

*In the opinion of Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming continuing compliance by the Authority and the College with certain covenants related to compliance with the Internal Revenue Code of 1986, as amended (the "Code"), the interest on the Bonds (including, in the case of Bonds sold at an original issue discount, if any, the difference between the initial offering price and par) is excluded from gross income for Federal income tax purposes. Bond Counsel is also of the opinion that interest on the Bonds is not a specific item of tax preference under Section 57 of the Code for purposes of Federal individual alternative minimum tax. The Bonds, and the interest income therefrom, are free from taxation for purposes of personal income and corporate net income taxes within the Commonwealth of Pennsylvania. (See "TAX EXEMPTION" herein.)*

**\$8,385,000**  
**STATE PUBLIC SCHOOL BUILDING AUTHORITY**  
**(Commonwealth of Pennsylvania)**  
**College Revenue Bonds (Butler County Community College Project) Series of 2021**

**Dated:** Date of Delivery  
**Interest Due:** June 15 and December 15

**Principal Due:** June 15, as shown on inside front cover  
**First Interest Payment:** June 15, 2021

The bonds described herein are in the aggregate principal amount of \$8,385,000 College Revenue Bonds (Butler County Community College Project), Series of 2021 (the "Bonds"). The Bonds will be fully registered bonds and, when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Bonds. Purchasers of the Bonds will not receive certificates representing their ownership interest in the Bonds. So long as Cede & Co. is the registered owner, as nominee of DTC, references herein to "Owner," "Registered Owner," or "Bondholders" shall mean Cede & Co., as aforesaid and shall not mean beneficial owners of the Bonds. Beneficial ownership in the Bonds may be acquired in denominations of \$5,000 or multiples thereof, only under the book-entry-only system maintained by DTC, as more fully described herein.

Principal of, premium, if any, and interest on the Bonds will be paid by The Bank of New York Mellon Trust Company, N.A., Pittsburgh, Pennsylvania, as trustee for the Bonds (the "Trustee"). So long as DTC or its nominee, Cede & Co., is the registered owner, such payments will be made directly to Cede & Co. Disbursements of such payments to the DTC Participants is the responsibility of DTC and disbursements of such payments to the beneficial owners is the responsibility of DTC Participants and the Indirect Participants, as more fully described herein. Interest on the Bonds will be payable commencing on June 15, 2021, and semiannually thereafter on June 15 and December 15 of each year (each, an "Interest Payment Date").

The Bonds are subject to redemption prior to maturity as described under "REDEMPTION OF THE BONDS" herein.

The Bonds will be issued by the State Public School Building Authority (the "Authority") and will be secured by a Trust Indenture, dated as of the dated date of the Bonds (the "Indenture") between the Authority and the Trustee. The Bonds are limited obligations of the Authority, payable solely from the payments to be made by the Butler County Community College (the "College" or "BCCC") under a Loan Agreement, dated as of the dated date of the Bonds (the "Loan Agreement") between the Authority and the College.

The Bonds are being issued by the Authority to (1) fund the College's South End Campus project, which consists of demolition of the current operations building and the construction of a new operations building and nursing and allied health building and (2) to pay the costs and expenses of issuing and insuring the Bonds.

**THE BONDS ARE LIMITED OBLIGATIONS OF THE AUTHORITY. NEITHER THE PRINCIPAL OR REDEMPTION PRICE OF THE BONDS, NOR THE INTEREST THEREON, SHALL CONSTITUTE A GENERAL INDEBTEDNESS OF THE AUTHORITY OR AN INDEBTEDNESS OF THE COMMONWEALTH OF PENNSYLVANIA OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION WHATSOEVER; CONSTITUTE A CHARGE AGAINST THE GENERAL CREDIT OF THE AUTHORITY OR THE GENERAL CREDIT OR TAXING POWER OF THE COMMONWEALTH OF PENNSYLVANIA OR ANY POLITICAL SUBDIVISION THEREOF; OR BE DEEMED TO BE A GENERAL OBLIGATION OF THE AUTHORITY OR OBLIGATION OF THE COMMONWEALTH OF PENNSYLVANIA OR ANY POLITICAL SUBDIVISION THEREOF. THE AUTHORITY HAS NO TAXING POWER.**

The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Bonds by Assured Guaranty Municipal Corp. ("AGM").



**MATURITIES, AMOUNTS, RATES AND PRICES/YIELDS**  
 See Inside Front Cover

The Bonds are offered for delivery when, as and if issued by the Authority and received by the Underwriter and subject to the approving legal opinion of Clark Hill PLC, Pittsburgh, Pennsylvania, Bond Counsel. Certain legal matters will be passed upon for the Authority by its counsel, Barley Snyder LLP, Lancaster, Pennsylvania, and for the Butler County Community College by its counsel, Dillon, McCandless, King, Coulter & Graham, LLP, Butler, Pennsylvania. The Financial Advisor to the College is PFM Financial Advisors LLC, Harrisburg, Pennsylvania. It is expected that the Bonds will be available for delivery through The Depository Trust Company, New York, New York on or about April 1, 2021.

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**BOENNING & SCATTERGOOD INC.**

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**\$8,385,000**  
**STATE PUBLIC SCHOOL BUILDING AUTHORITY**  
**(Commonwealth of Pennsylvania)**  
Consisting of:

**College Revenue Bonds (Butler County Community College Project)**  
**Series of 2021**

**Dated:** Date of Delivery  
**Interest Due:** June 15 and December 15

**Principal Due:** June 15, as shown on below  
**First Interest Payment:** June 15, 2021

<b>Maturity Date (June 15)</b>	<b>Principal Amount</b>	<b>Interest Rate</b>	<b>Yield</b>	<b>Price</b>	<b>CUSIP Numbers<sup>(1)</sup></b>
2022	\$315,000	2.000%	0.750%	101.496%	85732M6U6
2023	320,000	3.000	0.850	104.687	85732M6V4
2024	330,000	3.000	0.950	106.456	85732M6W2
2025	340,000	4.000	1.100	111.885	85732M6X0
2026	355,000	4.000	1.250	113.816	85732M6Y8
2027	365,000	4.000	1.350	115.722	85732M6Z5
2028	380,000	4.000	1.500	117.012	85732M7A9
2029	395,000	4.000	1.650	117.963	85732M7B7
2030	415,000	4.000	1.800	118.584	85732M7C5
2031	430,000	4.000	1.900*	117.656*	85732M7D3
2032	445,000	4.000	2.000*	116.737*	85732M7E1
2033	465,000	4.000	2.100*	115.826*	85732M7F8
2036**	1,515,000	4.000	2.300*	114.028*	85732M7G6
2040**	2,315,000	4.000	2.500*	112.263*	85732M7H4

<sup>(1)</sup>The above CUSIP (Committee on Uniform Securities Identification Procedures) numbers have been assigned by an organization not affiliated with the Authority or the Underwriter, and such parties are not responsible for the selection or use of the CUSIP numbers. The CUSIP numbers are included solely for the convenience of bondholders and no representation is made as to the correctness of such CUSIP numbers. CUSIP numbers assigned to securities may be changed during the term of such securities based on a number of factors including, but not limited to, the refunding or defeasance of such issue or the use of secondary market financial products. Neither the Authority nor the Underwriter has agreed to, and there is no duty or obligation to, update this Official Statement to reflect any change or correction in the CUSIP numbers set forth above.

\*Yield/Priced to Optional Redemption Date of June 15, 2030.

\*\*Term Bonds.

**STATE PUBLIC SCHOOL BUILDING AUTHORITY  
COMMONWEALTH OF PENNSYLVANIA**

**MEMBERS OF THE AUTHORITY**

Honorable Thomas W. Wolf  
Governor of the Commonwealth of Pennsylvania..... President

Honorable Scott Martin  
Designated by the President Pro Tempore of the Senate..... Vice President

Honorable Jay Costa  
Minority Leader of the Senate..... Vice President

Honorable Curtis G. Sonney  
Designated by the Speaker of the House of Representatives..... Vice President

Honorable Stacy Garrity  
State Treasurer ..... Treasurer

Honorable Curtis M. Topper  
Secretary of General Services ..... Secretary

Honorable Napoleon J. Nelson  
Designated by the Minority Leader of the House of Representatives ..... Board Member

Honorable Timothy L. DeFoor  
Auditor General ..... Board Member

Honorable Noe Ortega  
Acting Secretary of Education ..... Board Member

**EXECUTIVE DIRECTOR**

ERIC GUTSHALL

**COUNSEL TO THE AUTHORITY**

(Appointed by the Office of General Counsel)  
BARLEY SNYDER LLP  
Lancaster, Pennsylvania

**BOND COUNSEL**

(Appointed by the Office of General Counsel)  
CLARK HILL PLC  
Pittsburgh, Pennsylvania

**SOLICITOR TO THE COLLEGE**

DILLON, MCCANDLESS, KING, COULTER & GRAHAM, LLP  
Butler, Pennsylvania

**FINANCIAL ADVISOR TO THE COLLEGE**

PFM FINANCIAL ADVISORS LLC  
Harrisburg, Pennsylvania

**UNDERWRITER**

BOENNING & SCATTERGOOD INC.  
Pittsburgh, Pennsylvania

**TRUSTEE**

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.  
Pittsburgh, Pennsylvania

**AUTHORITY ADDRESS**

STATE PUBLIC SCHOOL BUILDING AUTHORITY  
1035 Mumma Road, Suite 300  
Wormleysburg, Pennsylvania 17043

# BUTLER COUNTY COMMUNITY COLLEGE

## BOARD OF TRUSTEES

<u>Name</u>	<u>Office</u>	<u>Term Expiration</u>
Joseph E. Kubit, Esq.	Chairman	6/30/2025
Glenn T. Miller	Secretary	6/30/2025
Scott A. McDowell	Treasurer	6/30/2021
Kenneth DeFurio	Member	6/30/2025
William A. DiCuccio, M.D.	Member	6/30/2023
Kimberly D. Geyer	Member	Ex Officio
Vicki Hinterberger	Member	6/30/2021
Jennifer R. Pullar, Esq.	Member	6/30/2025
Robi Lombardo	Member	6/30/2023
Gordon L. Marburger	Member	6/30/2021
Brian K. McCafferty	Member	6/30/2021
Gail A. Paserba	Member	6/30/2023
Bruce Russell, Ph.D	Member	6/30/2023
Carmine A. Scotece	Member	6/30/2025
Joe Taylor	Member	6/30/2023
Nadine Tripoli	Member	6/30/2021

**COLLEGE PRESIDENT**  
DR. NICHOLAS NEUPAUER

**VICE PRESIDENT FOR ADMINISTRATION AND FINANCE**  
JAMES HRABOSKY

**COLLEGE ADDRESS**  
College Drive  
P.O. Box 1203  
Butler, PA 16003-1203

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME WITHOUT NOTICE.

THE ORDER AND PLACEMENT OF MATERIALS IN THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES, ARE NOT TO BE DEEMED TO BE A DETERMINATION OF RELEVANCE, MATERIALITY, OR IMPORTANCE, AND THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES, MUST BE CONSIDERED IN ITS ENTIRETY. THE OFFERING OF THE BONDS IS MADE ONLY BY MEANS OF THIS ENTIRE OFFICIAL STATEMENT.

No dealer, broker, salesman or other person has been authorized by the Authority, the College or the Underwriter to give any information or to make any representations, other than those contained in this Official Statement and if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of any offer to buy, nor shall there be any sale of, the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained from the College and other sources which are believed to be reliable, but is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation of, the Underwriter or, as to information from other sources, by the Authority or the College. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Authority or the College or with respect to other matters set forth herein since the date hereof.

The Bonds are not and will not be registered under the Securities Act of 1933, as amended, or under any state securities laws, and the Indenture has not been and will not be qualified under the Trust Indenture Act of 1939 because of available exemptions therefrom. Neither the Securities and Exchange Commission nor any federal, state, municipal or other governmental agency will pass upon the accuracy, completeness or adequacy of this Official Statement.

Assured Guaranty Municipal Corp. ("AGM") makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, AGM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AGM supplied by AGM and presented under the heading "Bond Insurance" and "Appendix D - Specimen Municipal Bond Insurance Policy".

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# **OFFICIAL STATEMENT**

**\$8,385,000**

## **STATE PUBLIC SCHOOL BUILDING AUTHORITY**

**(Commonwealth of Pennsylvania)**

**College Revenue Bonds (Butler County Community College Project), Series of 2021**

### **INTRODUCTION**

This Official Statement which includes the cover page hereof and the Appendices hereto, provides certain information relating to the State Public School Building Authority (the "Authority") and the \$8,385,000 aggregate principal amount of College Revenue Bonds (Butler County Community College Project), Series of 2021 (the "Bonds"). The Bonds are being issued pursuant to the State Public School Building Authority Act of 1947, P.L. 1217, as supplemented and amended (the "Act"), and a resolution duly adopted by the Authority on February 18, 2021 (the "Resolution"), and are secured by a Trust Indenture, dated as of the dated date of the Bonds (the "Indenture"), entered into by the Authority and The Bank of New York Mellon Trust Company, N.A., Pittsburgh, Pennsylvania, as Trustee (the "Trustee").

The Authority is a body corporate and politic created in 1947 by the Act. Under the Act, the Authority is constituted a public corporation and governmental instrumentality, having perpetual existence, for the purpose of acquiring, financing, refinancing, constructing, improving, maintaining and operating public school and educational broadcasting facilities, and furnishing and equipping the same for use as part of the public school system of the Commonwealth of Pennsylvania (the "Commonwealth") under the jurisdiction of the Pennsylvania Department of Education (the "Department"). Under the Act, and Article XIX-A of the Public School Code, Act of July 1, 1985, P.L. 103, No. 31, Section 1 et seq., as amended (the "Community College Act"), the Authority also has for its purpose the acquiring, financing, refinancing, construction, improvement, furnishing, equipping, maintenance and operation of community college buildings.

Butler County Community College (the "College") was founded in May, 1965 pursuant to Act 484 (P.L. 1132) dated August 24, 1963 and general guidelines for the implementation of said act prepared by the Pennsylvania Department of Education (the "Department") and approved by the State Board of Education of the Commonwealth. The College opened in September 1966.

The College campus is located just south of the City of Butler, approximately 21 miles north of Pittsburgh and consists of 323 acres of land and 16 buildings built between 1966 and 2017. The buildings house classrooms, laboratories, meeting facilities, a recently renovated library, student success center, bookstore, food service, general maintenance area and faculty and administrative offices. The facilities are used to support course offerings for both day and evening students.

The College offers more than sixty degree and certificate programs in the areas of Business, Technologies, Science and Mathematics, Education, Allied Health, Arts and Humanities. Programs are designed to prepare students for direct entry into the job market or for transfer to baccalaureate institutions for further education. Support services, such as counseling, academic advising and placement are available to all students. The College also provides a wide variety of non-credit courses and specialized educational programs to meet the training needs of area business and industries.

### **PURPOSE OF THE BONDS**

The Bonds are being issued by the Authority to (1) fund the College's South End Campus project, which consists of demolition of the current operations building and the construction of a new operations building and nursing and allied health building and (2) to pay the costs and expenses of issuing and insuring the Bonds.

## Sources and Uses of Bond Proceeds

The following is a summary of the sources and uses of the proceeds from the issuance of the Bonds.

<u>SOURCE OF FUNDS</u>	<u>Total</u>
Par Amount.....	\$8,385,000.00
Original Issue Premium .....	1,120,983.75
Total Sources of Funds .....	<u>\$9,505,983.75</u>
 <u>USE OF FUNDS</u>	
Deposit to Project Fund .....	\$9,277,706.39
Cost of Issuance <sup>(1)</sup> .....	228,277.36
Total Uses of Funds .....	<u>\$9,505,983.75</u>

<sup>(1)</sup>Includes legal, financial advisor, printing, rating, municipal bond insurance premium, underwriter's discount, trustee, and miscellaneous costs.

## THE AUTHORITY

The Authority and the Pennsylvania Higher Educational Facilities Authority (PHEFA) (together, the "Authorities") share an executive, fiscal and administrative staff, and operate under a joint administrative budget. The Authority serves as a conduit issuer for school districts, community colleges and technical schools and intermediate units in the Commonwealth and has issued, and will continue to issue, multiple series of bonds to finance various projects. Each such series of bonds is or will be secured by instruments and collateral separate and apart from other series, including the Bonds.

Under the Act, the Authority members are the Governor of the Commonwealth, the State Treasurer, the Auditor General, the Secretary of Education, the Secretary of the Department of General Services, the President Pro Tempore of the Senate, the Speaker of the House of Representatives, the Minority Leader of the Senate and the Minority Leader of the House of Representatives. The President Pro Tempore of the Senate, the Minority Leader of the Senate, the Speaker of the House of Representatives and the Minority Leader of the House of Representatives may designate any member of his or her legislative body to act as a member of the Authority in his or her stead. The members of the Authority serve without compensation but are entitled to reimbursement for all necessary expenses incurred in connection with the performance of their duties as members. The powers of the Authority are exercised by a governing body consisting of the members of the Authority acting as a board.

The Bonds are being issued by the Authority on behalf of the College pursuant to the Act, the Indenture and a resolution adopted by the Authority on February 18, 2021. The Authority has and will continue to issue bonds/notes for other eligible institutions and projects in the Commonwealth. None of the revenues of the Authority pledged to payment of the Bonds will be pledged to the payment of any other of its bonds/notes.

The following are key staff members of the Authority who are involved in the administration of the financing and projects:

### **Eric Gutshall** **Executive Director**

Mr. Gutshall was appointed by Governor Wolf as Executive Director of the Authority and PHEFA on December 9, 2019. He previously served as Governor Wolf's Secretary of Intergovernmental Affairs and as Director of Constituent Services. He obtained his Bachelor of Science degree in Business Administration from Central Pennsylvania College and his Master of Public Administration from the University of Pennsylvania.

