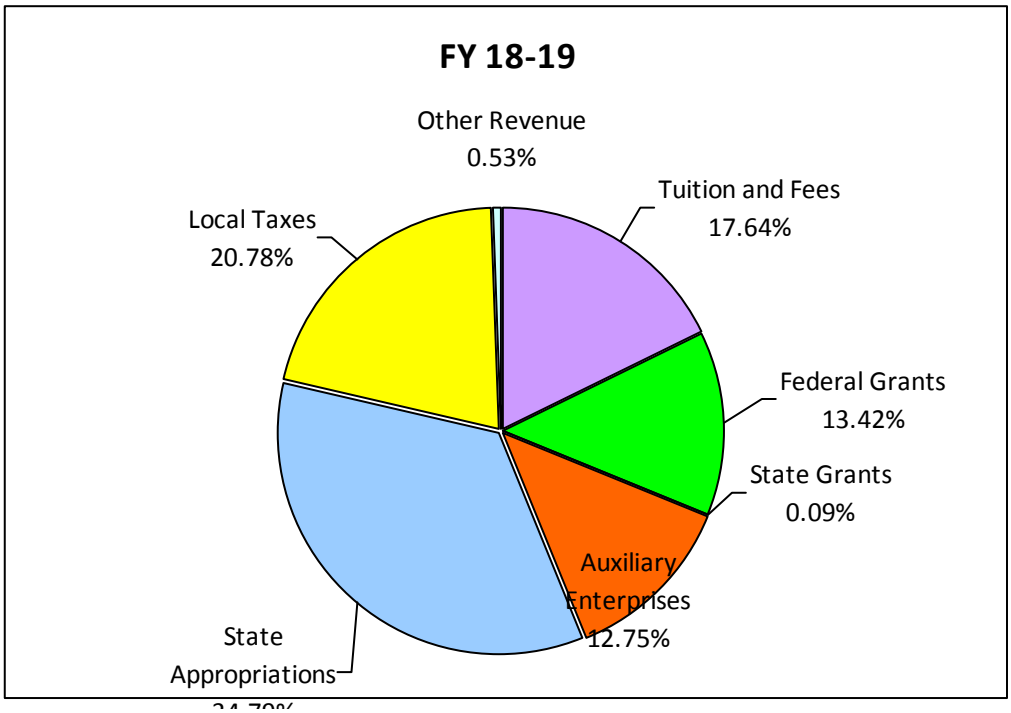
Total revenue for the 2018-2019 fiscal year increased $428,743 [2.8%].

Operating revenues decreased ($62,488) [-1.3%]. The change consisted of a decrease in Student Tuition and Fees (net of scholarship discounts and allowances) of ($69,260) [-2.5%], an increase in Federal Grants and Contracts of $8,561 [11.9%], an increase in Auxiliary Enterprises Sales of $20,306 [1.0%] and a decrease in Other Operating Revenue of ($22,451) [-21.5%].

Non-operating revenues (expenses) increased $491,231 [4.7%]. The change consisted of an increase in State Appropriations of $ 193,964 [3.7%], an increase in County Appropriations of $108,740 [3.5%], and an increase in investment income of $181,329 [108.7%].



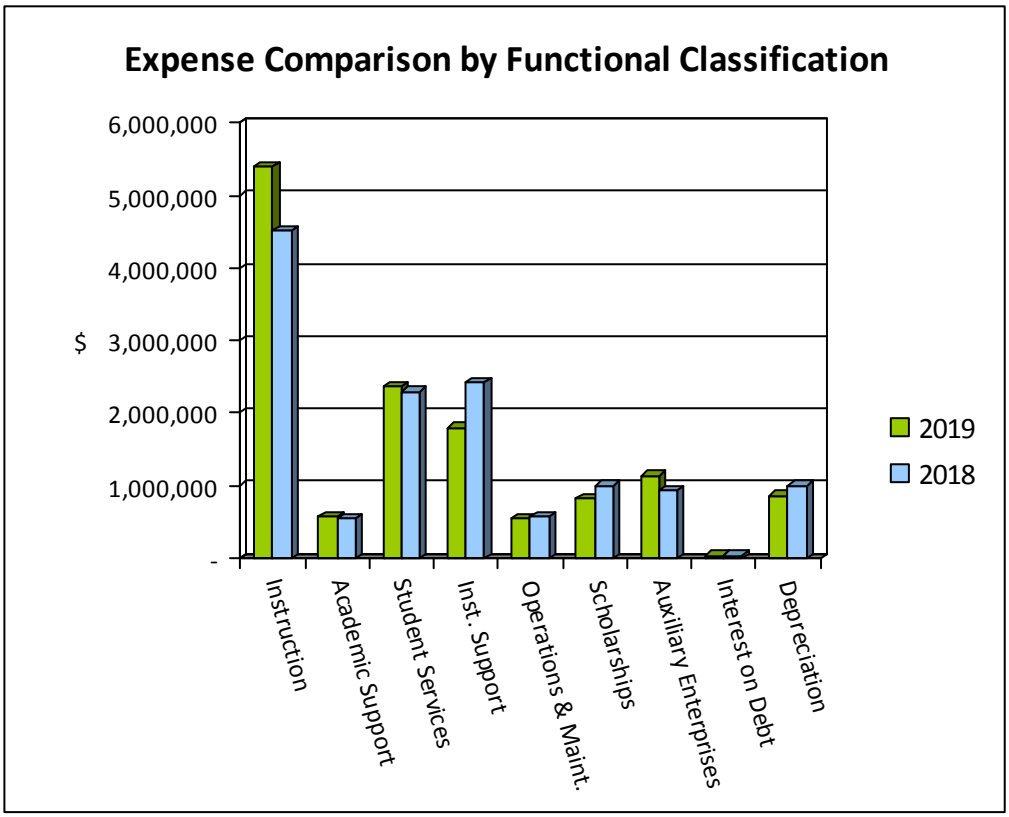
Allen
County Community College receives revenue from seven sources:

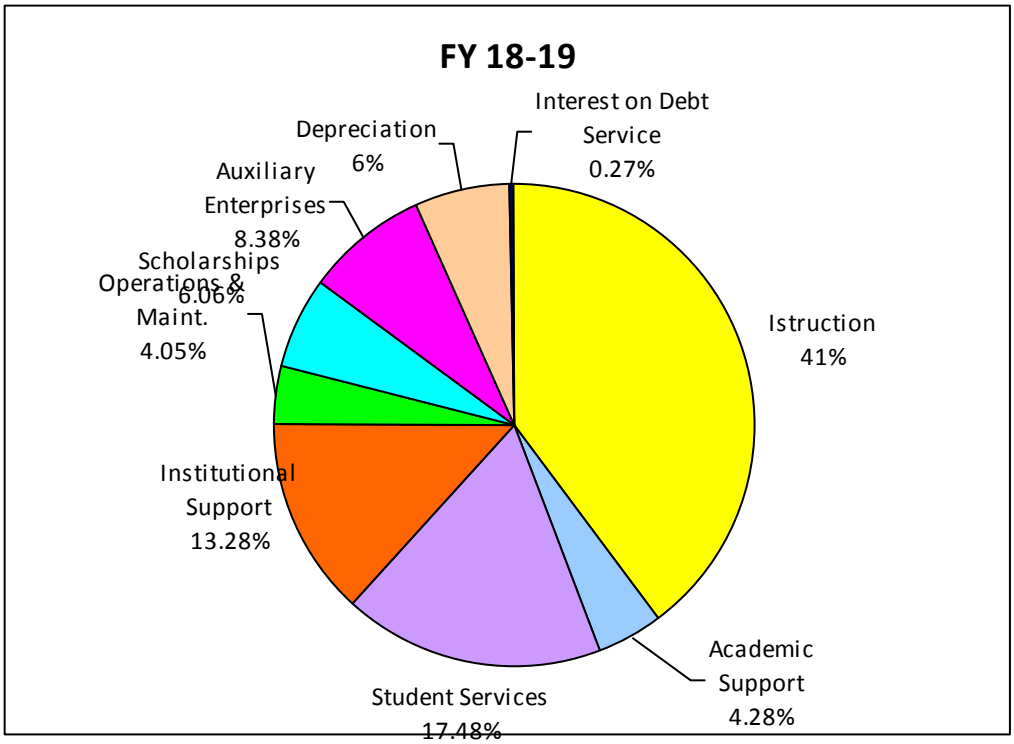


Expenses

Total operating expenses for 2018-2019 increased $246,348 [1.9%]. The overall increase resulted from higher instructional expenses of $209,867 (4.7) and a decrease in scholarships and awards of ($185,053) [-18.4%]. Auxiliary Enterprise expenses increased by $207,870 [22.4%], which was due to higher repairs and maintenance expenses as well as furniture to accommodate expanded housing from their lease with "Parkford Apartments". Depreciation expenses also fell by $132,654 [-13.3%].

Detail of Education & General Expenditures	2018	% Total 2018	2019	% Total 2019
Instruction	$4,510,567	33.9%	$4,720,435	34.8%
Academic Support	$541,712	4.1%	$579,958	4.3%
Student Services	$2,300,590	17.3%	$2,370,329	17.5%
Institutional Support	$2,422,247	18.2%	$2,481,503	18.3%
Operation and Maintenance	$570,274	4.3%	$549,351	4.1%
Scholarships and Awards	$1,006,472	7.6%	$821,419	6.1%
Auxiliary Expense	$928,305	7.0%	$1,136,175	8.4%
Depreciation Expense	$996,132	7.5%	$863,478	6.4%
Debt Service	$39,831	0.3%	$36,658	0.3%
Total Expenditures	$13,316,130		$13,559,306	





Statement of Cash Flows

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

1) Operating Activities-This section deals with operating cash flows and shows the net cash used by the operating activities of the institution.

