

**SEWARD COUNTY
COMMUNITY COLLEGE**

Liberal, Kansas

Independent Auditors' Report and
Financial Statements with
Supplementary Information

For the Year Ended June 30, 2020

SEWARD COUNTY COMMUNITY COLLEGE
Liberal, Kansas

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SEWARD COUNTY COMMUNITY COLLEGE
Liberal, Kansas

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Management's Discussion and Analysis

Introduction:

The following discussion and analysis of the financial performance and activity of Seward County Community College (The College) is to provide an introduction to and an understanding of the basic financial statements of the College for the year ended June 30, 2020, with selected comparative information for the year ended June 30, 2019. This discussion focuses on the current activities, resulting changes, and currently known facts. This discussion should be read in conjunction with the College's basic financial statements and the footnotes to those financial statements. The College is solely responsible for the completeness of this information. A separate audit is issued for the Seward County Community College Foundation and is available for review from the SCCC Foundation, Kyle Woodrow, Director, P.O. Box 1137, Liberal, KS 67905-1137, kyle.woodrow@sccc.edu.

Using the Annual Report:

The audit is conducted in accordance with auditing standards applicable to financial audits contained in Government Auditing standards, specifically GASB 34/35, issued by the Comptroller of the United States. The purpose of GASB 34/35 is to make the financial statement presentation of public entities more closely resemble or emulate that of non-public for-profit enterprises. The hope is that it will "enhance the understandability of the general purpose external financial reports." To that end, the annual financial report will include basic financial statements and required supplementary information.

Basic financial statements are comprised of two parts:

1. Basic Financial Statements – These include Statement of Net Position, Statement of Revenues, Expenses, and Changes in Net Position, and the Statement of Cash Flows. These statements present the results on a single measurement focus and basis of accounting.
2. The Notes to the Basic Financial Statements are an integral and essential portion of the financial statements.

Required Supplementary Information:

Management's Discussion and Analysis (M D & A) - This is information that is required by standards to be presented, but is not part of the basic financial statements.

Highlights to the Financial Statements:

Seward County Community College fared well for the fiscal year ended June 30, 2020 considering the impact COVID-19 had on the institution. At year-end, the College's net position was \$30,765,043.60. Of this amount, \$15,822,787.84 is classified as unrestricted net position. These unrestricted assets may be used to meet the College's ongoing obligations. Net Position showed a decrease of \$1,175,516.81 for 2020, primarily due to depreciation of assets of \$2,682,648.54. Net current assets (current assets less current liabilities) decreased by \$1,276,462.15. The coverage ratio of current assets to current liabilities (the ability to pay current liabilities from current assets) decreased from 7.14 times in 2019 to 7.10 times in 2020. Cash and cash equivalents ended the year at \$17,774,112.14, a decrease of \$3,725,293.46 from 2019.

Statement of Net Position

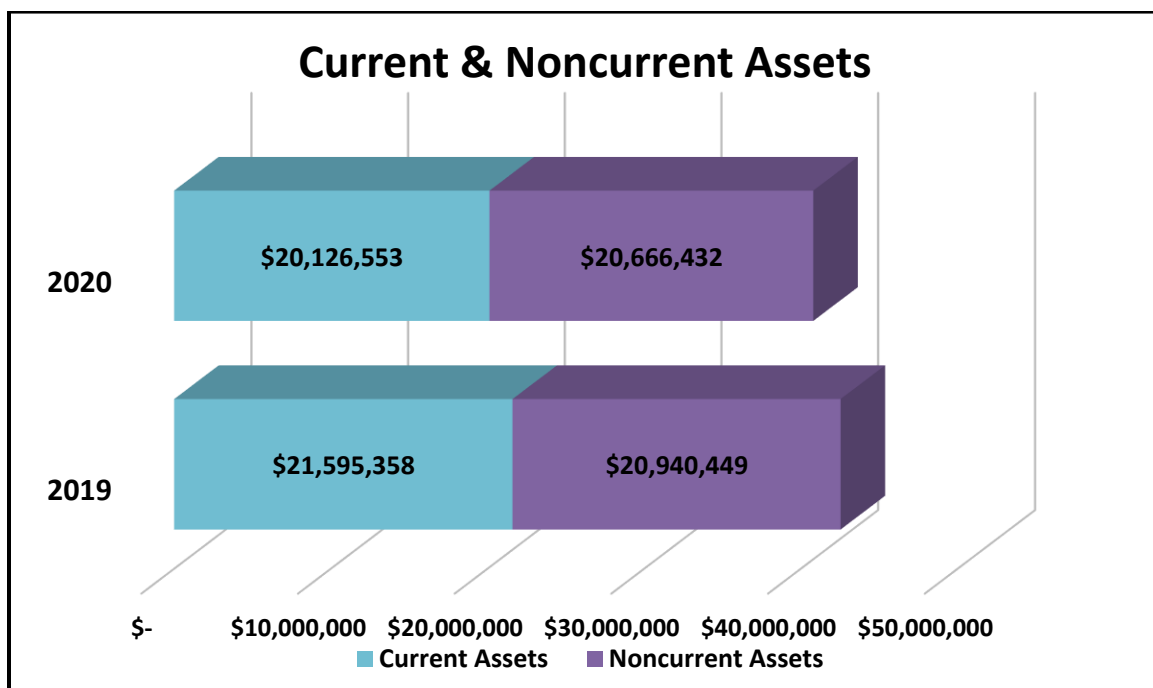
The statements of net position present the assets, liabilities, and net position of the College at June 30, 2020. The purpose of the statements of net position is to present the financial condition of the College.

The assets and liabilities are categorized between current and noncurrent. Noncurrent assets are externally restricted cash and investments restricted to make debt service payments, maintain sinking or reserve funds, or to purchase or construct capital or other noncurrent assets, such as capital assets. 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.

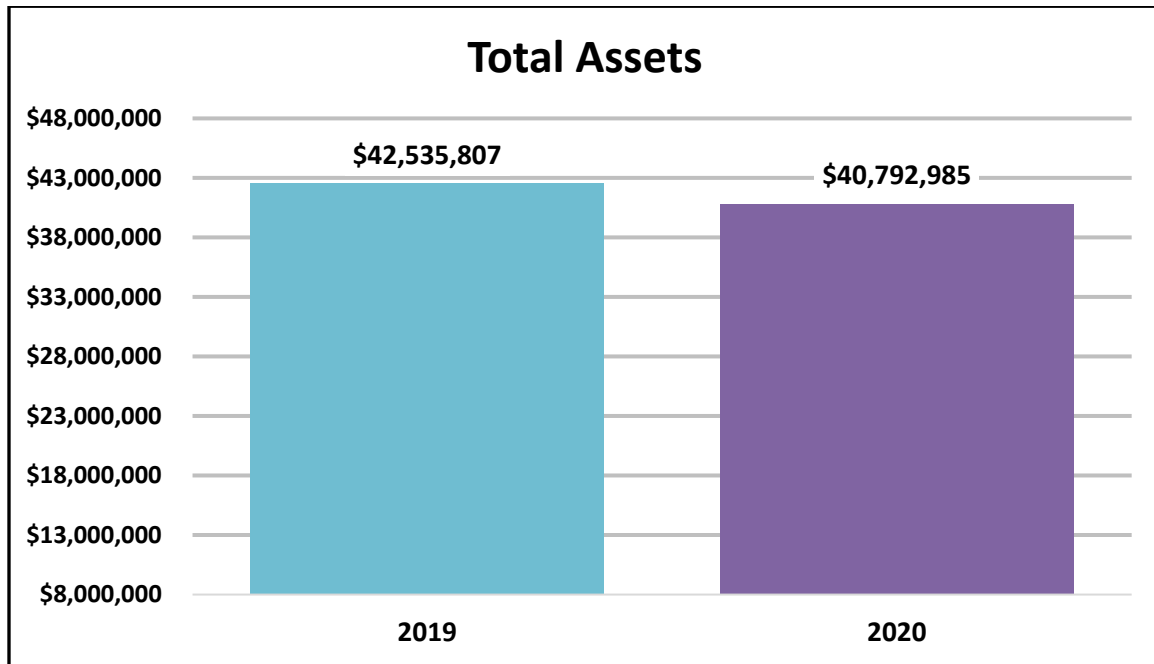
Comparison of Assets – Fiscal Year 2019 to 2020

	2019	% Total 2019	2020	% Total 2020
Current Assets	\$ 21,595,358	50.77%	\$ 20,126,553	49.34%
Non-Current Assets	\$ 20,940,449	49.23%	\$ 20,666,432	50.66%
Total Assets	\$ 42,535,807	100.00%	\$ 40,792,985	100.00%
<i>Deferred Outflows</i>	\$ 311,059		\$ 280,211	

The College's current assets consist primarily of cash and accounts receivables, while noncurrent assets consist mainly of capital assets. The total breakdown of assets between current and noncurrent classification is as follows:



Total assets decreased by \$1,742,821.51 while net position decreased by \$1,175,516.81.



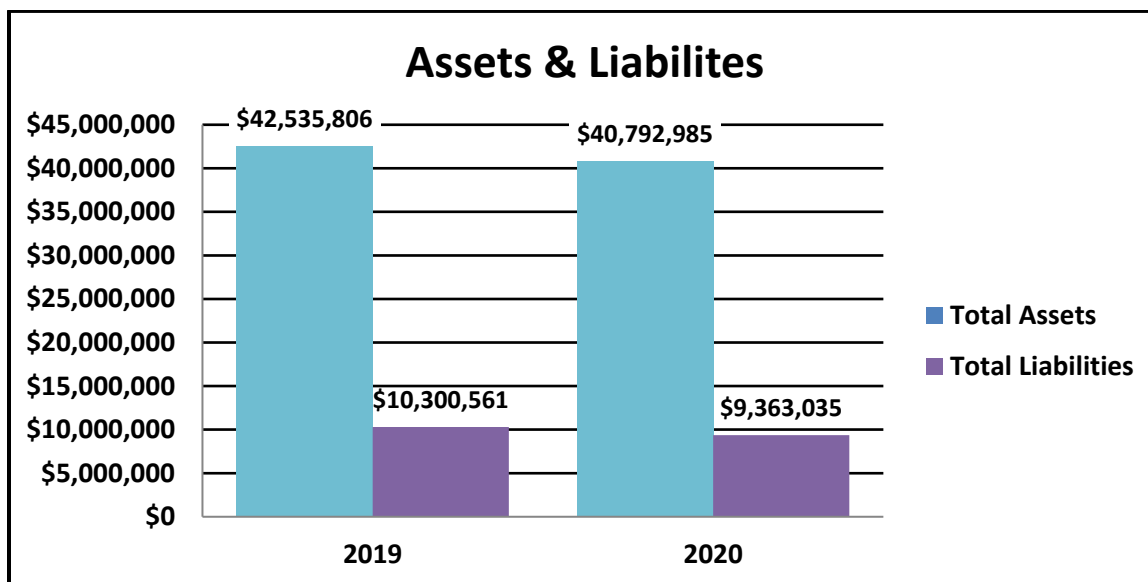
Of the \$40,792,984.91 in total assets, 43.58% are in cash and cash equivalents. Capital assets represent 49.37% of total assets.

Comparison of Liabilities – Fiscal Year 2019 to 2020

	2019	% Total 2019	2020	% Total 2020
Current Liabilities	\$ 3,025,224	29.37%	\$ 2,832,881	30.26%
Non-Current Liabilities	\$ 7,275,337	70.63%	\$ 6,530,154	69.74%
Total Liabilities	\$ 10,300,561	100.00%	\$ 9,363,035	100.00%
<i>Deferred Inflows</i>	\$ 605,744		\$ 945,117	

Liabilities are categorized between current and noncurrent. For example, the College's current liabilities consist primarily of accounts payable, accrued liabilities, deferred revenue, deposits held in custody for others and debt payments due within one year. The noncurrent liabilities portion is comprised of the College's Capital Leases and Other Post-Employment Benefits.

Comparison of Assets to Liabilities



Total liabilities decreased by \$937,525.70 from \$10,300,561.01 in 2019 to \$9,363,035.31 in 2020, while total assets decreased \$1,742,821.51 from \$42,535,806.42 in 2019 to \$40,792,984.91 in 2020. As a result, the asset to liability ratio increased from 4.13 (\$42,535,806.42/\$10,300,561.01) in 2019 to 4.36 (\$40,792,984.91/\$9,363,035.31) in 2020. Assets exceeded liabilities by \$31,429,949.60.

Deferred Outflows/Inflows of Resources

Deferred Outflows of Resources is defined as a consumption of net assets by the college, related to the college's pension plan that is applicable to a future reporting period. It has a natural debit balance and, therefore, increases net position similar to assets.

Deferred Inflows of Resources is defined as an acquisition of net assets by the college, related to its pension plan that is applicable to a future reporting period. It has a natural credit balance and, therefore, decreases net position similar to liabilities.

The figures reported are based upon the most recent actuarial study, in accordance with Government Accounting Standards Board No. 75 (GASB 75). GASB 75 titled "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" replaces GASB 45 effective for fiscal years beginning after June 15, 2017.

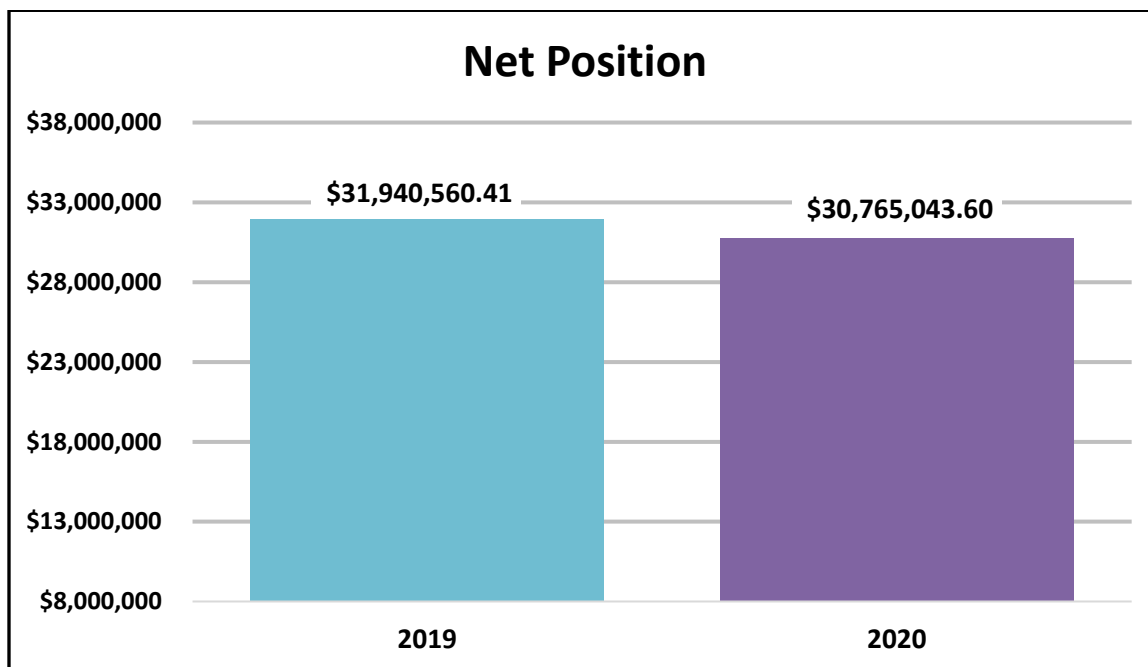
Pension Related Deferred Outflows decreased from \$311,059.00 in 2019 to \$280,211.00 in 2020.

Pension Related Deferred Inflows increased from \$605,744.00 in 2019 to \$945,117.00 in 2020.

Comparison of Net Position – Fiscal Year 2019 to 2020

Net position is presented in three major categories. The first is investment in capital assets, net of related debt, which represents the College's equity in its property, plant, and equipment. The second is restricted and the third is unrestricted. Net position decreased during the current fiscal year from \$31,940,560.41 to \$30,765,043.60 for a total decrease of \$1,175,516.81.

Net position for 2019 compared to 2020:



Statement of Revenues, Expenses, and Changes in Net Position

The statement of revenues, expenses, and changes in net position present the College's financial results for the fiscal year ending June 30, 2020. The statement includes the College's revenue and expenses, both operating and non-operating.

Operating revenues and expenses are those for which the College directly exchanges goods and services. Non-operating revenues and expenses are those that exclude specific goods and services. Examples of non-operating revenues would be local property tax revenue and state aid; whereby local and state taxpayers do not directly receive goods and services from the College.

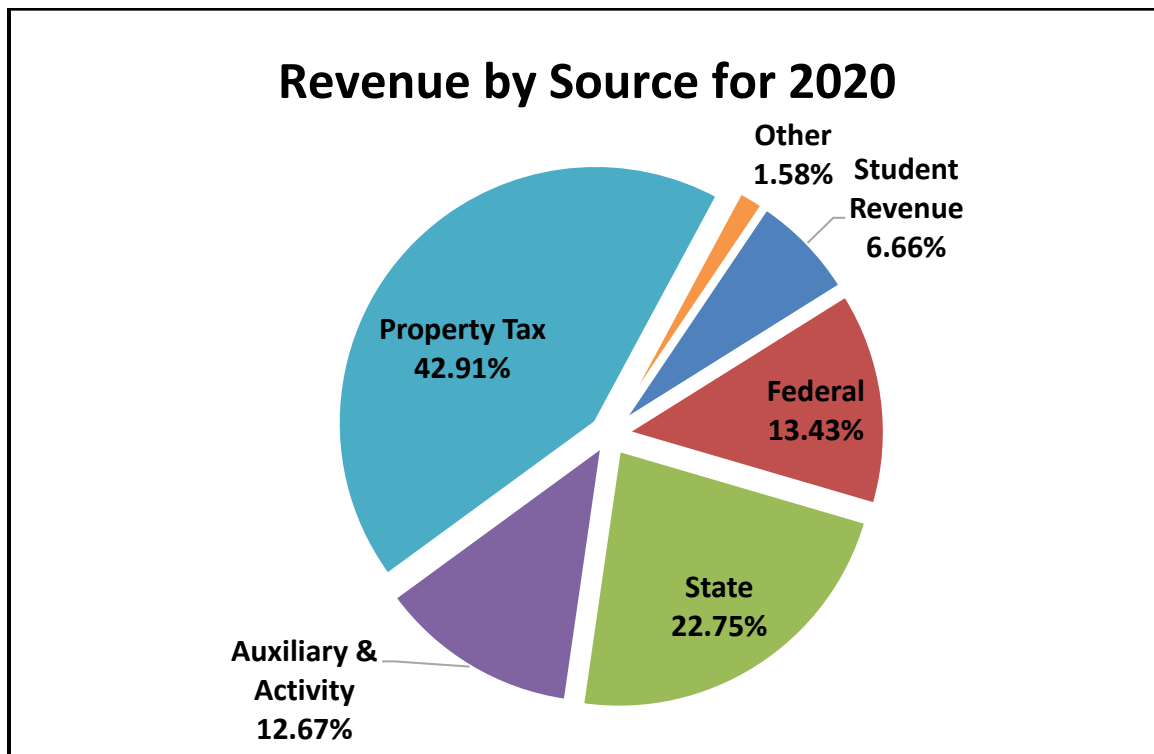
Results of Operations Fiscal Year 2020

Revenue

Components and sources of revenue:

Seward County Community College receives revenue from five major sources. They are: The State of Kansas; Federal Government (including Pell Grants); students, in the form of tuition and fees; local taxpayers, by way of property taxes; and through business style auxiliary enterprises. These sources are relatively stable each year as a percentage of the total.