### **Beverly M. Nawa** **Director of Operations**

Ms. Nawa serves as the Director of Operations of both the Authority and PHEFA. She has been with the Authorities since 2004. She served as Acting Executive Director from October 2018 to December 2019. Ms. Nawa is a graduate of Alvernia University with a bachelor's degree in business administration.

### **David Player** **Comptroller and Director of Financial Management**

Mr. Player serves as the Comptroller and Director of Financial Management of both the Authority and PHEFA. He has been with the Authorities since 1999. Mr. Player is a graduate of The Pennsylvania State University and a Certified Public Accountant.



## THE BONDS

### Description of the Bonds

The Bonds are being issued by the Authority on behalf of the College in the aggregate principal amount shown on the cover page hereof pursuant to the Act, the Resolution and the Indenture. The Bonds will be dated the date of delivery thereof and will bear interest from such date at the rates set forth on the inside front cover page hereof, payable semiannually on June 15 and December 15 of each year (each, an "Interest Payment Date"), commencing June 15, 2021 (until maturity or prior redemption), and will mature on the dates and in the amounts set forth on the inside front cover page hereof. The Bonds when issued will be registered in the name of Cede & Co., as a nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds. While the Bonds are in the Book-Entry-Only System, references to the "owner" or the "registered owner" as described herein are to Cede & Co., as registered owner for DTC. Each beneficial owner of a Bond may desire to make arrangements with a DTC Participant to receive notices or communications with respect to matters described herein. See "BOOK-ENTRY-ONLY SYSTEM" herein.

The Bonds will be issued in fully registered form in denominations of \$5,000 or any multiple thereof. While all of the Bonds are held in Book-Entry Only form, payments thereon shall be made to Cede & Co., as holder thereof. See "BOOK-ENTRY ONLY SYSTEM" herein. At all other times, the principal of the Bonds, and the premium, if any, payable upon redemption, are payable at the designated corporate trust office of the Trustee, and the interest thereon is payable by check mailed by the Trustee on each Interest Payment Date to the persons who were the registered owners of the Bonds on the registration books maintained by the Trustee, at the close of the last day of the calendar month (whether or not a business day) immediately preceding the month of an Interest Payment Date (a "Record Date"), irrespective of any transfer or exchange of any Bond subsequent to such Record Date and prior to such interest payment date, unless the Authority defaults in the payment of interest due on such Interest Payment Date. In the event of any such default, any defaulted interest will be payable to the person in whose name such Bond is registered at the close of business on a special record date for the payment of such defaulted interest established by notice mailed by the Trustee to the registered owners of the Bonds not fewer than fifteen (15) business days preceding such special record date.

In the event any Bond is mutilated, lost, stolen, or destroyed, the Authority may execute and the Trustee may authenticate a new Bond of like tenor and denomination in accordance with the provisions of the Indenture, and the Authority and the Trustee may charge the registered owner of such Bond with its reasonable fees and expenses and require indemnity in connection therewith.

### Transfer, Exchange and Registration of Bonds

Each Bond is transferable by the registered owner thereof in person or by his attorney duly authorized in writing or legal representative at the office of the Trustee in Pittsburgh, Pennsylvania, or such other offices as may be designated by the Trustee, but only in the manner, subject to the limitations and upon payment of charges provided by the Indenture, and upon surrender and cancellation of such Bond accompanied by a duly executed instrument of transfer in form and with guarantee of signature satisfactory to the Trustee. Upon such transfer, a new Bond or Bonds of the same maturity and of authorized denomination or denominations, for the same aggregate principal amount and bearing the same rate of interest, will be issued to the transferee in exchange therefor at the earliest practicable time. In like manner each Bond may be exchanged by the registered owner or by his duly authorized attorney or other legal representative for Bonds of the same maturity and of authorized denomination or denominations in the same aggregate principal amount and bearing the same rate of interest. Any such transfer or exchange as described herein shall be made without charge, except for the payment of any taxes or other governmental charges relating thereto. No exchange or transfer shall be required to be made (i) between the Record Date and the related Interest Payment Date or (ii) during a period beginning at the opening of business (15) days before the date of the mailing notice of redemption of Bonds selected for redemption and ending at the close of business on the day of such redemption. The Authority, the Trustee and any paying agent of the Authority may treat and consider the person in whose name a Bond is registered as the absolute owner thereof for the purpose for receiving payment of, or on account of, the principal or redemption price thereof and the interest due thereon and for all other purposes whatsoever.

### BOOK-ENTRY ONLY SYSTEM

Portions of the following information concerning The Depository Trust Company ("DTC") and DTC's book-entry-only system have been obtained from DTC. The Authority (sometimes herein referred to as the "Issuer"), the College, the Financial Advisor, and the Underwriter make no representation as to the accuracy of such information.

DTC will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for the Securities, in the aggregate principal amount of such issue, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust &

Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, interest and redemption payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Issuer or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, interest and redemption payments on the Bonds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to Trustee, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to Trustee. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to Trustee's DTC account.

DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to Issuer or Trustee. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.

NEITHER THE AUTHORITY NOR THE TRUSTEE SHALL HAVE ANY RESPONSIBILITY OR OBLIGATION TO ANY DTC PARTICIPANT OR ANY BENEFICIAL OWNER OR ANY OTHER PERSON NOT SHOWN ON THE REGISTRATION BOOKS OF THE TRUSTEE AS BEING A BONDHOLDER WITH RESPECT TO EITHER: (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT; (2) THE PAYMENT BY DTC OR ANY DTC PARTICIPANT OF ANY

AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OR REDEMPTION PRICE OF OR INTEREST ON THE BONDS; (3) THE DELIVERY OR THE TIMELINESS OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE INDENTURE TO BE GIVEN TO THE OWNER OF THE BONDS; OR (4) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS BONDHOLDER.

Neither the Authority nor the Trustee shall have any responsibility or obligation to any DTC Participant or Indirect Participant with respect to:

- (i) the accuracy of the records of DTC, its nominee or any DTC Participant or Indirect Participant with respect to any beneficial ownership interest in any Bonds;
- (ii) the delivery to any DTC Participant or Indirect Participant or any other Person, other than the registered owner of a Bond, as shown in the Bond Register, of any notice with respect to any Bond, including, without limitation, any notice of redemption;
- (iii) the selection by DTC or any DTC Participant or Indirect Participant of any person to receive payment in the event of a partial redemption of Bonds;
- (iv) the payment to any DTC Participant or Indirect Participant or any other Person other than the registered owner of a Bond, as shown in the Bond Register, of any amount with respect to the principal of, redemption price, or interest on, any Bond; or
- (v) any consent given by DTC as registered owner.

Prior to the discontinuation of the book-entry only system as described herein, the Authority and the Trustee may treat DTC and any successor securities depository to be the absolute owner of the Bonds for all purposes, including, without limitation:

- (i) the payment of principal of redemption price or interest on the Bonds;
- (ii) giving notices of redemption and other matters with respect to the Bonds;
- (iii) registering transfers with respect to the Bonds; and
- (iv) the selection of Bonds for redemption.

The Beneficial Owners of the Bonds have no right to a securities depository for the Bonds. DTC or any successor securities depository may resign as depository for the Bonds by giving notice to the Trustee and the Authority and discharging its responsibilities under applicable law. In addition, the Authority, or the Authority at the request of the College, may remove DTC or a successor securities depository for any reason at any time. In such event, the Authority shall (i) appoint a securities depository qualified to act as such under Section 17(a) of the Securities Exchange Act of 1934, notify the prior securities depository of the appointment of such successor depository and transfer separate bond certificates to such successor securities depository or (ii) notify the securities depository of the availability through the securities depository of bond certificates and transfer one or more separate bond certificates to Depository Participants having Bonds credited to their accounts at the securities depository. In such event, such Bonds shall no longer be restricted to being registered in the registration books of the Authority in the name of the securities depository or its nominee, but may be registered in the name of the successor securities depository or its nominee, or in whatever name or names the Depository Participants receiving such Bonds shall designate, in accordance with the provisions of the Indenture.

#### **Discontinuance of Book-Entry Only System**

The book-entry only system for registration of the ownership of the Bonds may be discontinued at any time if: (i) DTC determines to resign as securities depository for the Bonds; or (ii) the Authority determines that continuation of the system of book-entry transfers through DTC (or through a successor securities depository) is not in the best interests of the Beneficial Owners. In either such event (unless the Authority appoints a successor securities depository), Bonds will then be delivered in registered certificate form to such persons, and in such maturities and principal amounts, as may be designated by DTC, but without any liability on the part of the Authority or the Trustee for the accuracy of such designation. Whenever DTC requests the Authority or the Trustee to do so, the Authority or the Trustee shall cooperate with DTC in taking appropriate action after reasonable notice to arrange for another securities depository to maintain custody of certificates evidencing the Bonds.

THE AUTHORITY, THE COLLEGE AND THE TRUSTEE CANNOT AND DO NOT GIVE ANY ASSURANCES THAT DTC, THE DIRECT PARTICIPANTS OR THE INDIRECT PARTICIPANTS WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE BONDS (I) PAYMENTS OF PRINCIPAL OR REDEMPTION PRICE OF OR INTEREST ON THE BONDS, (II) CERTIFICATES REPRESENTING AN OWNERSHIP INTEREST OR OTHER CONFIRMATION OF BENEFICIAL OWNERSHIP INTERESTS IN THE BONDS, OR (III) REDEMPTION OR OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS PARTNERSHIP NOMINEE, AS THE REGISTERED OWNER OF THE BONDS, OR THAT THEY WILL DO SO ON A TIMELY BASIS OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT.

## REDEMPTION OF THE BONDS

### Mandatory Redemption

The Bonds stated to mature on June 15, 2036 and June 15, 2040 are subject to annual mandatory sinking fund redemptions in direct order of maturity pursuant to operation of the Sinking Fund in the manner set forth in the Indenture at a redemption price equal to one-hundred percent (100%) of the principal amount thereof, together with accrued interest on June 15 of the following years in the following principal amounts:

<u>Year</u>	<u>Amount</u>
2034	\$485,000
2035	505,000
2036*	525,000

\*Final maturity

<u>Year</u>	<u>Amount</u>
2037	\$545,000
2038	565,000
2039	590,000
2040*	615,000

\*Final maturity

### Optional Redemption

The Bonds stated to mature on or after June 15, 2031 are subject to redemption prior to maturity, at the option of the Authority at the direction of the College in whole or from time to time in part, on and after June 15, 2030, at a redemption price equal to 100% of the principal amount of the Bonds to be redeemed, plus accrued interest to the date fixed for redemption.

Any partial redemption may be in any order of maturity and in any principal amount in such maturity or maturities as designated by the College. In the case of any Bond subject to mandatory redemption, the Authority at the direction of the College shall be entitled to designate whether any optional redemption shall be credited against principal amounts due at maturity or against particular scheduled mandatory redemption obligations with respect to such Bond. The Bonds to be redeemed within a maturity will be selected by the Trustee by lot.

### Extraordinary Optional Redemption

The Bonds will be subject to redemption prior to maturity at the option of the Authority at the direction of the College, in whole or in part at any time, in any order of maturity selected by the College, and within any maturity by lot, upon payment of a redemption price equal to one hundred percent (100%) of the principal amount, plus accrued interest to the date of redemption, but only in the event that all or a portion of the projects financed or refinanced with the proceeds of the Bonds are condemned or sold under threat of condemnation, damaged or destroyed, and it is determined by the College that repair, replacement or reconstruction is not desirable, practical or financially feasible, from and to the extent insurance proceeds, condemnation awards, or proceeds of sale in lieu of condemnation payable to the College are deposited for such purposes with the Trustee.

### Notice of Redemption

So long as the Bonds are registered in the name of DTC or its nominee, the Trustee shall cause notice of any optional redemption of the Bonds to be made only to DTC or its nominee. If at any time the book-entry only system is discontinued with respect to the Bonds or if any Bonds are not registered in the name of DTC, its nominee or similar depository or nominee, the Trustee shall cause any notice of redemption to be mailed by first class mail, postage prepaid to the Owners of all the Bonds to be redeemed at the registered addresses appearing in the Bond Register. Each such notice shall be given in the name of the Authority and shall (i) be mailed not less than 30 nor more than 60 days prior to the redemption date (ii) identify the Bonds to be redeemed (specifying the CUSIP numbers, if any, assigned to the Bonds), (iii) specify the redemption date and the redemption price, and (iv) state that on the redemption date the Bonds called for redemption will be redeemable at the corporate trust office of the Trustee in Pittsburgh, Pennsylvania or any alternative paying agent, that interest will cease to accrue from the redemption date, and that no representation is made as to the accuracy or correctness of the CUSIP numbers printed therein or on the Bonds. No defect affecting any particular Bonds, whether in the notice of redemption or mailing thereof (including any failure to mail such notice), shall affect the validity of the redemption proceedings for the redemption of any other Bonds.

No further interest shall accrue on any Bond called for redemption after the redemption date if payment of the redemption price has been duly provided for and the Owners of such Bonds shall have no rights except payment of the redemption price and the unpaid interest accrued on such Bonds to the date fixed for redemption.

If at the time of mailing any notice of redemption the Authority shall not have deposited with the Trustee monies sufficient to redeem all the Bonds called for redemption, such notice shall state that it is subject to the deposit of the redemption monies with the Trustee not later

than the opening of business on the redemption date and shall be of no effect unless such monies are so deposited. If such monies are not deposited by such date and time, the Trustee shall promptly notify the Owners of all Bonds called for redemption of such fact.

## **BOND INSURANCE**

### **Bond Insurance Policy**

Concurrently with the issuance of the Bonds, Assured Guaranty Municipal Corp. ("AGM") will issue its Municipal Bond Insurance Policy for the Bonds (the "Policy"). The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included as Appendix D to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

### **Assured Guaranty Municipal Corp.**

AGM is a New York domiciled financial guaranty insurance company and an indirect subsidiary of Assured Guaranty Ltd. ("AGL"), a Bermuda-based holding company whose shares are publicly traded and are listed on the New York Stock Exchange under the symbol "AGO". AGL, through its operating subsidiaries, provides credit enhancement products to the U.S. and international public finance (including infrastructure) and structured finance markets and, as of October 1, 2019, asset management services. Neither AGL nor any of its shareholders or affiliates, other than AGM, is obligated to pay any debts of AGM or any claims under any insurance policy issued by AGM.

AGM's financial strength is rated "AA" (stable outlook) by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"), "AA+" (stable outlook) by Kroll Bond Rating Agency, Inc. ("KBRA") and "A2" (stable outlook) by Moody's Investors Service, Inc. ("Moody's"). Each rating of AGM should be evaluated independently. An explanation of the significance of the above ratings may be obtained from the applicable rating agency. The above ratings are not recommendations to buy, sell or hold any security, and such ratings are subject to revision or withdrawal at any time by the rating agencies, including withdrawal initiated at the request of AGM in its sole discretion. In addition, the rating agencies may at any time change AGM's long-term rating outlooks or place such ratings on a watch list for possible downgrade in the near term. Any downward revision or withdrawal of any of the above ratings, the assignment of a negative outlook to such ratings or the placement of such ratings on a negative watch list may have an adverse effect on the market price of any security guaranteed by AGM. AGM only guarantees scheduled principal and scheduled interest payments payable by the issuer of bonds insured by AGM on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the relevant insurance policy), and does not guarantee the market price or liquidity of the securities it insures, nor does it guarantee that the ratings on such securities will not be revised or withdrawn.

### *Current Financial Strength Ratings*

On October 29, 2020, KBRA announced it had affirmed AGM's insurance financial strength rating of "AA+" (stable outlook). AGM can give no assurance as to any further ratings action that KBRA may take.

On July 16, 2020, S&P announced it had affirmed AGM's financial strength rating of "AA" (stable outlook). AGM can give no assurance as to any further ratings action that S&P may take.

On August 13, 2019, Moody's announced it had affirmed AGM's insurance financial strength rating of "A2" (stable outlook). AGM can give no assurance as to any further ratings action that Moody's may take.

For more information regarding AGM's financial strength ratings and the risks relating thereto, see AGL's Annual Report on Form 10-K for the fiscal year ended December 31, 2020.

### *Capitalization of AGM*

At December 31, 2020:

- The policyholders' surplus of AGM was approximately \$2,864 million.
- The contingency reserves of AGM and its indirect subsidiary Municipal Assurance Corp. ("MAC") (as described below) were approximately \$940 million. Such amount includes 100% of AGM's contingency reserve and 60.7% of MAC's contingency reserve.
- The net unearned premium reserves and net deferred ceding commission income of AGM and its subsidiaries (as described below) were approximately \$2,112 million. Such amount includes (i) 100% of the net unearned premium reserve and deferred ceding commission income of AGM, (ii) the net unearned premium reserves and net deferred ceding commissions of AGM's wholly owned subsidiaries Assured Guaranty (Europe) plc ("AGE UK") and Assured Guaranty (Europe) SA ("AGE SA"), and (iii) 60.7% of the net unearned premium reserve of MAC.

The policyholders' surplus of AGM and the contingency reserves, net unearned premium reserves and deferred ceding commission income of AGM and MAC were determined in accordance with statutory accounting principles. The net unearned premium reserves and net deferred ceding commissions of AGE UK and AGE SA were determined in accordance with accounting principles generally accepted in the United States of America.

#### *Incorporation of Certain Documents by Reference*

Portions of the following document filed by AGL with the Securities and Exchange Commission (the "SEC") that relate to AGM are incorporated by reference into this Official Statement and shall be deemed to be a part hereof: the Annual Report on Form 10-K for the fiscal year ended December 31, 2020 (filed by AGL with the SEC on February 26, 2021).