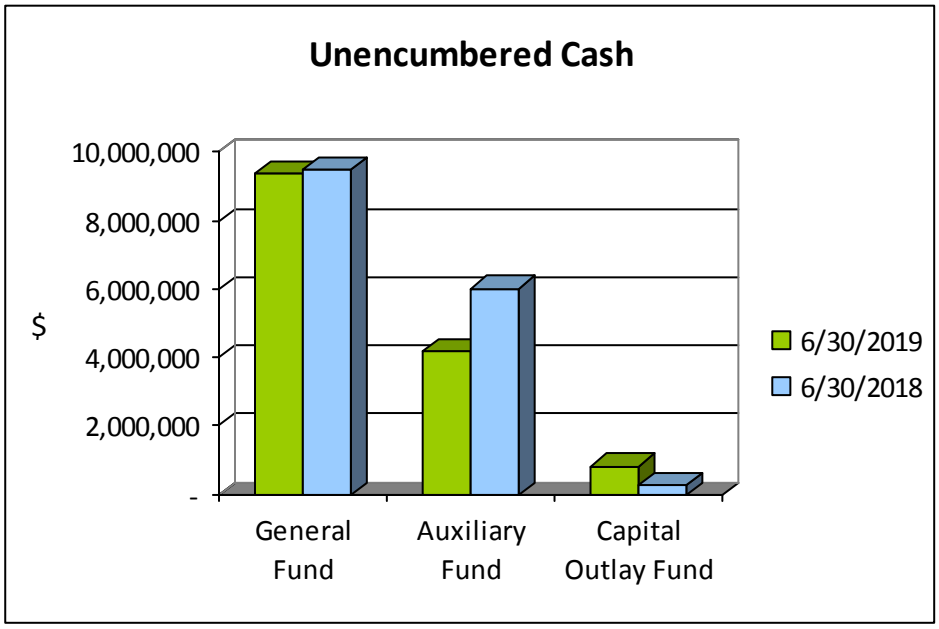
2) Noncapital Financing Activities-This section shows the cash received and spent for nonoperating, noninvesting and noncapital financing purposes.

3) Capital Financing Activities-This section deals with the cash used for the acquisition and construction of capital and related items.

4) Investing Activities-This section shows the interest received from investing activities.

5) Net Change in Cash-The final section reconciles the net cash used in relation to the operating income or loss reflected on the Statement of Revenues, Expenses and Changes in Net Position.

Comparative Cash Position



Capital Assets and Debt Administration

During the fiscal year ended June 30, 2019, the College utilized cash reserves from the General and Auxiliary Funds to finance phase two of the Student Center Addition and Renovation Project that is associated with a Master Facility Plan developed in fiscal year 2012-2013. Deferred maintenance and preventative maintenance items such as exterior brick repairs, parking lot repairs, boiler upgrades and parking lot lighting repairs totaled $83,909, up from $80,168 the previous year. Funding for facility projects came from the General Fund and Auxiliary Fund. The College currently has outstanding capital lease debt of $790,000. Remaining term of debt is 7 years with annual debt service requirements of $119,816. It should be noted that cash and cash equivalents fell by $1,097,225 as a result of using cash reserves to fund the student center.

Economic Outlook

The College remains strong financially with adequate cash reserves, even as they expend reserves from the General Fund, Auxiliary Fund and Capital Outlay Fund on capital projects around the Iola Campus. We expect aid from the State of Kansas to remain steady in 2019-20 and do not expect increases in state aid for academic programs in the near future, although significant revenue increases have come from SB155 funding. Assessed valuation of property in Allen County has remained steady after substantial increases in 2015-16. Tuition costs are projected to remain stable. The College continues to focus on preventative maintenance of facilities, while following the capital improvement plan put forth in the College's strategic plan. The College remains fiscally stable through thoughtfully planned budgets that align with the College strategic plan, and continued expenditure management. Allen continues to be one of the most efficiently operated community colleges in the State of Kansas.

JARRED, GILMORE & PHILLIPS, PA
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

Board of Trustees
Allen County Community College
Iola, Kansas

Report on the Financial Statements
We have audited the accompanying financial statements of Allen County Community College, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Allen County Community College's basic financial statements as listed in the table of contents.

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

Auditors' Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Allen County Community College, as of June 30, 2019, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters
Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages i-x and schedule of funding progress on page 29 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information
Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Allen County Community College's basic financial statements. The supplementary information, as listed in the table of contents as pages 30 to 41, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of “Municipality”, Kansas as of and for the year ended June 30, 2018 (not presented herein), and have issued our report thereon dated December 20, 2018, which contained an unmodified opinion on the basic financial statement. The 2018 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration

at the following link http://www.admin.ks.gov/offices/chieffinancial-officer/municipal-services. The 2018 actual column (2018 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures—actual and budget for the year ended June 30, 2019 (Schedules 4 to 8 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2018 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2018 basic financial statement. The 2018 comparative information was subjected to the auditing procedures applied in the audit of the 2019 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2018 basic financial statement or to the 2018 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2018 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended June 30, 2018, on the basis of accounting described in Note 1.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2019 on our consideration of Allen County Community College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Allen County Community College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Allen County Community College's internal control over financial reporting and compliance.



JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants

Chanute, Kansas
December 20, 2019

ALLEN COUNTY COMMUNITY COLLEGE

Iola, Kansas

Statement of Net Position

June 30, 2019

	Primary Institution	Component Unit-Endowment Association
ASSETS		
Current Assets		
Cash and Cash Equivalents	$ 6,432,182	$ 384,467
Accounts Receivable, Net	501,209	183,337
Inventories	1,663,913	-
Investments	8,825,000	6,170,759
Total Current Assets	17,422,304	6,738,563
Noncurrent Assets		
Cash and Cash Equivalents	828,585	-
Accounts Receivable, Net	17,016	3,060
Capital Assets, Net of Accumulated Depreciation	12,532,176	168,902
Total Noncurrent Assets	13,377,777	171,962
TOTAL ASSETS	30,800,081	6,910,525
DEFERRED OUTFLOWS OF RESOURCES		
Pension Related Deferred Outflows	140,686	-
LIABILITIES		
Current Liabilities		
Accounts Payable	286,166	229,149
Accrued Wages	333,617	-
Compensated Absences	177,328	-
Deferred Revenue	119,486	-
Deposits Held in Custody for Others	1,978,479	-
Total Current Liabilities	2,895,076	229,149
Noncurrent Liabilities		
Net OPEB Obligation	965,815	
Capital Lease Obligations	790,000	-
Deferred Revenue	17,016	-
TOTAL LIABILITIES	4,667,907	229,149
DEFERRED INFLOWS OF RESOURCES		
Pension Related Deferred Inflows	111,645	-
NET POSITION		
Invested in Capital Assets, Net of Related Debt	11,742,176	-
Restricted - Expendable	-	981,628
Restricted - Nonexpendable	-	2,384,486
Unrestricted	14,419,039	3,315,262
TOTAL NET POSITION	$ 26,161,215	$ 6,681,376

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

ALLEN COUNTY COMMUNITY COLLEGE

Iola, Kansas

Statement of Revenues, Expenses, and Changes in Net Position

For the Year Ended June 30, 2019

	Primary Institution	Component Unit-Endowment Association
REVENUES		
Operating Revenues		
Student Tuition and Fees, Net of Scholarship		
Discounts and Allowances of $1,902,705	$ 2,746,642	$ -
Federal Grants and Contracts	80,731	-
State Grants and Contracts	13,957	-
Sales and Services of Auxiliary Enterprises	1,985,226	-
Other Operating Revenues	81,854	12,620
Total Operating Revenues	4,908,410	12,620
EXPENSES		
Operating Expenses		
Educational and General		
Instruction	4,720,435	-
Academic Support	579,958	-
Student Services	2,370,329	2,851
Institutional Support	2,481,503	123,286
Operation and Maintenance	549,351	-
Scholarships and Awards	821,419	231,149
Auxiliary Enterprises	1,136,175	-
Depreciation Expense	863,478	-
Total Operating Expenses	13,522,648	357,286
Operating Income (Loss)	(8,614,238)	(344,666)
Nonoperating Revenues (Expenses)		
State Appropriations	5,416,578	-
County Appropriations	3,234,554	-
Federal Pell Grants	2,007,933	-
Debt Service	(36,658)	-
Gifts	-	269,872
Investment Income	348,069	270,737
Gain (Loss) on Sale of Assets	-	-
Unrealized Gain (Loss) on Investments	-	161,124
Net Nonoperating Revenues (Expenses)	10,970,476	701,733
Increase (Decrease) in Net Position	2,356,238	357,067
Net Position - Beginning of Year	23,804,977	6,324,309
Net Position - End of Year	$ 26,161,215	$ 6,681,376