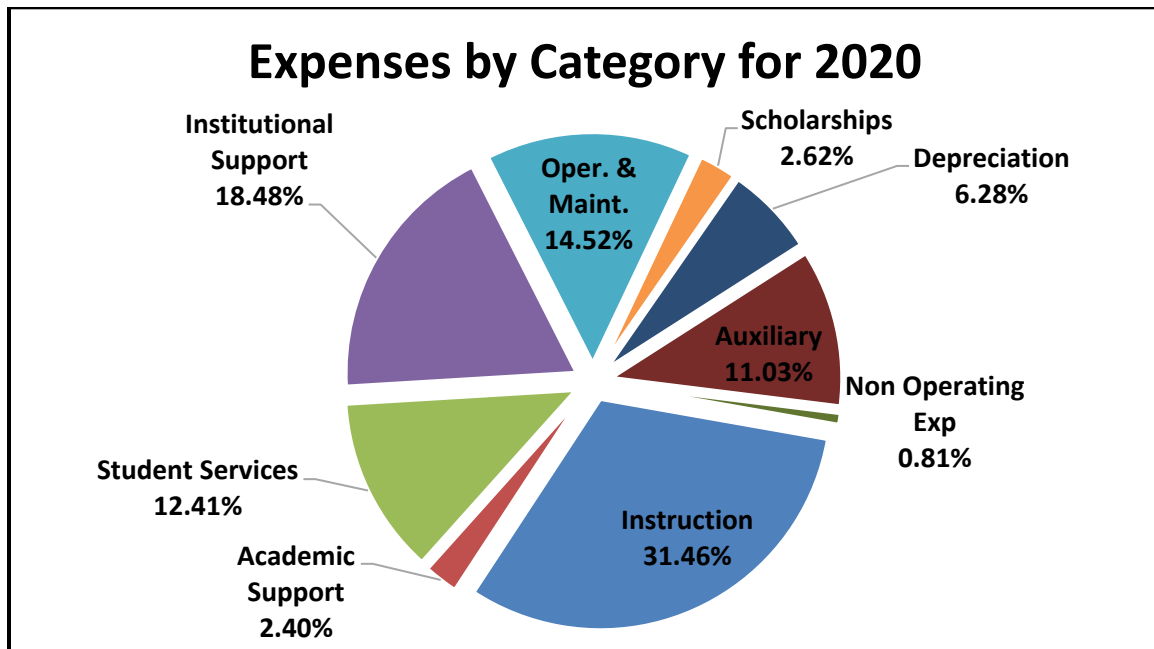
	2019	% Total 2019	2020	% Total 2020
Student Revenue	\$ 2,256,497.00	8.63%	\$ 1,527,949.42	6.66%
Federal	\$ 2,770,788.00	10.60%	\$ 3,083,514.58	13.43%
State	\$ 5,493,197.00	21.00%	\$ 5,223,383.01	22.75%
Auxiliary & Activity	\$ 1,193,969.00	4.57%	\$ 2,908,329.77	12.67%
Property Tax	\$ 9,768,867.00	37.37%	\$ 9,850,603.57	42.91%
Other	\$ 4,903,540.00	17.83%	\$ 559,439.27	1.58%
Total Revenue	\$ 26,386,858.00	100.00%	\$ 23,153,219.62	100.00%



Expenditures

Detail of the 2019 and 2020 Education and General expenditures:

	2019	% Total 2019	2020	% Total 2020
Instruction	\$ 7,034,615.00	31.77%	\$ 7,652,989.14	31.46%
Academic Support	\$ 213,517.00	0.96%	\$ 584,054.35	2.40%
Student Services	\$ 2,835,486.00	12.81%	\$ 3,019,281.88	12.41%
Institutional Support	\$ 3,929,670.00	17.75%	\$ 4,494,734.26	18.48%
Operations & Maintenance	\$ 2,975,579.00	13.44%	\$ 3,532,157.65	14.52%
Scholarships	\$ 786,694.00	3.55%	\$ 637,855.06	2.62%
Depreciation	\$ 1,507,744.00	6.81%	\$ 1,528,421.84	6.28%
Auxiliary	\$ 2,617,734.00	11.82%	\$ 2,682,648.54	11.03%
Non-Operating Expenses	\$ 242,190.00	1.09%	\$ 196,593.71	0.81%
Total	\$ 22,143,229.00	100.00%	\$ 24,328,736.43	100.00%



Statement of Cash Flows

The statement of cash flows presents information about cash receipts and cash payments during the year. It helps assess the College's ability to generate net cash flows and to meet its obligations as they come due. The statement is divided into five parts. The first part deals with the operation cash flows and shows the net cash used in the operating activities of the institution. The second section reflects cash flows from non-capital financing activities. This section reflects cash received and spent for non-operation, non-investing, and non-capital financing purposes. The third section reflects cash flows from capital and related financing activities. This section deals with the cash used in

acquisition and construction of capital assets and related items. The fourth section reflects the cash flows from investing activities, and shows the purchases, proceeds, and interest received from investing activities. The fifth section reconciles net cash used to the operating income or loss reflected on the Statement of Revenues, Expenses and Changes in Net Position. The reader of the cash flow statement should be aware that the "Cash Provided by Operations" will always be negative due to the definitions of operation revenues and operation expenses as defined by GASB 35.

ABBREVIATED STATEMENT OF CASH FLOWS
For the Fiscal Years Ended June 30

	2019	2020
Net Cash Flows From Operating Activities	(\$12,914,612)	(\$16,678,911)
Net Cash Flows From Non-Capital Financing Activities	\$16,085,725	\$16,906,637
Net Cash Flows from Capital & Related Financing Activities	(\$138,307)	(\$4,127,411)
Net Cash Flows from Investing Activities	\$250,362	\$174,391
Net Increase (Decrease) in Cash	(\$3,283,168)	(\$3,725,293)
Cash, Beginning of Year, July 1	\$18,216,237	\$21,449,405
Cash, End of Year, June 30	\$21,499,405	\$17,774,112

Major uses of cash were payments made to employees, vendors, and contractors. Major sources of cash were from students, government grants and appropriations, and property tax receipts. Overall, cash and cash equivalents decreased by \$3,725,293.46 to \$17,774,112.14, primarily due to the purchase of capital assets.

Capital Assets and Debt Administration

During the year, the College invested \$3,462,868.46 in capital assets, changing the total (net of accumulated depreciation) to \$20,137,255.76.

Certificates of Participation

Seward County Community College currently has two certificates of participation notes outstanding as of June 30, 2020. One certificate is being retired through revenues earned from the college's Auxiliary Enterprise System, and by a fee levied per credit hour on all students enrolled each semester. The other is being retired through revenues earned in the college's general fund operations.

Series 2011A

This series of certificates was issued to fund the restructuring of revenue bond debt. The original debt was used to refund prior debt and construct a 168 bed Student Living Center with furnishings. The amount of issue was \$4,290,000. The outstanding principal as of June 30, 2020 is \$1,845,000.00 with estimated future interest of \$219,756.26. This series of certificates matures March 1, 2025.

Series 2018

This series of certificates was issued to refund the college's outstanding lease purchase agreement, and to assist with the funding of the Colvin Family Center for Allied Health construction. The amount of issue was \$3,610,000. The outstanding principal as of

June 30, 2020 is \$3,350,000.00 with estimated future interest of \$1,145,207.50. This series of certificates matures April 1, 2038.

Summary of Overall Performance

Seward County Community College's financial condition was impacted by a number of events in 2020 including but not limited to:

- Regional, state and national economic trends.
- A decrease in enrollment.
- The COVID-19 pandemic.
 - The college closed the campus in March and transitioned courses to an online environment.
 - Refunds were given to students for room and board costs for the remainder of the Spring semester.
 - All summer courses were transitioned to online.

Despite these challenges, net position only decreased \$1,175,516.81, which is most notably due to depreciation of assets. Total assets decreased \$1,742,821.51, but total liabilities decreased \$937,525.70. However, the asset to liability ratio increased from 4.13 in 2019 to 4.36 in 2020. Cash and cash equivalents decreased by \$3,725,293.46, primarily due its conversion to capital assets. Return on net assets for 2020 was -2.88%.

Dennis M. Sander
Vice President of Finance & Operations

JARRED, GILMORE & PHILLIPS, PA
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

Board of Trustees
Seward County Community College
Liberal, Kansas

Report on the Financial Statements

We have audited the accompanying financial statements of Seward County Community College, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Seward 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 did not audit the financial statements of Seward County Community College Foundation (Foundation), which represents 100% of the assets, net assets, and revenues of the discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to us, and in our opinion, insofar as it related to the amounts included for the Foundation, is based solely on the report of the other auditors. 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. The financial statements of the Foundation were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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.

Emphasis of Matter

As discussed in Note 22 to the financial statements, the June 30, 2019 financial statements have been restated to correct a misstatement. Our opinion is not modified with respect to this matter.

Opinion

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Seward County Community College, as of June 30, 2020, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages i-ix 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 the Seward County Community College's basic financial statements. The supplementary information, as listed in the table of contents as pages 30 to 55, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The supplementary information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 19, 2021, on our consideration of the Seward County Community College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the

effectiveness of the Seward County Community College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Seward County Community College's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Jarred, Gilmore & Phillips, PA".

JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants

Chanute, Kansas
March 19, 2021

SEWARD COUNTY COMMUNITY COLLEGE

Liberal, Kansas
Statement of Net Position
June 30, 2020

	Primary Institution	Component Unit - Foundation
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 17,244,935.72	\$ 2,065,308.04
Accounts Receivable, Net	2,525,689.90	-
Promises to Give	-	223,138.00
Inventories	301,285.59	-
Prepaid Expense	54,641.52	-
Investments	-	9,555,338.27
Total Current Assets	<u>20,126,552.73</u>	<u>11,843,784.31</u>
Noncurrent Assets		
Cash and Cash Equivalents	529,176.42	-
Accounts Receivable, Net	-	-
Capital Assets, Net of Accumulated Depreciation	20,137,255.76	-
Total Noncurrent Assets	<u>20,666,432.18</u>	<u>-</u>
TOTAL ASSETS	<u>40,792,984.91</u>	<u>11,843,784.31</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension Related Deferred Outflows	<u>280,211.00</u>	<u>-</u>
LIABILITIES		
Current Liabilities		
Accounts Payable	918,496.03	1,039,937.93
Accrued Interest	53,340.92	-
Deferred Revenue	764,298.47	-
Compensated Absences	317,960.13	-
Deposits Held in Custody for Others	257,007.76	-
Early Retirement, Current Portion	41,778.00	-
Capital Lease Payable, Current Portion	480,000.00	-
Total Current Liabilities	<u>2,832,881.31</u>	<u>1,039,937.93</u>
Noncurrent Liabilities		
OPEB Obligations	1,695,673.00	-
Early Retirement	119,481.00	-
Capital Lease Payable	4,715,000.00	-
Total Noncurrent Liabilities	<u>6,530,154.00</u>	<u>-</u>
TOTAL LIABILITIES	<u>9,363,035.31</u>	<u>1,039,937.93</u>
DEFERRED INFLOWS OF RESOURCES		
Pension Related Deferred Inflows	<u>945,117.00</u>	<u>-</u>
NET POSITION		
Investment in Capital Assets, Net of Related Debt	14,942,255.76	-
Restricted Net Position		
Restricted Net Position - Expendable	-	4,345,658.73
Restricted Net Position- Nonexpendable	-	5,966,155.70
Unrestricted Net Position	15,822,787.84	492,031.95
TOTAL NET POSITION	<u>\$ 30,765,043.60</u>	<u>\$ 10,803,846.38</u>

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

SEWARD COUNTY COMMUNITY COLLEGE

Liberal, Kansas

Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended June 30, 2020

	Primary Institution	Component Unit - Foundation
REVENUES		
Operating Revenues		
Student Tuition and Fees, (net of scholarship discounts and allowances of \$1,271,039.96)	\$ 1,527,949.42	\$ -
Federal Grants and Contracts	1,091,893.58	-
State Grants and Contracts	158,970.22	4,110.00
Sales and Services of Auxiliary Enterprises (net of scholarship discounts and allowances of \$376,764.98)	1,207,020.38	-
Activity Fund Revenues	1,701,309.39	-
Miscellaneous Operating Income	385,048.00	-
Total Operating Revenues	<u>6,072,190.99</u>	<u>4,110.00</u>
EXPENSES		
Operating Expenses		
Educational and General		
Instruction	7,652,989.14	-
Academic Support	584,054.35	-
Student Services	3,019,281.88	260,478.59
Institutional Support	4,494,734.26	209,836.06
Operation and Maintenance	3,532,157.65	-
Scholarships, Grants and Awards	637,855.06	603,389.59
Auxiliary Enterprises	1,528,421.84	-
Depreciation Expense	2,682,648.54	-
Total Operating Expenses	<u>24,132,142.72</u>	<u>1,073,704.24</u>
Operating Income (Loss)	<u>(18,059,951.73)</u>	<u>(1,069,594.24)</u>
Nonoperating Revenues (Expenses)		
State Appropriations	5,064,412.79	-
County Appropriations	9,850,603.57	-
Federal Pell Grants	1,991,621.00	-
Gifts and Contributions	-	1,357,500.06
Investment Income	174,391.27	329,757.01
Debt Service	(196,593.71)	-
Gain (Loss) on Sale of Asset	-	-
Operating Transfers	-	-
Net Operating Revenues (Expenses)	<u>16,884,434.92</u>	<u>1,687,257.07</u>
Increase (Decrease) in Net Position	(1,175,516.81)	617,662.83
Net Position - Beginning of Year, as Previously Reported	30,203,897.79	10,186,183.55
Prior Period Adjustment (NOTE 22)	1,736,662.62	-
Net Position - Beginning of Year, as Restated	<u>31,940,560.41</u>	<u>10,186,183.55</u>
Net Position - End of Year	<u>\$ 30,765,043.60</u>	<u>\$ 10,803,846.38</u>

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

SEWARD COUNTY COMMUNITY COLLEGELiberal, Kansas
Statement of Cash Flows
For the Year Ended June 30, 2020

	Primary Institution	Component Unit - Foundation
CASH FLOWS FROM OPERATING ACTIVITIES		
Student Tuition and Fees	\$ 62,570.77	\$ -
Federal Grants and Contracts	1,091,893.58	-
State Grants and Contracts	158,970.22	4,110.00
Sales and Services of Auxiliary Enterprises	1,207,020.38	-
Activity Fund Revenues	1,701,309.39	-
Miscellaneous Income	385,048.00	-
Payments on Behalf of Employees	(11,556,911.86)	-
Payments for Supplies and Materials	(788,058.12)	-
Payments for Other Expenses	(8,940,753.30)	(1,073,704.24)
Net cash provided by (used in) operating activities	(16,678,910.94)	(1,069,594.24)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State Appropriations	5,064,412.79	-
County Appropriations	9,850,603.57	-
Federal Pell Grant	1,991,621.00	-
Federal Direct Loans	443,622.00	-
Federal Direct Loans Payments	(443,622.00)	-
Gifts and Contributions	-	1,422,768.06
Net cash provided by (used in) noncapital financing activities	16,906,637.36	1,422,768.06
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
Payments for Purchase of Capital Assets	(3,462,868.46)	-
Interest Paid on Long Term Debt	(199,542.69)	-
Principal Payments on Debt	(465,000.00)	-
Net cash provided by (used in) capital financing activities	(4,127,411.15)	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Earned on Investments	174,391.27	260,169.02
Purchase/Sale of Investments	-	352,429.11
Net cash provided by (used in) investing activities	174,391.27	612,598.13
Net Increase (Decrease) in Cash and Cash Equivalents	(3,725,293.46)	965,771.95
Cash and Cash Equivalents, Beginning of Year	21,499,405.60	1,099,536.09
Cash and Cash Equivalents, End of Year	\$ 17,774,112.14	\$ 2,065,308.04

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

SEWARD COUNTY COMMUNITY COLLEGELiberal, Kansas
Statement of Cash Flows
For the Year Ended June 30, 2020

	Primary Institution	Component Unit - Foundation
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH USED BY OPERATING ACTIVITIES		
Operating Income (Loss)	\$ (18,059,951.73)	\$ (1,069,594.24)
Adjustments to Reconcile Change in Net Assets to Net Cash Used in Operating Activities:		
Depreciation Expense	2,682,648.54	-
(Increase) Decrease in Receivables	(1,384,192.05)	-
(Increase) Decrease in Inventory	38,316.15	-
(Increase) Decrease in Prepaid Expenses	143,623.87	-
(Increase) Decrease in Pension Related Deferred Outflows	30,848.00	-
Increase (Decrease) in Accounts Payable	(214,074.99)	-
Increase (Decrease) in Deferred Revenue	(81,186.60)	-
Increase (Decrease) in Compensated Absences	53,922.86	-
Increase (Decrease) in Deposits Held for Others	67,071.01	-
Increase (Decrease) in OPEB Obligations	(301,516.00)	-
Increase (Decrease) in Early Retirement	6,207.00	-
Increase (Decrease) in Pension Deferred Inflows	339,373.00	-
Net cash provided by (used in) operating activities	<u>\$ (16,678,910.94)</u>	<u>\$ (1,069,594.24)</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION		
Cash and Cash Equivalents classified as current assets	\$ 17,244,935.72	\$ 2,065,308.04
Cash and Cash Equivalents classified as non-current assets	529,176.42	-
Total Cash and Cash Equivalents	<u>\$ 17,774,112.14</u>	<u>\$ 2,065,308.04</u>
Supplementary Information		
Cash Paid During the Period for:		
Interest Expense	\$ 199,542.69	\$ -

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

SEWARD COUNTY COMMUNITY COLLEGE

Liberal, Kansas

Notes to the Financial Statements

For the Year Ended June 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Seward County Community College, Liberal, 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 consist 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 Unit

The component unit section of the financial statements includes the financial data of the discretely presented component unit, the Seward County Community College Foundation. 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 Seward County Community College Foundation 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 Foundation 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 Foundation serves essentially as a conduit. Contributions that are not designated are used where the need is considered greatest, as determined by the Foundation board of directors. The Foundation can sue and be sued, and can buy, sell, or lease real property. The Foundation's financial statements should be included with the College's financial statements. Separate audited financial statements are prepared and are available at the Foundation, and can be requested from the College's controller. The Foundation 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.