All information relating to AGM included in, or as exhibits to, documents filed by AGL with the SEC pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, excluding Current Reports or portions thereof "furnished" under Item 2.02 or Item 7.01 of Form 8-K, after the filing of the last document referred to above and before the termination of the offering of the Bonds shall be deemed incorporated by reference into this Official Statement and to be a part hereof from the respective dates of filing such documents. Copies of materials incorporated by reference are available over the internet at the SEC's website at <http://www.sec.gov>, at AGL's website at <http://www.assuredguaranty.com>, or will be provided upon request to Assured Guaranty Municipal Corp.: 1633 Broadway, New York, New York 10019, Attention: Communications Department (telephone (212) 974-0100). Except for the information referred to above, no information available on or through AGL's website shall be deemed to be part of or incorporated in this Official Statement.

Any information regarding AGM included herein under the caption "BOND INSURANCE – Assured Guaranty Municipal Corp." or included in a document incorporated by reference herein (collectively, the "AGM Information") shall be modified or superseded to the extent that any subsequently included AGM Information (either directly or through incorporation by reference) modifies or supersedes such previously included AGM Information. Any AGM Information so modified or superseded shall not constitute a part of this Official Statement, except as so modified or superseded.

#### *Miscellaneous Matters*

AGM makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, AGM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AGM supplied by AGM and presented under the heading "BOND INSURANCE".

### **SOURCE OF PAYMENT AND SECURITY FOR THE BONDS**

#### **College Loan Payments**

On the date of issuance of the Bonds, the Authority and the College will enter into a Loan Agreement (the "Loan Agreement") pursuant to which the Authority will, among other things, lend the proceeds of the Bonds to the College. Under the Loan Agreement, the College agrees to repay such loan in such amounts and at such times as will provide sufficient funds to, among other things, meet the debt service requirements on the Bonds. The College will deliver to the Authority its General Obligation Note, Series of 2021 (the "Note") which is a general obligation of the College, dated the date of delivery thereof, evidencing its payment obligation under the Loan Agreement with respect to the Bonds. The Bonds are limited obligations of the Authority, payable solely from (i) payments received from the College under the Loan Agreement and the Note, and (ii) certain moneys held by the Trustee in funds established under the Indenture, if any, excepting, however, a Debt Service Fund or Indenture funds pledged to any Additional Bonds (as defined in the Indenture) and the Rebate Fund.

The Bonds are secured under the Indenture by the assignment to the Trustee of all the right, title and interest of the Authority in and to the Note and the Loan Agreement (except for the Authority's right to payment of certain fees and expenses and to indemnification) including amounts payable thereunder. The timely payment of all payments due under the Loan Agreement and the Note is the unsecured general obligation of the College ranking on a parity with all prior bonds of the College (hereinafter defined below under the heading "Additional Bonds"). See "BUTLER COUNTY COMMUNITY COLLEGE – Long Term Indebtedness" herein. NEITHER THE AUTHORITY NOR THE COLLEGE HAVE TAXING POWER.

**THE BONDS ARE LIMITED OBLIGATIONS OF THE AUTHORITY. NEITHER THE PRINCIPAL OF OR REDEMPTION PRICE OF THE BONDS, NOR THE INTEREST ACCRUING ON THE BONDS, SHALL CONSTITUTE A GENERAL INDEBTEDNESS OF THE AUTHORITY OR AN INDEBTEDNESS OF THE COMMONWEALTH OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION WHATSOEVER, CONSTITUTE OR GIVE RISE TO A GENERAL PECUNIARY LIABILITY OF THE AUTHORITY OR A PECUNIARY LIABILITY OF THE COMMONWEALTH OR ANY POLITICAL SUBDIVISION THEREOF, CONSTITUTE A CHARGE AGAINST THE GENERAL CREDIT OF THE AUTHORITY OR THE GENERAL CREDIT OR TAXING POWER OF THE COMMONWEALTH OR ANY POLITICAL SUBDIVISION THEREOF, OR BE DEEMED TO BE A GENERAL OBLIGATION OF THE AUTHORITY OR AN OBLIGATION OF THE COMMONWEALTH OR ANY POLITICAL SUBDIVISION THEREOF. NEITHER THE AUTHORITY NOR THE COLLEGE HAVE TAXING POWER.**

## **Additional Bonds**

Upon compliance with the terms and obligations and conditions of the Indenture and the Loan Agreement, the Authority, at the request of the College, may issue Additional Bonds under the Indenture on a parity with the Bonds.

## **COMMUNITY COLLEGE FUNDING STRUCTURE**

### **Local Sponsor Obligation**

*General:* Under the Community College Act, all community colleges must be supported by a local sponsor, which in the College's case is the County of Butler, Pennsylvania (the "Local Sponsor").

*Capital Expenses:* The Local Sponsor is obligated under the Community College Act to pay up to one-half of the College's annual approved capital expenses (including debt service). The Local Sponsor, for the year ending December 31, 2020 and each year thereafter, is expected to contribute \$1,175,445.00 for the College's Capital Appropriation. The College's remaining capital expenditures are funded through fees assessed to students on a per credit basis and other revenues. The Commonwealth is also responsible for up to one-half of the annual capital expenses. See Appendix E "SUMMARY OF OUTSTANDING DEBT SERVICE (BONDS AND NOTES ONLY)".

*Operating Costs:* The Community College Act stipulates that the local sponsor shall provide to the community college an amount at least equal to the community college's annual operating costs less the student tuition and less the Commonwealth's payment for operating costs. The College's Operating Appropriation has been approved at \$4,250,000 for the current fiscal year.

See "BUTLER COUNTY COMMUNITY COLLEGE – Budgetary Procedures" herein for more specific information about local sponsor funding.

*Taxing Power Regarding Community Colleges:* The Community College Act authorizes, but does not require, the governing body of each College or municipality comprising a local sponsor of a community college to levy taxes annually on subjects of taxation as prescribed by law in such county or municipality for the purpose of establishing, operating and maintaining a community college. The tax levy authorized is in excess of and beyond the millage fixed or limited by law, subject to certain limiting provisions of the Community College Act. The Local Sponsor is the County of Butler, which provides an annual appropriation for the College through its operating budget. The County of Butler, beginning with calendar year 2016, levied a tax on real estate at the rate of 2.9350 mills dedicated for the College appropriation. While there is no guarantee that the County will maintain this millage rate, the County has experienced a growth in its taxable real estate base and corresponding revenues from property taxes for the last several years. The annual appropriation (operating and capital) for the College for calendar year 2020 was \$5,294,028 and for 2019 it was \$5,224,426. THE COLLEGE ITSELF HAS NO TAXING POWER.

**THE LOCAL SPONSOR'S ABILITY TO BUDGET AND APPROPRIATE SUCH MONEYS AND TO MAKE SUCH PAYMENTS IS DEPENDENT UPON ITS OWN FINANCIAL CONDITION. EVEN THOUGH TIMELY PAYMENTS HAVE BEEN MADE BY THE LOCAL SPONSOR TO THE COLLEGE THROUGHOUT THE COLLEGE'S HISTORY. NO REPRESENTATION CAN BE MADE OR ASSURANCE GIVEN THAT THE LOCAL SPONSOR WILL HAVE SUFFICIENT FUNDS IN ITS OPERATING BUDGET FOR EACH FISCAL YEAR DURING THE TERM OF THE BONDS TO PAY ITS PORTION OF THE COLLEGE'S OPERATING COSTS AND CAPITAL EXPENSES, INCLUDING DEBT SERVICE ON THE BONDS.**

### **Commonwealth Obligation**

*General:* The Community College Act provides for reimbursement by the Commonwealth of a portion of annual operating costs and a portion of annual approved capital expenses of community colleges.

*Capital Expenses:* The Community College Act provides that the Commonwealth will pay to a community college on account of its capital expenses (including debt service) an amount up to one-half of such college's annual capital expenses from funds appropriated for that purpose to the extent that said capital expenses have been approved for such reimbursement by the Department and that such appropriated funds are available in the Commonwealth's budget.

*Operating Costs:* The Community College Act provides that the Commonwealth will pay to a community college on account of its operating costs during the fiscal year an amount from funds appropriated in the State Budget.

See "BUTLER COUNTY COMMUNITY COLLEGE – Budgetary Procedures" herein for more specific information about Commonwealth revisions to the College's funding formula.

**ALL COMMUNITY COLLEGE SUBSIDIES IN THE COMMONWEALTH ARE SUBJECT TO APPROPRIATION BY THE PENNSYLVANIA GENERAL ASSEMBLY. ALTHOUGH THE CONSTITUTION OF THE COMMONWEALTH PROVIDES THAT "THE GENERAL ASSEMBLY SHALL PROVIDE FOR THE MAINTENANCE AND SUPPORT OF A THOROUGH AND EFFICIENT SYSTEM OF PUBLIC EDUCATION TO SERVE THE NEEDS OF THE COMMONWEALTH", THE GENERAL ASSEMBLY IS NOT LEGALLY OBLIGATED TO APPROPRIATE SUCH SUBSIDIES AND THERE CAN BE NO ASSURANCE THAT IT WILL DO SO IN THE FUTURE. THE ALLOCATION FORMULA PURSUANT TO WHICH THE COMMONWEALTH DISTRIBUTES SUCH SUBSIDIES TO THE VARIOUS COMMUNITY COLLEGES THROUGHOUT THE COMMONWEALTH**

MAY BE AMENDED AT ANY TIME BY THE PENNSYLVANIA GENERAL ASSEMBLY. MOREOVER, THE COMMONWEALTH'S ABILITY TO MAKE SUCH DISBURSEMENTS WILL BE DEPENDENT UPON ITS OWN FINANCIAL CONDITION. AT VARIOUS TIMES IN THE PAST, THE ENACTMENT OF BUDGET AND APPROPRIATION LAWS BY THE COMMONWEALTH HAS BEEN DELAYED, RESULTING IN INTERIM BORROWING BY CERTAIN COMMUNITY COLLEGES PENDING THE AUTHORIZATION AND PAYMENT OF COMMONWEALTH AID. CONSEQUENTLY, THERE CAN BE NO ASSURANCE THAT FINANCIAL SUPPORT FROM THE COMMONWEALTH OF COMMUNITY COLLEGES, EITHER FOR CAPITAL PROJECTS OR EDUCATION PROGRAMS IN GENERAL, WILL CONTINUE AT PRESENT LEVELS OR THAT MONEYS WILL BE PAYABLE TO A COMMUNITY COLLEGE IF INDEBTEDNESS OF SUCH COMMUNITY COLLEGE IS NOT PAID.

#### **Direct Payment of Commonwealth Appropriations to Trustee**

Provisions of the Community College Act require that, should any community college fail to make its required debt service payment with respect to a general obligation note such as the Note, the Secretary of Education of the Commonwealth is required to withhold from such community college out of any subsidy payment of any type due such community college from the Commonwealth, an amount equal to the debt service payment owed by such community college. Any amounts so withheld are payable to the Trustee under the Indenture. Based on the College's maximum annual debt service of \$2,654,164 after issuance of the Bonds and the amount of Commonwealth operating and capital expense appropriations presently budgeted at \$10,551,427 by the College for fiscal 2020-21, the Commonwealth coverage of the College's maximum anticipated debt service would be approximately 3.98 times.

#### **SUMMARIES OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT AND THE INDENTURE**

The following are summaries of certain provisions of the Loan Agreement and the Indenture. These summaries do not purport to be and should not be regarded as complete statements of the terms of the Loan Agreement or the Indenture or as complete statements of the provisions summarized. Reference is made to the documents in their entirety, copies of which may be obtained from the Trustee, for a complete statement of the terms and conditions therein.

#### **The Loan Agreement**

In connection with the issuance of the Bonds, the Authority will enter into the Loan Agreement, pursuant to which the Authority will loan the proceeds of the Bonds to the College. The Loan Agreement requires the College to make loan repayments to the Authority in amounts sufficient to pay, among other things, the debt service payments on the Bonds. The obligation of the College to the Authority under the Loan Agreement will be evidenced by the Note.

Source of Debt Service Payments. The debt service payments are payable by the College from its general revenues, from whatever source derived. The College covenants to include in its budget for each fiscal year during the term of the Loan Agreement the amount of loan payments required to be paid to the Authority with respect to the Bonds and the Loan Agreement in such fiscal year.

If the College defaults in its payments on the Bonds in any fiscal year because its revenues in such fiscal year are insufficient to pay its obligations as they become due and payable or for any other reason, the Authority shall notify the Secretary of the Department of Education of such default and request that the Secretary of the Department withhold out of any appropriation due the College under the Community College Act an amount equal to the sum or sums owing by the College to the Authority under the Loan Agreement and the Bonds, and to pay over to the Trustee, as sinking fund depository for the Bonds, the amount so withheld.

Assignment of the Loan Agreement. The Loan payments shall be paid by the College directly to the Trustee under an assignment by the Authority to the Trustee of such payments and the Note for the benefit and security of the Bondholders under the Indenture.

Unsecured General Obligation. Payment of the principal and redemption price of and interest due under the Bonds, which correspond in amounts and time of payment with those due on the Bonds, and Loan Agreement and all other sums payable under the Loan Agreement are the unsecured general obligations of the College. The payments are required to be made in full directly to the Trustee, as assignee, when due without delay or diminution for any cause whatsoever, including, without limitation, destruction of the College's facilities, and without right of set-off for default on the part of the Authority under the Loan Agreement. The College's obligations under the Loan Agreement and the Bonds are not secured by any mortgage or other lien on any real or personal property of the College. **THE COLLEGE HAS NO TAXING POWER.**

Annual Audit. The College covenants to keep accurate records and books of account with respect to the Project (as defined in the Loan Agreement) and shall furnish to the Authority a copy of its annual audited financial statements within 30 days of the availability of such statements, and copies of all financial statements required to be submitted by the College to the Department under the laws of the Commonwealth.



## THE INDENTURE

Pledge of Certain Revenues. The Authority in the Indenture has pledged and assigned and granted to the Trustee a security interest in all loan payments, and other sums payable by the College under the Loan Agreement and the Note, for the benefit and security of the registered owners of the Bonds issued under the Indenture.

Revenue Fund. All loan payments by the College under the Loan Agreement and the Note are required to be deposited in the Revenue Fund established under the Indenture with the Trustee on or before the date of any required payment of principal of or interest on the Bonds. Moneys in the Revenue Fund established under the Indenture are required to be transferred by the Trustee at the times set forth in the Indenture to the Debt Service Fund to meet Debt Service Requirements.

Debt Service Fund. The Trustee shall transfer to the Debt Service Fund established under the Indenture from moneys in the Revenue Fund moneys an amount sufficient to make the interest payments and principal payments on the Bonds when due.

Rebate Fund. Under the Indenture a Rebate Fund is established. The Authority will periodically and upon retirement of the last of the Bonds determine the sum required to be deposited in the Rebate Fund, if any, and direct the Trustee to transfer such sum from other funds and accounts established under the Indenture. The Authority will direct the Trustee to pay to the United States Government the sums on deposit in the Rebate Fund at the times and in the amounts, if any, required by the Internal Revenue Code of 1986, as amended. Also, under the Loan Agreement the College is obligated to make rebate payments as required. All amounts in the Rebate Fund shall be held by the Trustee free and clear of the lien of the Indenture.

Investment of Funds. Moneys held in the funds and accounts established under the Indenture may and, upon instruction of the College shall, be wholly or partially deposited and redeposited by the Trustee in Qualified Investments with any authorized depository, which deposits, to the extent not insured, shall be secured as provided by the Indenture, or invested or reinvested by the Trustee at the direction of the Authority solely in obligations which meet the requirements set forth in the Indenture, subject to limitations provided in the Indenture.

Additional Bonds. The Indenture permits the Authority to issue one or more series of Additional Bonds thereunder from time to time to: (i) pay the Costs of undertaking or completing any College Project; and (ii) pay the Cost of refunding all or a portion of bonds outstanding under the Indenture and issued on behalf of the College or any other obligation of the College.

Default and Remedies. The Act provides certain remedies to the Bondholders in the event of default or failure on the part of the Authority to fulfill its covenants under the Indenture.

Under the Indenture, upon the occurrence of an Event of Default (as defined therein) the Trustee may enforce, and upon the written direction of the Insurer (as defined therein) or the written request of the holders of 25% in principal amount of the Bonds then outstanding, under the Indenture, accompanied by indemnity as provided in the Indenture, shall enforce for the benefit of all Bondholders all their rights to bringing suit, action or proceeding at law or in equity and of having a receiver appointed. For a more complete statement of rights and remedies of the Bondholders and of the limitations thereon, reference is made to the Indenture.

Annual Audit. The Authority covenants that it will keep proper books of record and account in which complete and correct entries shall be made of all transactions of the Authority and which, at all reasonable times, will be subject to the inspection of the Trustee or its representative duly authorized in writing.

Modifications and Amendments. Amendments to the Indenture are permitted without consent of Bondholders for certain purposes, including the imposition of additional restrictions and conditions respecting issuance of Bonds, the addition of covenants and agreements by the Authority, the modification of the Indenture to conform the same with governmental regulations (so long as the rights of Bondholders are not adversely affected thereby), the curing of any ambiguity, defect or inconsistency in the Indenture, and the making of provision for matters which are necessary or desirable and which do not adversely affect the interests of Bondholders. Certain other modifications may be made to the Indenture, but only with the consent of the Insurer and Owners of not less than 66 2/3% in principal amount of outstanding Bonds issued under the Indenture.