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

ALLEN COUNTY COMMUNITY COLLEGE

Iola, Kansas

Statement of Cash Flows

For the Year Ended June 30, 2019

	Primary Institution	Component Unit-Endowment Association
CASH FLOWS FROM OPERATING ACTIVITIES		
Student Tuition and Fees	$ 2,599,108	$ -
Federal Grants and Contracts	80,731	-
State Grants and Contracts	13,957	-
Sales and Services of Auxiliary Enterprises	1,985,226	-
Miscellaneous Income	81,854	9,080
Payments on Behalf of Employees	(6,822,799)	-
Payments for Supplies and Materials	(501,077)	-
Payments for Other Expenses	(5,182,129)	(254,045)
Net cash provided by (used in) operating activities	(7,745,129)	(244,965)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State Appropriations	5,416,578	-
County Appropriations	3,234,554	-
Federal Pell Grant	2,007,933	
Federal Direct Loans	1,275,226	-
Federal Direct Loans Awarded	(1,275,226)	-
Gifts	-	63,990
Net cash provided by (used in) noncapital financing activities	10,659,065	63,990
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
Payments for Purchase of Capital Assets	(4,553,266)	-
Principal Payments for Long-Term Debt	(80,000)	-
Debt Service Payments for Long-Term Debt	(36,658)	-
Proceeds from the Sale of Assets	-	-
Cash Collections from Endowment Contributions	-	94,755
Net cash provided by (used in) capital financing activities	(4,669,924)	94,755
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Sales and Maturities of Investments	28,513,710	1,485,498
Purchase of Investments	(28,203,016)	(1,617,490)
Interest Earned on Investments	348,069	129,888
Net cash provided by (used in) investing activities	658,763	(2,104)
Net Increase (Decrease) in Cash and Cash Equivalents	(1,097,225)	(88,324)
Cash and Cash Equivalents, Beginning of Year	8,357,992	472,791
Cash and Cash Equivalents, End of Year	$ 7,260,767	$ 384,467

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

ALLEN COUNTY COMMUNITY COLLEGE

Iola, Kansas

Statement of Cash Flows (Continued)

For the Year Ended June 30, 2019

	Primary Institution	Component Unit-Endowment Association
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH USED BY OPERATING ACTIVITIES		
Operating Income (Loss)	$ (8,614,238)	$ (344,666)
Adjustments to Reconcile Change in Net Position to Net Cash Used in Operating Activities:		
Depreciation Expense	863,478	1,486
Noncash Contributions	-	98,344
Deferred Outflows - Pension	(135,135)	-
Deferred Inflows - Pension	(12,005)	-
(Increase) Decrease in Receivables	(186,547)	(3,540)
(Increase) Decrease in Prepaid Expense	-	-
(Increase) Decrease in Inventory	(197,782)	-
Increase (Decrease) in Accounts Payable	101,992	3,411
Increase (Decrease) in Accrued Wages	39,255	-
Increase (Decrease) in Compensated Absences	(11,296)	-
Increase (Decrease) in OPEB Obligations	190,165	-
Increase (Decrease) in Deferred Revenue	39,013	-
Increase (Decrease) in Deposits Held for Others	177,971	-
Net cash provided by (used in) operating activities	$ (7,745,129)	$ (244,965)
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF Net Position		
Cash and Cash Equivalents classified as current assets	$ 6,432,182	$ 384,467
Cash and Cash Equivalents classified as non-current assets	828,585	-
Total Cash and Cash Equivalents	$ 7,260,767	$ 384,467
Supplemental Information:		
Non Cash Contributions - Management and General	$ -	$ 68,955
Non Cash Contributions - Items for Annual Auction	-	15,429
Cash Paid for Interest	39,838	-

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

1. NATURE OF ACTIVITIES

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

Reporting Entity
The financial reporting entity, as defined by Governmental Accounting Standards Board ("GASB") Statement No. 14, *The Financial Reporting Entity*, consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion could cause the financial statements to be misleading or incomplete.

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

Noncurrent Cash, Investments, and Noncurrent Accounts Receivable
Cash, investments, and accounts receivable that are externally restricted to make debt service payments, maintain sinking or reserve funds, or to purchase or construct capital or other noncurrent assets, are classified as noncurrent assets in the statement of Net Position.

Capital Assets
Capital assets are stated at cost at the date of acquisition, or fair value at the date of donation in the case of gifts. For equipment, the College's capitalization policy includes all items with a unit cost of $5,000 or more, and an estimated useful life of greater than one year. Renovations to building, infrastructure, and land improvements that significantly increase the value or extend the useful life of the structure are capitalized. Routine repairs and maintenance are charged to operating expense in the year in which the expense was incurred. Depreciation is provided on straight-line method over the estimated useful lives of the respective classes of property. Estimated useful lives are as follows:

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

Accounts Receivable and Deferred Revenue
Accounts receivable consist of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty and staff, the majority of each residing in the State of Kansas. Accounts receivable also includes amounts due from the Federal government, state and local governments, or private sources, in connection with reimbursement of allowable expenditures made pursuant to the College's grant and contracts. Accounts receivable also include taxes in process of collection for property taxes assessed and collected for the calendar year ending December 31, 2018.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounts Receivable and Deferred Revenue (Continued)
Consequently, for revenue recognition purposes, taxes levied during the current year are not due and receivable until the ensuing year. Property taxes levied in December 2016 are recorded as taxes receivable. Approximately 33% of these taxes are normally distributed after May 10th, and are presented as accounts receivable–taxes in process and deferred revenue to indicate that they are not appropriable. It is not practicable to apportion delinquent taxes held by the County Treasurer at the end of the year and, further, the amounts thereof are not material in relationship to the financial statements taken as a whole.

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

Net Position
The College's Net Position are classified as follows:

Invested in Capital Assets, Net of Related Debt: This represents the College's total investment in capital assets, net of accumulated depreciation, and outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of investment in capital assets, net of related debt.

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

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

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Classification of Revenues

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

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

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

Scholarship Discounts and Allowances

Student tuition and fee revenues, and certain other revenues from students, are reported net of scholarship discounts and allowances in the statements of revenues, expenses, and changes in Net Position. Scholarship discounts and allowances are the difference between the stated charge and the goods and services provided by the College, and the amount that is paid by students and/or third parties making payments on the students' behalf. Certain governmental grants, such as Pell grants, and other Federal, state or nongovernmental programs, are recorded as either operating or nonoperating revenues in the College's financial statements. To the extent that revenues from such programs are used to satisfy tuition and fees and other student charges, the College has recorded a scholarship discount and allowance.

Accounting Estimates

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

Pension Plan

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

Accounts Receivable and Allowance for Doubtful Accounts

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Information

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

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

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. The College made no such amendments during the year ended June 30, 2019.

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

Annual operating budgets are prepared using the cash basis of accounting, modified further by the recording of accounts payable and encumbrances. Revenue is recognized when cash is received. Expenditures include cash disbursements, accounts payable, and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. All unencumbered appropriations (legal budget expenditure authority) lapse at year-end.

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

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

3. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Compliance with Kansas Statutes

Supplementary Schedules 4 to 9 have been prepared in order to show compliance with the cash basis and budget laws of Kansas.

4. DEPOSITS AND INVESTMENTS

Deposits and Investments - Primary Institution
As of June 30, 2019, the College has the following investments and maturities.

		Investment Maturities (in Years)		
Investment Type	Fair Value	Less than 1	1 - 2	Rating
Kansas Municipal Investment Pool				
Overnight Pool	$ 2,117,817	$ 2,117,817	- -	S&P AAAf/S1+
30 Day Fixed	3,049,877	3,049,877	- -	S&P AAAf/S1+
90 Day Fixed	1,000,000	1,000,000	- -	S&P AAAf/S1+
180 Day Fixed	4,500,000	4,500,000	- -	S&P AAAf/S1+
365 Day Fixed	3,325,000	3,325,000	- -	S&P AAAf/S1+

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

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

Concentration of credit risk. State statutes place no limit on the amount the Government may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. The College's allocation of investments as of June 30, 2019, is as follows:

Investment Type	Percentage of Investment
Kansas Municipal Investment Pool	100%

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the College's deposits may not be returned to it. State statutes require the College's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka. All deposits were legally secured at June 30, 2019.

Deposits: At year-end, the College's carrying amount of deposits, including certificates of deposit is $2,092,224 and the bank balance was $2,316,012. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, $294,972 was covered by FDIC insurance and $2,021,040 was collateralized with pledged securities held by the pledging financial institutions' agents in the College's name.

Custodial credit risk – investments. For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the College will not be able to recover the value of its investments of collateral securities that are in the possession of an outside party. State statues require investments to be adequately secured.

4. DEPOSITS AND INVESTMENTS (Continued)

At year-end, the College had invested $13,992,694 in the Kansas Municipal Investment Pool. The municipal investment pool is under the oversight of the Pooled Money Investment Board. The board is comprised of the State Treasurer and four additional members appointed by the State Governor. The board reports annually to the Kansas legislature. State pooled monies may be invested in direct obligations of, or obligations that are insured as to principal and interest, by the U.S. government or any agency thereof, with maturities up to four years. No more than ten percent of those funds may be invested in mortgage-backed securities. In addition, the State pool may invest in repurchase agreements with Kansas banks or with primary government securities dealers.

Deposits and Investments – Component Unit

At June 30, 2019, the carrying amount of the Endowment Association's deposits were $384,467. The bank balance was held by one bank and one investment company resulting in a concentration of credit risk. The bank balance was $384,467. Of the bank balance $175,479 was covered by FDIC insurance and the remaining $208,988 was covered SIPC insurance.

Investment Policy – Component Unit

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

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

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

Investments at June 30, 2019, are comprised of the following:

	FAIR VALUE
Common Stock	$ 3,973,932
Fixed Income Securities	2,196,827
	$ 6,170,759

5. FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

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

Level 2. Inputs to the valuation methodology include:

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

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

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

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2019.

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

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

	June 30, 2019			
	Level 1	Level 2	Level 3	Total
Common Stock	$ 3,973,932	$ - -	$ --	$ 3,973,932
Fixed Income	- -	2,196,827	- -	2,196,827
Total	$ 3,973,932	$ 2,196,827	$ - -	$ 6,170,759

There were no transfers between level 1 and level 2 investments during the year ended June 30, 2019.