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.

1. 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.

Accounts Receivable and Deferred Revenue

Accounts receivable consist of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty and staff, the majority of each residing in the State of Kansas. Accounts receivable also includes amounts due from the Federal government, state and local governments, or private sources, in connection with reimbursement of allowable expenditures made pursuant to the College's grant and contracts. Accounts receivable also include taxes in process of collection for property taxes assessed and collected for the calendar year ending December 31, 2019.

In accordance with governing state statutes, property taxes levied during the current year are a revenue source to be used to finance the budget of the ensuing year. Taxes are assessed on a calendar year basis and become a lien on the property on November 1st of each year. The County Treasurer is the tax collection agent for all taxing entities within the County. Property owners have the option of paying one-half or the full amount of the taxes levied on or before December 20th during the year levied with the balance to be paid on or before May 10th of the ensuing year. State statutes prohibit the County Treasurer from distributing taxes collected in the year levied prior to January 1st of the ensuing year. Consequently, for revenue recognition purposes, taxes levied during the current year are not due and receivable until the ensuing year. Property taxes levied in December 2019 are recorded as taxes receivable. Approximately 4% to 10% of these taxes are normally distributed after June 30, 2020, 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.

Inventories

Inventories consist of books and supplies held for resale in the bookstore, cosmetology and auto business management centers and are valued at cost, using the first-in, first-out method (FIFO).

Noncurrent Cash and Cash Equivalents

Cash and cash equivalents 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 \$1,000.00 or more, and an estimated useful life of greater than three years. 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	20-40 Years
Building Improvements	5-20 Years
Furniture	10 Years
Vehicles	5-7 Years
Equipment, including computers	3-7 Years

Accounts Receivable and Allowance for Doubtful Accounts

The College regularly extends unsecured credit to various students. The College uses the allowance method to account for uncollectible accounts receivable.

Compensated Absences

Employee vacation pay is accrued at year-end for financial statement purposes. The liability and expense incurred are recorded at year-end as accrued vacation payable in the statement of net position, and a component of compensation and benefit expense in the statement of revenues, expenses, and changes in net position.

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 is 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 includes 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.

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

Net Position (Continued)

Unrestricted Net Position: Unrestricted net position represents 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 restricted resources, and then towards unrestricted 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 Foundation is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 to fund all pension costs accrued; such costs to be funded are actuarially determined annually by the State.

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). Although directory rather than mandatory, 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. There were no such budget amendments for this year.

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.

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

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 is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Compliance with Kansas Statutes

Supplementary Schedules 4 to 10 have been prepared in order to show compliance with the cash basis and budget laws of Kansas. Based upon these schedules, the College was in apparent compliance with Kansas cash basis and budget laws.

3. DEPOSITS

Primary Institution

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

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

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.

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the College's deposits may not be returned to it. State statutes require the College's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka. All deposits were legally secured at June 30, 2020.

Deposits: At year-end, the College's carrying amount of deposits is \$17,774,112.14 and the bank balance was \$17,480,900.21. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, \$250,000.00 was covered by FDIC insurance, \$17,480,900.21 was collateralized with pledged securities held by the pledging financial institutions' agents in the College's name, and \$416,851.33 was held in Federal Government Obligations.

Component Unit

At year-end, the carrying amount of the Foundation's deposits were \$2,065,308.04. The bank balances were \$2,067,061.16. Of the bank balances \$935,060.66 was covered by FDIC insurance and the remaining \$1,132,000.50 was collateralized with securities held by the pledging financial institutions' agents in the Foundation's name.

4. INVESTMENTS

Component Unit:

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

	<u>FAIR VALUE</u>
Certificates of Deposit	\$ 1,008,207.68
Common Stocks	5,164,588.21
Mutual Funds	2,993,247.08
Bonds	389,295.30
Total Investments	<u>\$ 9,240,489.21</u>

5. FAIR VALUE MEASUREMENTS

Component Unit:

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy 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 Foundation has the ability to access.

Level 2. Inputs to the valuation methodology include:

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

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

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

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

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

Corporate Bonds: Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing the value on yields currently available on comparable securities of issuers with similar credit rates.

Mutual Funds: Valued at the daily closing prices as reported by the fund. Mutual funds held by the Foundation are open-ended mutual funds that are registered with the SEC. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Foundation are deemed to be actively traded.

U.S. Government Securities: Valued using the pricing models maximizing the use of observable inputs for similar securities.

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

	June 30, 2020			
	Level 1	Level 2	Level 3	Total
Certificates of Deposit	\$ 1,008,207.68	\$ - -	\$ - -	\$1,008,207.68
Common Stock	5,164,588.21	- -	- -	5,164,588.21
Mutual Funds	2,993,247.08	- -	- -	2,993,247.08
Bonds	- -	389,295.30	- -	389,295.30
Totals	<u>\$9,166,042.97</u>	<u>\$ 389,295.30</u>	<u>\$ - -</u>	<u>\$9,555,338.27</u>

6. **ACCOUNTS RECEIVABLE, NET**

Accounts receivable at June 30, 2020, consisted of the following:

	Primary Institution
Current:	
Student Accounts	\$ 688,688.85
Foundation overpayment	1,039,937.93
Grants	392,189.12
Taxes in Progress	<u>404,874.00</u>
Total Accounts Receivable	<u>\$ 2,525,689.90</u>

The College uses the allowance method to account for uncollectible accounts receivable. Accounts receivable are presented net of an allowance for uncollectible accounts of \$2,467,161.67 at June 30, 2020.

7. INVENTORIES

Inventories consisted of the following at June 30, 2020:

Inventory	
Textbooks	\$ 153,161.14
Soft Goods and Supplies	103,289.87
Auto Parts	8,640.87
Cosmetology Supplies	<u>36,193.71</u>
Total Inventory	<u>\$ 301,285.59</u>

8. UNCONDITIONAL PROMISES TO GIVE

Component Unit:

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

Endowed funds:	
Less than one year	\$ 109,800.00
One to five years	<u>123,400.00</u>
Total unconditional promises to give	233,200.00
Less unamortized discounts	<u>(10,062.00)</u>
	<u>\$ 223,138.00</u>

Uncollectible amounts for unconditional promises to give are expected to be insignificant. Accordingly, no provision is made for uncollectible amounts. Long-term promises to give are recognized at fair value, using present value techniques and a discount rate of 6.0% in for the year ended June 30, 2020.

9. **CAPITAL ASSETS**

Primary Institution:

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

	Balance 06/30/2019	Additions	Retirements	Balance 06/30/2020
Capital assets not being depreciated				
Land	\$ 294,019.00	\$ -	\$ -	\$ 294,019.00
Art Collection	107,800.00	-	-	107,800.00
Construction in Progress	4,133,694.95	2,549,222.25	(6,682,917.20)	-
Total Capital Assets not being depreciated	4,535,513.95	2,549,222.25	(6,682,917.20)	401,819.00
Other Capital Assets				
Buildings	43,127,941.05	115,175.63	2,076,699.57	45,319,816.25
Buildings & Equipment Under Capital Lease	1,497,466.54	-	4,606,217.63	6,103,684.17
Furniture and Equipment	10,633,556.15	798,470.58	-	11,432,026.73
Land Improvements	1,017,693.00	-	-	1,017,693.00
Library Materials	1,081,170.00	-	-	1,081,170.00
Total Other Capital Assets	57,357,826.74	913,646.21	6,682,917.20	64,954,390.15
Accumulated Depreciation				
Buildings	30,336,297.34	2,121,238.92	-	32,457,536.26
Buildings & Equipment Under Capital Lease	721,259.85	137,405.39	-	858,665.24
Furniture and Equipment	9,379,884.66	424,004.23	-	9,803,888.89
Land Improvements	1,017,693.00	-	-	1,017,693.00
Library Materials	1,081,170.00	-	-	1,081,170.00
Total Accumulated Depreciation	42,536,304.85	2,682,648.54	-	45,218,953.39
Total Net Capital Assets	\$ 19,357,035.84	\$ 780,219.92	\$ -	\$ 20,137,255.76

10. CAPITAL LEASES

The College entered into a certificate of participation dated August 1, 2011, with Security Bank of Kansas City to refund the Series 2008 and 2001B Revenue Bonds originally issued for the construction of student dorms. The total cost was \$4,290,000.00. The lease calls for varying annual payments, including interest between 2.75 and 4.00% annually, maturing March 1, 2025.

<u>Capital Lease – Dormitory Bond Refinance</u>	
Debt requirements are as follows:	
<u>June 30,</u>	
2021	\$ 409,475.00
2022	413,000.00
2023	409,881.29
2024	416,400.00
2025	<u>416,000.00</u>
Total Net Minimum Lease Payments	2,064,756.26
Less: Imputed Interest	<u>(219,756.26)</u>
Net Present Value of Capital Lease	<u>1,845,000.00</u>
Less: Current Maturities	<u>350,000.00</u>
Long-Term Capital Lease Obligations	<u>\$ 1,495,000.00</u>

The College entered into a certificate of participation dated March 27, 2018, with Security Bank of Kansas City the purchase, construction, equip, and furnish the Allied Health Center on the College campus in Liberal, Kansas. The total cost was \$3,610,000.00. The lease calls for varying annual payments, including interest between 3.00 and 4.00% semi-annually, maturing April 1, 2038.

<u>Capital Lease – Allied Health Center</u>	
Debt requirements are as follows:	
<u>June 30,</u>	
2021	\$ 251,162.50
2022	250,562.50
2023	249,762.50
2024	248,762.50
2025	249,112.50
2026-2030	1,245,562.50
2031-2035	1,251,757.50
2036-2038	<u>749,525.00</u>
Total Net Minimum Lease Payments	4,496,207.50
Less: Imputed Interest	<u>(1,145,207.50)</u>
Net Present Value of Capital Lease	<u>3,350,000.00</u>
Less: Current Maturities	<u>140,000.00</u>
Long-Term Capital Lease Obligations	<u>\$ 3,210,000.00</u>

12. RESTRICTED NET POSITION - EXPENDABLE

Component Unit:

Restricted Net Position – Expendable consists of the following donations received and restricted to use at June 30, 2020 of \$4,345,658.73.

13. RESTRICTED NET POSITION - NONEXPENDABLE

Component Unit:

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

	<u>Nonexpendable</u>
Restricted Net Position, Beginning of Year	\$ 5,951,896.63
Contributions	<u>14,259.07</u>
Restricted Net Position, End of Year	<u>\$ 5,966,155.70</u>

All endowment funds are considered to be permanently restricted. Therefore the spending policy does not allow for distribution of these funds. Investment income from these funds is considered to be unrestricted unless otherwise designated.

14. 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.

14. 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.

14. OTHER POST EMPLOYMENT BENEFITS (Continued)

The actuarially determined employer contribution rates and the statutory contribution rates for school employees are 14.41%. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009 and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate of 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members.

Employer and Nonemployer Allocations

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

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

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

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

At June 30, 2019, the proportion recognized by the State of Kansas on behalf of the College was .17153%, which was an decrease of .00345% from the proportion measured at June 30, 2018.

Net Pension Liability

At June 30, 2019 and 2018, the proportionate share of the net pension liability recognized by the State of Kansas that was attributable to the College was \$11,094,104.00 and \$11,414,682.00, respectively.

Actuarial Assumptions

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

Wage 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%

14. OTHER POST EMPLOYMENT BENEFITS (Continued)

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

The actuarial assumptions used in the December 31, 2018, valuation were based on the results of an actuarial experience study conducted for the period January 1, 2013, through December 31, 2015. The experience study is dated November 18, 2016.

The long-term expected rate of return of pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class as of the most recent experience study, dated November 18, 2016, as provided by KPERS' investment consultant, are summarized in the following table:

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, 2020, the College recognized revenue and pension expense in an equal amount of \$924,626.82.

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.

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

Early Retiree Health Insurance:

Plan Description: The College provides for medical, dental and prescription drug insurance coverage to qualifying retirees and their dependents through its group insurance program. Coverage is available until Medicare eligibility. When qualifying retirement occurs at attained ages 60 to 63, retirees may receive coverage by paying the single contribution rate that applies to active employees. Otherwise, retirees are required to pay group plan premiums to maintain coverage. In all cases, the retiree contribution for spousal coverage is equal to the family rate less the single rate. 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 166 total active employees and 8 retirees who are participating in the plan as of July 1, 2019, the census date used for the actuarial valuation.

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

Total OPEB Liability: The College's total OPEB liability of \$1,695,673 was measured as of June 30, 2020, and was determined by an actuarial valuation as of that date.

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

Valuation Date	July 1, 2019
Measurement Date (End of Year)	June 30, 2020
Reporting Date	June 30, 2020
Discount Rate	3.0% (Measurement Date) 2.6% (Year Preceding Measurement Date)
Salary Scale	2.0%
Actuarial Cost Method	Entry Age - Level Percent-of-Pay
Health Care Cost Trend Rates	7.0% decreasing 0.5% per year until 2024 and 0.25 % per year until reaching an ultimate trend rate of 4.5%

The average of the S&P Municipal Bond 20 Year High Grade and Fidelity GO AA-20 Year published yields was evaluated to determine the discount rate. The selected rates are 3.0% (beginning-of-year measurement) and 2.6% (end-of-year measurement).

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

14. OTHER POST EMPLOYMENT BENEFITS (Continued)

Annual OPEB cost and net OPEB obligation:

Net OPEB Liability	
I. Total OPEB Liability	\$ 1,685,673
II. Plan Fiduciary Net Position (Trust Assets)	<u>0</u>
III. Net OPEB Liability at June 30, 2020 (I minus II)	<u>\$ 1,685,673</u>

OPEB Liability Changes	
Total OPEB Liability – Beginning of Year	\$ 1,997,189
1. Service Cost	165,405
2. Interest Cost	63,378
3. Changes in Benefit Terms	0
4. Differences between actual and expected experience	(354,395)
5. Changes in assumptions and inputs	(75,904)
6. Employer Contributions (Benefit Payments)	<u>100,000</u>
Net Changes (1 + 2 + 3 + 4 + 5 – 6)	<u>(301,516)</u>
Total OPEB Liability – End of Year	<u>\$ 1,695,673</u>

OPEB Expense – Fiscal Year 2019-20	
1. Service Cost	\$ 165,405
2. Interest on Total OPEB Liability	63,378
3. Differences between expected and actual experience	0
4. Changes of assumptions and inputs	(84,601)
5. Changes in Benefit Terms	24,523
6. Projected earnings on OPEB plan investments	0
7. Differences between projected & actual earnings on OPEB investments	<u>0</u>
OPEB Expense (1 + 2 + 3 + 4 + 5 - 6+7)	<u>\$ 168,705</u>

OPEB Liability as a percentage of payroll	
Total OPEB Liability	\$ 1,695,673
Payroll *	7,408,638
Percent of Payroll	22.9%

* Annualized pay as of July 1, 2019 of active employees included in the valuation

Sensitivity of Total OPEB Liability to changes in the Discount Rate

	1% Decrease 1.6%	Current Single Discount Rate Assumption 2.6%	1% Increase 3.6%
Total OPEB Liability	1,846,131	1,695,673	1,558,621
Increase/(Decrease) from Baseline	150,458		(137,052)

14. OTHER POST EMPLOYMENT BENEFITS (Continued)

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

	1% Decrease	Current Trend Assumption	1% Increase
Total OPEB Liability	1,495,428	1,695,673	1,937,314
Increase/(Decrease) from Baseline	(200,245)		241,641

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

Category	Deferred Outflows of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	0	875,538
Changes in Assumptions	280,211	69,579
Contributions Subsequent to Measurement Date (1)	0	0

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

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

Fiscal Year Ending	Amount
2021	\$ 60,078
2022	60,078
2023	60,078
2024	60,078
2025	60,078
2026 & Thereafter	364,516

Average Expected Remaining Service Life: 11.07 years

Early Retirement Program:

Plan Description: The College provides an early retirement program for certain eligible employees. Those eligible under the program may receive benefits for up to 5 years. Eligible employees will receive health insurance coverage (single membership) equal to that of a full-time employee from the time the employee chooses to take early retirement and will continue until the early retirement employee becomes eligible for Medicare or reaches age 65, whichever occurs first. The College also provides annual payments in amounts based upon the final year of contracted salary for eligible individuals retiring from employment. The College recognizes a liability and expense for voluntary termination benefits when the office is accepted and the amount can be estimated. Payments for the retired employees under this plan were \$71,906.00 for the year ended June 30, 2020. The following is a schedule of benefits payable for eligible employees which have taken early retirement as of June 30, 2020:

Payable	Year Ended June 30 th	Amount
Payable	2021	\$ 41,778
Payable	2022	30,066
Payable	2023	14,266
Payable	2024	11,350

15. COMPENSATED ABSENCES

Annual leave is provided to individuals employees in full-time 12 month positions. Salaried/exempt employees earn leave at 2 days per calendar month worked. Hourly/non-exempt employees earn leave at 1 day per calendar month worked for the first two full fiscal years worked, then 1 ½ days of leave per calendar months worked thereafter. Annual leave can be carried over from one fiscal year beyond which it was earned.

Sick leave is provided to all full-time employees at a rate of 10 days of sick leave per fiscal year and may accumulate unused sick leave to a maximum of 50 days. Employees are not paid for accumulated sick leave upon termination.

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 recorded a liability for sick leave which has been earned, but not taken, inasmuch as the amount cannot be reasonably estimated.

16. 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.

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 insurance policies.

18. CONCENTRATION OF RISK

Component Unit:

Foundation's monies are invested in equities in the stock market. The effect in the future on the Foundation's equity portfolio is unknown and is subject to market economic conditions.