## BONDHOLDERS' RISKS

The Bonds are limited obligations of the Authority and are payable solely from payments made by the College pursuant to the Loan Agreement and from certain funds held by the Trustee pursuant to the Indenture. No representation or assurance can be given that the College will generate sufficient revenues to meet the College's payment obligations under the Loan Agreement and the Note.

Future legislation, regulatory actions, economic conditions, changes in private philanthropy, changes in the number of students in attendance at the College, competition or other factors could adversely affect the College's ability to generate revenues. Neither the Underwriter nor the Authority has made any independent investigation of the extent to which any of these factors could have an adverse impact on the revenues of the College. Additionally, Commonwealth subsidies are subject to annual appropriation. See "COMMUNITY COLLEGE FUNDING STRUCTURE" herein.

## **Potential Effects of Bankruptcy**

If the College were to file a petition for relief under Chapter 11 of the United States Code, as amended (the "Bankruptcy Code"), the filing would operate as an automatic stay of the commencement or continuation of any judicial or other proceeding against the College and its property. If the bankruptcy court so ordered, the College's property, including its revenues, could be used for the benefit of the College despite the claims of its creditors (including the Trustee.)

In a bankruptcy proceeding, the College could file a plan for the adjustment of its debts which modifies the rights of creditors generally or the rights of any class of creditors, secured or unsecured. The plan, when confirmed by the court, would bind all creditors who had notice or knowledge of the plan and discharge all claims against the debtor provided for in the plan. No plan may be confirmed unless, among other conditions, the plan is in the best interest of creditors, is feasible and has been accepted by each class of claims affected thereby.

Each class of claims has accepted the plan if at least two-thirds in dollar amount and more than one-half in number of the allowed claims of the class that are voted with respect to the plan are cast in its favor. Even if the plan is not so accepted, it may be confirmed if the court finds that the plan is fair and does not discriminate unfairly.

## **Enforceability of Remedies**

The remedies available to Bondholders upon an Event of Default under the Loan Agreement are in many respects dependent upon judicial action which is subject to discretion or delay. Under existing law and judicial decisions, including specifically the Bankruptcy Code, the remedies specified in the Loan Agreement may not be readily available or may be limited. A court may decide not to order specific performance.

The various legal opinions to be delivered concurrently with the original delivery of the Bonds will be qualified as to enforceability of the various legal instruments by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws or legal or equitable principles affecting creditors' rights.

## **No Liens on College Facilities**

The College has not granted a mortgage lien or other security interest or encumbrance upon any facilities or revenues of the College to secure its payment obligations under the Loan Agreement.

## **Accreditation**

The College is currently fully accredited by its regional accreditor, Middle States Commission on Higher Education. See "**BUTLER COUNTY COMMUNITY COLLEGE—Accreditation**" herein. However, such accreditation is subject to periodic review and no assurances can be given that such accreditation may not, in the future, be suspended or withdrawn, due to a failure by the College to maintain one or more standards of excellence necessary to support its current accreditation status. Any such suspension or withdrawal, if it were to occur, could be expected to have an adverse effect on student enrollments.

## **Bond Insurance Risk Factors**

The College has purchased the Policy to guarantee the scheduled payment of principal and interest on the Bonds. As such, the following are risk factors relating to the bond insurance.

In the event of a failure of the Authority to make a scheduled payment of principal or interest with respect to the Bonds when all or some becomes due, the Trustee on behalf of any owner of the Bonds shall have a claim under the Policy for such payments. However, in the event of any acceleration of the due date of such principal by reason of mandatory or optional redemption or acceleration resulting from default or otherwise, other than any advancement of maturity pursuant to a mandatory sinking fund payment, the payments are to be made in such amounts and at such times as such payments would have been due had there not been any such acceleration. The Policy does not insure the payment of redemption premium, if any. The payment of principal and interest in connection with mandatory or optional prepayment of the Bonds which is recovered from the Bondholder as a voidable preference under applicable bankruptcy law is covered by the Policy, however, such payments will be made by the Insurer at such time and in such amounts as would have been due absent such prepayment unless the Insurer, in its discretion, chooses to pay such amounts at an earlier date.

Default of payment of principal and interest does not result in an acceleration of the obligations of the Insurer unless the Insurer consents thereto. The Insurer may direct and must consent to any remedies. The Insurer's consent may be required in connection with amendments to any applicable bond documents.

In the event the Insurer is unable to make payment of principal and interest as such payments become due under the Policy, the Bonds are payable solely from the moneys received pursuant to the applicable bond documents. In the event the Insurer becomes obligated to make payments with respect to the Bonds, no assurance is given that such event will not adversely affect the market price of the Bonds or the marketability (liquidity) of the Bonds.

The long-term ratings on the Bonds are dependent in part on the financial strength and claims paying ability of the Insurer. The Insurer's financial strength and claims paying ability are predicated upon a number of factors which could change over time. No assurance is

given that the long-term ratings of the Insurer and of the ratings on the Bonds insured by the Insurer will not be subject to downgrade and such event could adversely affect the market price of the Bonds or the marketability (liquidity) of the Bonds. See "**BOND RATING**" herein.

The obligations of the Insurer are unsecured obligations of the Insurer and upon any default by the Insurer the remedies available may be limited by applicable insurance law or other laws related to insolvency.

Neither the College, the Underwriter nor the Authority have made independent investigation into the claims paying ability of the Insurer and no assurance or representation regarding the financial strength or projected financial strength of the Insurer is given. Thus, when making an investment decision, potential investors should carefully consider the ability of the College to pay principal and interest on the Bonds and the claims paying ability of the Insurer, particularly over the life of the investment. See "**MUNICIPAL BOND INSURANCE**" herein for further information provided by the Insurer and the Policy, which includes further instructions for obtaining current financial information concerning the Insurer.

### **Other Risk Factors**

In the future, the following factors, among others, may adversely affect the revenues or operations of the College to an extent that cannot be determined at this time.

- (a) Changes in the demand for higher education in general or for programs offered by the College in particular.
- (b) Competition from other educational institutions.
- (c) Higher interest rates, which could strain cash flow or prevent borrowing for needed capital expenditures.
- (d) Increasing costs of compliance with governmental regulations, including accommodations for handicapped or special needs students, and costs of compliance with the changes in such regulations.
- (e) A decline in the market value of the College's investments or a reduction in the College's ability to generate unrestricted revenue from its investments.
- (f) Increased costs and decreased availability of public liability insurance.
- (g) Employee strikes and other adverse labor actions that could result in a substantial reduction in revenues without corresponding decreases in costs.
- (h) Cost and availability of energy.
- (i) An increase in the costs of health care benefits, retirement plans, or other benefit packages offered by the College to its employees and retirees.
- (j) The occurrence of natural disasters, including floods and hurricanes and pandemics and similar events, which might damage the facilities of the College, interrupt service to such facilities or otherwise impair the operation and ability of such facilities to produce revenue.
- (k) Decreases in student retention and graduation rates.
- (l) Unknown Litigation.
- (m) Safety and security incidents including data breaches.
- (n) Factors that may adversely affect the College's reputation and image.

**The foregoing is NOT an exhaustive list of all possible factors that could adversely impact the ability of the College to make payments on the Bonds and under the Loan Agreement, which are the source of payment of the Bonds.**

### **Recent Events Relating to COVID-19**

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, has been declared a pandemic by the World Health Organization and is currently affecting many parts of the world, including the United States and the Commonwealth. Governor Tom Wolf declared a state of emergency in the Commonwealth on March 6, 2020, as amended and renewed thereafter. As of July 3, 2020, all counties in the Commonwealth are in the green phase, which eased most restrictions by lifting the stay-at-home and business closure orders. On December 10, 2020, Governor Wolf announced additional temporary COVID-19 protective mitigation measures throughout the Commonwealth, including the prohibition of all in-person indoor dining, indoor gatherings and events of more than 10 persons (excluding churches, synagogues, temples, mosques, and other places of congregate worship), outdoor gatherings and events of more than 50 persons, indoor operations at gyms and fitness facilities, as well as many other restrictions or prohibitions aimed at reducing the spread of COVID-19. These orders went into effect at 12:01 am on December 12, 2020 and remained in effect until 8:00 am on January 4, 2021. No assurance can

be given that the Commonwealth or any particular county in the Commonwealth will remain in the green phase or not return to a more restrictive phase as conditions warrant as determined by the Pennsylvania Department of Health.

It is anticipated that continued spread of COVID-19 and impact on social interaction, travel, economics and financial markets will adversely affect the College's operations and financial condition. However, because of the unknown duration and trajectory of the COVID-19 pandemic and evolving nature of the federal, state, and local responses thereto, the College cannot presently predict with reasonable degree of certainty the extent to which the pandemic will affect the College's financial conditions or operations.

Potential impacts include, but are not limited to, the following:

- A portion of the College's operations depends on student tuition and fees, and the inability to retain a material number of students may have a material impact on the College's results of operations and financial condition.
- A portion of the College's revenue comes from the Pennsylvania Department of Education and the Commonwealth. The ability for the Commonwealth to continue funding the College at historical levels may be impacted by overall declines in the Commonwealth's state income taxes, sales taxes, and other taxes and revenues.
- A portion of the College's revenues comes from Butler County. These revenues may be impacted by fiscal challenges faced by the County in general, including the pandemic's impact on the collection rate of property taxes as well as other economically sensitive revenues.
- The relative geographic concentration of the College's potential students could expose the College to risks associated with regional demographics, local and regional economics, and other local and regional adverse conditions.
- The ability of international students to (i) travel to the College's campus or (ii) obtain necessary student visas may continue to be limited by governmental limitations on travel from other countries or to the United States.
- The College's operations face operating hazards and potential interruptions from the COVID-19 pandemic and other health emergencies, including related governmental-imposed limitations on operations, which could limit the enrollment of students and result in unplanned losses of revenue and/or higher than anticipated operating expenses. The College could face materially adverse effects on its net operating income to the extent COVID-19 and the governmental response thereto cause a material decline in its results of operations.
- Government and non-governmental funding and sponsored research and philanthropic grants and gifts could be reduced.
- The College's ability to comply with governmental mandates may limit its ability to operate its business as currently anticipated.
- Costs of maintaining the current online curriculum, compliance with new governmental mandates, laws and regulations, as well as potential liabilities arising from re-opening on campus instruction, and capital expenditures required to fulfill its mission may each materially adversely affect future financial performance and results of operations.
- The College's ability to forecast future financial conditions or results of operations and future revenues and expenses may be limited due to current facts and circumstances and historical performance, which may or may not be applicable to future performance and results of operations.
- Adverse effects on financial markets may adversely affect the returns on and value of the College's or Foundation's (herein after defined) investments and endowment performance and market values.

The College is monitoring developments and directives of federal, state and local officials to determine what additional precautions and procedures may need to be implemented by the College in connection with the continuing COVID-19 pandemic and the return to traditional on-campus instruction. The full impact of COVID-19 and the scope of any adverse impact on College finances and operations cannot be fully determined at this time due to the dynamic nature of the outbreak, including uncertainties relating to its duration and severity, as well as what actions may be taken by governmental authorities and other institutions to contain or mitigate its impact.

For further discussion see "BUTLER COUNTY COMMUNITY COLLEGE- COVID-19 Matters".

## **BUTLER COUNTY COMMUNITY COLLEGE**

### **Accreditation**

The College is fully accredited by Middle States Association of Colleges and Schools ("MSCHE"), the accrediting association for institutions of higher education in the region. In April of 2017, MSCHE renewed the College's accreditation for another eight years. Programs at the College are also approved by the Pennsylvania State Department of Education for veteran's educational benefits. In addition, some programs carry specific approval by national and local professional accrediting organizations.

## Programs

The College offers a broad range of academic programs that prepare students for transfer to four-year universities or for immediate employment in vocational and technical fields. Students have the opportunity to earn associate in arts degrees and associate in applied science degrees, as well as diplomas and certificates in approximately 60 programs of study. The programs are periodically reviewed and revised by the faculty to keep up with changes in technology and the demands of the current job market.

To simplify the transfer process for students, the College maintains matriculation agreements with a number of area colleges and universities ensuring that credits earned at the College will transfer to those institutions.

## Services

To help students achieve their educational and career goals, the College provides a comprehensive student support services program including academic and career counseling, tutoring, childcare, financial aid and placement. A varied activities program offers students opportunities to participate in intercollegiate and intramural athletics, student government, and a growing selection of clubs and organizations that complement the educational experience.

## Governing Structure

A fifteen-member Board of Trustees governs the College's operations. Trustees are appointed to a six-year term by the Butler County Board of Commissioners (the "County"). In addition to appointing trustees, the College is required to present an annual budget to the Butler County Board of Commissioners (see "**Budgetary Procedures**" herein). Trustees may serve more than one term upon reappointment by the County. The term of office of each Trustee expires on June 30 of each year. Officers of the Board of Trustees are elected annually by their peers in June of each year.

## Community College Funding Structure

The College's annual operating and capital budget is set by the College's Board of Trustees. Revenues to support the budget come from the Commonwealth of Pennsylvania, Butler County (as local sponsor of the College) and student tuition and fees.

For the 2019-20 fiscal year, the College's Operating Budget showed the following percentages for each revenue source:

Commonwealth of Pennsylvania	28.8%
County of Butler (Local Sponsor)	13.8%
Tuition/Fees and Other Revenue	57.4%

## Employees

The College employs or has employed the following number of employees in each of the fiscal years set forth below:

<b>Employees</b>	<b><u>2015-16</u></b>	<b><u>2016-17</u></b>	<b><u>2017-18</u></b>	<b><u>2018-19</u></b>	<b><u>2019-20</u></b>	<b><u>2020-21</u></b>
Faculty (Full-time) .....	62	63	62	61	62	60
Faculty (Part-time) .....	232	214	216	204	198	190
Administrators.....	87	88	88	87	84	81
Support Staff .....	144	138	152	145	146	141

Source: The College.

## Labor Relations

The College enjoys a positive employee relations climate with a dedicated and loyal staff. Labor contracts with the faculty's union, the Butler County Community College Professional Association, are typically three to five years in length and the current contract expires on June 30, 2022. Labor contracts with the clerical support staff's union, the Butler County Community College Education Support Professionals, and the Butler County Community College Maintenance, Shipping and Receiving Services, and Custodial Employees, and the Campus Police are also typically three to five years in length. These three contracts expire June 30, 2021. The faculty and clerical unions are PSEA/NEA affiliates.

## Pension Program

The College provides certain retirement benefits, including post-employment health benefits, and multiemployer contributory pension plans, to its employees, for which it has accrued liabilities. See APPENDIX A “ANNUAL FINANCIAL REPORT- Year ended June 30, 2020” Note 5 & 6.

## Enrollment

The College’s full-time equivalent (FTE) enrollment for each of the fiscal years set forth below was as follows:

<b>Fiscal Year</b>	<b>Credit</b>	<b>Non-Credit</b>	<b>Total</b>
2020	2,439	336	2,775
2019	2,367	520	2,887
2018	2,601	584	3,184
2017	2,639	578	3,217
2016	2,661	532	3,193
2015	2,693	501	3,194
2014	2,766	412	3,178
2013	2,910	347	3,257
2012	3,353	579	3,932

Source: The College.

## Budgetary Procedures

The College’s annual operating and capital budget is prepared by the Vice President for Administration and Finance in consultation with the President’s Cabinet. A preliminary forecast is developed and submitted to the Pennsylvania Department of Education (“PDE”) the September prior to the start of the fiscal year (which begins the following July 1). The budget is developed over the course of the year and is then submitted to the Board of Trustees for approval, at its June regular meeting. After the close of the fiscal year, the College’s financial statements are audited by an independent audit firm which also provides an agreed upon procedures report.

The three major sources of revenue for the College’s budget are the Commonwealth of Pennsylvania, the Local Sponsor (Butler County), and student tuition and fees. Operating funds from the Commonwealth are allocated a specified basic subsidy. The Commonwealth may provide one-half of approved capital costs, although funding approval of the Commonwealth’s share of new facilities and equipment outlays is contingent upon available funding in the PDE’s annual budget appropriation.

Under Act 46 passed by the State Legislature in July 2005, operating budget funding for Pennsylvania Community Colleges was changed from formula funding based upon FTE enrollments taught in the current fiscal year to an annual appropriation provided at the start of the fiscal year. The appropriation amount has three components: a base allocation equal to prior year base allocation plus any adjustment occurring through the state budget process, a small amount of additional funding if enrollments grew between the last two audited years, and economic development program funding based upon FTEs taught by the College in high priority program areas in the prior fiscal year. Economic development funding is distributed proportionately based upon each college’s share of the total FTEs taught. The Commonwealth also provides one-half of approved capital costs, including debt service payments, and eligible capital purchases and equipment and property leases. Total projected Commonwealth funding for the 2020-21 year is \$10,551,427.

The Local Sponsor is the County of Butler, which provides an annual appropriation for the College through its operating budget. These funds are provided through the County’s general revenues, including property and other local taxes. The annual operating appropriation for the College for calendar year 2017 was \$3,897,419, for 2018 was \$3,997,500, for 2019 was \$4,189,188, for 2020 was \$4,275,113. Through the annual budget process, the College first allocates from the county appropriation sufficient funds to balance the capital budget, after Commonwealth and other funding sources have been taken into account. The balance of the available appropriation is then applied to the operating budget.