6. ACCOUNTS RECEIVABLE, NET

Accounts receivable at June 30, 2019, consisted of the amounts due under the following grant programs:

	Primary Institution
Current:	
Taxes in Process	$ 83,948
Federal Grants	147,995
Scholarship Reimbursement	247,383
Student Accounts - current	21,883
Total Accounts Receivable - Current	$ 501,209
Noncurrent:	
Taxes in Process	$ 17,016

The College uses the allowance method to account for uncollectible accounts receivable. Accounts receivable are presented net of an allowance for uncollectible accounts of $54,678 at June 30, 2019. Uncollectible amounts for unconditional promises to give of the Association are expected to be insignificant. Accordingly, no provision is made for uncollectible amounts.

7. UNCONDITIONAL PROMISES TO GIVE

Component Unit:
Unconditional promises to give at June 30, 2019 consist of the following:

Less than one year	$ 183,337
One to five years	3,060
Total unconditional promises to give	$ 186,397

8. INVENTORIES

Inventories consisted of the following at June 30, 2019:

Book Store Inventory	
Rental Books	$ 1,624,650
Books	13,384
Soft Goods	8,608
Supplies/Food	12,508
Gifts	4,763
Total Inventories	$ 1,663,913

9. CAPITAL ASSETS

Following are the changes in capital assets for the year ended June 30, 2019:

Primary Institution:

	Balance 06/30/2018	Additions	Retirements	Balance 06/30/2019
Capital assets not being depreciated				
Land	$ 37,550	$ -	$ -	$ 37,550
Other Capital Assets				
Buildings and Improvements	18,041,179	4,330,252	-	22,371,431
Building Under Capital Lease	2,170,366	-	-	2,170,366
Equipment	3,901,800	223,014	(51,126)	4,175,940
Total Other Capial Assets	24,113,345	4,553,266	(51,126)	28,717,737
Accumulated Depreciation				
Buildings and Improvements	(10,963,246)	(606,752)	-	(11,569,998)
Buildings and Improvements Under Building Under Capital Lease	(954,961)	(86,815)	-	(1,041,776)
Equipment	(3,390,300)	(169,911)	51,126	(3,611,337)
Total Accumulated Depreciation	(15,308,507)	(863,478)	51,126	(16,223,111)
Total Net Capital Assets	$ 8,842,388	$ 3,689,789	$ -	$ 12,532,176

Component Unit:

	Balance 06/30/2018	Additions	Retirements	Balance 06/30/2018
Capital assets not being depreciated				
Land	$ 159,000	$ -	$ -	$ 159,000
Total Capial Assets not being depreciated	159,000	-	-	159,000
Other Capital Assets				
Buildings and Improvements	22,280	-	-	22,280
Total Other Capial Assets	22,280	-	-	22,280
Accumulated Depreciation				
Buildings and Improvements	(10,892)	(1,486)	-	(12,378)
Total Accumulated Depreciation	(10,892)	(1,486)	-	(12,378)
Capital Asset Summary				
Net Land, Buildings, and Improvements	170,388	(1,486)	-	168,902
Total Net Capital Assets	$ 170,388	$ (1,486)	$ -	$ 168,902

10. CAPITAL LEASES

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

Capital Lease – Masterson Hall	
Debt requirements are as follows:	
June 30,	
2020	$ 118,448
2021	119,816
2022	116,081
2023	117,194
2024	117,929
2024-2027	356,236
Total Net Minimum Lease Payments	945,704
Less: Imputed Interest	(155,704)
Net Present Value of Capital Lease	790,000
Less: Current Maturities	(85,000)
Long-Term Capital Lease Obligations	$ 705,000

11. LEASE AGREEMENTS

The College has entered into a ten-year lease agreement with Unified School District No. 454, Burlingame, Kansas, to lease buildings for outreach classes, effective January 1, 2011. The agreement calls for rental payments that shall include a base rent of $500 each year. The lease payments are due in full by January 15 of each lease year. In addition, the College is responsible for custodial services and preventive maintenance, as well as major structural and/or facility equipment repair or replacement. This lease is subject to change or termination at any time by the Kansas legislature. In the event of a change in the Kansas statutory or case law which makes this lease agreement illegal, this lease shall be terminated with no recourse by either party. The total payments made under this lease agreement during the year ended June 30, 2019, was $29,900.66. Future minimum rental payments are as follows:

2020	$ 500
2021	500

The College has leased a postage meter for the period of 36 months with quarterly rent of $162. Total payments made under this lease agreement during the year ended June 30, 2019, was $648. There are no future minimum rental payment.

The College has entered into various other rental agreements for the rental of classrooms on a monthly non-binding basis. Total rent payments made under these agreements during the year ended June 30, 2019, was $5,062.

11. LEASE AGREEMENTS (Continued)

The College has entered into a one-year lease agreement with Parkford Apartments, Iola, Kansas, to lease one apartment for student housing, effective June 1, 2019. The total payments made under this lease agreement during the year ended June 30, 2019, was $22,405. Future minimum rental payments are as follows:

2020	$ 6,875

The College has entered into a one-year lease agreement with Parkford Apartments, Iola, Kansas, to lease one apartment for student housing, effective June 1, 2019. The total payments made under this lease agreement during the year ended June 30, 2019, was $22,405. Future minimum rental payments are as follows:

2020	$ 6,875

The College has entered into a two-year lease agreement with Parkford Apartments, Iola, Kansas, to lease two apartments for student housing, effective August 1, 2017. The total payments made under this lease agreement during the year ended June 30, 2019, was $14,520. Future minimum rental payments are as follows:

2020	$ 14,520
2021	1,210

12. OTHER POST EMPLOYMENT BENEFITS

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

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

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

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

12. OTHER POST EMPLOYMENT BENEFITS (Continued)

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

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

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

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

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

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

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

12. OTHER POST EMPLOYMENT BENEFITS (Continued)

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

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

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

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

At June 30, 2018, the proportion recognized by the State of Kansas on behalf of the College was .1099%, which was an increase of .00134% from the proportion measured at June 30, 2018.

Net Pension Liability
At June 30, 2018 and 2017, the proportionate share of the net pension liability recognized by the State of Kansas that was attributable to the College was $7,175,225 and $7,300,273, respectively.

Actuarial Assumptions
The total pension liability was determined by an actuarial valuation as of December 31, 2017, which was rolled forward to June 30, 2018, using the following actuarial assumptions:

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

Mortality rates were based on the RP-2014 Mortality Tables, with setback and age set forward as well as other adjustments based on different membership groupls.

The actuarial assumptions used in the December 31, 2017 valuation were based on the results of an actuarial experience study conducted for the period of January 1, 2013 through December 31, 2015. The experience study is dated November 18, 2016.

12. OTHER POST EMPLOYMENT BENEFITS (Continued)

The long-term expected rate of return of pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2016 are summarized in the following table:

Asset Class	Long-Term Target Allocation	Long-Term Expected Real Rate of Return
Global equity	47.00%	6.85%
Fixed income	13.00	1.25
Yield driven	8.00	6.55
Real return	11.00	1.71
Real estate	11.00	5.05
Alternatives	8.00	9.85
Short-term investments	2.00	(0.25)
Total	100.00%	

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

Revenue and Pension Expense Recorded by the College: For the year ended June 30, 2019, the College recognized revenue and pension expense in an equal amount of $680,415.

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

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

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

12. OTHER POST EMPLOYMENT BENEFITS (Continued)

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

The following is a schedule of benefits paid and payable for eligible employees which have taken early retirement as of June 30, 2019:

Paid or Payable	Year Ended June 30th	Amount
Paid	2019	$ 21,117
Payable	2020	18,000
Payable	2021	31,200
Payable	2022	50,700
Payable	2023	68,400
Payable	2024	80,100

For the year ended June 30, 2019, the College has estimated a net unfunded obligation for future OPEB's of $248,400 for employees not already taken early retirement as of June 30, 2019.

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

Early Retiree Health Insurance: Plan Description: The College sponsors Medical and Dental insurance to qualifying retirees and their dependents. Coverage is provided through fully-insured contracts that collectively operate as a single-employer defined benefit plan. Qualifying retirees are those employees who are eligible for immediate retirement benefits under the Kansas Public Employees Retirement System and retire prior to age 65. Retirees and spouses may continue coverage with the College until their Medicare eligibility (i.e. age 65). Participants are required to contribute 100% of group insurance premiums to maintain coverage. Age-adjusted costs may exceed group insurance premiums thus creating an age-subsidy or benefit that forms the basis for the valuation. The plan is identifiable as a single-employer plan. There are 106 total active employees and 11 retirees who are participating in the plan as of July 1, 2017, the census date used for the actuarial valuation.

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

12. OTHER POST EMPLOYMENT BENEFITS (Continued)

Total OPEB Liability: The College's total OPEB liability of $965,815 was measured as of June 30, 2019, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs: The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	July 1, 2017
Measurement Date (End of Year)	June 30, 2019
Reporting Date	June 30, 2019
Discount Rate	3.30% (Measurement Date) 3.30% (Year Preceding Measurement Date)
Salary Scale	3.0%
Actuarial Cost Method	Entry Age – Level Percent-of-Pay
Health Care Cost Trend Rates	7% decreasing 0.5% per year until reaching an ultimate trend rate of 5%

The average of the S&P Municipal Bond 20 Year High Grade and Fidelity GO AA-20 Year published yields was evaluated to determine the discount rate. The selected rates are 3.30% (beginning-of-year measurement) and 3.00% (end-of-year measurement).

The assumed mortality was changed to the Society of Actuaries RPH-2014 Adjusted to 2006 Total Dataset Headcount-weighted Mortality table with MP-2018 Full Generational Improvement. The prior valuation utilized the MP-2010 mortality improvement scale.