19. RELATED PARTY TRANSACTIONS

The Foundation was formed to promote and foster the educational purposes of the Seward County Community College, and to create a fund to be used for any program, project, or enterprise undertaken in the interest of the College. The Foundation 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 Foundation serves essentially as a conduit. Contributions that are not designated are used where the need is considered greatest, as determined by the Foundation's board of directors. The Foundation disbursed to the College for scholarships for the year ended June 30, 2020, \$536,297.21. The College disbursed on behalf of the Foundation support services and facilities for the year ended June 30, 2020, \$74,913.33. The Foundation disbursed through its capital campaign funds for the year ended June 30, 2020, \$193,510.95.

21. INTERFUND TRANSFERS

Operating transfers were as follows:

<u>From Fund:</u>	<u>To Fund:</u>	<u>Reason</u>	<u>Amount</u>
General	Postsecondary Technical Education	Operations	\$ 2,864,598.33
General	Truck Driver Training Course	Operations	150,000.00
General	Capital Outlay	Reserves	50,000.00
General	Debt Service	Debt Service	55,493.74
General	Adult Basic Education	Operations	86,915.61
General	KBOR Nursing Grant	Operations	3,583.59
General	LSAMP Grant	Operations	2,605.82
General	Centers for Academic Excellence	Operations	5,036.52
General	K-Step Grant	Operations	18.01
Refugee Services	General	Operations	4,017.76

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

22. PRIOR PERIOD ADJUSTMENTS

During the year ended June 30, 2020, management has implemented Government Accounting Standards Board (GASB) Statement #65 and retroactively applied to the beginning Net Position to eliminate bond issuance costs.

Bond Issuance Costs Eliminated	\$	(92,767.89)
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Also during the year, management completed a review and reconciliation of student accounts receivable and as a result uncollectible estimates for student accounts receivable estimates were changed to recognize a higher percentage as uncollectible. This change in estimate was retroactively applied to Net Position.

Student Accounts Deemed Uncollectible	\$	(1,731,996.22)
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22. PRIOR PERIOD ADJUSTMENTS (Continued)

Also during the year, management has become aware of that State contributions to the KPERS system meet the definition of a special funding situation. As a result, the College has removed the related unfunded pension liability from the College's records.

KPERS Deferred Outflows	\$	(92,431.00)
KPERS Deferred Pension		43,300.00
KPERS Net Pension Liability		121,402.00

Also during the year, management reviewed the revenue recognition of property taxes. During that review management noted that GASB states revenues should be recognized in the accounting period in which they become susceptible to accrual, that is, when they become both measurable and available to finance expenditures of the fiscal period. As a result, the liability of unearned property taxes was eliminated as a prior period adjustment.

Deferred Property Taxes	\$	3,489,155.73
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Accordingly, the College has restated its results for the prior year. The effect of the restatement on the Statement of Net Position for the year ended June 30, 2019 is as follows:

Net Position, as previously reported	\$	30,203,897.79
Eliminate Bond Issuance Costs		(92,767.89)
Change in Student Receivables		(1,731,996.22)
Eliminate Deferred Property Taxes		3,489,155.73
Eliminate KPERS OPEB Liabilities		<u>72,271.00</u>
Net Position, as restated	\$	<u>31,940,560.41</u>

The effect of the restatement on the statement of revenues, expenses, and changes in net position for June 30, 2019 decreased expenses for bond issuance costs amortization of \$30,241.00, decreased bad debt expense \$63,009.00, and increased property tax revenue \$1,180,002.00, and decreased OBEB obligation expense \$16,927.00.

23. SUBSEQUENT EVENTS

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

**REQUIRED
SUPPLEMENTARY INFORMATION**

Schedule 1**SEWARD COUNTY COMMUNITY COLLEGE**

Liberal, Kansas

Schedule of Funding Progress

For the Year Ended June 30, 2020*

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

	06/30/2020	06/30/2019	06/30/2018
OPEB Liability Changes			
Total OPEB Liability - Beginning of Year	\$ 1,997,189	\$ 2,488,539	\$ 2,184,536
1. Service Cost	165,405	201,301	64,213
2. Interest Cost	63,378	86,306	32,461
3. Changes in Benefit Terms	-	-	-
4. Difference between actual and expected experience	(354,395)	(660,812)	-
5. Changes in assumptions and inputs	(75,904)	30,855	339,329
6. Employer Contributions (Benefit Payments)	100,000	149,000	132,000
Net Changes (1+2+3+4+5-6)	<u>(301,516)</u>	<u>(491,350)</u>	<u>304,003</u>
Total OPEB Liability - End of Year	<u>\$ 1,695,673</u>	<u>\$ 1,997,189</u>	<u>\$ 2,488,539</u>
OPEB Liability as a percentage of payroll			
Total OPEB Liability	\$ 1,695,673	\$ 1,997,189	\$ 2,488,539
Payroll	7,408,638	7,707,303	7,707,303
Percent of Payroll	22.9%	25.9%	32.3%

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 3.4% (beginning-of-year measurement) to 3.3% (end-of-year measurement)

SUPPLEMENTARY INFORMATION

Schedule 2**SEWARD COUNTY COMMUNITY COLLEGE**

Liberal, Kansas

Combining Schedule of Net Position - Primary Institution

June 30, 2020

	GENERAL	POSTSECONDARY TECHNICAL EDUCATION	ADULT SUPPLEMENTAL EDUCATION	TRUCK DRIVER TRAINING COURSE	BOOKSTORE
ASSETS					
Current Assets					
Cash and Cash Equivalents	\$ 13,041,360.02	\$ 242,860.89	\$ 73,471.21	\$ 31,220.89	\$ 658,768.96
Receivables - Taxes in Process	404,874.00	-	-	-	-
Receivables - Federal	-	-	-	-	-
Receivables - Other Receivables	172,995.22	70,692.96	5,849.32	4,898.51	34,105.28
Inventories	-	-	-	-	256,451.01
Prepaid Expense	50,993.63	-	-	-	3,647.89
Total Current Assets	13,670,222.87	313,553.85	79,320.53	36,119.40	952,973.14
Noncurrent Assets					
Cash and Cash Equivalents	-	-	-	-	-
Receivables - Taxes in Process	-	-	-	-	-
Capital Assets	-	-	-	-	-
Accumulated Depreciation	-	-	-	-	-
Total Noncurrent Assets	-	-	-	-	-
TOTAL ASSETS	13,670,222.87	313,553.85	79,320.53	36,119.40	952,973.14
DEFERRED OUTFLOWS OF RESOURCES					
Pension Related Deferred Outflows	280,211.00	-	-	-	-
LIABILITIES					
Current Liabilities					
Accounts Payable	534,927.14	242,860.89	3,040.42	9,632.31	8,861.05
Accrued Interest	-	-	-	-	-
Deferred Revenue	508,322.56	-	-	-	-
Compensated Absences	317,960.13	-	-	-	-
Deposits Held in Custody for Others	12,275.00	-	-	-	-
Early Retirement, Current Portion	41,778.00	-	-	-	-
Capital Lease Payable, Current Portion	-	-	-	-	-
Total Current Liabilities	1,415,262.83	242,860.89	3,040.42	9,632.31	8,861.05
Noncurrent Liabilities					
Capital Lease Payable	-	-	-	-	-
Early Retirement	119,481.00	-	-	-	-
OPEB Obligations	1,695,673.00	-	-	-	-
Total Noncurrent Liabilities	1,815,154.00	-	-	-	-
TOTAL LIABILITIES	3,230,416.83	242,860.89	3,040.42	9,632.31	8,861.05
DEFERRED INFLOWS OF RESOURCES					
Pension Related Deferred Inflows	945,117.00	-	-	-	-
NET POSITION					
Investment in capital assets, net of related debt	-	-	-	-	-
Unrestricted	9,774,900.04	70,692.96	76,280.11	26,487.09	944,112.09
TOTAL NET POSITION	\$ 9,774,900.04	\$ 70,692.96	\$ 76,280.11	\$ 26,487.09	\$ 944,112.09

Schedule 2

SEWARD COUNTY COMMUNITY COLLEGE
 Liberal, Kansas
 Combining Schedule of Net Position - Primary Institution
 June 30, 2020

	DORM/ CAFEATERIA	COSMETOLOGY	AUTO BUSINESS MANAGEMENT	FEDERAL PELL GRANTS	FEDERAL DIRECT LOANS
ASSETS					
Current Assets					
Cash and Cash Equivalents	\$ 1,304,879.26	\$ 128,671.42	\$ 7,076.98	\$ (97,930.00)	\$ (5,832.00)
Receivables - Taxes in Process	-	-	-	-	-
Receivables - Federal	-	-	-	127,310.00	8,060.00
Receivables - Other Receivables	181,638.67	14,021.07	-	-	-
Inventories	-	36,193.71	8,640.87	-	-
Prepaid Expense	-	-	-	-	-
Total Current Assets	1,486,517.93	178,886.20	15,717.85	29,380.00	2,228.00
Noncurrent Assets					
Cash and Cash Equivalents	-	-	-	-	-
Receivables - Taxes in Process	-	-	-	-	-
Capital Assets	-	-	-	-	-
Accumulated Depreciation	-	-	-	-	-
Total Noncurrent Assets	-	-	-	-	-
TOTAL ASSETS	1,486,517.93	178,886.20	15,717.85	29,380.00	2,228.00
DEFERRED OUTFLOWS OF RESOURCES					
Pension Related Deferred Outflows	-	-	-	-	-
LIABILITIES					
Current Liabilities					
Accounts Payable	13,357.90	-	-	29,270.00	2,228.00
Accrued Interest	-	-	-	-	-
Deferred Revenue	-	-	-	-	-
Compensated Absences	-	-	-	-	-
Deposits Held in Custody for Others	-	-	-	-	-
Early Retirement, Current Portion	-	-	-	-	-
Capital Lease Payable, Current Portion	-	-	-	-	-
Total Current Liabilities	13,357.90	-	-	29,270.00	2,228.00
Noncurrent Liabilities					
Capital Lease Payable	-	-	-	-	-
Early Retirement	-	-	-	-	-
OPEB Obligations	-	-	-	-	-
Total Noncurrent Liabilities	-	-	-	-	-
TOTAL LIABILITIES	13,357.90	-	-	29,270.00	2,228.00
DEFERRED INFLOWS OF RESOURCES					
Pension Related Deferred Inflows	-	-	-	-	-
NET POSITION					
Investment in capital assets, net of related debt	-	-	-	-	-
Unrestricted	1,473,160.03	178,886.20	15,717.85	110.00	-
TOTAL NET POSITION	\$ 1,473,160.03	\$ 178,886.20	\$ 15,717.85	\$ 110.00	\$ -

Schedule 2

SEWARD COUNTY COMMUNITY COLLEGE

Liberal, Kansas

Combining Schedule of Net Position - Primary Institution

June 30, 2020

	FEDERAL SEOG GRANTS	FEDERAL WORK STUDY	BOARD OF ADULT BASIC EDUCATION	COVID19 CARES ACT GRANT	AOK GRANT
ASSETS					
Current Assets					
Cash and Cash Equivalents	\$ (5,271.00)	\$ (6,461.46)	\$ 25,423.00	\$ -	\$ 198,419.25
Receivables - Taxes in Process	-	-	-	-	-
Receivables - Federal	6,595.00	6,461.46	-	-	-
Receivables - Other Receivables	-	-	-	-	-
Inventories	-	-	-	-	-
Prepaid Expense	-	-	-	-	-
Total Current Assets	1,324.00	-	25,423.00	-	198,419.25
Noncurrent Assets					
Cash and Cash Equivalents	-	-	-	-	-
Receivables - Taxes in Process	-	-	-	-	-
Capital Assets	-	-	-	-	-
Accumulated Depreciation	-	-	-	-	-
Total Noncurrent Assets	-	-	-	-	-
TOTAL ASSETS	1,324.00	-	25,423.00	-	198,419.25
DEFERRED OUTFLOWS OF RESOURCES					
Pension Related Deferred Outflows	-	-	-	-	-
LIABILITIES					
Current Liabilities					
Accounts Payable	1,324.00	-	25,423.00	-	95.96
Accrued Interest	-	-	-	-	-
Deferred Revenue	-	-	-	-	198,323.29
Compensated Absences	-	-	-	-	-
Deposits Held in Custody for Others	-	-	-	-	-
Early Retirement, Current Portion	-	-	-	-	-
Capital Lease Payable, Current Portion	-	-	-	-	-
Total Current Liabilities	1,324.00	-	25,423.00	-	198,419.25
Noncurrent Liabilities					
Capital Lease Payable	-	-	-	-	-
Early Retirement	-	-	-	-	-
OPEB Obligations	-	-	-	-	-
Total Noncurrent Liabilities	-	-	-	-	-
TOTAL LIABILITIES	1,324.00	-	25,423.00	-	198,419.25
DEFERRED INFLOWS OF RESOURCES					
Pension Related Deferred Inflows	-	-	-	-	-
NET POSITION					
Investment in capital assets, net of related debt	-	-	-	-	-
Unrestricted	-	-	-	-	-
TOTAL NET POSITION	\$ -	\$ -	\$ -	\$ -	\$ -

Schedule 2

SEWARD COUNTY COMMUNITY COLLEGE
 Liberal, Kansas
 Combining Schedule of Net Position - Primary Institution
 June 30, 2020

	BRIDGES GRANT	TRIO- STUDENT SUPPORT SERVICES GRANT	KBOR NURSING GRANT	REFUGEE SERVICES GRANT	KSBE TECHNOLOGY GRANT
ASSETS					
Current Assets					
Cash and Cash Equivalents	\$ (14,561.31)	\$ (103,294.87)	\$ (1,245.00)	\$ 924.27	\$ -
Receivables - Taxes in Process	-	-	-	-	-
Receivables - Federal	14,561.31	113,275.95	-	-	-
Receivables - Other Receivables	-	-	2,085.00	-	-
Inventories	-	-	-	-	-
Prepaid Expense	-	-	-	-	-
Total Current Assets	-	9,981.08	840.00	924.27	-
Noncurrent Assets					
Cash and Cash Equivalents	-	-	-	-	-
Receivables - Taxes in Process	-	-	-	-	-
Capital Assets	-	-	-	-	-
Accumulated Depreciation	-	-	-	-	-
Total Noncurrent Assets	-	-	-	-	-
TOTAL ASSETS	-	9,981.08	840.00	924.27	-
DEFERRED OUTFLOWS OF RESOURCES					
Pension Related Deferred Outflows	-	-	-	-	-
LIABILITIES					
Current Liabilities					
Accounts Payable	-	9,981.08	840.00	-	-
Accrued Interest	-	-	-	-	-
Deferred Revenue	-	-	-	924.27	-
Compensated Absences	-	-	-	-	-
Deposits Held in Custody for Others	-	-	-	-	-
Early Retirement, Current Portion	-	-	-	-	-
Capital Lease Payable, Current Portion	-	-	-	-	-
Total Current Liabilities	-	9,981.08	840.00	924.27	-
Noncurrent Liabilities					
Capital Lease Payable	-	-	-	-	-
Early Retirement	-	-	-	-	-
OPEB Obligations	-	-	-	-	-
Total Noncurrent Liabilities	-	-	-	-	-
TOTAL LIABILITIES	-	9,981.08	840.00	924.27	-
DEFERRED INFLOWS OF RESOURCES					
Pension Related Deferred Inflows	-	-	-	-	-
NET POSITION					
Investment in capital assets, net of related debt	-	-	-	-	-
Unrestricted	-	-	-	-	-
TOTAL NET POSITION	\$ -	\$ -	\$ -	\$ -	\$ -

Schedule 2

SEWARD COUNTY COMMUNITY COLLEGE

Liberal, Kansas

Combining Schedule of Net Position - Primary Institution

June 30, 2020

CENTERS

FOR

ACADEMIC
EXCELLENCE

JOBS
FOR THE
FUTURE
GRANT

K-STEP
GRANT

KANSAS
SOYBEAN
GRANT

ASSETS	LSAMP GRANT					
Current Assets						
Cash and Cash Equivalents	\$ (3,556.54)	\$ -	\$ 25,996.42	\$ (631.40)	\$ 14,653.89	
Receivables - Taxes in Process	-	-	-	-	-	
Receivables - Federal	3,556.54	-	-	631.40	-	
Receivables - Other Receivables	-	-	-	-	-	
Inventories	-	-	-	-	-	
Prepaid Expense	-	-	-	-	-	
Total Current Assets	-	-	25,996.42	-	14,653.89	
Noncurrent Assets						
Cash and Cash Equivalents	-	-	-	-	-	
Receivables - Taxes in Process	-	-	-	-	-	
Capital Assets	-	-	-	-	-	
Accumulated Depreciation	-	-	-	-	-	
Total Noncurrent Assets	-	-	-	-	-	
TOTAL ASSETS	-	-	25,996.42	-	14,653.89	
DEFERRED OUTFLOWS OF RESOURCES						
Pension Related Deferred Outflows	-	-	-	-	-	
LIABILITIES						
Current Liabilities						
Accounts Payable	-	-	-	-	-	
Accrued Interest	-	-	-	-	-	
Deferred Revenue	-	-	25,996.42	-	14,653.89	
Compensated Absences	-	-	-	-	-	
Deposits Held in Custody for Others	-	-	-	-	-	
Early Retirement, Current Portion	-	-	-	-	-	
Capital Lease Payable, Current Portion	-	-	-	-	-	
Total Current Liabilities	-	-	25,996.42	-	14,653.89	
Noncurrent Liabilities						
Capital Lease Payable	-	-	-	-	-	
Early Retirement	-	-	-	-	-	
OPEB Obligations	-	-	-	-	-	
Total Noncurrent Liabilities	-	-	-	-	-	
TOTAL LIABILITIES	-	-	25,996.42	-	14,653.89	
DEFERRED INFLOWS OF RESOURCES						
Pension Related Deferred Inflows	-	-	-	-	-	
NET POSITION						
Investment in capital assets, net of related debt	-	-	-	-	-	
Unrestricted	-	-	-	-	-	
TOTAL NET POSITION	\$ -	\$ -	\$ -	\$ -	\$ -	

Schedule 2

SEWARD COUNTY COMMUNITY COLLEGE
 Liberal, Kansas
 Combining Schedule of Net Position - Primary Institution
 June 30, 2020