Student tuition and fees are set by the College’s Board of Trustees, usually in the winter or early spring of each year. Under the Community College Act, no more than one-third of the College’s operating expenses can be secured from student tuition. Tuition revenues in excess of one third of the operating expenditures are to be deposited in a special reserve account. Transfers can then be made from this reserve account to help stabilize the operating budget during the years when the tuition revenues are less than one-third of the operating expenditures. Tuition revenues for the College are currently budgeted at slightly less than one-third, and the Tuition Compliance Reserve account presently has no accumulated balance. The College’s tuition rate for FY2018-19 was \$113.00 credit hour for students from the Local Sponsor, \$213.00 credit hour for students from non-sponsoring Pennsylvania school districts, and \$313.00 credit hour for students from outside Pennsylvania. The College’s tuition rate for FY2019-20- is \$118.00/credit hour for students from the Local Sponsor, \$218.00/credit hour for students from

non-sponsoring Pennsylvania school districts, and \$318.00/credit hour for students from outside Pennsylvania. There is also a general fee of \$52.00 credit hour. In addition, special laboratory fees are charged for a variety of scientific, technical, and occupational courses. (See "Student Tuition and Fees" herein).

The College also receives revenues and incurs expenditures for a variety of grant and contract programs. Account balances are invested and earn interest through insured and collateralized bank accounts or U.S. Treasury securities.

*Implementation of and compliance with the College's approved budget as set forth by the College's Board of Trustees is the responsibility of the Vice President for Administration and Finance as delegated by the President.*

#### **Accounting Matters**

The College's financial statements are prepared in accordance with Government Accounting Standards Board (GASB) standards.

The College has adopted GASB Statements No. 34 and 35 (as amended by GASB Statement No. 37, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus*), and No. 38, *Certain Financial Statement Note Disclosures*. These statements establish standards for external financial reporting for public colleges and universities and require that financial statements be presented on a basis to focus on the College as a whole.

Potential purchasers of the Bonds should read the College's audited financial statements for the year ended June 30, 2020 in their entirety for more complete information regarding the College's financial position, results of its operations and changes in its accounting and reporting methods. The report of the College's independent accountants, together with the College's financial statements as of June 30, 2020 and the related notes to financial statements are included in Appendix A of this Official Statement.

*In the opinion of the administration of the College, there has been no material adverse change in the financial condition of the College since June 30, 2020, the most recent date of audited financial statements.*

For a more complete discussion of the College's financial position and results of operations at June 30, 2020 see "MANAGEMENT'S DISCUSSION AND ANALYSIS" included in the financial information included in Appendix A hereto.

The financial statements ending June 30, 2016 through June 30, 2020 were audited by Maher Duessel, Certified Public Accountants Pittsburgh, PA.

The following tables set forth a summary of the College's "STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET ASSETS" and "STATEMENT OF NET ASSETS" for each of the fiscal years set forth, which are all derived from audited financial statements, and a summary of the College's 2020-21 Operating Budget.

**BULTLER COUNTY COMMUNITY COLLEGE  
STATEMENT OF NET POSITION  
FOR YEAR ENDED JUNE 30**

<b>ASSETS</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Current Assets:					
Cash and cash equivalents	\$9,977,207	\$12,082,375	\$15,032,241	\$14,399,975	\$15,055,824
Due from Grantor agencies	700,563	165,175	141,340	293,470	357,774
Due from College Foundation	72,210	130,898	105,599	139,126	117,112
Grants Receivable	500,000	500,000	500,000	0	0
Accounts Receivable - Other	316,277	497,404	449,198	324,527	246,383
Accounts Receivable - Students	5,375,586	5,681,364	5,452,961	5,255,050	4,134,045
Support Agreement Receivable	127,000	123,200	120,200	121,200	120,900
Prepaid Expenses	444,471	422,813	350,413	709,177	392,759
Inventories	231,603	233,176	256,251	305,676	215,143
Other Asset	10,000	19,091	19,091	19,091	19,091
<b>Total Current Assets</b>	<b>\$17,754,917</b>	<b>\$19,855,496</b>	<b>\$22,427,294</b>	<b>\$21,567,292</b>	<b>\$20,659,031</b>
Noncurrent Assets:					
Grants Receivable	\$1,000,000	\$500,000	\$0	\$0	\$0
Support Agreement Receivable	5,739,978	6,014,277	6,310,172	6,625,185	6,962,098
Investments	1,270,701	596,966	248,361	249,447	250,823
Capital Assets, not being depreciated	11,066,996	5,456,084	5,339,875	5,921,919	6,203,727
Capital Assets, net of accumulated depreciation	22,770,901	26,967,615	27,008,130	26,622,332	25,034,005
Right of use asset – lease, net	0	0	0	0	2,440,862
Total Noncurrent Assets	\$41,848,576	\$39,534,942	\$38,906,538	\$39,418,883	\$40,891,515
<b>Total Assets</b>	<b>\$59,603,493</b>	<b>\$59,390,438</b>	<b>\$61,333,832</b>	<b>\$60,986,175</b>	<b>\$61,550,546</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred Charge on Refunding	\$977,563	\$908,168	\$838,773	\$845,600	\$799,074
Deferred Outflows of Resources for Pension	807,168	1,643,324	1,278,779	946,264	804,926
Deferred Outflows of Resources for OPEB	0	0	17,567	25,320	31,347
Total Deferred Outflows of Resources	\$1,784,731	\$2,551,492	\$2,135,119	\$1,817,184	\$1,635,347
<b>LIABILITIES</b>					
Current Liabilities:					
Accounts Payable	\$1,213,705	\$255,645	\$735,245	\$484,356	\$395,398
Accounts Payable - State	2,198	0	0	16,855	0
Accrued Interest Payable	207,619	207,619	207,619	207,619	207,619
Line of Credit	425,297	160,415	230,896	0	320,797
Accrued Wages	785,873	841,275	779,554	849,301	783,830
Bonds Payable, Current Portion	1,450,000	1,460,000	1,500,000	1,560,000	1,670,000
Note Payable, Current Portion	246,935	342,411	335,507	333,983	427,707
Lease liability, Current Portion	0	0	0	0	732,493
Employee Payroll Deduction	362,457	201,629	277,991	505,658	396,293
Support Agreement Payable	0	0	0	0	0
Unearned Revenue	4,801,272	5,082,869	5,737,109	4,790,688	3,557,415
<b>Total Current Liabilities</b>	<b>\$9,495,356</b>	<b>\$8,551,863</b>	<b>\$9,803,921</b>	<b>\$8,748,460</b>	<b>\$8,491,552</b>
Noncurrent liabilities:					
Accumulated Compensated Absences	\$980,069	\$924,309	\$883,907	\$938,321	\$1,058,257
Pension Liability	7,494,000	8,623,000	8,198,000	7,537,000	7,064,000
OPEB Liability	0	0	338,000	327,000	321,000
Bonds Payable, Net	21,541,540	20,408,546	19,253,074	18,319,872	17,352,852
Note Payable	1,786,135	2,489,032	2,153,614	1,816,638	1,560,564
Lease liability	0	0	0	0	1,785,277
Support Agreement Payable	0	0	0	0	0
Total Noncurrent Liabilities	\$31,801,744	\$32,444,887	\$30,826,595	\$28,938,831	\$29,141,950
<b>Total Liabilities</b>	<b>\$41,297,100</b>	<b>\$40,996,750</b>	<b>\$40,630,516</b>	<b>\$37,687,291</b>	<b>\$37,633,502</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred Inflows of Resources for Pension	\$182,000	\$174,000	\$409,000	\$684,000	\$822,000
Deferred inflows of Resources for OPEB	0	0	31,000	41,000	44,000
Total Deferred Outflows of Resources	\$182,000	\$174,000	\$440,000	\$725,000	\$866,000
<b>NET POSITION</b>					
Net Investment in Capital Leases	\$9,365,553	\$8,471,433	\$9,378,180	\$11,359,358	\$10,704,886
Restricted					
Expendable	7,366,978	7,137,477	6,930,372	6,746,385	7,057,516
Nonexpendable	0	0	0	0	0
Unrestricted	3,176,593	5,162,240	6,089,883	6,285,325	6,923,989
Total Net Position	\$19,909,124	\$20,771,150	\$22,398,435	\$24,391,068	\$24,686,391

Source: College Audited Financial Statements.



**BULTLER COUNTY COMMUNITY COLLEGE**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**FOR YEAR ENDED JUNE 30**

	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
<b>Revenues:</b>					
<i>Operating Revenues</i>					
Student Tuition and Fees	\$15,593,601	\$16,187,418	\$16,112,401	\$15,756,531	\$15,100,767
Federal Grants	5,465,903	5,659,293	6,004,041	5,582,080	6,098,397
Sale of Books and Merchandise- Net of Cost	572,999	575,141	527,869	483,958	435,670
Contributions	0	24,832	0	0	4,332
Support Agreement	2,941,628	397,499	427,780	532,126	457,814
Other Operating Revenues	137,346	192,568	149,217	146,433	174,188
<b>Total Operating Revenues</b>	<u>\$24,711,477</u>	<u>\$23,036,751</u>	<u>\$23,221,308</u>	<u>\$22,501,128</u>	<u>\$22,271,168</u>
<b>Expenses:</b>					
<i>Operating Expenses</i>					
Regular Programs	\$27,339,419	\$28,424,725	\$28,271,454	\$28,064,470	\$27,688,317
Special Programs	1,290,253	1,638,049	2,196,948	2,440,174	2,139,059
Equipment Purchases	384,347	549,929	255,831	603,998	871,371
Equipment Rentals	160,360	157,041	154,105	153,181	129
Salaries, Wages and Expenses- Students and Auxiliary Enterprises	450,380	441,530	414,431	398,445	398,240
Student Activities	161,958	188,622	171,366	171,649	149,504
Student Grants and Scholarships	5,083,152	4,961,706	5,137,668	4,637,403	5,203,710
Other	118,083	121,585	122,037	105,698	283,747
Rental Expense	0	0	0	0	0
Depreciation/Amortization	2,234,736	2,292,805	2,187,044	2,278,497	3,123,112
<b>Total Operating Expenses</b>	<u>\$37,222,688</u>	<u>\$38,775,992</u>	<u>\$38,910,884</u>	<u>\$38,853,515</u>	<u>\$39,863,384</u>
<b>Operating Income (Loss)</b>	<u>(12,511,211)</u>	<u>(15,739,241)</u>	<u>(15,689,576)</u>	<u>(16,352,387)</u>	<u>(17,592,216)</u>
<b>Nonoperating Revenues (Expenses):</b>					
Investment Income	\$44,289	\$61,503	\$73,146	\$96,963	\$122,437
State Appropriation and Grants	9,925,738	10,467,538	10,709,173	11,048,733	11,142,835
County Appropriations and Grants	4,040,000	4,044,166	4,199,564	4,348,428	4,414,508
State Appropriation and Grants- Capital	0	0			
Foundation grant	0	0		68,434	127,223
Other Nonoperating Revenues	(5,823)	(631)	596,853	(10,816)	(3,246)
Debt Service- Interest Expense	(1,073,642)	(1,054,175)	(1,073,204)	(1,008,601)	(1,016,790)
<b>Net Nonoperating Revenues (Expenses)</b>	<u>\$12,930,562</u>	<u>\$13,518,401</u>	<u>\$14,505,532</u>	<u>\$14,543,141</u>	<u>\$14,786,967</u>
Income (loss) before Other Revenues, Expenses Gains, or Losses	<u>419,351</u>	<u>(2,220,840)</u>	<u>(1,184,044)</u>	<u>(1,809,246)</u>	<u>(2,805,249)</u>
State Appropriations and Grants-Capital	2,076,842	1,907,421	2,010,884	2,626,434	1,977,395
County Appropriations and Grants- Capital	1,200,445	1,175,445	1,175,445	1,175,445	1,175,445
<b>Changes in Net Position</b>	<u>3,696,638</u>	<u>862,026</u>	<u>2,002,285</u>	<u>1,992,633</u>	<u>347,591</u>
<b>Net Position - Beginning of Year</b>	<u>\$16,212,486</u>	<u>\$19,909,124</u>	<u>\$20,396,150</u>	<u>\$22,398,435</u>	<u>\$24,338,800</u>
<b>Net Position - End of Year</b>	<u>\$19,909,124</u>	<u>\$20,771,150</u>	<u>\$22,398,435</u>	<u>\$24,391,068</u>	<u>24,686,391</u>

\*Restatement.

Source: College Audited Financial Statements.

**BULTLER COUNTY COMMUNITY COLLEGE  
REVENUES BY SOURCE AND EXPENDITURES BY CATEGORY**

	<b>2020-21 Budget</b>
<b>Revenues (By Source)</b>	
Students	\$13,643,580
State	8,575,000
County	4,250,000
Interest	50,000
Miscellaneous	150,000
College Reserves	783,340
<b>Total</b>	<b>\$28,351,920</b>
<b>Expenditures (By Category)</b>	
Salaries & Benefits	\$22,275,000
Supplies & Services	3,397,820
Utilities & Insurance	1,152,800
Other Operating Expenses	847,100
Rentals, Leases & Licenses	505,000
Transfers Out	174,200
<b>Total</b>	<b>\$28,351,920</b>

Source: College Budget Reports.

**Long Term Indebtedness**

The Table below shows long term indebtedness of the College that will be outstanding as of the Date of Delivery.

	<b>Gross Outstanding*</b>
College Revenue Bonds, Series of 2021 (this issue)	\$8,385,000
College Revenue Bonds, Series A & B of 2019	5,325,000
College Revenue Bonds, Series A of 2018	5,365,000
Series B of 2017 Note**	730,893
Series B of 2014 Note**	922,215
College Revenue Bonds, Series G of 2000	2,061,861
<b>TOTAL DEBT</b>	<b>\$22,789,970</b>

\*Includes the Bonds offered through this Official Statement.

\*\*Payable from State appropriations.

*Upon the issuance of the Bonds, the Bonds will be equally and ratably secured and payable under a Trust Indenture relating to each separate series of College Revenue Bonds from loan payments of the College under a Loan Agreement and any note of the College issued in accordance with such Loan Agreement, except with respect to any fund or account established under a Trust Indenture solely for the benefit and security of a particular series of bonds, or with respect to amounts due from any bond insurer or other source of credit enhancement securing or payable solely with respect to any particular series of bonds. See Appendix E - "SUMMARY OF OUTSTANDING DEBT SERVICE (BONDS AND NOTES ONLY)".*

## Student Tuition and Fees

The following table sets forth the fees, costs and charges paid by students of the College per semester, per credit hour, in each of the fiscal years set forth - Tuition per credit hour for Pennsylvania residents who are not residents of the sponsoring county is twice the standard per credit hour rate. Tuition per credit hour for out-of-state residents is three times the standard per credit hour rate. The following table sets forth the standard tuition and student fee assessed to students in each of the fiscal years set forth:

### Butler County Residents

	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
Tuition (per credit)	\$100.00	\$104.00	\$108.00	\$113.00	\$118.00	\$118.00
Academic Fee	0	0	0	0	0	0
Comp. Fee	<u>41</u>	<u>49</u>	<u>52</u>	<u>52</u>	<u>52</u>	<u>52</u>
Total (per credit)	<u>\$141.00</u>	<u>\$153.00</u>	<u>\$160.00</u>	<u>\$165.00</u>	<u>\$170.00</u>	<u>\$170.00</u>
Tuition % Change	4.17%	4.00%	3.80%	4.60%	4.42%	0%
Fee % Change	32.25%	19.51%	6.10%	0%	0%	0%
Total Percentage Change	<u>11.02%</u>	<u>8.51%</u>	<u>4.50%</u>	<u>3.10%</u>	<u>3.03%</u>	<u>0%</u>

Source: The College.

### All other Pennsylvania Residents

	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
Tuition (per credit)	\$200.00	\$208.00	\$208.00	\$213.00	\$218.00	\$218.00
Academic Fee	0	0	0	0	0	0
Comp. Fee	<u>41</u>	<u>49</u>	<u>52</u>	<u>52</u>	<u>52</u>	<u>52</u>
Total (per credit)	<u>\$241.00</u>	<u>\$257.00</u>	<u>\$260.00</u>	<u>\$265.00</u>	<u>\$270.00</u>	<u>\$270.00</u>
Tuition % Change	4.17%	4.00%	0.00%	2.40%	2.35%	0%
Fee % Change	32.25%	19.51%	6.10%	0%	0%	0%
Total Percentage Change	<u>8.07%</u>	<u>6.64%</u>	<u>1.20%</u>	<u>1.90%</u>	<u>1.89%</u>	<u>0%</u>

Source: The College.

**Out of State or International Residents**

	<b><u>2015-16</u></b>	<b><u>2016-17</u></b>	<b><u>2017-18</u></b>	<b><u>2018-19</u></b>	<b><u>2019-20</u></b>	<b><u>2020-21</u></b>
Tuition (per credit)	\$300.00	\$312.00	\$308.00	\$313.00	\$318.00	\$318.00
Academic Fee	0	0	0	0	0	0
Comp. Fee	41	\$49.00	\$52.00	\$52.00	\$52.00	\$52.00
Total (per credit)	<b><u>\$341.00</u></b>	<b><u>\$361.00</u></b>	<b><u>\$360.00</u></b>	<b><u>\$365.00</u></b>	<b><u>\$370.00</u></b>	<b><u>\$370.00</u></b>
Tuition % Change	4.17%	4.00%	-1.30%	1.60%	1.60%	0%
Fee % Change	32.25%	19.51%	6.10%	0%	0%	0%
Total Percentage Change	2.90%	6.90%	5.86%	-0.20%	1.40%	0%

Source: The College.

**Financial Aid**

The number of students of the College who received the following grants, aid, loans and other financial aid in the indicated fiscal years are set forth below:

	<b><u>2015-16</u></b>	<b><u>2016-17</u></b>	<b><u>2017-18</u></b>	<b><u>2018-19</u></b>	<b><u>2019-20</u></b>
<b>GRANTS</b>					
PELL	1,784	1,755	1,699	1,666	1,532
PHEAA	775	746	832	841	736
SEOG	193	235	235	267	256
Other (TRA/OVR/WIA)	153	174	200	77	55
<b>LOANS</b>					
Stafford	815	722	690	766	751
<b>EMPLOYMENT</b>					
College Work-Study Program	85	124	106	45	27

Source: The College.