Annual OPEB cost and net OPEB obligation:

GASB 75 Implementation Adjustment	
I. Net OPEB Liability (GASB 75) – Beginning of FY 2018-19	$ 775,650
II. Net OPEB Obligation / (Asset) (GASB 45) – End of FY 2017-18	965,815
III. Increase / (Decrease) in Liability (I minus II)	190,165
Net OPEB Liability	
I. Total OPEB Liability	965,815
II. Plan Fiduciary Net Position (Trust Assets)	0
III. Net OPEB Liability at June 30, 2019 (I minus II)	965,815
OPEB Liability Changes	
Total OPEB Liability – Beginning of Year	$ 775,650
1. Service Cost	61,086
2. Interest Cost	26,837
3. Changes in Benefit Terms	0
4. Differences between actual and expected experience	127,995
5. Changes in assumptions and inputs	21,247
6. Employer Contributions (Benefit Payments)	47,000
Net Changes (1 + 2 + 3 + 4 + 5 – 6)	190,165
Total OPEB Liability – End of Year	965,815

12. OTHER POST EMPLOYMENT BENEFITS (Continued)

OPEB Expense – Fiscal Year 2017-18

1. Service Cost	61,086
2. Interest on Total OPEB Liability	26,837
3. Changes in benefit terms	
4. Differences between expected and actual experience	(369)
5. Changes of assumptions and inputs	2,471
6. Projected earnings on OPEB plan investments	0
7. Differences between projected & actual earnings on OPEB investments	0
OPEB Expense (1 + 2 + 3 + 4 + 5 - 6+7)	90,025

OPEB Liability as a percentage of payroll

Total OPEB Liability	965,815
Payroll	*4,575,191
Percent of Payroll	21.1%

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

Sensitivity of Total OPEB Liability to changes in the Discount Rate

	1% Decrease 2.00%	Current Single Discount Rate Assumption 3.0%	1% Increase 4.0%
Total OPEB Liability	1,044,292	965,815	892,980
Increase/(Decrease) from Baseline	78,477		(72,835)

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

	1% Decrease	Current Trend Assumption	1% Increase
Total OPEB Liability	847,299	965,815	1,108,189
Increase/(Decrease) from Baseline	(118,516)		142,374

Deferred Outflows and Inflows of Resources: The accumulated amount of Deferred Outflows and Inflows of Resources as of June 30, 2019 are shown below.

Category	Deferred Outflows of Resources	Deferred Inflow of Resources
Differences between expected and actual experience (1)	116,359	111,645
Changes in Assumptions (2)	24,327	0
Contributions Subsequent to Measurement Date (3)	0	0

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

12. OTHER POST EMPLOYMENT BENEFITS (Continued)

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

Fiscal Year Ending	Amount
2020	2,102
2021	2,102
2022	2,102
2023	2,102
2024	2,102
2025 & Thereafter	18,531

Average Expected Remaining Service Life: 13.8 years

Changes in Benefit Terms: None.

13. CONTINGENT LIABILITIES

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

14. COMPENSATED ABSENCES

A total of up to 10 to 15 days of vacation per year can be accumulated by administrators and support staff up to a maximum of 30 days. At June 30, 2019, the maximum potential liability for unused vacation had been determined to be $178,995. Each year a total of twelve days of sick leave can be accumulated by each employee up to a maximum of 90 days. Unused sick leave is lost upon termination of employment, except at retirement the employee will receive $10 for each unused sick leave day.

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

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

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

15. NET POSITION - EXPENDABLE

Component Unit
Net Position – Expendable includes principal totaling $500,000 from the U.S. Department of Education in connection with Federal grants. The principal and one-half of the earned interest cannot be expended until twenty years after receipt of the grant money. Local matching funds of $250,000 were also obtained in connection with the Federal grants. One-half of the interest can be used from matching funds to pay scholarships. Temporarily restricted grants, matching and growth at June 30, 2019, was $981,628.

16. CONCENTRATION OF RISK

61% of the Endowment Association's monies at June 30, 2019, are invested in equities in the stock market. The effect in the future on the Endowment Association's equity portfolio is unknown and is subject to market economic conditions.

17. RISK MANAGEMENT

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

The College has established an Athletic Insurance Fund. The purpose is to provide for an athletic injury plan for students of Allen County Community College. Contributions from the College are deposited in the name of the plan, subject to withdrawal for purposes of paying approved claims and expenses. The College has contracted with Bob McCloskey Agency, Inc. to be the claims administrator. The administrator reviews all claims for allowability and issues monthly reports to the College. The College has a stop-gap policy which pays any aggregate claims over $25,000.

18. RELATED PARTY TRANSACTIONS

The Allen County Community College Endowment Association was formed to promote and foster the educational purposes of the College, and to create a fund to be used for any program, project, or enterprise undertaken in the interest of the College. The Endowment Association acts largely as a fund raising organization, soliciting, receiving, managing and disbursing contributions on behalf of the College. Most of the contributions received are designated by the donors to be used for specific purposes or by specific departments. In these instances, the Endowment Association serves essentially as a conduit. Contributions that are not designated are used where the need is considered greatest, as determined by the Endowment Association's board of directors. The Endowment Association disbursed to, or on behalf of, the College for the year ended June 30, 2019, was $231,149. The College disbursed on behalf of the Endowment Association donated services and facilities for the year ended June 30, 2019, was $81,637.

19. SEGMENT INFORMATION

A segment is an identifiable activity reported as a stand alone entity for which one or more revenue bonds are outstanding. A segment has a specific identifiable revenue stream pledged in support of revenue bonds and has related expenses, gains, losses, assets, and liabilities that are required by an external party to be accounted for separately. The College does not have any segments that meets the reporting requirements of GASB Statement No. 35.

20. INTERFUND TRANSFERS

Operating transfers were as follows:

From Fund:	To Fund:	Amount
General Fund	Federal Work Study Fund	$ 13,800
General Fund	Supplemental Education Opportunity Grant Fund	11,513

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

21. SUBSEQUENT EVENTS

The College evaluated events and transactions occurring subsequent to June 30, 2019, there were no subsequent events requiring recognition in the financial statements. Additionally, there were no nonrecognized subsequent events requiring disclosure.

ALLEN COUNTY COMMUNITY COLLEGE
IOLA, KANSAS

REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2019

Schedule 1

ALLEN COUNTY COMMUNITY COLLEGE

Iola, Kansas

Schedule of Funding Progress

For the Year Ended June 30, 2019*

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

	06/30/2018	06/30/2019
OPEB Liability Changes		
Total OPEB Liabilty - Beginning of Year	$ 888,033	$ 775,650
1. Service Cost	69,302	61,086
2. Interest Cost	31,529	26,837
3. Changes in Benefit Terms	(23,649)	0
4. Difference between actual and expected experience	(135,655)	127,995
5. Changes in assumptions and inputs	6,090	21,247
6. Employer Contributions (Benefit Payments)	60,000	47,000
Net Changes (1+2+3+4+5-6)	(112,383)	190,165
Total OPEB Liabilty - End of Year	$ 775,650	$ 965,815
OPEB Liabilty as a percentage of payroll		
Total OPEB Liabilty	$ 775,650	$ 965,815
Payroll	4,575,191	^4,575,191
Percent of Payroll	17.0%	21.1%

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

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION:

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

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

ALLEN COUNTY COMMUNITY COLLEGE
IOLA, KANSAS

SUPPLEMENTARY INFORMATION

ALLEN COUNTY COMMUNITY COLLEGE
Iola, Kansas
Combining Schedule of Net Position - Primary Institution
June 30, 2019

	GENERAL	POSTSECONDARY TECHNICAL EDUCATION	ADULT SUPPLEMENTAL EDUCATION	AUXILIARY ENTERPRISE	FEDERAL WORK STUDY	SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANT	PELL GRANT	DIRECT LOAN PROGRAM
ASSETS								
Current Assets								
Cash and Cash Equivalents	$ 2,268,461	$ 58,210	$ 6,501	$ 2,541,667	$ (17,252)	$ (10,742)	$ (116,264)	$ (1,495)
Investments	8,825,000	-	-	-	-	-	-	-
Receivables								
Taxes in Process	83,948	-	-	-	-	-	-	-
Federal	-	-	-	-	17,252	11,675	117,078	1,990
Other	21,883	-	-	-	-	-	-	-
Inventories	-	-	-	1,663,913	-	-	-	-
Total Current Assets	11,199,292	58,210	6,501	4,205,580	-	933	814	495
Noncurrent Assets								
Cash and Cash Equivalents	-	-	-	-	-	-	-	-
Receivables								
Taxes in Process	-	-	-	-	-	-	-	-
Capital Assets	-	-	-	-	-	-	-	-
Accumulated Depreciation	-	-	-	-	-	-	-	-
Total Noncurrent Assets	-	-	-	-	-	-	-	-
TOTAL ASSETS	11,199,292	58,210	6,501	4,205,580	-	933	814	495
DEFERRED OUTFLOWS OF RESOURCES								
Pension Related Deferred Outflows	140,686	-	-	-	-	-	-	-
LIABILITIES								
Current Liabilities								
Accounts Payable	283,924	-	-	-	-	933	814	495
Accrued Wages	290,725	37,018	-	5,874	-	-	-	-
Compensated Absences	169,990	-	-	7,338	-	-	-	-
Deferred Revenue	119,486	-	-	-	-	-	-	-
Deposits Held in Custody for Others	-	-	-	28,000	-	-	-	-
Total Current Liabilities	864,125	37,018	-	41,212	-	933	814	495
Noncurrent Liabilities								
Net OPEB Obligation	965,815	-	-	-	-	-	-	-
Capital Lease Obligation	-	-	-	-	-	-	-	-
Deferred Revenue	-	-	-	-	-	-	-	-
TOTAL LIABILITIES	1,829,940	37,018	-	41,212	-	933	814	495
DEFERRED INFLOWS OF RESOURCES								
Pension Related Deferred Inflows	111,645	-	-	-	-	-	-	-
NET POSITION								
Invested in Capital Assets, Net of Related Debt	-	-	-	-	-	-	-	-
Unrestricted	9,398,393	21,192	6,501	4,164,368	-	-	-	-
TOTAL NET POSITION	$ 9,398,393	$ 21,192	$ 6,501	$ 4,164,368	$ -	$ -	$ -	$ -