	NSF GRANT	SMALL BUSINESS DEVELOPMENT CENTER	PATHWAYS GRANT	CARL PERKINS GRANTS	SEWARD COUNTY COMMUNITY COLLEGE ACTIVITY
ASSETS					
Current Assets					
Cash and Cash Equivalents	\$ (73,156.39)	\$ 13,788.44	\$ 21,996.77	\$ 42,639.92	\$ 478,653.90
Receivables - Taxes in Process	-	-	-	-	-
Receivables - Federal	74,288.94	12,902.27	-	-	-
Receivables - Other Receivables	-	22,461.25	-	-	1,194,833.77
Inventories	-	-	-	-	-
Prepaid Expense	-	-	-	-	-
Total Current Assets	1,132.55	49,151.96	21,996.77	42,639.92	1,673,487.67
Noncurrent Assets					
Cash and Cash Equivalents	-	-	-	-	-
Receivables - Taxes in Process	-	-	-	-	-
Capital Assets	-	-	-	-	-
Accumulated Depreciation	-	-	-	-	-
Total Noncurrent Assets	-	-	-	-	-
TOTAL ASSETS	1,132.55	49,151.96	21,996.77	42,639.92	1,673,487.67
DEFERRED OUTFLOWS OF RESOURCES					
Pension Related Deferred Outflows	-	-	-	-	-
LIABILITIES					
Current Liabilities					
Accounts Payable	1,132.55	8,831.82	-	26,561.88	-
Accrued Interest	-	-	-	-	-
Deferred Revenue	-	-	-	16,078.04	-
Compensated Absences	-	-	-	-	-
Deposits Held in Custody for Others	-	-	-	-	-
Early Retirement, Current Portion	-	-	-	-	-
Capital Lease Payable, Current Portion	-	-	-	-	-
Total Current Liabilities	1,132.55	8,831.82	-	42,639.92	-
Noncurrent Liabilities					
Capital Lease Payable	-	-	-	-	-
Early Retirement	-	-	-	-	-
OPEB Obligations	-	-	-	-	-
Total Noncurrent Liabilities	-	-	-	-	-
TOTAL LIABILITIES	1,132.55	8,831.82	-	42,639.92	-
DEFERRED INFLOWS OF RESOURCES					
Pension Related Deferred Inflows	-	-	-	-	-
NET POSITION					
Investment in capital assets, net of related debt	-	-	-	-	-
Unrestricted	-	40,320.14	21,996.77	-	1,673,487.67
TOTAL NET POSITION	\$ -	\$ 40,320.14	\$ 21,996.77	\$ -	\$ 1,673,487.67

Schedule 2

SEWARD COUNTY COMMUNITY COLLEGE

Liberal, Kansas

Combining Schedule of Net Position - Primary Institution

June 30, 2020

	CAPITAL OUTLAY	SHARP FAMILY CHAMPIONS CENTER	COLVIN FAMILY HEALTH CENTER	DEBT SERVICE	INVESTMENT IN PLANT
ASSETS					
Current Assets					
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ 1,050,801.39	\$ -
Receivables - Taxes in Process	-	-	-	-	-
Receivables - Federal	-	-	-	-	-
Receivables - Other Receivables	-	-	-	-	-
Inventories	-	-	-	-	-
Prepaid Expense	-	-	-	-	-
Total Current Assets	-	-	-	1,050,801.39	-
Noncurrent Assets					
Cash and Cash Equivalents	340,926.42	62.00	188,188.00	-	-
Receivables - Taxes in Process	-	-	-	-	-
Capital Assets	-	-	-	-	65,356,209.15
Accumulated Depreciation	-	-	-	-	(45,218,953.39)
Total Noncurrent Assets	340,926.42	62.00	188,188.00	-	20,137,255.76
TOTAL ASSETS	340,926.42	62.00	188,188.00	1,050,801.39	20,137,255.76
DEFERRED OUTFLOWS OF RESOURCES					
Pension Related Deferred Outflows	-	-	-	-	-
LIABILITIES					
Current Liabilities					
Accounts Payable	-	-	-	-	-
Accrued Interest	-	-	-	53,340.92	-
Deferred Revenue	-	-	-	-	-
Compensated Absences	-	-	-	-	-
Deposits Held in Custody for Others	-	-	-	-	-
Early Retirement, Current Portion	-	-	-	-	-
Capital Lease Payable, Current Portion	-	-	-	-	480,000.00
Total Current Liabilities	-	-	-	53,340.92	480,000.00
Noncurrent Liabilities					
Capital Lease Payable	-	-	-	-	4,715,000.00
Early Retirement	-	-	-	-	-
OPEB Obligations	-	-	-	-	-
Total Noncurrent Liabilities	-	-	-	-	4,715,000.00
TOTAL LIABILITIES	-	-	-	53,340.92	5,195,000.00
DEFERRED INFLOWS OF RESOURCES					
Pension Related Deferred Inflows	-	-	-	-	-
NET POSITION					
Investment in capital assets, net of related debt	-	-	-	-	14,942,255.76
Unrestricted	340,926.42	62.00	188,188.00	997,460.47	-
TOTAL NET POSITION	\$ 340,926.42	\$ 62.00	\$ 188,188.00	\$ 997,460.47	\$ 14,942,255.76

SEWARD COUNTY COMMUNITY COLLEGE
 Liberal, Kansas
 Combining Schedule of Net Position - Primary Institution
 June 30, 2020

	AGENCY FUNDS	TOTALS - PRIMARY INSTITUTION
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 195,268.81	\$ 17,244,935.72
Receivables - Taxes in Process	-	404,874.00
Receivables - Federal	49,591.98	417,234.85
Receivables - Other Receivables	-	1,703,581.05
Inventories	-	301,285.59
Prepaid Expense	-	54,641.52
Total Current Assets	<u>244,860.79</u>	<u>20,126,552.73</u>
Noncurrent Assets		
Cash and Cash Equivalents	-	529,176.42
Receivables - Taxes in Process	-	-
Capital Assets	-	65,356,209.15
Accumulated Depreciation	-	(45,218,953.39)
Total Noncurrent Assets	<u>-</u>	<u>20,666,432.18</u>
TOTAL ASSETS	<u>244,860.79</u>	<u>40,792,984.91</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension Related Deferred Outflows	<u>-</u>	<u>280,211.00</u>
LIABILITIES		
Current Liabilities		
Accounts Payable	128.03	918,496.03
Accrued Interest	-	53,340.92
Deferred Revenue	-	764,298.47
Compensated Absences	-	317,960.13
Deposits Held in Custody for Others	244,732.76	257,007.76
Early Retirement, Current Portion	-	41,778.00
Capital Lease Payable, Current Portion	-	480,000.00
Total Current Liabilities	<u>244,860.79</u>	<u>2,832,881.31</u>
Noncurrent Liabilities		
Capital Lease Payable	-	4,715,000.00
Early Retirement	-	119,481.00
OPEB Obligations	-	1,695,673.00
Total Noncurrent Liabilities	<u>-</u>	<u>6,530,154.00</u>
TOTAL LIABILITIES	<u>244,860.79</u>	<u>9,363,035.31</u>
DEFERRED INFLOWS OF RESOURCES		
Pension Related Deferred Inflows	<u>-</u>	<u>945,117.00</u>
NET POSITION		
Investment in capital assets, net of related debt	-	14,942,255.76
Unrestricted	-	15,822,787.84
TOTAL NET POSITION	<u>\$ -</u>	<u>\$ 30,765,043.60</u>

Schedule 3

SEWARD COUNTY COMMUNITY COLLEGE

Liberal, Kansas

Combining Schedule of Revenues, Expenses, and Changes in Net Position - Primary Institution

For the Year Ended June 30, 2020

	GENERAL	POSTSECONDARY TECHNICAL EDUCATION	ADULT SUPPLEMENTAL EDUCATION	TRUCK DRIVER TRAINING COURSE	BOOKSTORE
REVENUES					
Operating Revenues					
Student Tuition and Fees	\$ 1,497,054.20	\$ 821,784.28	\$ 95,167.41	\$ 88,150.09	\$ -
Federal Grants and Contracts	-	-	-	-	-
State Grants and Contracts	-	-	-	-	-
Sales and Services of					
Auxiliary Enterprises	-	-	-	-	611,611.51
Activity Fund Revenues	-	-	-	-	-
Miscellaneous Income	101,693.56	3,050.60	4,763.56	-	-
Total Operating Revenues	<u>1,598,747.76</u>	<u>824,834.88</u>	<u>99,930.97</u>	<u>88,150.09</u>	<u>611,611.51</u>
EXPENSES					
Operating Expenses					
Educational and General					
Instruction	2,041,995.04	3,052,972.26	100,875.86	228,614.39	-
Academic Support	449,343.09	134,711.26	-	-	-
Student Services	2,470,802.70	333,253.77	-	-	-
Institutional Support	4,325,384.37	635,297.49	-	-	-
Operation and Maintenance	2,575,908.55	843,296.17	-	-	-
Scholarships and Awards	-	-	-	-	-
Depreciation Expense	-	-	-	-	-
Auxiliary Enterprises	-	-	-	-	650,520.77
Total Operating Expenses	<u>11,863,433.75</u>	<u>4,999,530.95</u>	<u>100,875.86</u>	<u>228,614.39</u>	<u>650,520.77</u>
Operating Income (Loss)	<u>(10,264,685.99)</u>	<u>(4,174,696.07)</u>	<u>(944.89)</u>	<u>(140,464.30)</u>	<u>(38,909.26)</u>
Nonoperating Revenues (Expenses)					
State Appropriations	3,881,264.79	1,183,148.00	-	-	-
County Appropriations	9,722,838.57	-	-	-	-
Federal Pell Grants	-	-	-	-	-
Interest Income	165,926.34	-	-	-	-
Debt Service	-	-	-	-	-
Gain (Loss) on Sale of Assets	-	-	-	-	-
Operating Transfers	<u>(3,517,273.48)</u>	<u>2,964,598.33</u>	<u>-</u>	<u>150,000.00</u>	<u>-</u>
Increase (Decrease) in Net Position	(11,929.77)	(26,949.74)	(944.89)	9,535.70	(38,909.26)
Net Position - Beginning of Year	<u>9,786,829.81</u>	<u>97,642.70</u>	<u>77,225.00</u>	<u>16,951.39</u>	<u>983,021.35</u>
Net Position - End of Year	<u>\$ 9,774,900.04</u>	<u>\$ 70,692.96</u>	<u>\$ 76,280.11</u>	<u>\$ 26,487.09</u>	<u>\$ 944,112.09</u>

Schedule 3

SEWARD COUNTY COMMUNITY COLLEGE

Liberal, Kansas

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

	DORM/ CAFEATERIA	COSMETOLOGY	AUTO BUSINESS MANAGEMENT	FEDERAL PELL GRANTS	FEDERAL DIRECT LOANS
REVENUES					
Operating Revenues					
Student Tuition and Fees	\$ -	\$ 7,920.00	\$ -	\$ -	\$ -
Federal Grants and Contracts	-	-	-	-	443,622.00
State Grants and Contracts	-	-	-	-	-
Sales and Services of					
Auxiliary Enterprises	901,855.57	70,318.28	-	-	-
Activity Fund Revenues	-	-	-	-	-
Miscellaneous Income	17,146.88	-	-	110.00	-
Total Operating Revenues	<u>919,002.45</u>	<u>78,238.28</u>	<u>-</u>	<u>110.00</u>	<u>443,622.00</u>
EXPENSES					
Operating Expenses					
Educational and General					
Instruction	-	-	-	-	-
Academic Support	-	-	-	-	-
Student Services	-	-	-	-	-
Institutional Support	-	-	-	-	-
Operation and Maintenance	-	-	-	-	-
Scholarships and Awards	-	-	-	1,991,621.00	443,622.00
Depreciation Expense	-	-	-	-	-
Auxiliary Enterprises	857,459.44	56,145.68	-	-	-
Total Operating Expenses	<u>857,459.44</u>	<u>56,145.68</u>	<u>-</u>	<u>1,991,621.00</u>	<u>443,622.00</u>
Operating Income (Loss)	<u>61,543.01</u>	<u>22,092.60</u>	<u>-</u>	<u>(1,991,511.00)</u>	<u>-</u>
Nonoperating Revenues (Expenses)					
State Appropriations	-	-	-	-	-
County Appropriations	-	-	-	-	-
Federal Pell Grants	-	-	-	1,991,621.00	-
Interest Income	-	-	-	-	-
Debt Service	-	-	-	-	-
Gain (Loss) on Sale of Assets	-	-	-	-	-
Operating Transfers	-	-	-	-	-
Increase (Decrease) in Net Position	61,543.01	22,092.60	-	110.00	-
Net Position - Beginning of Year	1,411,617.02	156,793.60	15,717.85	-	-
Net Position - End of Year	<u>\$ 1,473,160.03</u>	<u>\$ 178,886.20</u>	<u>\$ 15,717.85</u>	<u>\$ 110.00</u>	<u>\$ -</u>

Schedule 3

SEWARD COUNTY COMMUNITY COLLEGE

Liberal, Kansas

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

	FEDERAL SEOG GRANTS	FEDERAL WORK STUDY	ADULT BASIC EDUCATION	COVID19 CARES ACT GRANT	AOK GRANT
REVENUES					
Operating Revenues					
Student Tuition and Fees	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Grants and Contracts	44,426.00	52,213.00	291,293.25	197,400.00	-
State Grants and Contracts	-	-	71,172.55	-	4,125.17
Sales and Services of					
Auxiliary Enterprises	-	-	-	-	-
Activity Fund Revenues	-	-	-	-	-
Miscellaneous Income	-	-	-	-	-
Total Operating Revenues	<u>44,426.00</u>	<u>52,213.00</u>	<u>362,465.80</u>	<u>197,400.00</u>	<u>4,125.17</u>
EXPENSES					
Operating Expenses					
Educational and General					
Instruction	-	-	449,381.41	-	4,125.17
Academic Support	-	-	-	-	-
Student Services	-	-	-	-	-
Institutional Support	-	-	-	-	-
Operation and Maintenance	-	-	-	-	-
Scholarships and Awards	44,426.00	52,213.00	-	197,400.00	-
Depreciation Expense	-	-	-	-	-
Auxiliary Enterprises	-	-	-	-	-
Total Operating Expenses	<u>44,426.00</u>	<u>52,213.00</u>	<u>449,381.41</u>	<u>197,400.00</u>	<u>4,125.17</u>
Operating Income (Loss)	<u>-</u>	<u>-</u>	<u>(86,915.61)</u>	<u>-</u>	<u>-</u>
Nonoperating Revenues (Expenses)					
State Appropriations	-	-	-	-	-
County Appropriations	-	-	-	-	-
Federal Pell Grants	-	-	-	-	-
Interest Income	-	-	-	-	-
Debt Service	-	-	-	-	-
Gain (Loss) on Sale of Assets	-	-	-	-	-
Operating Transfers	-	-	86,915.61	-	-
Increase (Decrease) in Net Position	-	-	-	-	-
Net Position - Beginning of Year	-	-	-	-	-
Net Position - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Schedule 3

SEWARD COUNTY COMMUNITY COLLEGE

Liberal, Kansas

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

	BRIDGES GRANT	TRIO- STUDENT SUPPORT SERVICES GRANT	KBOR NURSING GRANT	REFUGEE SERVICES GRANT	KSBE TECHNOLOGY GRANT
REVENUES					
Operating Revenues					
Student Tuition and Fees	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Grants and Contracts	7,561.08	215,225.41	-	-	-
State Grants and Contracts	-	-	7,065.00	-	16,799.00
Sales and Services of					
Auxiliary Enterprises	-	-	-	-	-
Activity Fund Revenues	-	-	-	-	-
Miscellaneous Income	-	-	-	-	-
Total Operating Revenues	<u>7,561.08</u>	<u>215,225.41</u>	<u>7,065.00</u>	<u>-</u>	<u>16,799.00</u>
EXPENSES					
Operating Expenses					
Educational and General					
Instruction	7,561.08	-	10,648.59	-	16,799.00
Academic Support	-	-	-	-	-
Student Services	-	215,225.41	-	-	-
Institutional Support	-	-	-	-	-
Operation and Maintenance	-	-	-	-	-
Scholarships and Awards	-	-	-	-	-
Depreciation Expense	-	-	-	-	-
Auxiliary Enterprises	-	-	-	-	-
Total Operating Expenses	<u>7,561.08</u>	<u>215,225.41</u>	<u>10,648.59</u>	<u>-</u>	<u>16,799.00</u>
Operating Income (Loss)	<u>-</u>	<u>-</u>	<u>(3,583.59)</u>	<u>-</u>	<u>-</u>
Nonoperating Revenues (Expenses)					
State Appropriations	-	-	-	-	-
County Appropriations	-	-	-	-	-
Federal Pell Grants	-	-	-	-	-
Interest Income	-	-	-	-	-
Debt Service	-	-	-	-	-
Gain (Loss) on Sale of Assets	-	-	-	-	-
Operating Transfers	-	-	3,583.59	(4,017.76)	-
Increase (Decrease) in Net Position	-	-	-	(4,017.76)	-
Net Position - Beginning of Year	-	-	-	4,017.76	-
Net Position - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Schedule 3

SEWARD COUNTY COMMUNITY COLLEGE

Liberal, Kansas

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

	LSAMP GRANT	CENTERS FOR ACADEMIC EXCELLENCE	JOBS FOR THE FUTURE GRANT	K-STEP GRANT	KANSAS SOYBEAN GRANT
REVENUES					
Operating Revenues					
Student Tuition and Fees	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Grants and Contracts	8,665.91	-	-	631.40	-
State Grants and Contracts	-	-	-	-	9,497.96
Sales and Services of					
Auxiliary Enterprises	-	-	-	-	-
Activity Fund Revenues	-	-	-	-	-
Miscellaneous Income	-	-	1,314.00	-	-
Total Operating Revenues	<u>8,665.91</u>	<u>-</u>	<u>1,314.00</u>	<u>631.40</u>	<u>9,497.96</u>
EXPENSES					
Operating Expenses					
Educational and General					
Instruction	11,271.73	5,036.52	1,314.00	649.41	9,497.96
Academic Support	-	-	-	-	-
Student Services	-	-	-	-	-
Institutional Support	-	-	-	-	-
Operation and Maintenance	-	-	-	-	-
Scholarships and Awards	-	-	-	-	-
Depreciation Expense	-	-	-	-	-
Auxiliary Enterprises	-	-	-	-	-
Total Operating Expenses	<u>11,271.73</u>	<u>5,036.52</u>	<u>1,314.00</u>	<u>649.41</u>	<u>9,497.96</u>
Operating Income (Loss)	<u>(2,605.82)</u>	<u>(5,036.52)</u>	<u>-</u>	<u>(18.01)</u>	<u>-</u>
Nonoperating Revenues (Expenses)					
State Appropriations	-	-	-	-	-
County Appropriations	-	-	-	-	-
Federal Pell Grants	-	-	-	-	-
Interest Income	-	-	-	-	-
Debt Service	-	-	-	-	-
Gain (Loss) on Sale of Assets	-	-	-	-	-
Operating Transfers	<u>2,605.82</u>	<u>5,036.52</u>	<u>-</u>	<u>18.01</u>	<u>-</u>
Increase (Decrease) in Net Position	-	-	-	-	-
Net Position - Beginning of Year	-	-	-	-	-
Net Position - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Schedule 3