**Special Fundraising Activities**

The College receives approximately \$1 million dollars per fiscal year from external funding sources to support initiatives at the College. The College has funding commitments totaling over \$1.1 million dollars for 2019-20 fiscal year. These grants support college-wide projects which include funds for faculty/staff compensation, travel, student tuition, instructional supplies, and other related program costs. The College's Foundation, the BC3 Education Foundation, has raised approximately \$4.0 million to date for the construction of a new Nursing and Allied Health Building, expected to be built in 2021-22. In addition, the Foundation provides approximately \$250,000-\$300,000 annually in direct student scholarship support.

## COVID-19 Matters

On March 19, 2020, Governor Tom Wolf ordered all non-life-sustaining businesses in Pennsylvania to close their physical locations to slow the spread of COVID-19. The College responded by pivoting to on-line instruction for the remainder of the Spring 2020 semester, which the College continued through the Summer 2020. Tuition refunds were offered for students who elected to withdraw as a result of the change in learning modality but the net result to overall revenues was very minimal.

As a result of the net CARES Act funding awarded to the College, the associated costs incurred during Fiscal 2019-20 as a result of COVID-19 had a modest effect on the overall financial performance. The College was still able to produce an operating surplus. The future financial impact will be dependent upon enrollment, the continuing need for social distancing, ongoing response efforts to mitigate COVID-19, and any potential resurgence.

For Fiscal 2020-21, in anticipation of enrollment challenges, the College reduced its overall operating budget by \$1 million by reducing several operating line items. The College continues to monitor and assess the effects of the COVID-19 pandemic and its impact on the financial position and operations.

Although the College implemented remote instruction in accordance with the state mandated closures, after the easing of state restrictions and much careful planning, the College welcomed about 35% of its students back to campus for the Fall 2020 semester with the remainder enrolled in some type of online/hybrid programs.

The College's reopening plan and pandemic response have been shaped by guidance from the Center for Disease Control ("CDC"), the Pennsylvania Departments of Health and Education, the Governor's office, the College's local municipalities, and regional healthcare systems, among other sources. The College has communicated extensive information to its constituents, including information about its Fall 2020 reopening plans, on the College website.

As part of its Fall 2020 reopening, the College modified its academic semester classes, officially starting some classes on August 24, 2020 but with the majority starting on August 31, 2020. Further, the College eliminated its traditional fall break.

In order to provide students with the greatest flexibility, the College allowed the option of face-to-face instruction, several hybrid-learning formats which combine face-to-face instruction with online content, as well as fully online classes. Faculty were also provided instruction format options as well.

Throughout the 2020-21 academic year, the College has allowed approximately 12-15 students in a standard classroom (i.e. 50% capacity) at any given time to comply with social distancing guidelines. Every class section designated as a "hybrid" section is being offered traditionally with face-to-face instruction, combined with online instruction in both synchronous (same time) and asynchronous (on demand access to course content) formats.

Delivery modalities for instruction related to student teaching placements, clinical assignments, and field experiences have been determined on a case-by-case basis and guided by procedures of the institutions that host the College's students, as well as guidance from the College's accrediting agencies.

The College is a National Junior College Athletic Association ("NJCAA") Division III athletics conference member. To protect the health and safety of student athletes, the College, in conjunction with the NJCAA, postponed Fall 2020 team competitions and championships.

A broad range of other pandemic driven safety measures have been implemented on campus. These measures are detailed in the College's Spring 2021 Health and Safety Plan. Areas covered in the Plan (available at BC3.edu) include: physical distancing and facility modifications; hygiene, face coverings and PPE; sanitizing, disinfecting and ventilation; external events and facility use; self-screening and voluntary reporting; and counter stigma and support mental health.

The College's extensive health and safety campus guidelines and protocols have been well accepted and followed by students, faculty and staff and appear to be working well to date. While COVID-19 presents many uncertainties and the guidelines or requirements from the CDC and Commonwealth of Pennsylvania may evolve, the College currently expects to continue to operate in a similar manner during the Spring 2021.

Also see, "BONDHOLDERS' RISKS – Recent Events Relating to COVID-19".

## CONTINUING DISCLOSURE UNDERTAKING

In accordance with the Securities and Exchange Commission Rule 15c2-12 (the "Rule"), the College will agree pursuant to a Continuing Disclosure Certificate (See Appendix B- Form of Continuing Disclosure Certificate), to cause the following information to be provided:

- (i) to provide at least annually to the Municipal Securities Rulemaking Board (the "MSRB") Electronic Municipal Market Access ("EMMA") System, in such electronic format as is prescribed by the MSRB and accompanied by such identifying information as prescribed by the MSRB, the following annual financial information and operating data with respect to the College for each of its fiscal years, beginning with the fiscal year ending June 30, 2021, within 270 days following the end of such fiscal year;
  - the financial statements for the most recent fiscal year, prepared in accordance with generally accepted accounting principles as applied to educational entities such as the College and audited in accordance with generally accepted auditing standards; and
  - certain operating data being the College's funding structure showing the source of funding (Commonwealth of Pennsylvania, County of Butler, tuition/fees and other revenues), by percentage, for its operating budget; enrollment; student tuition and fees;
- (ii) in a timely manner not in excess of ten business days after the occurrence of the event, to file with the MSRB, notice of the occurrence of any of the following events with respect to the Bonds: (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax-exempt status of the Bonds, or other material events affecting the tax-exempt status of the Bonds; (7) modifications to rights of holders of the Bonds, if material; (8) bond calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership or similar event of the College; (13) the consummation of a merger, consolidation, or acquisition involving the College or the sale of all or substantially all of the assets of the College, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (14) appointment of a successor or additional trustee or the change of name of a trustee, if material; (15) incurrence of a financial obligation of the College or other obligated person, if any, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the College or other obligated person, if any, any of which affect security holders, if material; and (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the financial obligation of the College or other obligated person, if any, any of which reflect financial difficulties; and
- (iii) in a timely manner, to provide to the EMMA, in such electronic format as is prescribed by the MSRB and accompanied by such identifying information as prescribed by the MSRB, notice of a failure to provide required annual financial information, on or before the date specified above.

The College's obligations under the Continuing Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all the Bonds. In addition, the College's obligations to provide information and notices such as specified above shall terminate (i) at such other times as such information and notices (or any portion thereof) are no longer required to be provided by the Rule as it applies to the Bonds, (ii) in the event of a repeal or rescission of the Rule or (iii) upon a determination that the Rule is invalid or unenforceable.

The obligations of the College described above may be amended without the consent of the holders of the Bonds, to the extent permitted by the Rule, as from time to time amended, and as set forth in the Continuing Disclosure Certificate.

The MSRB has been designated by the SEC to be the central and sole repository for continuing disclosure information filed by issues of municipal securities since July 1, 2009. Information and notices filed by municipal issuers (and other "obligated persons" with respect to municipal securities issues) are made available through the MSRB's Electronic Municipal Market Access (EMMA) System, which may be accessed on the internet at <http://www.emma.msrb.org>.

In the event of a breach or default by the College of its covenants to provide annual financial information and notices as provided above, any holder or beneficial owner of Bonds shall have the right to bring an action in a court of competent jurisdiction to compel specific performance by the College. A breach or default under the Continuing Disclosure Certificate shall not constitute an event of default under the Loan Agreement, the Indenture, the Bonds or any other agreement.

Under the Continuing Disclosure Certificate, the College is initially the disclosure agent thereunder. However, pursuant to the Continuing Disclosure Certificate, after the Bonds have been issued, the College may appoint or engage a third party disclosure agent.

## COMPLIANCE WITH PREVIOUS CONTINUING DISCLOSURE UNDERTAKINGS

The College's filing history of its annual financial statements, budget and operating data during the past five (5) years is outlined in the table below:

Fiscal Year Ending	Filing Deadline <sup>(1)</sup>	Financial Statements		Budget		Operating Data	
		Filing Date	EMMA ID <sup>(2)</sup>	Filing Date	EMMA ID <sup>(2)</sup>	Filing Date	EMMA ID <sup>(2)</sup>
6/30/2016	12/27/2016	10/10/2017	ES823032	10/10/2017	ES823032	09/26/2018	ER893575
6/30/2017	12/27/2017	12/20/2017 3/2/2018	ES839570	12/20/2017	ES839570	12/20/2017	ES839570
6/30/2018	12/27/2018	12/14/2018	ER910982	12/14/2018	ER910982	12/14/2018	ER910989
6/30/2019	12/27/2019	12/23/2019	ER992373	11/7/2019	(3)	12/23/2019	ER992373
6/30/2020	12/27/2020	12/17/2020	P31075001	12/17/2020	P31075001	12/17/2020	P31075001

### **Bonds**

<sup>(1)</sup> For these purposes, assumes the shortest filing deadline of the College's previous Continuing Disclosure Agreements

<sup>(2)</sup> Submission ID is the EMMA Submission ID for each filing. To access a filing, insert the Submission ID to the end of the web address below: <https://emma.msrb.org/ContinuingDisclosureView/ContinuingDisclosureDetails.aspx?submissionId=>

<sup>(3)</sup> Included in an Official Statement of the College's Series A & B of 2019, posted to EMMA on 11/7/2019. A Notice of Reference to Other Submitted Documents was filed by the College on 2/18/2021.

Certain filings inadvertently omitted CUSIPs associated with the College's then outstanding bonds.

## LITIGATION

*The Authority.* There is no litigation of any nature now pending or, to the Authority's knowledge, threatened against it restraining or enjoining or seeking to restrain or enjoin, the issuance, sale, execution or delivery of the Bonds or in any way contesting or affecting the validity of the Bonds, the Indenture, or any proceedings of the Authority taken in connection with issuance or sale of the Bonds, the pledge or application of any moneys or security provided for the payment of the Bonds, or the existence or powers of the Authority.

*The College.* There is no litigation, currently pending or to the knowledge of the College threatened against it, which, individually or in the aggregate, will have a material adverse effect on its financial condition or which will affect the validity or enforceability of the Loan Agreement or the Note, or which in any way contests the existence or powers of the College.

## LEGALITY FOR INVESTMENTS

Under the Act, the Bonds are securities in which all officers of the Commonwealth and its political subdivisions and municipal officers and administrative departments, boards and commissions of the Commonwealth, all banks, savings banks, trust companies, savings and loan associations, investment companies and other persons carrying on a banking business, all insurance companies, insurance associations and other persons carrying on an insurance business, and all administrators, executors, guardians, trustees and other fiduciaries, and all other persons who are authorized to invest in Bonds or other financial obligations of the Commonwealth may properly and legally invest any funds, including capital belonging to them or within their control, and the Bonds are securities which may properly and legally be deposited with and received by any Commonwealth and municipal officers or agency of the Commonwealth for any purpose for which the deposit of other bonds or other obligations of the Commonwealth is authorized by law.

## TAX EXEMPTION AND OTHER TAX MATTERS

### **Federal Income Tax Matters**

As of the date of closing, Bond Counsel will issue an opinion to the effect that under existing law, the interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. For the purpose of rendering the opinion set forth in this paragraph, Bond Counsel has assumed compliance by the Authority and the College with requirements of the Internal Revenue Code of 1986, as amended (the "Code"), that must be met subsequent to the issuance of the Bonds in order that interest thereon be and remain excluded from gross income for federal income tax purposes.

Failure to comply with such requirements could cause the interest on the Bonds to be included in gross income retroactive to the date of issuance of the Bonds. Bond Counsel expresses no opinion regarding other federal tax consequences arising with respect to the Bonds.

## **State Tax Matters**

In the opinion of Bond Counsel, under existing law, the interest on the Bonds is exempt from Pennsylvania personal income tax and corporate net income tax.

## **Other Tax Matters**

Interest on a Bond held by a foreign corporation may be subject to the branch profits tax imposed by the Code. Ownership of the Bonds may give rise to collateral federal tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, S corporations with Subchapter C earnings and profits, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry the Bonds. Bond Counsel expresses no opinion as to any such collateral federal income tax consequences. Purchasers of the Bonds should consult their own tax advisors as to collateral federal income tax consequences.

## **Original Issue Discount; Original Issue Premium**

The original issue discount in the selling price of any Bond (an "OID Bond"), to the extent properly allocable to each holder of such OID Bond, is excluded from gross income for Federal income tax purposes with respect to such holder. The original issue discount is the excess of the stated redemption price or principal due at maturity of such OID Bond over the initial offering price to the public, excluding underwriters and other intermediaries, at which price a substantial amount of such OID Bonds were sold.

Under Section 1288 of the Code, original issue discount on tax-exempt bonds accrues on a compound basis. The amount of original issue discount so accrued in the particular accrual period will be considered to be excluded from gross income for Federal income tax purposes and will increase the holder's tax basis in such OID Bond. Any gain realized by a holder from a sale, exchange, payment or redemption of an OID Bond would be treated as gain from the sale or exchange of such OID Bond. Owners of OID Bonds should consult their tax advisors as to the determination for Federal income tax purposes of original issue discount accrued or accreted upon purchase, sale or redemption of such OID Bonds.

An amount equal to the excess of the purchase price of a Bond over its stated redemption price or principal due at maturity constitutes a premium on such Bond. Those maturities of the Bonds sold at such a premium are referred to herein as "OIP Bonds." A purchaser of an OIP Bond must amortize any premium over such OIP Bond's term using constant yield principles, based on the OIP Bond's yield to maturity. As premium is amortized, the purchaser's basis in such OIP Bond and the amount of tax-exempt interest received will be reduced by the amount of amortizable premium properly allocable to such purchaser. This will result in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes on sale or disposition of such OIP Bond prior to its maturity. Even though the purchaser's basis is reduced, no federal income tax deduction is allowed. Purchasers of any bond at a premium, whether at the time of initial issuance or subsequent thereto, should consult their tax advisors with respect to the determination and treatment of premium for federal income tax purposes, and with respect to state and local tax consequences of owning such Bonds.

## **LEGAL MATTERS**

Certain legal matters incident to the authorization, issuance and sale of the Bonds are subject to the approval of Clark Hill PLC, Pittsburgh, Pennsylvania, Bond Counsel, whose opinion will be delivered at the time of the delivery of the Bonds. Certain legal matters will be passed upon for the Authority by its counsel, Barley Snyder LLP, Lancaster, Pennsylvania, and for the College by its counsel, Dillon McCandless King Coulter & Graham LLP, Butler, Pennsylvania.



## **UNDERWRITING**

The Underwriter has agreed to purchase the Bonds from the Authority, subject to certain conditions precedent, and will purchase all of the Bonds if any of such Bonds are purchased. The Bonds will be purchased for a purchase price of \$9,447,288.75, equal to the par value of the Bonds plus original issue premium of \$1,120,983.75, less an underwriter's discount of \$58,695.00.

## **BOND RATING**

S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P") is expected to assign its municipal bond rating of "AA" (Stable Outlook) to the Bonds with the understanding that upon delivery of the Bonds, a policy insuring the payment when due of principal of and interest on the Bonds will be issued by AGM. Such ratings reflect only the view of such organization and any desired explanation of the significance of such ratings should be obtained from the rating agency furnishing the same, at the following address: 55 Water Street, 38<sup>th</sup> Floor, New York, New York 10041. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that any such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by the rating agency, if circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Bonds. The Authority and the College are not required to maintain any particular rating on the Bonds and shall have no liability if a rating is lowered, withdrawn or suspended.

## **FINANCIAL ADVISOR**

The College has retained PFM Financial Advisors LLC, Harrisburg, Pennsylvania, as financial advisor (the "Financial Advisor") in connection with the preparation, authorization and issuance of the Bonds. The Financial Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information contained in the Official Statement. PFM Financial Advisors LLC is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

## **MISCELLANEOUS MATTERS**

This Official Statement has been prepared under the direction of the College by PFM Financial Advisors LLC, Harrisburg, Pennsylvania, in its capacity as Financial Advisor to the College. The information set forth in this Official Statement has been obtained from the College and from other sources believed to be reliable. Insofar as any statement herein includes matters of opinion or estimates about future conditions, it is not intended as representation of fact, and there is no guarantee that it is, or will be, realized. Summaries or descriptions of provisions of the Bonds, the Indenture, and the Loan Agreement, and all references to other materials not purporting to be quoted in full are only brief outlines of some of the provisions thereof. Reference is hereby made to the complete documents, copies of which will be furnished by the College or the Financial Advisor upon request. The information assembled in this Official Statement is not to be construed as a contract with holders of the Bonds.

The Authority has no responsibility for the College's compliance with the Continuing Disclosure Certificate or for the contents of, or any omissions from, the financial information, operating data, or notices provided thereunder.

The references herein to the Indenture, the Loan Agreement, the Note, the Continuing Disclosure Certificate, the Act, the Community College Act and other materials are only brief outlines of certain provisions thereof and do not purport to summarize or describe all the provisions thereof, copies of which will be furnished by the Authority upon request.

The information contained in this Official Statement has been compiled or prepared from official and other sources deemed to be reliable and, although not guaranteed as to the completeness or accuracy, is believed to be correct as of this date. Statements involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact.

The information contained in this Official Statement should not be construed as representing all the conditions affecting the Authority, the College, or the Bonds.

The Authority has not assisted in the preparation of this Official Statement, except for the statements under the sections, captioned "THE AUTHORITY" and, as it relates to the Authority, "LITIGATION", herein and, except for those sections, the Authority is not responsible for any statements made in this Official Statement. Except for the authorization, execution and delivery of documents required to affect the issuance of the Bonds, the Authority has not otherwise assisted in the public offer, sale or distribution of the Bonds. Accordingly, except as aforesaid, the Authority assumes no responsibility for the disclosures set forth in this Official Statement.