ALLEN COUNTY COMMUNITY COLLEGE
Iola, Kansas
Combining Schedule of Net Position - Primary Institution
June 30, 2019

	STATE GRANTS	CAPITAL OUTLAY	INVESTMENT IN PLANT	AGENCY FUNDS	TOTALS - PRIMARY INSTITUTION
ASSETS					
Current Assets					
Cash and Cash Equivalents	$ -	$ -	$ -	$ 1,703,096	$ 6,432,182
Investments	-	-	-	-	8,825,000
Receivables					
Taxes in Process	-	-	-	-	83,948
Federal	-	-	-	-	147,995
Other	-	-	-	247,383	269,266
Inventories	-	-	-	-	1,663,913
Total Current Assets	-	-	-	1,950,479	17,422,304
Noncurrent Assets					
Cash and Cash Equivalents	-	828,585	-	-	828,585
Receivables					
Taxes in Process	-	17,016	-	-	17,016
Capital Assets	-	-	28,653,035	-	28,653,035
Accumulated Depreciation	-	-	(16,120,859)	-	(16,120,859)
Total Noncurrent Assets	-	845,601	12,532,176	-	13,377,777
TOTAL ASSETS	-	845,601	12,532,176	1,950,479	30,800,081
DEFERRED OUTFLOWS OF RESOURCES					
Pension Related Deferred Outflows	-	-	-	-	140,686
LIABILITIES					
Current Liabilities					
Accounts Payable	-	-	-	-	286,166
Accrued Wages	-	-	-	-	333,617
Compensated Absences	-	-	-	-	177,328
Deferred Revenue	-	-	-	-	119,486
Deposits Held in Custody for Others	-	-	-	1,950,479	1,978,479
Total Current Liabilities	-	-	-	1,950,479	2,895,076
Noncurrent Liabilities					
Net OPEB Obligation	-	-	-	-	965,815
Capital Lease Obligation	-	-	790,000	-	790,000
Deferred Revenue	-	17,016	-	-	17,016
TOTAL LIABILITIES	-	17,016	790,000	1,950,479	4,667,907
DEFERRED INFLOWS OF RESOURCES					
Pension Related Deferred Inflows	-	-	-	-	111,645
NET POSITION					
Invested in Capital Assets, Net of Related Debt	-	-	11,742,176	-	11,742,176
Unrestricted	-	828,585	-	-	14,419,039
TOTAL NET POSITION	$ -	$ 828,585	$ 11,742,176	$ -	$ 26,161,215

ALLEN COUNTY COMMUNITY COLLEGE
Iola, Kansas
Combining Schedule of Revenues, Expenses, and Changes in Net Position - Primary Institution
For the Year Ended June 30, 2019

	GENERAL	POSTSECONDARY TECHNICAL EDUCATION	ADULT SUPPLEMENTAL EDUCATION	AUXILIARY ENTERPRISE	FEDERAL WORK STUDY	SUPPLEMENTAL EDUCATION OPPORTUNITY GRANT	PELL GRANT	DIRECT LOAN PROGRAM
REVENUES								
Operating Revenues								
Student Tuition and Fees	$ 3,219,722	$ 1,429,625	$ -	$ -	$ -	$ -	$ -	$ -
Federal Grants and Contracts	3,657	-	-	-	41,400	35,674	-	1,275,226
State Grants and Contracts	-	-	-	-	-	-	-	-
Sales and Services of Auxiliary Enterprises	-	-	-	1,985,226	-	-	-	-
Other Revenues	81,854	-	-	-	-	-	-	-
Total Operating Revenues	3,305,233	1,429,625	-	1,985,226	41,400	35,674	-	1,275,226
EXPENSES								
Operating Expenses								
Educational and General								
Instruction	3,460,982	1,259,453	-	-	-	-	-	-
Academic Support	520,952	102,116	-	-	-	-	-	-
Student Services	2,177,543	199,340	-	-	-	-	-	-
Institutional Support	2,244,611	304,877	-	-	-	-	-	-
Operation and Maintenance	1,988,279	391,834	-	-	-	-	-	-
Scholarships and Awards	156,977	456,827	-	-	55,200	47,187	2,007,933	1,275,226
Auxiliary Enterprises	-	-	-	3,727,073	-	-	-	-
Depreciation Expense	-	-	-	-	-	-	-	-
Total Operating Expenses	10,549,344	2,714,447	-	3,727,073	55,200	47,187	2,007,933	1,275,226
Operating Income (Loss)	(7,244,111)	(1,284,822)	-	(1,741,847)	(13,800)	(11,513)	(2,007,933)	-
Nonoperating Revenues (Expenses)								
State Appropriations	4,106,868	1,309,710	-	-	-	-	-	-
County Appropriations	2,689,110	-	-	-	-	-	-	-
Federal Pell Grant	-	-	-	-	-	-	2,007,933	-
Interest Income	348,069	-	-	-	-	-	-	-
Debt Service	-	-	-	(116,658)	-	-	-	-
Gain (loss) on Sale of Assets	-	-	-	-	-	-	-	-
Operating Transfers	(425)	(24,888)	-	-	13,800	11,513	-	-
Net Nonoperating Revenues (Expenses)	7,143,622	1,284,822	-	(116,658)	13,800	11,513	2,007,933	-
Increase (Decrease) in Net Position	(100,489)	-	-	(1,858,505)	-	-	-	-
Net Position - Beginning of Year	9,498,882	21,192	6,501	6,022,873	-	-	-	-
Net Position - End of Year	$ 9,398,393	$ 21,192	$ 6,501	$ 4,164,368	$ -	$ -	$ -	$ -

ALLEN COUNTY COMMUNITY COLLEGE
Iola, Kansas
Combining Schedule of Revenues, Expenses, and Changes in Net Position - Primary Institution
For the Year Ended June 30, 2019

	STATE GRANTS	CAPITAL OUTLAY	INVESTMENT IN PLANT	SUB-TOTAL PRIMARY INSTITUTION	ELIMINATING INTER-COMPANY SCHOLARSHIPS	TOTALS - PRIMARY INSTITUTION
REVENUES						
Operating Revenues						
Student Tuition and Fees	$ -	$ -	$ -	$ 4,649,347	$ (1,902,705)	$ 2,746,642
Federal Grants and Contracts	-	-	-	1,355,957	(1,275,226)	80,731
State Grants and Contracts	13,957	-	-	13,957	-	13,957
Sales and Services of Auxiliary Enterprises	-	-	-	1,985,226	-	1,985,226
Other Revenues	-	-	-	81,854	-	81,854
Total Operating Revenues	13,957	-	-	8,086,341	(3,177,931)	4,908,410
EXPENSES						
Operating Expenses						
Educational and General						
Instruction	-	-	-	4,720,435	-	4,720,435
Academic Support	-	-	(43,110)	579,958	-	579,958
Student Services	-	-	(6,554)	2,370,329	-	2,370,329
Institutional Support	-	-	(67,985)	2,481,503	-	2,481,503
Operation and Maintenance	13,957	-	(1,844,719)	549,351	-	549,351
Scholarships and Awards	-	-	-	3,999,350	(3,177,931)	821,419
Auxiliary Enterprises	-	-	(2,590,898)	1,136,175	-	1,136,175
Depreciation Expense	-	-	863,478	863,478	-	863,478
Total Operating Expenses	13,957	-	(3,689,788)	16,700,579	(3,177,931)	13,522,648
Operating Income (Loss)	-	-	3,689,788	(8,614,238)	-	(8,614,238)
Nonoperating Revenues (Expenses)						
State Appropriations	-	-	-	5,416,578	-	5,416,578
County Appropriations	-	545,444	-	3,234,554	-	3,234,554
Federal Pell Grant	-	-	-	2,007,933	-	2,007,933
Interest Income	-	-	-	348,069	-	348,069
Debt Service	-	-	80,000	(36,658)	-	(36,658)
Gain (loss) on Sale of Assets	-	-	-	-	-	-
Operating Transfers	-	-	-	-	-	-
Net Nonoperating Revenues (Expenses)	-	545,444	80,000	10,970,476	-	10,970,476
Increase (Decrease) in Net Position	-	545,444	3,769,788	2,356,238	-	2,356,238
Net Position - Beginning of Year,	-	283,141	7,972,388	23,804,977	-	23,804,977
Net Position - End of Year	$ -	$ 828,585	$ 11,742,176	$ 26,161,215	$ -	$ 26,161,215

ALLEN COUNTY COMMUNITY COLLEGE
Iola, Kansas

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

For the Year Ended June 30, 2019

Schedules 4 to 9 are prepared in accordance with Kansas cash basis and budget laws (Budget Basis), which differs from generally accepted accounting principles (GAAP Basis). Cash receipts are recognized when the cash balance of a fund in increased. For an interfund transaction, a cash receipt is recorded in the fund receiving the cash from another fund. Cash disbursements are recognized when the cash balance of a fund is decreased. For an interfund transaction, a cash disbursement is recorded in the fund in which the cash is transferred. Expenditures include cash disbursements, transfers, accounts payable and encumbrances – that is, commitments related to unperformed (executory) contracts for goods and services, and are usually evidenced by a purchase order or written contract.