SEWARD COUNTY COMMUNITY COLLEGE

Liberal, Kansas

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

	NSF GRANT	SMALL BUSINESS DEVELOPMENT CENTER	PATHWAYS GRANT	CARL PERKINS GRANTS	COMMUNITY COLLEGE ACTIVITY
REVENUES					
Operating Revenues					
Student Tuition and Fees	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Grants and Contracts	79,072.78	89,351.46	-	106,053.29	-
State Grants and Contracts	-	50,310.54	-	-	-
Sales and Services of					
Auxiliary Enterprises	-	-	-	-	-
Activity Fund Revenues	-	-	-	-	1,701,309.39
Miscellaneous Income	-	76,297.25	-	-	-
Total Operating Revenues	<u>79,072.78</u>	<u>215,959.25</u>	<u>-</u>	<u>106,053.29</u>	<u>1,701,309.39</u>
EXPENSES					
Operating Expenses					
Educational and General					
Instruction	79,072.78	183,398.76	-	106,053.29	1,607,026.07
Academic Support	-	-	-	-	-
Student Services	-	-	-	-	-
Institutional Support	-	-	-	-	-
Operation and Maintenance	-	-	40,779.92	-	-
Scholarships and Awards	-	-	-	-	-
Depreciation Expense	-	-	-	-	-
Auxiliary Enterprises	-	-	-	-	-
Total Operating Expenses	<u>79,072.78</u>	<u>183,398.76</u>	<u>40,779.92</u>	<u>106,053.29</u>	<u>1,607,026.07</u>
Operating Income (Loss)	<u>-</u>	<u>32,560.49</u>	<u>(40,779.92)</u>	<u>-</u>	<u>94,283.32</u>
Nonoperating Revenues (Expenses)					
State Appropriations	-	-	-	-	-
County Appropriations	-	-	-	-	-
Federal Pell Grants	-	-	-	-	-
Interest Income	-	-	-	-	-
Debt Service	-	-	-	-	-
Gain (Loss) on Sale of Assets	-	-	-	-	-
Operating Transfers	-	-	-	-	-
Increase (Decrease) in Net Position	-	32,560.49	(40,779.92)	-	94,283.32
Net Position - Beginning of Year	-	7,759.65	62,776.69	-	1,579,204.35
Net Position - End of Year	<u>\$ -</u>	<u>\$ 40,320.14</u>	<u>\$ 21,996.77</u>	<u>\$ -</u>	<u>\$ 1,673,487.67</u>

Schedule 3

SEWARD COUNTY COMMUNITY COLLEGE

Liberal, Kansas

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

	CAPITAL OUTLAY	SHARP FAMILY CHAMPIONS CENTER	COLVIN FAMILY HEALTH CENTER	DEBT SERVICE	INVESTMENT IN PLANT
REVENUES					
Operating Revenues					
Student Tuition and Fees	\$ -	\$ -	\$ -	\$ 288,913.40	\$ -
Federal Grants and Contracts	-	-	-	-	-
State Grants and Contracts	-	-	-	-	-
Sales and Services of					
Auxiliary Enterprises	-	-	-	-	-
Activity Fund Revenues	-	-	-	-	-
Miscellaneous Income	-	-	180,672.15	-	-
Total Operating Revenues	-	-	180,672.15	288,913.40	-
EXPENSES					
Operating Expenses					
Educational and General					
Instruction	-	-	-	-	(263,304.18)
Academic Support	-	-	-	-	-
Student Services	-	-	-	-	-
Institutional Support	-	-	-	-	(465,947.60)
Operation and Maintenance	32,293.68	1,344,146.00	1,393,645.96	-	(2,697,912.63)
Scholarships and Awards	-	-	-	-	-
Depreciation Expense	-	-	-	-	2,682,648.54
Auxiliary Enterprises	-	-	-	-	(35,704.05)
Total Operating Expenses	32,293.68	1,344,146.00	1,393,645.96	-	(780,219.92)
Operating Income (Loss)	(32,293.68)	(1,344,146.00)	(1,212,973.81)	288,913.40	780,219.92
Nonoperating Revenues (Expenses)					
State Appropriations	-	-	-	-	-
County Appropriations	127,765.00	-	-	-	-
Federal Pell Grants	-	-	-	-	-
Interest Income	364.78	-	2,976.25	5,123.90	-
Debt Service	-	-	-	(661,593.71)	465,000.00
Gain (Loss) on Sale of Assets	-	-	-	-	-
Operating Transfers	55,493.74	-	-	253,039.62	-
Increase (Decrease) in Net Position	151,329.84	(1,344,146.00)	(1,209,997.56)	(114,516.79)	1,245,219.92
Net Position - Beginning of Year	189,596.58	1,344,208.00	1,398,185.56	1,111,977.26	13,697,035.84
Net Position - End of Year	\$ 340,926.42	\$ 62.00	\$ 188,188.00	\$ 997,460.47	\$ 14,942,255.76

SEWARD COUNTY COMMUNITY COLLEGE

Liberal, Kansas

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

	SUB-TOTAL PRIMARY INSTITUTION	ELIMINATING INTER-COMPANY SCHOLARSHIPS	TOTALS - PRIMARY INSTITUTION
REVENUES			
Operating Revenues			
Student Tuition and Fees	\$ 2,798,989.38	\$ (1,271,039.96)	\$ 1,527,949.42
Federal Grants and Contracts	1,535,515.58	(443,622.00)	1,091,893.58
State Grants and Contracts	158,970.22	-	158,970.22
Sales and Services of			
Auxiliary Enterprises	1,583,785.36	(376,764.98)	1,207,020.38
Activity Fund Revenues	1,701,309.39	-	1,701,309.39
Miscellaneous Income	385,048.00	-	385,048.00
Total Operating Revenues	<u>8,163,617.93</u>	<u>(2,091,426.94)</u>	<u>6,072,190.99</u>
EXPENSES			
Operating Expenses			
Educational and General			
Instruction	7,652,989.14	-	7,652,989.14
Academic Support	584,054.35	-	584,054.35
Student Services	3,019,281.88	-	3,019,281.88
Institutional Support	4,494,734.26	-	4,494,734.26
Operation and Maintenance	3,532,157.65	-	3,532,157.65
Scholarships and Awards	2,729,282.00	(2,091,426.94)	637,855.06
Depreciation Expense	2,682,648.54	-	2,682,648.54
Auxiliary Enterprises	1,528,421.84	-	1,528,421.84
Total Operating Expenses	<u>26,223,569.66</u>	<u>(2,091,426.94)</u>	<u>24,132,142.72</u>
Operating Income (Loss)	<u>(18,059,951.73)</u>	<u>-</u>	<u>(18,059,951.73)</u>
Nonoperating Revenues (Expenses)			
State Appropriations	5,064,412.79	-	5,064,412.79
County Appropriations	9,850,603.57	-	9,850,603.57
Federal Pell Grants	1,991,621.00	-	1,991,621.00
Interest Income	174,391.27	-	174,391.27
Debt Service	(196,593.71)	-	(196,593.71)
Gain (Loss) on Sale of Assets	-	-	-
Operating Transfers	-	-	-
Increase (Decrease) in Net Position	(1,175,516.81)	-	(1,175,516.81)
Net Position - Beginning of Year	31,940,560.41	-	31,940,560.41
Net Position - End of Year	<u>\$ 30,765,043.60</u>	<u>\$ -</u>	<u>\$ 30,765,043.60</u>

SEWARD COUNTY COMMUNITY COLLEGE

Liberal, Kansas

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

For the Year Ended June 30, 2020

Schedules 4 to 10 are prepared in accordance with Kansas cash basis and budget laws (Budget Basis), which differs from generally accepted accounting principles (GAAP Basis). Cash receipts are recognized when the cash balance of a fund is increased. For an interfund transaction, a cash receipt is recorded in the fund receiving the cash from another fund. Cash disbursements are recognized when the cash balance of a fund is decreased. For an interfund transaction, a cash disbursement is recorded in the fund in which the cash is transferred. Expenditures include cash disbursements, transfers, accounts payable and encumbrances – that is, commitments related to unperformed (executory) contracts for goods and services, and are usually evidenced by a purchase order or written contract.

SEWARD COUNTY COMMUNITY COLLEGE
 Liberal, Kansas
 Schedule of Revenues, Expenditures, and Changes
 in Unencumbered Cash - Budget and Actual
 Current Funds - Unrestricted
 General Fund (Regulatory Basis)
 For the Year Ended June 30, 2020

	Current Year				Variance Over (Under)
	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Budget	
REVENUES					
Student Tuition and Fees					
In State	\$ 1,104,129.47	\$ (61,201.66)	\$ 1,042,927.81	\$ 1,310,000.00	\$ (267,072.19)
Out-of-State/International	201,915.00	-	201,915.00	-	201,915.00
Other Student Fees	191,009.73	-	191,009.73	170,000.00	21,009.73
Total Student Tuition and Fees	1,497,054.20	(61,201.66)	1,435,852.54	1,480,000.00	(44,147.46)
Federal Sources					
Federal Grants	-	-	-	2,250.00	(2,250.00)
State Sources					
State Operating Grant	2,644,116.00	-	2,644,116.00	2,578,821.00	65,295.00
Other State Sources	1,237,148.79	(1,237,148.79)	-	-	-
Total State Sources	3,881,264.79	(1,237,148.79)	2,644,116.00	2,578,821.00	65,295.00
Local Sources					
Ad Valorem Tax	8,695,128.60	-	8,695,128.60	9,804,681.00	(1,109,552.40)
Motor Vehicle Tax	794,906.24	-	794,906.24	765,886.00	29,020.24
Recreational Vehicle 16/20 M Vehicle Tax	3,857.08	-	3,857.08	4,549.00	(691.92)
Vehicle Rental Excise Tax	-	-	-	-	-
In Lieu of Tax	811.45	-	811.45	-	811.45
Delinquent Tax	228,135.20	-	228,135.20	102,945.00	125,190.20
Total Local Sources	9,722,838.57	-	9,722,838.57	10,678,061.00	(955,222.43)
Other Sources					
Interest Income	165,926.34	-	165,926.34	100,000.00	65,926.34
Miscellaneous	101,693.56	-	101,693.56	160,000.00	(58,306.44)
Total Other Sources	267,619.90	-	267,619.90	260,000.00	7,619.90
TOTAL REVENUES	15,368,777.46	(1,298,350.45)	14,070,427.01	14,999,132.00	(928,704.99)

Schedule 4 (Continued)

SEWARD COUNTY COMMUNITY COLLEGE
 Liberal, Kansas
 Schedule of Revenues, Expenditures, and Changes
 in Unencumbered Cash - Budget and Actual
 Current Funds - Unrestricted
 General Fund (Regulatory Basis)
 For the Year Ended June 30, 2020

	Current Year				
	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Budget	Variance Over (Under)
EXPENDITURES					
Education and General					
Instruction	\$ 2,041,995.04	\$ (6,210.00)	\$ 2,035,785.04	\$ 3,500,000.00	\$ (1,464,214.96)
Academic Support	449,343.09	-	449,343.09	155,000.00	294,343.09
Student Services	2,470,802.70	-	2,470,802.70	2,200,000.00	270,802.70
Institutional Support	4,325,384.37	(1,487,030.32)	2,838,354.05	3,000,000.00	(161,645.95)
Operation and Maintenance	2,575,908.55	-	2,575,908.55	6,570,000.00	(3,994,091.45)
Scholarships and Awards	-	-	-	250,000.00	(250,000.00)
Debt Service					
Principal Payments	-	-	-	-	-
Interest Payments	-	-	-	-	-
Operating Transfer to:					
Postsecondary Education Fund	2,964,598.33	-	2,964,598.33	3,467,729.00	(503,130.67)
Debt Service Fund	253,039.62	-	253,039.62	-	253,039.62
Truck Driver Training Course Fund	150,000.00	-	150,000.00	280,000.00	(130,000.00)
Adult Basic Education Fund	86,915.61	-	86,915.61	-	86,915.61
KBOR Nursing Grant Fund	3,583.59	-	3,583.59	-	3,583.59
Refugee Services Grant	(4,017.76)	-	(4,017.76)	-	(4,017.76)
LSAMP Grant Fund	2,605.82	-	2,605.82	-	2,605.82
Centers for Academic Excellence Fund	5,036.52	-	5,036.52	-	5,036.52
K-Step Grant Fund	18.01	-	18.01	-	18.01
Capital Outlay Fund	55,493.74	-	55,493.74	-	55,493.74
TOTAL EXPENDITURES	15,380,707.23	(1,493,240.32)	13,887,466.91	19,422,729.00	(5,535,262.09)
Excess of Revenues Over (Under) Expenditures	(11,929.77)	194,889.87	182,960.10	(4,423,597.00)	4,606,557.10
Unencumbered Cash Beginning of Year	9,786,829.81	2,536,642.97	12,323,472.78	11,695,344.00	628,128.78
End of Year	<u>\$ 9,774,900.04</u>	<u>\$ 2,731,532.84</u>	<u>\$ 12,506,432.88</u>	<u>\$ 7,271,747.00</u>	<u>\$ 5,234,685.88</u>

SEWARD COUNTY COMMUNITY COLLEGE
 Liberal, Kansas
 Schedule of Revenues, Expenditures, and Changes
 in Unencumbered Cash - Budget and Actual
 Current Funds - Unrestricted
 Postsecondary Technical Education Fund (Regulatory Basis)
 For the Year Ended June 30, 2020

	Current Year				
	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Budget	Variance Over (Under)
REVENUES					
Student Tuition and Fees					
In State	\$ 684,221.70	\$ 39,564.10	\$ 644,657.60	\$ 700,000.00	\$ (55,342.40)
Out-of-State/International	38,834.00	-	38,834.00	-	38,834.00
Other Student Fees	98,728.58	-	98,728.58	89,000.00	9,728.58
State Sources					
State Operating Grant	1,183,148.00	-	1,183,148.00	1,183,148.00	-
Other Sources					
Miscellaneous	3,050.60	-	3,050.60	-	3,050.60
Operating Transfers In					
General Fund	2,964,598.33	-	2,964,598.33	-	2,964,598.33
TOTAL REVENUES	4,972,581.21	39,564.10	4,933,017.11	1,972,148.00	2,960,869.11
EXPENDITURES					
Education and General					
Instruction	3,052,972.26	-	3,052,972.26	3,450,000.00	(397,027.74)
Academic Support	134,711.26	-	134,711.26	65,000.00	69,711.26
Student Services	333,253.77	-	333,253.77	400,000.00	(66,746.23)
Institutional Support	635,297.49	-	635,297.49	690,000.00	(54,702.51)
Operation and Maintenance	843,296.17	-	843,296.17	890,000.00	(46,703.83)
TOTAL EXPENDITURES	4,999,530.95	-	4,999,530.95	5,495,000.00	(495,469.05)
Excess of Revenues Over (Under) Expenditures	(26,949.74)	39,564.10	(66,513.84)	(3,522,852.00)	3,456,338.16
Unencumbered Cash					
Beginning of Year	97,642.70	(31,128.86)	66,513.84	53,521.00	12,992.84
End of Year	<u>\$ 70,692.96</u>	<u>\$ (70,692.96)</u>	<u>\$ -</u>	<u>\$ (3,469,331.00)</u>	<u>\$ 3,469,331.00</u>

SEWARD COUNTY COMMUNITY COLLEGE
 Liberal, Kansas
 Schedule of Revenues, Expenditures, and Changes
 in Unencumbered Cash - Budget and Actual
 Current Funds - Unrestricted
 Adult Supplemental Education Fund (Regulatory Basis)
 For the Year Ended June 30, 2020

	Current Year				
	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Budget	Variance Over (Under)
REVENUES					
Student Tuition and Fees					
In State	\$ 95,167.41	\$ (2,719.19)	\$ 92,448.22	\$ 662,725.00	\$ (570,276.78)
Local Sources					
Miscellaneous Income	4,763.56	-	4,763.56	70,200.00	(65,436.44)
TOTAL REVENUES	99,930.97	(2,719.19)	97,211.78	732,925.00	(635,713.22)
EXPENDITURES					
Education and General					
Instruction	100,875.86	-	100,875.86	800,000.00	(699,124.14)
TOTAL EXPENDITURES	100,875.86	-	100,875.86	800,000.00	(699,124.14)
Excess of Revenues Over (Under) Expenditures	(944.89)	(2,719.19)	(3,664.08)	(67,075.00)	63,410.92
Unencumbered Cash					
Beginning of Year	77,225.00	(3,130.13)	74,094.87	67,075.00	7,019.87
End of Year	\$ 76,280.11	\$ (5,849.32)	\$ 70,430.79	\$ -	\$ 70,430.79

SEWARD COUNTY COMMUNITY COLLEGE
 Liberal, Kansas
 Schedule of Revenues, Expenditures, and Changes
 in Unencumbered Cash - Budget and Actual
 Current Funds - Unrestricted
 Truck Driver Training Course Fund (Regulatory Basis)
 For the Year Ended June 30, 2020

	Current Year				
	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Budget	Variance Over (Under)
REVENUES					
Student Tuition and Fees					
In State	\$ 88,150.09	\$ (1,963.09)	\$ 86,187.00	\$ 200,000.00	\$ (113,813.00)
Operating Transfers In					
General Fund	150,000.00	-	150,000.00	-	150,000.00
TOTAL REVENUES	238,150.09	(1,963.09)	236,187.00	200,000.00	36,187.00
EXPENDITURES					
Education and General					
Instruction	228,614.39	-	228,614.39	200,000.00	28,614.39
TOTAL EXPENDITURES	228,614.39	-	228,614.39	200,000.00	28,614.39
Excess of Revenues Over (Under) Expenditures	9,535.70	(1,963.09)	7,572.61	-	7,572.61
Unencumbered Cash					
Beginning of Year	16,951.39	(2,935.42)	14,015.97	207,432.00	(193,416.03)
End of Year	\$ 26,487.09	\$ (4,898.51)	\$ 21,588.58	\$ 207,432.00	\$ (185,843.42)

SEWARD COUNTY COMMUNITY COLLEGE
 Liberal, Kansas
 Schedule of Revenues, Expenditures, and Changes
 in Unencumbered Cash - Budget and Actual
 Current Funds - Unrestricted
 Auxiliary Enterprise Funds (Regulatory Basis)
 For the Year Ended June 30, 2020