**STATE PUBLIC SCHOOL BUILDING AUTHORITY**

By: /s/ Eric Gutshall

Title: Executive Director

The College hereby approves the use and distribution of this Official Statement in connection with the issuance and the sale of the Bonds and hereby certifies that, as of the date hereof, the statements contained in this Official Statement relating to the College do not contain an untrue statement of a material fact or omit to state a material fact necessary to make the statements herein, in light of the circumstances under which they were made, not misleading.

**APPROVED:**

**BUTLER COUNTY COMMUNITY COLLEGE**

By: /s/ James Hrabosky

Title: Vice President of Finance

**APPENDIX A**  
**BUTLER COUNTY COMMUNITY COLLEGE**  
**ANNUAL FINANCIAL REPORT**  
**JUNE 30, 2020**  
**INDEPENDENT AUDITOR'S REPORT**

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**Butler County Community College**  
(A Component Unit of the County of Butler, Pennsylvania)

Financial Statements and  
Required Supplementary and  
Supplementary Information

Year Ended June 30, 2020  
with Independent Auditor's Reports

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# BUTLER COUNTY COMMUNITY COLLEGE

YEAR ENDED JUNE 30, 2020

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# BUTLER COUNTY COMMUNITY COLLEGE

YEAR ENDED JUNE 30, 2020

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## **Independent Auditor's Report**

**Board of Trustees  
Butler County  
Community College**

### *Report on the Financial Statements*

We have audited the accompanying financial statements of the Butler County Community College (BCCC), a component unit of Butler County, and its discretely presented component unit, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise BCCC's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

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

### *Auditors Responsibility*

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

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

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

### *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of BCCC and its discretely presented component unit, 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*

#### *Prior-Year Comparative Information*

We have previously audited BCCC's fiscal year-end 2019 financial statements, and we expressed an unmodified opinion on those financial statements in our report dated December 2, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pension, and OPEB information on pages i through xiv and pages 42 through 45, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise BCCC's financial statements. The individual fund statements and detailed special program expenses are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The individual fund statements and detailed special program expenses 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 information is 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 December 1, 2020 on our consideration of BCCC'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 BCCC'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 BCCC's internal control over financial reporting and compliance.



Pittsburgh, Pennsylvania  
December 1, 2020

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## **MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**

### **Introduction**

As management of the Butler County Community College (BCCC), we offer readers of BCCC's financial statements this narrative overview and analysis of the financial activity of BCCC for the fiscal year ended June 30, 2020, 2019, and 2018. This MD&A reflects on current activities, resulting changes, and currently known facts, and should be read in conjunction with BCCC's financial statements, including the notes. Included in this MD&A are the activities of BCCC and summarily, its component unit, the Butler County Community College Education Foundation (Foundation). Though BCCC is itself a component unit of the County of Butler (County), these financial statements are presented with BCCC as a primary entity.

### **The Financial Statements**

These financial statements consist of two components: 1) basic financial statements and 2) notes to financial statements. The basic financial statements are comprised of three statements: 1) Statement of Net Position, 2) Statement of Revenues, Expenses, and Changes in Net Position, and 3) Statement of Cash Flows. The Statement of Net Position presents information on all of BCCC's assets and liabilities and is designed to resemble a corporation's Balance Sheet, with the difference between the two reported as net position. The Statement of Revenues, Expenses, and Changes in Net Position, similar to a corporate Income Statement, reports the cost of BCCC's activities, which are primarily reported by revenue from Pennsylvania appropriations, student tuition and fees, and County appropriations. This statement combines financial activity for operating, capital, and restricted funds. It consolidates the information into a presentation that segregates only operating and nonoperating activities and yields a change in net position. The primary purpose of the Statement of Cash Flows is to provide information to the reader about cash receipts and payments related to operating, capital, and investing activities.

## Analysis

### Statements of Net Position

	Net Position As of June 30,			
	2020	2019	Increase (Decrease)	Percent Change
Current Assets	\$ 20,659,031	\$ 21,567,292	\$ (908,261)	-4.21%
Non-current Assets:				
Capital assets, net of depreciation	31,237,732	32,544,251	(1,306,519)	-4.01%
Investments	250,823	249,447	1,376	0.55%
Others	6,962,098	6,625,185	336,913	5.09%
Right of use asset - lease, net	2,440,862	3,269,827	(828,965)	-25.35%
Total Assets	61,550,546	64,256,002	(2,705,456)	-4.21%
Deferred Outflows of Resources:				
Deferred charge on refunding	799,074	845,600	(46,526)	-5.50%
Deferred outflows of resources for pension	804,926	946,264	(141,338)	-14.94%
Deferred outflows of resources for OPEB	31,347	25,320	6,027	23.80%
Total Deferred Outflows of Resources	1,635,347	1,817,184	(181,837)	-10.01%
Current Liabilities	8,491,552	9,552,785	(1,061,233)	-11.11%
Non-current Liabilities	29,141,950	31,456,601	(2,314,651)	-7.36%
Total Liabilities	37,633,502	41,009,386	(3,375,884)	-8.23%
Deferred Inflows of Resources:				
Deferred inflows of resources for pension	822,000	684,000	138,000	20.18%
Deferred inflows of resources for OPEB	44,000	41,000	3,000	7.32%
Total Deferred Inflows of Resources	866,000	725,000	141,000	19.45%
Net Position:				
Net investment in capital assets	10,704,886	11,359,358	(654,472)	-5.76%
Restricted, expendable	7,057,516	6,729,592	327,924	4.87%
Unrestricted	6,923,989	6,249,850	674,139	10.79%
Total Net Position	\$ 24,686,391	\$ 24,338,800	\$ 347,591	1.43%

Current Assets of BCCC include cash, receivables, prepaid expenses, bookstore inventory, and short-term investments. The excess of current assets over current liabilities of approximately \$12.2 million reflects the continuing ability of BCCC to meet its short-term obligations. Total Current Assets decreased by approximately \$908,000, primarily due to decreases in accounts receivable. Receivables consist of student accounts, agency receivables, interest, and various

operating receivables. During 2020, total cash and cash equivalents increased by approximately \$656,000. This increase was primarily due to the result of an operating surplus and proceeds from a line of credit to assist with technology purchases.

Non-current Assets relating to the right to use lease asset decreased by approximately \$829,000 relating to current year amortization, other Non-current Assets increased by approximately \$337,000, while Capital Assets decreased by approximately \$1.3 million, and Investments increased by approximately \$1,000.

During 2008, BCCC established a policy for the designation of excess cash reserves. Reserves in the amount of \$3,000,000 were designated for the purpose of repair, restoration, maintenance, or purchase of capital assets identified in BCCC's Facility Master Plan or a capital needs list. Therefore, \$3,000,000 in short-term cash and cash equivalents was transferred to a long-term investment account. The funds in this investment account shall be spent only for the exclusive purposes for which the Board of Trustees established the designated capital reserves. The balance in this investment account as of June 30, 2020 was \$250,823. BCCC has withdrawn and spent funds from this account over the past few years for important capital projects. BCCC will need to designate a portion of unrestricted reserves and/or replenish this investment account to fund future capital projects and deferred maintenance, since Management believes there will be limited support from both BCCC's local sponsor and the Commonwealth of Pennsylvania. BCCC had received 50% assistance from the Commonwealth of Pennsylvania and 25% assistance from its local sponsor on many previous capital projects.

The deferred outflows of resources include the deferred charge on refunding for bond refundings by BCCC in 2011, 2018, and 2019, the deferred outflows of resources for pension, and the deferred outflows of resources for OPEB (other post-employment benefits).

The Current Liabilities of BCCC include accounts payable, interest, the portion of principal related to debt financing that is classified as current, unearned revenue, a short-term borrowing, current portion of the right to use lease asset, and the current portion of lease liabilities. Current Liabilities decreased by approximately \$1.1 million from 2019 to 2020. For the most part, this is attributable to a decrease in unearned revenue. Non-current Liabilities total approximately \$29.1 million. This has decreased from the prior year by approximately \$2.3 million as a result of a decrease to the net pension liability and pay down on outstanding long-term debt.

BCCC's total Net Position increased in fiscal year 2020 to a total of approximately \$24.7 million. Approximately, \$10.7 million is the value of the Net Investment in Capital Assets; approximately, \$7.0 million is Restricted, Expendable; and approximately, \$6.9 million is classified as Unrestricted Net Position. The net investment in capital assets decreased by approximately \$608,000 and unrestricted net position increased by approximately \$653,000 in fiscal year 2020.

	Net Position As of June 30,		Increase (Decrease)	Percent Change
	2019	2018		
Current Assets	\$ 21,567,292	\$ 22,427,294	\$ (860,002)	-3.83%
Non-current Assets:				
Capital assets, net of depreciation	32,544,251	32,348,005	196,246	0.61%
Investments	249,447	248,361	1,086	0.44%
Others	6,625,185	6,310,172	315,013	4.99%
Right of use asset - lease, net	3,269,827	4,098,793	(828,966)	100.00%
Total Assets	64,256,002	65,432,625	(1,176,623)	-1.80%
Deferred Outflows of Resources:				
Deferred charge on refunding	845,600	838,773	6,827	0.81%
Deferred outflows of resources for pension	946,264	1,278,779	(332,515)	-26.00%
Deferred outflows of resources for OPEB	25,320	17,567	7,753	44.13%
Total Deferred Outflows of Resources	1,817,184	2,135,119	(317,935)	-14.89%
Current Liabilities	9,552,785	11,384,944	(1,832,159)	-16.09%
Non-current Liabilities	31,456,601	33,344,365	(1,887,764)	-5.66%
Total Liabilities	41,009,386	44,729,309	(3,719,923)	-8.32%
Deferred Inflows of Resources:				
Deferred inflows of resources for pension	684,000	409,000	1,093,000	267.24%
Deferred inflows of resources for OPEB	41,000	31,000	10,000	32.26%
Total Deferred Inflows of Resources	725,000	440,000	1,103,000	250.68%
Net Position:				
Net investment in capital assets	11,359,358	9,378,180	1,981,178	21.13%
Restricted, expendable	6,729,592	6,930,372	(200,780)	-2.90%
Unrestricted	6,249,850	6,089,883	159,967	2.63%
Total Net Position	\$ 24,338,800	\$ 22,398,435	\$ 1,940,365	8.66%

Current Assets of BCCC include cash, receivables, prepaid expenses, bookstore inventory, and short-term investments. The excess of current assets over current liabilities of approximately \$12 million reflects the continuing ability of BCCC to meet its short-term obligations. Total Current Assets decreased by approximately \$900,000, primarily due to decrease in cash and accounts receivable. Receivables consist of student accounts, agency receivables, interest, and various operating receivables. During 2019, total cash and cash equivalents decreased by



approximately \$600,000. This decrease was primarily due to the result of an increase in payments to suppliers and payments for capital items.

Non-current Assets relating to the right to use lease asset decreased by approximately \$829,000 relating to current year amortization, other non-current assets increased by approximately \$300,000, while Capital Assets increased by approximately \$200,000, and Investments increased by approximately \$1,000.

During 2008, BCCC established a policy for the designation of excess cash reserves. Reserves in the amount of \$3,000,000 were designated for the purpose of repair, restoration, maintenance, or purchase of capital assets identified in BCCC's Facility Master Plan or a capital needs list. Therefore, \$3,000,000 in short-term cash and cash equivalents was transferred to a long-term investment account. The funds in this investment account shall be spent only for the exclusive purposes for which the Board of Trustees established the designated capital reserves. The balance in this investment account as of June 30, 2019 was \$249,447. BCCC has withdrawn and spent funds from this account over the past few years for important capital projects. BCCC will need to designate a portion of unrestricted reserves and/or replenish this investment account to fund future capital projects and deferred maintenance, since Management believes there will be limited support from both BCCC's local sponsor and the Commonwealth of Pennsylvania. BCCC had received 50% assistance from the Commonwealth of Pennsylvania and 25% assistance from its local sponsor on many previous capital projects.

The deferred outflows of resources include the deferred charge on refunding for bond refundings by BCCC in 2012, 2013 and 2018, the deferred outflows of resources for pension, and the deferred outflows of resources for OPEB (other post-employment benefits).

The Current Liabilities of BCCC include accounts payable, interest, the portion of the right to use lease asset classified as current, and the portion of principal related to debt financing that is classified as current, unearned revenue, and a short-term borrowing. Current Liabilities decreased by approximately \$1.8 million from 2018 to 2019. For the most part, this is attributable to a decrease in accounts payable, a decrease in unearned revenue, and the amortization of the right to use lease asset. Non-current Liabilities total approximately \$31.4 million. This has decreased from the prior year by approximately \$1.9 million as a result of a decrease to the net pension liability and pay down on outstanding long-term debt.

BCCC's total Net Position increased in fiscal year 2019 to a total of approximately \$24.3 million. Approximately, \$11.4 million is the value of the Net Investment in Capital Assets; approximately, \$6.7 million is Restricted, Expendable; and approximately, \$6.3 million is classified as Unrestricted Net Position. The net investment in capital assets increased by approximately \$1.2 million and unrestricted net position increased by approximately \$627,000 in fiscal year 2019.

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

Operating Results For the Fiscal Years Ended June 30,				
	2020	2019	Increase (Decrease)	Percent Change
Operating Revenues:				
Tuition and Fees	\$ 15,100,767	\$ 15,756,531	\$ (655,764)	-4.16%
Grants and Contributions	6,098,397	5,582,080	516,317	9.25%
Auxiliary Enterprise	435,670	483,958	(48,288)	-9.98%
Other Operating	636,334	678,559	(42,225)	-6.22%
Total Operating Revenues	22,271,168	22,501,128	(229,960)	-1.02%
Less: Operating Expenses	39,863,384	38,905,783	957,601	2.46%
Operating Loss	(17,592,216)	(16,404,655)	(1,187,561)	7.24%
Nonoperating Revenues (Expenses):				
State Appropriation and Grants	11,142,835	11,048,733	94,102	0.85%
County Appropriation and Grants	4,414,508	4,348,428	66,080	1.52%
Foundation grant	127,223	68,434	58,789	85.91%
Investment Income	122,437	96,963	25,474	26.27%
Loss on disposition of asset	(4,146)	(10,816)	6,670	-61.67%
Other Non-operating revenue	900	-	900	100.00%
Debt Service Interest Expense	(1,016,790)	(1,008,601)	(8,189)	0.81%
Net nonoperating revenues (expenses)	14,786,967	14,543,141	243,826	1.68%
Income before other revenues, expenses gains, or losses	(2,805,249)	(1,861,514)	(943,735)	50.70%
State appropriations and grants - capital	1,977,395	2,626,434	(649,039)	-24.71%
County appropriations and grants - capital	1,175,445	1,175,445	-	0.00%
Change in Net Position	347,591	1,940,365	(1,592,774)	
Net Position:				
Beginning of the Year, as restated	24,338,800	22,398,435	1,940,365	
Net Position, End of the Year	\$ 24,686,391	\$ 24,338,800	\$ 347,591	

In the Statement of Revenues, Expenses, and Changes in Net Position, activities are classified as Operating Revenues, Operating Expenses, and Nonoperating Revenues (Expenses). For fiscal year ended June 30, 2020, Operating Revenues decreased by approximately \$457,000.

The most significant sources of operating revenues for BCCC are tuition and fees, financial aid, grants and contracts from federal, state, and local sources, and auxiliary services. Tuition and

fees include all amounts paid for educational purposes and totaled \$15.1 million. Tuition and fees revenue decreased in fiscal year 2020 by 4.16% due to the fact that an enrollment decline offset any marginal revenue generated by a tuition rate increase. Overall credit enrollment declined by approximately 5.14% in 2019/20.

Federal grants and contracts totaled approximately \$6.1 million, which is a increase of 9.25%. This increase was primarily a result of a decrease in the total number of federal grants/aid which correlated with the enrollment decline in 2019/20. Sales of books and merchandise (Auxiliary Enterprise) amounted to \$435,670 for the year, which was a decrease of 9.98% from 2018/19.

In accordance with GASB accounting pronouncements, governmental funding, including the State subsidy and County appropriation are recorded in the Statement of Revenues, Expenses, and Changes in Net Position as Nonoperating Revenues and State subsidy and County appropriations related to capital are presented after nonoperating revenues. Fiscal year revenue from these two sources totaled over \$15.6 million, covering the majority of the operating deficit mentioned above. Funding from the State for capital grants showed an increase compared to 2019 of approximately \$649,000, due to an increase in the State's support. During 2019/2020, the State contributed \$11,142,835 towards the operating costs of BCCC and \$1,977,395 in capital grants.

Compared to 2019, investment income was relatively consistent at approximately \$122,000. Also reported as a nonoperating activity is the interest expense related to BCCC debt, which decreased by approximately \$8,000.

BCCC received approximately 15% of its annual funding (excluding student financial aid and grants) from its local sponsor, the County. In 2020, BCCC received a total of \$5,589,593, which is relatively consistent with the prior year. Of this amount, \$4,414,508 was allocated to operating and \$1,175,445 to debt and capital expenditures.