ALLEN COUNTY COMMUNITY COLLEGE
Iola, Kansas
Schedule of Revenues, Expenditures, and Changes
in Unencumbered Cash - Budget and Actual
Current Funds - Unrestricted
General Fund (Budget Basis)
For the Year Ended June 30, 2019
(With Comparative Actual Amounts for the Year Ended June 30, 2018)

		Current Year				
	Prior Year Budget Basis	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Original and Final Budget	Variance Over (Under)
REVENUES						
Student Tuition and Fees						
In State	$ 2,050,111	$ 1,924,005	$ 9,321	$ 1,933,326	$ 2,132,440	$ (199,114)
Out-of-State and Foreign	286,984	356,205	-	356,205	-	356,205
Course Fees	833,333	927,757	-	927,757	855,000	72,757
Other Student Fees	12,782	11,755	-	11,755	-	11,755
Total Student Tuition and Fees	3,183,210	3,219,722	9,321	3,229,043	2,987,440	241,603
Federal						
Grant Administration	939	3,657	2,805	6,462	-	6,462
State						
Operating Grant	3,334,484	3,426,453	-	3,426,453	3,426,453	-
Other Appropriations	-	680,415	(680,415)	-	-	-
Total State	3,334,484	4,106,868	(680,415)	3,426,453	3,426,453	-
Local						
Ad Valorem Tax	2,347,525	2,405,461	-	2,405,461	2,516,728	(111,267)
Motor Vehicle Tax	218,670	247,091	-	247,091	-	247,091
Recreational Vehicle Tax	3,072	3,544	-	3,544	-	3,544
Delinquent Tax	23,326	30,534	-	30,534	34,770	(4,236)
In Lieu of Taxes	2,748	2,480	-	2,480	-	2,480
Total Local	2,595,341	2,689,110	-	2,689,110	2,551,498	137,612
Other Revenue						
Interest	166,740	348,069	-	348,069	225,000	123,069
Miscellaneous	73,226	60,855	-	60,855	62,050	(1,195)
Bad Debt Collections	19,674	20,999	(1,384)	19,615	-	19,615
Total Other	259,640	429,923	(1,384)	428,539	287,050	141,489
TOTAL REVENUES	9,373,614	10,449,280	(669,673)	9,779,607	9,252,441	527,166

ALLEN COUNTY COMMUNITY COLLEGE
Iola, Kansas
Schedule of Revenues, Expenditures, and Changes
in Unencumbered Cash - Budget and Actual
Current Funds - Unrestricted
General Fund (Budget Basis)
For the Year Ended June 30, 2019
(With Comparative Actual Amounts for the Year Ended June 30, 2018)

		Current Year				
	Prior Year Budget Basis	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Original and Final Budget	Variance Over (Under)
EXPENDITURES						
Instruction	$ 3,259,772	$ 3,460,982	$ (24,844)	$ 3,436,138	$ 4,373,821	$ (937,683)
Academic Support	456,156	520,952	(524)	520,428	618,030	(97,602)
Student Services	2,150,994	2,177,543	(5,141)	2,172,402	2,781,320	(608,918)
Institutional Support	1,557,675	2,244,611	(687,289)	1,557,322	1,923,945	(366,623)
Operation and Maintenance	1,002,850	1,988,279	8,670	1,996,949	2,526,196	(529,247)
Scholarships and Awards	139,116	156,977	-	156,977	162,395	(5,418)
Debt Service	-	-	-	-	-	-
TOTAL EXPENDITURES	8,566,563	10,549,344	(709,128)	9,840,216	12,385,707	(2,545,491)
OTHER ADDITIONS (DEDUCTIONS)						
Operating Transfers from (to)						
Federal Work Study	(12,105)	(13,800)	-	(13,800)	-	13,800
SEOG Fund	(10,734)	(11,513)	-	(11,513)	-	11,513
Postsecondary Techincal Education Fund	-	24,888	-	24,888	231,987	207,099
Excess of Revenues Over (Under) Expenditures and Other Additions (Deductions)	784,212	(100,489)	39,455	(61,034)	(2,901,279)	2,840,245
Unencumbered Cash Beginning of Year	9,795,634	9,498,882	1,080,964	10,579,846	10,601,204	(21,358)
End of Year	$ 10,579,846	$ 9,398,393	$ 1,120,419	$ 10,518,812	$ 7,699,925	$ 2,818,887

ALLEN COUNTY COMMUNITY COLLEGE
Iola, Kansas
Schedule of Revenues, Expenditures, and Changes
in Unencumbered Cash - Budget and Actual
Current Funds - Unrestricted
Postsecondary Technical Education Fund (Budget Basis)
For the Year Ended June 30, 2019
(With Comparative Actual Amounts for the Year Ended June 30, 2018)

		Current Year				
	Prior Year Budget Basis	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Original and Final Budget	Variance Over (Under)
REVENUES						
Student Tuition and Fees						
In State	$ 1,233,876	$ 1,429,625	$ -	$ 1,429,625	$ 415,000	$ 1,014,625
Total Student Tuition and Fees	1,233,876	1,429,625	-	1,429,625	415,000	1,014,625
State						
Operating Grant	1,274,575	1,309,710	-	1,309,710	1,984,710	(675,000)
Total State	1,274,575	1,309,710	-	1,309,710	1,984,710	(675,000)
TOTAL REVENUES	2,508,451	2,739,335	-	2,739,335	2,399,710	339,625
EXPENDITURES						
Instruction	1,376,298	1,259,453	-	1,259,453	1,339,713	(80,260)
Academic Support	82,395	102,116	-	102,116	126,592	(24,476)
Student Services	175,665	199,340	-	199,340	193,063	6,277
Institutional Support	281,251	304,877	-	304,877	309,268	(4,391)
Operation and Maintenance	181,073	391,834	-	391,834	199,180	192,654
Scholarships and Awards	390,579	456,827	-	456,827	376,630	80,197
TOTAL EXPENDITURES	2,487,261	2,714,447	-	2,714,447	2,544,446	170,001
OTHER ADDITIONS (DEDUCTIONS)						
Operating Transfers from (to) General Fund	-	(24,888)	-	(24,888)	(210,897)	186,009
Excess of Revenues Over (Under) Expenditures and Other Additions (Deductions)	21,190	-	-	-	(355,633)	355,633
Unencumbered Cash Beginning of Year	2	21,192	-	21,192	24,293	(3,101)
End of Year	$ 21,192	$ 21,192	$ -	$ 21,192	$ (331,340)	$ 352,532

Schedule 6

ALLEN COUNTY COMMUNITY COLLEGE
Iola, Kansas
Schedule of Revenues, Expenditures, and Changes
in Unencumbered Cash - Budget and Actual
Current Funds - Unrestricted
Adult Supplemental Education Fund (Budget Basis)
For the Year Ended June 30, 2019
(With Comparative Actual Amounts for the Year Ended June 30, 2018)

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

ALLEN COUNTY COMMUNITY COLLEGE
Iola, Kansas
Schedule of Revenues, Expenditures, and Changes
in Unencumbered Cash - Budget and Actual
Current Funds - Unrestricted
Auxiliary Enterprise Fund (Budget Basis)
For the Year Ended June 30, 2019
(With Comparative Actual Amounts for the Year Ended June 30, 2018)

		Current Year				
	Prior Year Budget Basis	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Original and Final Budget	Variance Over (Under)
REVENUES						
Sales and Services of Auxiliary Enterprises						
Bookstore	$ 117,428	$ 63,426	$ -	$ 63,426	$ 1,983,116	$ (1,919,690)
Room and Board	1,283,181	1,263,091	-	1,263,091	-	1,263,091
Book Rentals	545,512	624,770	-	624,770	-	624,770
Other Revenue						
Miscellaneous	39,475	33,939	-	33,939	10,000	23,939
TOTAL REVENUES	1,985,596	1,985,226	-	1,985,226	1,993,116	(7,890)
EXPENDITURES						
Auxiliary Enterprise						
Book Store						
General Operating	399,015	209,941	194,766	404,707	-	404,707
Dormitory and Student Union						
Salaries	169,147	184,438	-	184,438	280,310	(95,872)
General Operating	667,442	767,791	-	767,791	1,344,694	(576,903)
Capital Outlay	1,495	2,564,903	-	2,564,903	2,518,000	46,903
Debt Service	114,831	116,658	-	116,658	116,738	(80)
TOTAL EXPENDITURES	1,351,930	3,843,731	194,766	4,038,497	4,259,742	(221,245)
OTHER ADDITIONS (DEDUCTIONS)						
Operating Transfers to General Fund	-	-	-	-	-	-
Excess of Revenues Over (Under) Expenditures	633,666	(1,858,505)	(194,766)	(2,053,271)	(2,266,626)	(213,355)
Unencumbered Cash Beginning of Year	3,927,398	6,022,873	(1,461,809)	4,561,064	4,561,137	73
End of Year	$ 4,561,064	$ 4,164,368	$ (1,656,575)	$ 2,507,793	$ 2,294,511	$ (213,282)

Schedule 8

ALLEN COUNTY COMMUNITY COLLEGE
Iola, Kansas
Schedule of Revenues, Expenditures, and Changes
in Unencumbered Cash - Budget and Actual
Plant Funds
Unexpended (Capital Outlay) Fund (Budget Basis)
For the Year Ended June 30, 2019
(With Comparative Actual Amounts for the Year Ended June 30, 2018)