	CURRENT YEAR								
	Bookstore GAAP	Dorm/ Cafeteria GAAP	Cosmetology GAAP	Auto Business Management GAAP	Total Auxiliary Enterprise Funds GAAP	Adjustments to Budget Basis	Total Auxiliary Enterprise Funds Budget Basis	Final Budget	Variance Over (Under)
REVENUES									
Sales and Services of Auxiliary Enterprises	\$ 611,611.51	\$ 901,855.57	\$ 70,318.28	\$ -	\$ 1,583,785.36	\$ (122,364.81)	\$ 1,461,420.55	\$ 2,530,000.00	\$ (1,068,579.45)
Student Sources									
Other Student Fees	-	-	7,920.00	-	7,920.00	-	7,920.00	-	7,920.00
Federal Sources									
Federal Grants	-	-	-	-	-	-	-	-	-
State Sources									
State Grants	-	-	-	-	-	-	-	-	-
Other Revenues									
Miscellaneous	-	17,146.88	-	-	17,146.88	-	17,146.88	102,200.00	(85,053.12)
TOTAL REVENUES	611,611.51	919,002.45	78,238.28	-	1,608,852.24	(122,364.81)	1,486,487.43	2,632,200.00	(1,145,712.57)
EXPENDITURES									
Auxiliary Enterprise									
Salaries and Benefits	158,912.86	274,785.97	-	-	433,698.83	-	433,698.83	410,000.00	23,698.83
General Operating Expense	34,697.57	10,723.77	4,264.32	-	49,685.66	(16,370.20)	33,315.46	51,700.00	(18,384.54)
Supplies	3,374.13	-	-	-	3,374.13	-	3,374.13	67,300.00	(63,925.87)
Cost of Goods Sold	443,342.66	484,064.11	51,881.36	-	979,288.13	(38,316.15)	940,971.98	1,470,000.00	(529,028.02)
Equipment	-	11,843.15	-	-	11,843.15	-	11,843.15	25,000.00	(13,156.85)
Travel	10,193.55	-	-	-	10,193.55	-	10,193.55	7,400.00	2,793.55
Utilities	-	15,764.12	-	-	15,764.12	-	15,764.12	17,000.00	(1,235.88)
Furniture and Fixtures	-	34,514.35	-	-	34,514.35	-	34,514.35	-	34,514.35
Building Improvements	-	25,763.97	-	-	25,763.97	-	25,763.97	50,000.00	(24,236.03)
Operating Transfer to: Debt Service Fund	-	-	-	-	-	-	-	320,000.00	(320,000.00)
TOTAL EXPENDITURES	650,520.77	857,459.44	56,145.68	-	1,564,125.89	(54,686.35)	1,509,439.54	2,418,400.00	(908,960.46)
Excess of Revenues Over (Under) Expenditures	(38,909.26)	61,543.01	22,092.60	-	44,726.35	(67,678.46)	(22,952.11)	213,800.00	(236,752.11)
Unencumbered Cash									
Beginning of Year	983,021.35	1,411,617.02	156,793.60	15,717.85	2,567,149.82	(467,020.04)	2,100,129.78	1,729,595.00	370,534.78
End of Year	\$ 944,112.09	\$ 1,473,160.03	\$ 178,886.20	\$ 15,717.85	\$ 2,611,876.17	\$ (534,698.50)	\$ 2,077,177.67	\$ 1,943,395.00	\$ 133,782.67

SEWARD COUNTY COMMUNITY COLLEGE
 Liberal, Kansas
 Schedule of Revenues, Expenditures, and Changes
 in Unencumbered Cash - Budget and Actual
 Plant Funds
 Debt Service Fund (Regulatory Basis)
 For the Year Ended June 30, 2020

	Current Year				
	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Budget	Variance Over (Under)
REVENUES					
Student Tuition and Fees					
Other Student Fees	\$ 288,913.40	\$ -	\$ 288,913.40	\$ -	\$ 288,913.40
Use of Money and Property					
Interest Income	5,123.90	-	5,123.90	-	5,123.90
Operating Transfers from General Fund	253,039.62	-	253,039.62	100,000.00	153,039.62
TOTAL REVENUES	547,076.92	-	547,076.92	100,000.00	447,076.92
EXPENDITURES					
Debt Service					
Bond Principal	465,000.00	-	465,000.00	330,000.00	135,000.00
Bond Interest	196,593.71	2,948.98	199,542.69	85,200.00	114,342.69
Debt Service Expense	-	-	-	-	-
TOTAL EXPENDITURES	661,593.71	2,948.98	664,542.69	415,200.00	249,342.69
Excess of Revenues and Transfers Over (Under) Expenditures	(114,516.79)	(2,948.98)	(117,465.77)	(315,200.00)	197,734.23
Unencumbered Cash Beginning of Year	1,111,977.26	56,289.90	1,168,267.16	792,924.00	375,343.16
End of Year	<u>\$ 997,460.47</u>	<u>\$ 53,340.92</u>	<u>\$ 1,050,801.39</u>	<u>\$ 477,724.00</u>	<u>\$ 573,077.39</u>

SEWARD COUNTY COMMUNITY COLLEGE
 Liberal, Kansas
 Schedule of Revenues, Expenditures, and Changes
 in Unencumbered Cash - Budget and Actual
 Plant Funds
 Unexpended (Capital Outlay) Fund (Regulatory Basis)
 For the Year Ended June 30, 2020

	Current Year				
	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Budget	Variance Over (Under)
REVENUES					
State Sources					
State Aid	\$ 127,765.00	\$ -	\$ 127,765.00	\$ 127,765.00	\$ -
Use of Money and Property					
Interest Income	364.78	-	364.78	-	364.78
Other Sources					
Miscellaneous	-	-	-	100,100.00	(100,100.00)
Operating Transfers from					
General Fund	55,493.74	-	55,493.74	-	55,493.74
TOTAL REVENUES	<u>183,623.52</u>	<u>-</u>	<u>183,623.52</u>	<u>227,865.00</u>	<u>(44,241.48)</u>
EXPENDITURES					
Plant, Equipment and Facility					
Capital Outlay	32,293.68	-	32,293.68	2,000,000.00	(1,967,706.32)
Debt Service					
Bond Principal	-	-	-	33,750.00	(33,750.00)
Bond Interest	-	-	-	29,516.00	(29,516.00)
TOTAL EXPENDITURES	<u>32,293.68</u>	<u>-</u>	<u>32,293.68</u>	<u>2,063,266.00</u>	<u>(2,030,972.32)</u>
Excess of Revenues and Transfers					
Over (Under) Expenditures	151,329.84	-	151,329.84	(1,835,401.00)	1,986,730.84
Unencumbered Cash					
Beginning of Year	<u>189,596.58</u>	<u>-</u>	<u>189,596.58</u>	<u>127,247.00</u>	<u>62,349.58</u>
End of Year	<u>\$ 340,926.42</u>	<u>\$ -</u>	<u>\$ 340,926.42</u>	<u>\$ (1,708,154.00)</u>	<u>\$ 2,049,080.42</u>

SEWARD COUNTY COMMUNITY COLLEGE
 Liberal, Kansas
 Schedule of Changes in Assets and Liabilities
 All Agency Funds - Primary Institution
 For the Year Ended June 30, 2020

ACCOUNT NAME	Primary Institution			
	BALANCE JUNE 30, 2019	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2020
School Project Accounts				
Scholarships	\$ 44,216.03	\$ 54,430.40	\$ 52,533.95	\$ 46,112.48
Student Organization Accounts				
Athletic Trainers	376.53	-	-	376.53
Atlas	116.54	-	-	116.54
Black Collegiate Union	12.00	-	-	12.00
Block and Bridle	7,593.43	791.00	2,070.74	6,313.69
Crusaders Newspapers	10,439.46	2,283.43	1,881.99	10,840.90
Information Tech Professional	1,962.51	-	35.61	1,926.90
S.I.F.E.	705.20	1,017.42	1,722.62	-
FCA	0.10	-	-	0.10
HALO	256.74	4,405.68	4,662.42	-
Intramurals	2,400.70	1,838.68	246.11	3,993.27
KYLIZ	319.88	-	29.82	290.06
Music/Drama	6,515.73	3,462.57	3,048.61	6,929.69
Owls	243.21	-	-	243.21
PHI THETA KAPPA	-	1,550.00	1,550.00	-
Science Club	447.02	-	123.72	323.30
Science Field Trips	20,403.38	1,500.00	-	21,903.38
SIGMA CHI CHI	2,127.07	111.14	-	2,238.21
Student Government	10,159.58	7,880.10	7,208.33	10,831.35
Student Life	9,843.51	26,268.01	19,993.98	16,117.54
Student Nursing	4,702.75	4,628.32	4,142.00	5,189.07
Vocal Music	735.63	407.00	373.00	769.63
Education and Cultural Growth	-	1,313.37	797.32	516.05
Ceramics Club	21.03	-	-	21.03
Student Respiratory Therapy	6.52	-	-	6.52
Surg Tech Students	165.56	-	-	165.56
Martial Arts Club	141.59	-	-	141.59
Bilingual Education	1.36	-	-	1.36
KAPPA BETA DELTA	698.39	-	-	698.39
Collegiate Farm Bureau	975.46	-	-	975.46
International Student Organizatic	55.65	-	-	55.65
Skills USA	4,015.68	340.00	1,358.24	2,997.44
Drama Club	583.99	-	-	583.99
Student Relief	4,942.47	525.34	-	5,467.81
Circle K International	18.82	99.08	98.58	19.32
SGA Student Club	5,909.76	5,253.39	2,090.89	9,072.26
Athletics	-	53,040.53	50,335.49	2,705.04
Refr Service Engineering	440.00	-	-	440.00
Professional Employee Assoc.	764.14	825.00	336.19	1,252.95
Retirement Fund	19.80	-	-	19.80
Saints ESP Educational Support	515.25	1,645.99	1,083.87	1,077.37
Drafting Agency	5,173.89	-	-	5,173.89
Admin Office Tech	394.53	-	-	394.53

SEWARD COUNTY COMMUNITY COLLEGE

Liberal, Kansas

Schedule of Changes in Assets and Liabilities

All Agency Funds - Primary Institution

For the Year Ended June 30, 2020

ACCOUNT NAME	Primary Institution			BALANCE JUNE 30, 2020
	BALANCE JUNE 30, 2019	ADDITIONS	DEDUCTIONS	
Student Organization Accounts				
Medical Assistants	\$ 20,743.04	\$ -	\$ -	\$ 20,743.04
Auto Mechanics	1,482.98	1,633.45	1,082.80	2,033.63
Auto Body	-	7,685.12	7,685.12	-
Machine Shop	9,377.15	11,624.34	6,707.20	14,294.29
Diesel Mechanic	1,340.73	3,569.23	4,909.96	-
Carpentry	8,613.56	-	-	8,613.56
Specialty Crops	2,091.98	-	-	2,091.98
HVAC	365.74	-	-	365.74
Welding	-	72.87	72.87	-
House Construction	28,116.73	-	839.70	27,277.03
Alumni & Friends	2,294.10	-	-	2,294.10
Gift Certificates	119.85	367.96	487.81	-
Education Club	705.53	-	-	705.53
Total Student Organizations	223,672.28	198,569.42	177,508.94	244,732.76
TOTAL AGENCY FUNDS	<u>\$ 223,672.28</u>	<u>\$ 198,569.42</u>	<u>\$ 177,508.94</u>	<u>\$ 244,732.76</u>
Assets				
Cash and Investments	\$ 177,536.75	\$ 196,714.97	\$ 178,982.91	\$ 195,268.81
Other Receivables	47,737.53	49,591.98	47,737.53	49,591.98
TOTAL ASSETS	<u>\$ 225,274.28</u>	<u>\$ 246,306.95</u>	<u>\$ 226,720.44</u>	<u>\$ 244,860.79</u>
Liabilities				
Accounts Payable	\$ 1,602.00	\$ 128.03	\$ 1,602.00	\$ 128.03
Deposits Held For Others	223,672.28	198,569.42	177,508.94	244,732.76
TOTAL LIABILITIES	<u>\$ 225,274.28</u>	<u>\$ 198,697.45</u>	<u>\$ 179,110.94</u>	<u>\$ 244,860.79</u>

**SEWARD COUNTY COMMUNITY COLLEGE
LIBERAL, KANSAS**

FEDERAL COMPLIANCE SECTION

For the Year Ended June 30, 2020

EIN NUMBER: 48-0756704
OPE ID NUMBER: 00822800
DUNS NUMBER: 094340338

COMPLIANCE ATTESTATION EXAMINATION
INCLUDING TITLE IV STUDENT FINANCIAL ASSISTANCE PROGRAMS

LIBERAL, KANSAS

FEDERAL PELL GRANT PROGRAM (PELL) (84.063)
FEDERAL SUPPLEMENTARY 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

SEWARD COUNTY COMMUNITY COLLEGE

1801 NORTH KANSAS
LIBERAL, KANSAS 67905

EIN NUMBER: 48-0756704
OPE ID NUMBER: 00822800
DUNS NUMBER: 094340338

TELEPHONE: (620) 624-1951
FAX: (620) 417-1089

PRESIDENT: Mr. Brad Bennett
CONTACT PERSON & TITLE: Dennis M. Sander, Vice President of Finance and Operations

LEAD AUDITOR: Neil L. Phillips, CPA
EMAIL ADDRESS: nphillips@jgppa.com
LICENSE NUMBER & HOME STATE: 3689 KS
FIRM'S NAME & ADDRESS: JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants
1815 S. Santa Fe
P.O. 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 or telecommunication 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	NONE
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	OFFERED @ SITE	ELIGIBILITY LETTER	OFFERING INSTRUCTION	DATE OPENED	DATE CLOSED	LAST VISIT	EXCLUSION REASON
Liberal, Kansas	Yes	Yes	Yes	1969	N/A	2020	N/A

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

The College does not use a servicer.

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

SEWARD COUNTY COMMUNITY COLLEGE
1800 North Kansas
Liberal, Kansas 67905

For Close-Out Examination only: N/A

SEWARD COUNTY COMMUNITY COLLEGE

Liberal, Kansas

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2020

FEDERAL GRANTOR/ PASS THROUGH GRANTOR/ PROGRAM TITLE	Pass-Through Entity Identifying Number	Federal CFDA Number	Provided to Subrecipients	Disbursements/ Expenditures
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Direct Programs:				
Student Financial Assistance Programs Cluster				
Federal Supplemental Education Opportunity	N/A	84.007	\$ -	\$ 44,426.00
Federal College Work-study	N/A	84.033	-	52,213.00
Federal Pell Grant	N/A	84.063	-	1,991,621.00
Federal Direct Loan	N/A	84.268	(1) -	443,622.00
Total Student Financial Assistance Programs Cluster			-	2,531,882.00
TRIO Cluster				
TRIO - Student Support Services	N/A	84.042	-	215,225.41
Education Stabilization Fund - Student	N/A	84.425E	-	197,400.00
Passed through the State of Kansas Department of Education:				
Adult Basic Education Program	3042-3000	84.002	-	291,293.25
Passed through Kansas State University				
Teacher Quality Enhancement -KSPET-UP	S19143	84.336s	-	631.40
Passed through the North Central Kansas CTE Consortium				
Carl Perkins Vocational Education Grants:				
Career and Technical Education	3539	84.048	-	106,053.29
Total U.S. Department of Education			-	3,342,485.35
<u>NATIONAL SCIENCE FOUNDATION</u>				
Passed through Kansas State University				
Education and Human Resources - Kansas Pathways to STEM	S19033	47.076	-	8,665.91
Passed through Fort Hays State University				
Education and Human Resources - Recruiting STEM Teachers	1758501	47.076	-	79,072.78
Total National Science Foundation			-	87,738.69

SEWARD COUNTY COMMUNITY COLLEGE

Liberal, Kansas

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2020

FEDERAL GRANTOR/ PASS THROUGH GRANTOR/ PROGRAM TITLE	Pass-Through Entity Identifying Number	Federal CFDA Number	Provided to Subrecipients	Disbursements/ Expenditures
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
Passed through Kansas State University				
Biomedical Research and Research Training	S17025	93.859	-	7,561.08
Total U.S. Department of Health and Human Services			-	7,561.08
<u>SMALL BUSINESS ADMINISTRATION</u>				
Passed through Kansas State University				
Small Business Development Center	10760	59.037	-	89,351.46
Total Small Business Administration			-	89,351.46
FEDERAL ASSISTANCE TOTALS			\$ -	\$ 3,527,136.58

NOTE A:

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:

Seward County Community College has not elected to use the 10% de minimis cost rate, as it does not qualify.

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

JARRED, GILMORE & PHILLIPS, PA
CERTIFIED PUBLIC ACCOUNTANTS

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

Board of Trustees
Seward County Community College
Liberal, Kansas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Seward County Community College, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Seward County Community College's basic financial statements and have issued our report thereon dated March 19, 2021. Our reports includes a reference to other auditors who audited the financial statements of Seward County Community College Foundation (Foundation), as described in our report on the College's financial statements. The financial statements of the Foundation were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the Foundation.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Seward 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
March 19, 2021

JARRED, GILMORE & PHILLIPS, PA
CERTIFIED PUBLIC ACCOUNTANTS

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

Board of Trustees
Seward County Community College
Liberal, Kansas

Report on Compliance for Each Major Federal Program

We have audited the Seward County Community College's compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have direct and material effect on each of the Seward County Community College's major federal programs for the year ended June 30, 2020. Seward 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 the Seward County Community College's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Seward 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 qualified and unmodified opinions on compliance for major federal programs. However, our audit does not provide a legal determination of the Seward County Community College's compliance.

Basis for Qualified Opinion on the Student Financial Aid Cluster

As described in the accompanying schedule of findings and questioned costs, the Seward County Community College did not comply with requirements regarding the 84.063, 84.268, 84.007, and 84.033 Student Financial Aid Cluster as described in finding numbers 2020-001, 2020-002, 2020-003, 2020-004, and 2020-2005 for Special Tests and Provisions. Compliance with such requirements is necessary, in our opinion, for the Seward County Community College to comply with the requirements applicable to that program.

Qualified Opinion on Student Financial Aid Cluster

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, the Seward 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 Student Financial Aid Cluster for the year ended June 30, 2020.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, the Seward 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 other major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2020.

Other Matters

Seward County Community College's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Seward County Community College's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2020-001, 2020-002, 2020-003, 2020-004, and 2020-005 to be material weaknesses.

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.

Seward County Community College's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Seward County Community College's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

A handwritten signature in cursive script that reads "Jarred, Gilmore & Phillips, PA".

JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants

Chanute, Kansas
March 19, 2021

SEWARD COUNTY COMMUNITY COLLEGE

Liberal, Kansas

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2020**I. SUMMARY OF AUDITORS' RESULTS****Financial Statements:**

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

Internal Control over Financial Reporting:

Material weakness(es) identified?	<u> </u>	Yes	<u> X </u>	No
Significant deficiency(ies) identified?	<u> </u>	Yes	<u> X </u>	None Reported
Noncompliance or other matters required to be reported under <i>Government Auditing Standards</i>	<u> </u>	Yes	<u> X </u>	No

Federal Awards:

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

The auditors' report on compliance for the major federal award programs for Seward County Community College expresses a qualified opinion.

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

Identification of major programs:

U.S. DEPARTMENT OF EDUCATION

Student Financial Aid Cluster

Federal Pell Grant Program – CFDA No. 84.063

Federal Supplementary 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

SEWARD COUNTY COMMUNITY COLLEGE

Liberal, Kansas

Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2020**III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS****Finding: 2020-001** – Special Tests and Provisions – Enrollment Reporting*Information of Federal Program:*

Student Financial Aid Cluster

Federal Pell Grant Program – CFDA No. 84.063

Federal Direct Student Loans – CFDA No. 84.268

Criteria: Under the Pell grant and ED loan programs, institutions must complete and return within 15 days the Enrollment Reporting roster file [formerly the Student Status Confirmation Report (SSCR)] placed in their Student Aid Internet Gateway (SAIG) (OMB No. 1845-0002) mailboxes sent by ED via NSLDS (OMB No. 1845-0035). The institution determines how often it receives the Enrollment Reporting roster file with the default set at a minimum of every 60 days. Once received, the institution must update for changes in student status, report the date the enrollment status was effective, enter the new anticipated completion date, and submit the changes electronically through the batch method or the NSLDS website (Pell, 34 CFR 690.83(b)(2); FFEL, 34 CFR 682.610; Direct Loan, 34 CFR 685.309). Institutions are responsible for timely reporting, whether they report directly or via a third-party servicer. NSLDS will send a Late Enrollment Reporting notification e-mail if no updates are received by batch or online within 22 days after the date the roster was sent to the school. The Enrollment Reporting Summary Report (SCHER1) on the NSLDS website can be created at the request of the institution. It shows the dates the roster files were sent and returned, the number of errors, date and number of online updates, and the number of late enrollment reporting notifications sent for overdue Enrollment Reporting rosters.

Condition: During our testing of the enrollment reporting process, it was noted that Seward County Community College's internal controls over enrollment reporting broke down after there was a change in the reporting process. Twenty seven (27) of thirty seven (37) files tested, changes to a student's status was either incorrectly submitted or batch errors were not timely corrected.

Effect: A student's enrollment status determines eligibility for in-school status, deferment, and grace periods, as well as for the payment of interest subsidies to FFEL Program loan holders by ED. Enrollment Reporting in a timely and accurate manner is critical for effective management of the programs.

Cause: The College did not have proper training that allowed for changes in the Federal reporting regulations and the creation of an error summary report to process all errors in a timely manner.

Recommendation: Policies and procedures should be written to provide additional training and oversight of staff which should include updated training for all new regulations on an annual basis. We recommend the College establish an oversight process for all employees that includes additional controls necessary until staff are fully trained in the area of enrollment reporting.

Views of responsible officials and planned corrective action: See the Corrective Action Plan on pages 72-76 of the current year audit.

SEWARD COUNTY COMMUNITY COLLEGE

Liberal, Kansas

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

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Continued)

Finding: 2020-002 – Special Tests and Provisions - Verification

Information of Federal Program:

Student Financial Aid Cluster

Federal Pell Grant Program – CFDA No. 84.063

Federal Direct Student Loans – CFDA No. 84.268

Federal Supplemental Educational Opportunity Grant – CFDA No. 84.007

Federal Work-Study Program – CFDA No. 84.033

Criteria:

Written policies and procedures are required to be establish that incorporate the provisions of 34 CFR sections 668.51 through 668.61 for verifying applicant information. The College shall require each applicant whose application is selected by the central processor, based on edits specified by ED, to verify the information specified in 34 CFR section 668.56.

Condition:

During our testing of the verification process one of the forty files tested did not include evidence of verification as specified in 34 CFR section, 668.56, four of the forty files used an incorrect dollar amount when verifying the students file, and one of the forty files, the student did not complete the income information section of the verification worksheet, but was still awarded aid.

Effect:

The deficiencies in the design and operation of the internal controls in this area could result in the improper awarding of financial aid.

Cause:

The College did not have proper procedures in place that allowed for the verification of all files identified by the central processor.

Recommendation:

Policies and procedures should be written to provide internal control over the verification of student files. We recommend the College establish a filing process that allows all applications selected for verification to be verified before financial aid is awarded.

Views of responsible officials and planned corrective action:

See the Corrective Action Plan on pages 72-76 of the current year audit.

SEWARD COUNTY COMMUNITY COLLEGE

Liberal, Kansas

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

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Continued)

Finding: 2020-003 – Special Tests and Provisions – Return of Title IV Funds

Information of Federal Program:

Student Financial Aid Cluster

Federal Pell Grant Program – CFDA No. 84.063

Federal Direct Student Loans – CFDA No. 84.268

Federal Supplemental Educational Opportunity Grant – CFDA No. 84.007

Federal Work-Study Program – CFDA No. 84.033

Criteria:

When a recipient of Title IV grant or loan assistance withdraws from an institution during a payment period or period of enrollment in which the recipient began attendance, the institution must determine the amount of Title IV grant or loan assistance that the student earned as of the student's withdrawal date (34 CFR section 668.22).

Condition:

During the testing of the return of Title IV funds, it was noted in twenty (20) out of the thirty-seven (37) students selected for the withdrawn student test, the institution was calculating the student's percentage of financial aid earned as if it were an institution that required taking attendance, however, they are not a required attendance taking institution. It was also noted that six (6) student's funds that were required to be returned had the incorrect amount returned to the Department of Education due to the institution returning the greater of Box K and N when they should have returned the lesser and one (1) student had an incorrect amount of funds returned due to an institutional error.

Effect:

Not properly analyzing student accounts could result in errors being made, which would result in the institution not properly returning Federal funds as required by Title IV regulations.

Cause:

The College did not have proper procedures in place that allowed them to properly document they are meeting this Federal requirement.

Recommendation:

Policies and procedures should be written to provide internal controls over obtaining complete and accurate return of Title IV forms and all the documentation should be retained. The retention of the records of how the College calculated R2T4 amounts. Staff training in the area of Title IV funds is also recommended.

Views of responsible officials and planned corrective action:

See the Corrective Action Plan on pages 72-76 of the current year audit.

SEWARD COUNTY COMMUNITY COLLEGE

Liberal, Kansas

Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2020**III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS** (Continued)**Finding: 2020-004** – Special Tests and Provisions – Notification*Information of Federal Program:*

Student Financial Aid Cluster

Federal Pell Grant Program – CFDA No. 84.063

Federal Direct Student Loans – CFDA No. 84.268

Federal Supplemental Educational Opportunity Grant – CFDA No. 84.007

Federal Work-Study Program – CFDA No. 84.033

Criteria:

The institution must notify the student, or parent, in writing of (1) the date and amount of the disbursement; (2) the student's right, or parent's right, to cancel all or a portion of that loan or loan disbursement and have the loan proceeds returned to the holder of that loan or the TEACH Grant payments returned to ED; and (3) the procedure and time by which the student or parent must notify the institution that he or she wishes to cancel the loan, TEACH Grant, or TEACH Grant disbursement. The notification requirement for loan funds applies only if the funds are disbursed by EFT payment or master check (34 CFR 668.165). Institutions that implement an affirmative confirmation process (as described in 34 CFR 668.165 (a)(6)(i)) must make this notification to the student or parent no earlier than 30 days before, and no later than 30 days after, crediting the student's account at the institution with Direct Loan or TEACH Grants. Institutions that do not implement an affirmative confirmation process must notify a student no earlier than 30 days before, but no later than seven days after, crediting the student's account and must give the student 30 days (instead of 14) to cancel all or part of the loan.

Condition:

During the testing of the disbursement if was noted the College is not retaining documentation and has no evidence notification is being completed by the College and on the example provided by staff of what was sent out, it was not all inclusive of information required by the Department of Education.

Effect:

Not retaining documentation does not allow the student or parent the opportunity to cancel all or a portion of that said disbursement.

Cause:

The College did not have proper procedures in place that allowed them to properly document they are meeting this Federal requirement.

Recommendation:

Policies and procedures should be written to provide internal controls over obtaining complete and accurate records to be kept on file for all students.

Views of responsible officials and planned corrective action:

See the Corrective Action Plan on pages 72-76 of the current year audit.

SEWARD COUNTY COMMUNITY COLLEGE

Liberal, Kansas

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

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Continued)

Finding: 2020-005 – Special Tests and Provisions – Pell Awards

Information of Federal Program:

Student Financial Aid Cluster

Federal Pell Grant Program – CFDA No. 84.063

Federal Direct Student Loans – CFDA No. 84.268

Federal Supplemental Educational Opportunity Grant – CFDA No. 84.007

Federal Work-Study Program – CFDA No. 84.033

Criteria:

Each year, based on the maximum Pell Grant established by Congress, ED provides to institutions Payment and Disbursement Schedules for determining Pell awards. The Payment or Disbursement Schedule provides the maximum annual amount a student would receive for a full academic year for a given enrollment status, EFC and COA. The Payment Schedule is used to determine the annual award for a full-time student. There are separate Disbursement Schedules for three-quarter time, half-time, and less-than-half-time students. All of the Schedules, however, are based on the COA of a full-time student for a full academic year (see Chapter 3 in Volume 3, Calculating Pell and Iraq & Afghanistan Service Grant Awards, of the FSA Handbook for the year(s) being audited for guidance on selecting formulas for calculating cost of attendance, prorating costs for programs less or greater than an academic year, and determining payment periods)..

Condition:

During the testing of the disbursements it was noted the College does not award student Pell for summer enrollment unless the student reaches out to the Financial Aid office.

Effect:

Students are not receiving the full benefits of the student financial aid award package.

Cause:

The College did not have procedures in place to review those students enrolled in Summer courses.

Recommendation:

Policies and procedures should be written to provide internal controls over obtaining complete and accurate list of summer students and awarding based on Federal regulations.

Views of responsible officials and planned corrective action:

See the Corrective Action Plan on pages 72-76 of the current year audit.

SEWARD COUNTY COMMUNITY COLLEGE
Liberal, Kansas

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

None

CORRECTIVE ACTION PLAN

Schedule 15

March 19, 2021

Cognizant or Oversight Agency for Audit

Seward County Community College respectfully submits the following corrective action plan for the year ended June 30, 2020.

Name and address of independent public accounting firm: Jarred, Gilmore & Phillips, PA, P.O. Box 779, 1815 S Santa Fe, Chanute, Kansas 66720.

Audit period: Year ended June 30, 2020.

The findings from the March 19, 2021 schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

Finding: 2020-001 – Special Tests and Provisions – Enrollment Reporting

Condition: During our testing of the enrollment reporting process, it was noted that Seward County Community College's internal controls over enrollment reporting broke down after there was a change in the reporting process. Eight (8) of forty (40) files tested, changes to a student's status was either incorrectly submitted or batch errors were not timely corrected.

Recommendation: Policies and procedures should be written to provide additional training and oversight of staff which should include updated training for all new regulations on an annual basis. We recommend the College establish an oversight process for all employees that includes additional controls necessary until staff are fully trained in the area of enrollment reporting.

Views of responsible officials and planned corrective action: Since year end, the College has reviewed and updated the 20-21 registration monthly calendar and has created a new policy within the registrar office policies for enrollment reporting.

Additionally, the registrar will review the Clearinghouse Academy's training website for updates in enrollment reporting procedures each summer. In April of 2021, the registrar will also complete Ellucian training for running the Clearinghouse extract report in the college's student information system. By the end of June 2021, the registrar will have reviewed all Ellucian documentation as it relates to enrollment reporting to the National Student Clearinghouse (NSC).

Finally, the registrar will ensure that all error reports issued by the NSC will be corrected in a timely manner as indicated by the registration monthly calendar and in keeping with Title IV compliance.

CORRECTIVE ACTION PLAN

Schedule 15

Finding: 2020-002 – Special Tests and Provisions - Verification

Condition:

During our testing of the verification process one of the forty files tested did not include evidence of verification as specified in 34 CFR section, 668.56, four of the forty files used an incorrect dollar amount when verifying the students file causing the ISIR number to be incorrect, and one of the forty files, the student did not complete the income information section of the verification worksheet, but was still awarded aid.

Recommendation:

Policies and procedures should be written to provide internal control over the verification of student files. We recommend the College establish a filing process that allows all applications selected for verification to be verified before financial aid is awarded.

Views of responsible officials and planned corrective action: Since year end, the College has reviewed and updated our internal controls regarding verification. All applications selected for verification, prior to awarding, will have all verification documents reviewed by two staff members. Additionally, each internal verification checklist will have two staff signatures/initials to ensure that at least two staff have reviewed the documentation for accuracy.

Finding: 2020-003 – Special Tests and Provisions – Return of Title IV Funds

Condition:

During the testing of the return of Title IV funds, it was noted in twenty (20) out of the thirty-seven (37) students selected for the withdrawn student test, the institution was calculating the student's percentage of financial aid earned as if it were an institution that required taking attendance, however, they are not a required attendance taking institution. It was also noted that six (6) student's funds that were required to be returned had the incorrect amount returned to the Department of Education due to the institution returning the greater of Box K and N when they should have returned the lesser and one (1) student had an incorrect amount of funds returned due to an institutional error.

Recommendation:

Policies and procedures should be written to provide internal controls over obtaining complete and accurate return of Title IV forms and all the documentation should be retained. The retention of the records of how the College calculated R2T4 amounts. Staff training in the area of Title IV funds is also recommended.

Views of responsible officials and planned corrective action: Since year end, the College has reviewed and corrected the Return to Title IV procedures. The College has determined that we are not an attendance taking institution per our policies. As of March 17, 2021 all Return to Title IV calculations have been corrected for the 2020/2021 award year to reflect this change. Students who have officially withdrawn from the College will have the Return to Title IV calculation withdrawn date (or intent to withdraw) reported as the withdrawal date and the calculations made through the COD R2T4 Tool. Students who are unofficial withdrawals will be calculated using the student's last date of class activity/participation. The two (2) student where the incorrect amount was returned to the Department of Education were corrected in March 2021 and the College will absorb the cost of these corrections.

CORRECTIVE ACTION PLAN

Schedule 15

Finding: 2020-004 – Special Tests and Provisions – Notification

Condition:

During the testing of the disbursement if was noted the College is not retaining documentation and has no evidence notification is being completed by the College.

Recommendation:

Policies and procedures should be written to provide internal controls over obtaining complete and accurate records to be kept on file for all students.

Views of responsible officials and planned corrective action: Since year end, the college has reviewed and updated our internal processes and procedures to include the information, as required per the FSA Handbook Chapter 2 Disbursing FSA Funds Notifications, regarding the notifications that must be sent to students regarding FSA loan funds. The College has implemented the creation of letters to all FSA loan recipients that include the amount of funds the student can expect to receive and how and when those funds will be disbursed. The letter includes the anticipated date of the disbursement, the student's or parent's right to cancel or change the loan amount and the procedure and deadline to notify the school that they wish to cancel or change the loan, informing the student's or parent's of the origination fee, and the amount/types of loans to be disbursed. The Loan Officer has implemented processes and procedures to send the letters/emails within the "no earlier than 30 days before and no later than 30 days after crediting the student's account". All students must provide affirmative confirmation to accept the loan by completing the Loan Acceptance Form to request loans and verify their completion of Entrance Counseling and MPN (students are also encouraged to complete the Student Loan Acknowledgement even though this requirement has been delayed for implementation as a requirement). FSA Loans are not added to a student's financial aid account in our database system until affirmative confirmation has been received. Students are informed about the availability of FSA Loans and the need to complete a Loan Acceptance Form on their award letter/College Financing Plan letter which includes notification regarding all other FSA Funds awarded. A sample of the loan notification letter has been included as an attachment.



SEWARD COUNTY
COMMUNITY COLLEGE
OFFICE OF FINANCIAL AID

PH: 620-417-1110
FAX: 620-417-1119
PO Box 1137
LIBERAL, KS 67905

March 4, 2021

[REDACTED]
[REDACTED]
[REDACTED]

Dear [REDACTED],

On or about March 20, 2021, the following direct student loan(s) was applied to your student account for the Fall 2020 semester. Please note that the amount listed below reflects the gross amount of the loan(s).

Direct Subsidized Loan	\$1600
Direct Unsubsidized Loan	<u>\$0</u>
Total Loans Disbursed	\$1600

Direct Loans are subject to an origination fee. You can find more information about the loan fees on the StudentAid.gov website: <https://studentaid.gov/understand-aid/types/loans/interest-rates>.

As a student borrower, you have the right by law to cancel all or part of this loan within 14 days of receiving this letter. If you choose to cancel any part of the loan you must contact our office and submit the Loan Change Form which is available on our website. You will also need to contact the Business Office immediately to make payment arrangements. If you accept the loan listed above, no further action is necessary on your part.

If you are anticipating a refund, please allow 5-7 days for SCCC Business Office to finish processing student accounts.

If you have any questions regarding this information, please feel free to contact our office at FinancialAid@scck.edu or 620-417-1114.

Sincerely,

Faye Zimmerman
Financial Aid Loan Specialist

CORRECTIVE ACTION PLAN

Schedule 15

Finding: 2020-005 – Special Tests and Provisions – Pell Awards

Condition:

During the testing of the disbursements it was noted the College does not award student Pell for summer enrollment unless the student reaches out to the Financial Aid office.

Recommendation:

Policies and procedures should be written to provide internal controls over obtaining complete and accurate list of summer students and awarding based on Federal regulations.

Views of responsible officials and planned corrective action: Since year end, the College has reviewed our procedures and amended them. The Financial Aid Office has been provided access to enrollment reports by term. The Financial Aid Office will run the report a minimum of 2 weeks prior to summer courses and review all students enrolled during the summer semester to determine possible Pell eligibility and adjust their award accordingly. The College still encourages students to complete and submit a Summer Aid Request Form for all award eligibility (scholarships, work-study, loans, Pell Grant). The form simply makes the process easier for College staff, but it is no longer required for Pell. If students are interested in FSA loans for the summer term, the College must still receive affirmative consent.

If the Oversight Agency for Audit has questions regarding this plan, please call Dennis Sander, Vice President of Finance and Operations, at (620) 624-1951.

Sincerely,

Seward County Community College

Seward County Community College