		Current Year				
	Prior Year Budget Basis	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Original and Final Budget	Variance Over (Under)
REVENUES						
Local						
Ad Valorem Tax	$ 475,809	$ 487,547	$ -	$ 487,547	$ 510,078	$ (22,531)
Motor Vehicle Tax	48,094	50,088	-	50,088	-	50,088
Recreational Vehicle Tax	679	718	-	718	-	718
Delinquent Tax	5,334	6,588	-	6,588	7,047	(459)
In Lieu of Taxes	557	503	-	503	-	503
Other Revenue						
Sale of Property	-	-	-	-	-	-
TOTAL REVENUES	530,473	545,444	-	545,444	517,125	28,319
EXPENDITURES						
Plant Equipment and Facility	1,694,966	-	-	-	-	-
Debt Service	-	-	-	-	-	-
TOTAL EXPENDITURES	1,694,966	-	-	-	-	-
Excess of Revenues and Transfers Over (Under) Expenditures	(1,164,493)	545,444	-	545,444	517,125	28,319
Unencumbered Cash Beginning of Year	1,447,634	283,141	-	283,141	283,141	-
End of Year	$ 283,141	$ 828,585	$ -	$ 828,585	$ 800,266	$ 28,319

Schedule 9

ALLEN COUNTY COMMUNITY COLLEGE

Iola, Kansas

Schedule of Changes in Assets and Liabilities

All Agency Funds - Primary Institution

For the Year Ended June 30, 2019

	Primary Institution			
Account Name	Balance June 30, 2018	Additions	Deductions	Balance June 30, 2019
ACTIVITY FUND				
Gate Receipts				
Athletic	$ -	$ 1,724	$ 992	$ 732
Total Gate Receipts	-	1,724	992	732
School Project Accounts				
Concessions	1,118	9,662	7,257	3,523
Scholarship Pool	1,629,823	1,386,904	1,242,695	1,774,032
Symmes Loan	140	-	-	140
Total School Project Accounts	1,631,081	1,396,566	1,249,952	1,777,695
Student Organization Accounts				
Aggie Club	1,403	401	1,439	365
Art Club	2,889	770	361	3,298
Athletic Director	1,618	2,040	3,658	-
Athletics	17,185	24,029	41,214	-
Athletic Training	12,989	25,145	8,929	29,205
Band	-	-	-	-
Baseball	395	29,655	18,831	11,219
Bgame Tech	300	-	-	300
Cheerleaders	6,774	7,159	7,452	6,481
Choir	15,935	5,580	1,547	19,968
Drama	21,447	11,085	6,803	25,729
Early Childhood	760	30	-	790
ECE - Community	410	2,078	2,307	181
Food Pantry	-	450	168	282
Golf	4,328	-	4,328	-
Infernal Journal	-	50	-	50
KAAP	536	-	-	536
Library	972	2,907	2,922	957
Livestock	485	-	-	485
Meats Judging	-	-	-	-
Men's Basketball	-	8,461	2,851	5,610
Women's Basketball	4,685	4,732	2,258	7,159
Phi Theta Kappa	5,218	2,963	4,263	3,918

ALLEN COUNTY COMMUNITY COLLEGE
Iola, Kansas
Schedule of Changes in Assets and Liabilities
All Agency Funds - Primary Institution
For the Year Ended June 30, 2019

	Primary Institution			
Account Name	Balance June 30, 2018	Additions	Deductions	Balance June 30, 2019
Student Organization Accounts (Continued)				
Pig/Calf	$ 4,224	$ -	$ -	$ 4,224
PTK - Burlingame	300	2,163	1,763	700
Residence Hall Social Fund	(181)	1,462	962	319
Science	-	-	-	-
Softball	21,263	15,909	12,306	24,866
Student Senate	7,944	16,114	16,192	7,866
Track and Field	-	3,446	3,446	-
Volleyball	9,641	2,436	6,371	5,706
Soccer	-	14,481	2,890	11,591
SEK Library Council	4,952	-	4,870	82
Wellness	165	-	-	165
Total Student Organization Accounts	146,637	183,546	158,131	172,052
Other Student Accounts				
Incidental Fees	-	262,275	262,275	-
Outreach Fees	-	982,575	982,575	-
Total Other Student Accounts	-	1,244,850	1,244,850	-
TOTAL ACTIVITY FUND	$ 1,777,718	$ 2,826,686	$ 2,653,925	$ 1,950,479
TOTAL - ALL AGENCY FUNDS				
Assets				
Cash and Investments	$ 1,551,980	$ 2,805,041	$ 2,653,925	$ 1,703,096
Other Receivables	225,738	247,383	225,738	247,383
TOTAL ASSETS	$ 1,777,718	$ 3,052,424	$ 2,879,663	$ 1,950,479
Liabilities				
Accounts Payable	$ -	$ -	$ -	$ -
Deposits Held For Others	1,777,718	2,826,686	2,653,925	1,950,479
TOTAL LIABILITIES	$ 1,777,718	$ 2,826,686	$ 2,653,925	$ 1,950,479

ALLEN COUNTY COMMUNITY COLLEGE
IOLA, KANSAS

FEDERAL COMPLIANCE SECTION
For the Year Ended June 30, 2019

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

COMPLIANCE ATTESTATION EXAMINATION
INCLUDING TITLE IV STUDENT FINANCIAL ASSISTANCE PROGRAMS

IOLA, KANSAS
BURLINGAME, KANSAS

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

AUDITOR INFORMATION SHEET

ALLEN COUNTY COMMUNITY COLLEGE
1801 N. COTTONWOOD
IOLA, KANSAS 66749

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

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

PRESIDENT: John Masterson
CONTACT PERSON & TITLE: Brian Counsil, Vice-President for Finance & Operations
LEAD AUDITOR: Neil L. Phillips, CPA
EMAIL ADDRESS: nphillips@jgppa.com
LICENSE NUMBER & HOME STATE: 3699 KS
FIRM'S NAME & ADDRESS: JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants
1815 S. Santa Fe
PO Box 779
Chanute, Kansas 66720
FIRM'S FEDERAL ID NUMBER : 20-3906022
TELEPHONE: (620) 431-6342
FAX: (620) 431-0724

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

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

Correspondence courses to total courses	NONE
Regular students enrolled in correspondence courses	NONE
Regular students that are incarcerated	NONE
Regular students enrolled based on ability to benefit	<.001%
For short term programs—	
Completion	N/A
Placement	N/A

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

ALL LOCATIONS	> 50% OF PROGRAM OFFERED @ SITE	LOCATION ON ELIGIBILITY LETTER	NOTICE TO ED PRIOR TO OFFERING INSTRUCTION	DATE OPENED	DATE CLOSED	DATE OF CPA'S LAST VISIT	EXCLUSION REASON
Iola, KS	Yes	Yes	Yes	1923	N/A	2019	N/A
Burlingame, KS	Yes	Yes	Yes	1991	N/A	2019	N/A

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

The College does not use a servicer.

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

ALLEN COUNTY COMMUNITY COLLEGE
1801 N COTTONWOOD
IOLA, KANSAS 66749

For Close-Out Examination only:
None

ALLEN COUNTY COMMUNITY COLLEGE
Iola, Kansas
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2019

FEDERAL GRANTOR/ PASS THROUGH GRANTOR/PROGRAM TITLE	Pass-Through Entity Identifying Number		Federal CFDA Number	Disbursements/ Expenditures
U.S. DEPARTMENT OF EDUCATION				
Direct Programs:				
Student Financial Aid Cluster				
Federal Supplemental Education Opportunity Grant	N/A		84.007	$ 34,741
Federal Supplemental Education Opportunity Grant - Admin	N/A		84.007	933
			Total 84.007	35,674
Federal Direct Student Loans	N/A	(1)	84.268	1,275,226
Federal Work-Study	N/A		84.033	41,400
Federal Pell Grant Program	N/A		84.063	2,007,933
Federal Pell Grant Program - Admin	N/A		84.063	5,405
			Total 84.063	2,013,338
Total Student Financial Aid Cluster		(M)		3,365,638
Total U.S. Department of Education				3,365,638
FEDERAL ASSISTANCE TOTALS				$ 3,365,638

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

NOTE B --INDIRECT COST RATE
Allen County Community College did not elect to use the 10% de minimis cost rate.

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

(M) Major Program

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

Board of Trustees
Allen County Community College
Iola, Kansas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Allen County Community College as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Allen County Community College's basic financial statements, and have issued our report thereon dated December 20, 2019.

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

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

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

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

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



JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants

Chanute, Kansas
December 20, 2019

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

Board of Trustees
Allen County Community College
Iola, Kansas

Report on Compliance for Each Major Federal Program
We have audited Allen County Community College's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Allen County Community College's major federal programs for the year ended June 30, 2019. Allen 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 Allen County Community College's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Allen County Community College's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program
In our opinion, Allen County Community College complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

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

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

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

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

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



JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants

Chanute, Kansas
December 20, 2019

ALLEN COUNTY COMMUNITY COLLEGE
Iola, Kansas

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2019

I. SUMMARY OF AUDITORS' RESULTS

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

Internal Control over Financial Reporting:

Material weakness(es) identified?	____ Yes	X	No
Significant deficiency(ies) identified?	____ Yes	X	None Reported
Noncompliance or other matters required to be reported under *Government Auditing Standards*	____ Yes	X	No

Federal Awards:

Internal control over major programs:			
Material weakness(es) identified?	____ Yes	X	No
Significant deficiency(ies) identified?	____ Yes	X	None Reported

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

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

Identification of major programs:

U.S. DEPARTMENT OF EDUCATION
Student Financial Aid Cluster
Federal Pell Grant Program – CFDA No. 84.063
Federal Supplemental Educational Opportunity Grant – CFDA No. 84.007
Federal Work-Study Program – CFDA No. 84.033
Federal Direct Student Loan Program – CFDA No. 84.268

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

Auditee qualified as a low risk auditee?	X Yes	____	No

II. FINANCIAL STATEMENT FINDINGS

NONE

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

NONE

ALLEN COUNTY COMMUNITY COLLEGE
Iola, Kansas

Schedule of Resolution of Prior Year's Findings and Questioned Costs
For the Year Ended June 30, 2019

None