Operating Results For the Fiscal Years Ended June 30,				
	2019	2018	Increase (Decrease)	Percent Change
Operating Revenues:				
Tuition and Fees	\$ 15,756,531	\$ 16,112,401	\$ (355,870)	-2.21%
Grants and Contributions	5,582,080	6,004,041	(421,961)	-7.03%
Auxiliary Enterprise	483,958	527,869	(43,911)	-8.32%
Other Operating	678,559	576,997	101,562	17.60%
Total Operating Revenues	22,501,128	23,221,308	(720,180)	-3.10%
Less: Operating Expenses	38,905,783	38,910,884	(5,101)	-0.01%
Operating Loss	(16,404,655)	(15,689,576)	(715,079)	4.56%
Nonoperating Revenues (Expenses):				
State Appropriation and Grants	11,048,733	10,709,173	339,560	3.17%
County Appropriation and Grants	4,348,428	4,199,564	148,864	3.54%
Foundation grant	68,434	1,048,705	(980,271)	-93.47%
Investment Income	96,963	73,146	23,817	32.56%
Loss on disposition of asset	(10,816)	(451,852)	441,036	-97.61%
Debt Service Interest Expense	(1,008,601)	(1,073,204)	64,603	-6.02%
Net nonoperating revenues (expenses)	14,543,141	14,505,532	37,609	0.26%
Income before other revenues, expenses gains, or losses	(1,861,514)	(1,184,044)	(677,470)	57.22%
State appropriations and grants - capital	2,626,434	2,010,884	615,550	30.61%
County appropriations and grants - capital	1,175,445	1,175,445	-	0.00%
Change in Net Position	1,940,365	2,002,285	(61,920)	
Net Position:				
Beginning of the Year	22,398,435	20,771,150		
Adjustment for implementation of GASB 75	-	(375,000)		
Beginning of the Year, Restated	-	20,396,150		
Net Position, End of the Year	\$ 24,338,800	\$ 22,398,435	\$ 1,940,365	

In the Statement of Revenues, Expenses, and Changes in Net Position, activities are classified as Operating Revenues, Operating Expenses, and Nonoperating Revenues (Expenses). For fiscal year ended June 30, 2019, Operating Revenues decreased by approximately \$700,000.

The most significant sources of operating revenues for BCCC are tuition and fees, financial aid, grants and contracts from federal, state, and local sources, and auxiliary services. Tuition and

fees include all amounts paid for educational purposes and totaled \$15.8 million. Tuition and fees revenue decreased in fiscal year 2019 by 2.21% due to the fact that an enrollment decline offset any marginal revenue generated by a tuition rate increase. Overall credit enrollment declined by approximately 5.50% in 2018/19.

Federal grants and contracts totaled approximately \$5.6 million, which is a decrease of 7.03%. This decrease was primarily a result of a decrease in the total number of federal grants/aid which correlated with the enrollment decline in 2018/19. Sales of books and merchandise (Auxiliary Enterprise) amounted to \$483,958 for the year, which was a decrease of 8.32% from 2017/18.

In accordance with GASB accounting pronouncements, governmental funding, including the State subsidy and County appropriation are recorded in the Statement of Revenues, Expenses, and Changes in Net Position as Nonoperating Revenues and State subsidy and County appropriations related to capital are presented after nonoperating revenues. Fiscal year revenue from these two sources totaled over \$15.4 million, covering the majority of the operating deficit mentioned above. Funding from the State for capital grants showed an increase compared to 2018 of approximately \$616,000, due to an increase in the State's support. During 2018/2019, the State contributed \$11,048,733 towards the operating costs of BCCC and \$2,626,434 in capital grants.

Compared to 2018, investment income was relatively consistent at approximately \$97,000. Also reported as a nonoperating activity is the interest expense related to BCCC debt, which decreased by approximately \$65,000 and the loss on the disposition of an asset in the amount of \$10,816.

BCCC received approximately 14% of its annual funding (excluding student financial aid and grants) from its local sponsor, the County. In 2019, BCCC received a total of \$5,523,873, which is relatively consistent with the prior year. Of this amount, \$4,348,428 was allocated to operating and \$1,175,445 to debt and capital expenditures.

Total Expenses For the Fiscal Years Ended June 30,				
	2020	2019	Increase (Decrease)	Percent Change
Operating Expenses:				
Instruction	\$ 13,945,796	\$ 14,789,288	\$ (843,492)	-5.70%
Academic Support	1,001,822	953,056	48,766	5.12%
Student Services	3,033,139	3,043,853	(10,714)	-0.35%
Institutional Support (incl. benefits)	6,507,318	5,975,945	531,373	8.89%
Physical Plant	3,200,242	3,335,420	(135,178)	-4.05%
Auxiliary Enterprises	398,240	398,445	(205)	-0.05%
Student Activities	149,504	171,649	(22,145)	-12.90%
Student Grants and Scholarships	5,203,710	4,637,403	566,307	12.21%
Special Programs	2,139,059	2,456,967	(317,908)	-12.94%
Capital Purchases/ rentals	871,500	607,179	264,321	43.53%
Depreciation/Amortization	3,123,112	2,419,745	703,367	29.07%
Interest expense - leases	6,195	11,135	(4,940)	-44.36%
Other	283,747	105,698	178,049	168.45%
Total Operating Expenses	39,863,384	38,905,783	957,601	2.46%
Nonoperating Expenses	1,020,936	1,019,417	1,519	0.15%
Total Expenses	<u>\$ 40,884,320</u>	<u>\$ 39,925,200</u>	<u>\$ 959,120</u>	2.40%

Overall operating cost decreased (excluding depreciation) as compared to 2019/20 due to a strategic effort by BCCC to manage expenses given a very challenging situation related to demographics and overall enrollment. Operating Expenses include all annual expenses related to delivery of education, financial aid awards, and depreciation of fixed assets.

Total Expenses For the Fiscal Years Ended June 30,				
	2019	2018	Increase (Decrease)	Percent Change
Operating Expenses:				
Instruction	\$ 14,789,288	\$ 14,775,905	\$ 13,383	0.09%
Academic Support	953,056	957,939	(4,883)	-0.51%
Student Services	3,043,853	2,968,631	75,222	2.53%
Institutional Support (incl. benefits)	5,975,945	6,134,160	(158,215)	-2.58%
Physical Plant	3,335,420	3,434,819	(99,399)	-2.89%
Auxiliary Enterprises	398,445	414,431	(15,986)	-3.86%
Student Activities	171,649	171,366	283	0.17%
Student Grants and Scholarships	4,637,403	5,137,668	(500,265)	-9.74%
Special Programs	2,456,967	2,196,948	260,019	11.84%
Capital Purchases/Leases	607,179	409,936	197,243	48.12%
Depreciation/Amortization	2,419,745	2,187,044	232,701	10.64%
Interest expense - leases	11,135	-	11,135	100.00%
Other	105,698	122,037	(16,339)	-13.39%
Total Operating Expenses	38,905,783	38,910,884	(5,101)	-0.01%
Nonoperating Expenses	1,019,417	1,525,056	(505,639)	-33.16%
Total Expenses	<u>\$ 39,925,200</u>	<u>\$ 40,435,940</u>	<u>\$ (510,740)</u>	-1.26%

Overall operating cost remained level as compared to 2017/18 due to a strategic effort by BCCC to manage expenses given a very challenging situation related to demographics and overall enrollment. Operating Expenses include all annual expenses related to delivery of education, financial aid awards, and depreciation.

Special Program expenses increased as a direct result of increased grant funding for worker training. Finally, capital purchases/leases were up in 2018/19.

### Capital Assets and Debt

Net Capital Assets As of June 30,				
	2020	2019	Increase (Decrease)	Percent Change
Capital Assets:				
Land and Improvements	\$ 5,915,548	\$ 5,915,548	\$ -	0.00%
Construction in Progress	288,179	6,371	281,808	4423.29%
Buildings	56,061,891	55,521,489	540,402	0.97%
Equipment and Furnishings	13,150,451	13,187,323	(36,872)	-0.28%
Total	75,416,069	74,630,731	785,338	1.05%
Less: Accumulated Depreciation	(44,178,337)	(42,086,480)	(2,091,857)	4.97%
Net Capital Assets	<u>\$ 31,237,732</u>	<u>\$ 32,544,251</u>	<u>\$ (1,306,519)</u>	-4.01%

As of June 30, 2020, BCCC had recorded over \$75.4 million invested in Capital Assets, \$44.2 million in Accumulated Depreciation, netting to over \$31.2 million in Net Capital Assets.

The College did begin construction of what it has named as the BC3 South Campus project, which reconfigures the south end of its Main Campus allowing for the construction of a new Nursing and Allied Health Building and expansion of BC3's Nursing program. As part of this project, the Maintenance and Shipping & Receiving buildings will be relocated and a new connecting road will be constructed. The project has been broken into two phases, the first phase of the work amounts to approximately \$4.5 million. The start of work for the first phase resulted in a net increase to buildings and construction in progress of \$822,210. Finally, BCCC experienced a change in accumulated depreciation of \$2,091,857 due to normal recording of asset allocation of the cost of assets to periods in which the assets are used.

During 2020, BCCC paid down approximately \$1.5 million in bond principal and added \$371,131 due to accretion of zero-coupon bonds. The year-end bonds payable balance was \$19,149,572. BCCC's current retirement of bonds, including principal and interest, requires annual payments of \$2.0 to \$2.2 million through 2030, approximately \$1.2 million in 2031, and annual payments of approximately \$300,000 in years 2032 through 2037.

See the notes to the financial statements for further information on all of BCCC's long-term debt activity and outstanding balances at June 30, 2020.



Net Capital Assets As of June 30,				
	2019	2018	Increase (Decrease)	Percent Change
Capital Assets:				
Land and Improvements	\$ 5,915,548	\$ 5,298,134	\$ 617,414	11.65%
Construction in Progress	6,371	41,741	(35,370)	-84.74%
Buildings	55,521,489	54,384,087	1,137,402	2.09%
Equipment and Furnishings	13,187,323	12,782,342	404,981	3.17%
Total	74,630,731	72,506,304	2,124,427	2.93%
Less: Accumulated Depreciation	(42,086,480)	(40,158,299)	(1,928,181)	4.80%
Net Capital Assets	<u>\$ 32,544,251</u>	<u>\$ 32,348,005</u>	<u>\$ 196,246</u>	0.61%

As of June 30, , BCCC had recorded over \$74.6 million invested in Capital Assets, \$42 million in Accumulated Depreciation, netting to over \$32.5 million in Net Capital Assets.

BCCC did complete important capital projects in 2018/19, the most significant being the renovation of its off campus location in Cranberry Township, PA. This resulted in a net increase of \$1,137,402 in buildings. BCCC also completed a parking lot paving project at its main campus, which resulted in an increase in land and improvements of \$617,414. Finally, BCCC experienced a change in accumulated depreciation of \$1,928,181 due to normal recording of asset allocation of the cost of assets to periods in which the assets are used.

During 2019, BCCC paid down approximately \$1.5 million in bond principal and added \$350,105 due to accretion of zero-coupon bonds. The year-end bonds payable balance was \$20,058,441. BCCC's current retirement of bonds, including principal and interest, requires annual payments of \$1.9 to \$2.2 million through 2030, approximately \$1.2 million in 2031, and annual payments of approximately \$300,000 in years 2032 through 2037.

See the notes to the financial statements for further information on all of BCCC's long-term debt activity and outstanding balances at June 30, 2019.

### Component Unit – Butler County Community College Education Foundation (Foundation)

BCCC included the financials of the Foundation in its financial reporting as a component unit. See Notes 1, 2, 3, 9, and 11 to the financial statements for further detail. Separate audited financial statements for the Foundation are available through the Foundation office.

### Conclusion

A number of contingencies face BCCC over the next few years. BCCC's ability to fulfill its mission of providing a quality education at an affordable price is directly influenced by government support and enrollment. Future State funding remains uncertain because of the State's decision to implement a legislative change to the State community college funding formula introduced by the Act 46 of 2005. BCCC now receives 100% of its funding as a percentage of a single line item for the entire Pennsylvania Community College system. This change occurred in 2008/2009. As a result, State appropriations to BCCC have been essentially flat since the change occurred although slight increases to the appropriation have been made in the last two years. In 2019/20, the increase in Commonwealth's operating appropriation to BCCC amounted to approximately 2.6% over the previous year.

Secondly, the expected number of high school graduates in BCCC's serving area is expected to remain flat or decrease over the next few years. While enrollment is likely to remain depressed following a 35% decline from its peak in 2011, the college continues to make programmatic adjustments to align with market demand. Similar to peers in the Commonwealth, student demand has suffered from improving regional economic conditions and a declining number of high school graduates. While demographic trends will continue to make growth difficult, BCCC's programmatic diversity, regional locations, and low cost will make the College an attractive option for students. The College has also expanded partnerships with local businesses to provide on-site vocational training and has increased the number of courses to local high schools to diversify its sources of revenue. Additionally, BCCC recently received state approval to expand its nursing program which will help further mitigate further pressure on enrollment.

To ensure affordability and to remain competitive, the College will need to continue to remain committed to limiting expense growth as any future tuition increases will need to be more muted. Over the past five years, the College has demonstrated a heightened focus on expense containment, bolstered by staff retirements and other strategic measures. Salaries, health care, software costs, utilities and other expense areas will require continual fiscal oversight. BCCC's small size makes the college susceptible to negative financial results based even on the slightest changes to revenues and expenses. To sum up, the next five to ten years will remain extremely challenging and long-term plans will need to be developed to address these uncertainties.

Finally, BCCC's labor relations are stable with all four bargaining units having contracts in place through at least the end of 2021.

# BUTLER COUNTY COMMUNITY COLLEGE

## STATEMENTS OF NET POSITION

JUNE 30, 2020

(With Comparative Totals at June 30, 2019)

	2020		2019	
	BCCC	BCCC Foundation	BCCC	BCCC Foundation
<b>Assets</b>				
Current assets:				
Cash and cash equivalents	\$ 15,055,824	\$ 3,673,727	\$ 14,399,975	\$ 1,972,895
Due from grantor agencies	357,774	-	293,470	-
Due from College Foundation	117,112	-	139,126	-
Accounts receivable - other	246,383	980	324,527	29,859
Accounts receivable - students	4,134,045	-	5,255,050	-
Pledges receivable	-	384,297	-	256,504
Support agreement receivable	120,900	-	121,200	-
Prepaid expenses	392,759	208	709,177	464
Inventories	215,143	-	305,676	-
Guaranteed investment contract	-	120,900	-	121,200
Other assets	19,091	-	19,091	-
Total current assets	20,659,031	4,180,112	21,567,292	2,380,922
Noncurrent assets:				
Guaranteed investment contract	-	6,962,098	-	6,625,185
Pledges receivable	-	597,543	-	629,728
Support agreement receivable	6,962,098	-	6,625,185	-
Investments	250,823	7,222,910	249,447	6,954,390
Capital assets, not being depreciated	6,203,727	455,991	5,921,919	455,991
Capital assets, net of accumulated depreciation	25,034,005	1,750,921	26,622,332	1,865,836
Right of use asset - lease, net	2,440,862	-	3,269,827	-
Total noncurrent assets	40,891,515	16,989,463	42,688,710	16,531,130
<b>Total Assets</b>	<b>61,550,546</b>	<b>21,169,575</b>	<b>64,256,002</b>	<b>18,912,052</b>
<b>Deferred Outflows of Resources</b>				
Deferred charge on refunding	799,074	-	845,600	-
Deferred outflows of resources for pension	804,926	-	946,264	-
Deferred outflows of resources for OPEB	31,347	-	25,320	-
<b>Total Deferred Outflows of Resources</b>	<b>1,635,347</b>	<b>-</b>	<b>1,817,184</b>	<b>-</b>

(Continued)

See accompanying notes to financial statements.

# BUTLER COUNTY COMMUNITY COLLEGE

## STATEMENTS OF NET POSITION

JUNE 30, 2020

(With Comparative Totals at June 30, 2019)

(Continued)

	2020		2019	
	BCCC	BCCC Foundation	BCCC	BCCC Foundation
<b>Liabilities</b>				
Current liabilities:				
Accounts payable	\$ 395,398	\$ -	\$ 501,211	\$ 3,886
Payable to College	-	104,209	-	140,007
Accrued interest payable	207,619	-	207,619	-
Line of credit	320,797	-	-	-
Accrued wages	783,830	-	849,301	-
Bonds payable, current portion	1,670,000	-	1,560,000	-
Notes payable, current portion	427,707	1,753,359	333,983	142,365
Lease liability, current portion	732,493	-	804,325	-
Employee payroll deductions	396,293	-	505,658	-
Support agreement payable	-	120,900	-	121,200
Unearned revenue	3,557,415	93,797	4,790,688	112,317
Total current liabilities	8,491,552	2,072,265	9,552,785	519,775
Noncurrent liabilities:				
Gift annuity payable	-	58,490	-	63,315
Accumulated compensated absences	1,058,257	-	938,321	-
Net pension liability	7,064,000	-	7,537,000	-
Net OPEB liability	321,000	-	327,000	-
Bonds payable, net	17,352,852	-	18,319,872	-
Notes payable	1,560,564	-	1,816,638	1,759,803
Lease liability	1,785,277	-	2,517,770	-
Support agreement payable	-	6,962,098	-	6,625,185
Total noncurrent liabilities	29,141,950	7,020,588	31,456,601	8,448,303
<b>Total Liabilities</b>	37,633,502	9,092,853	41,009,386	8,968,078
<b>Deferred Inflows of Resources</b>				
Deferred inflows of resources for pension	822,000	-	684,000	-
Deferred inflows of resources for OPEB	44,000	-	41,000	-
<b>Total Deferred Inflows of Resources</b>	866,000	-	725,000	-
<b>Net Position</b>				
Net investment in capital assets	10,704,886	453,553	11,359,358	410,659
Restricted:				
Expendable	7,057,516	6,376,408	6,729,592	4,673,651
Nonexpendable	-	3,308,961	-	3,040,891
Unrestricted	6,923,989	1,937,800	6,249,850	1,818,773
<b>Total Net Position</b>	\$ 24,686,391	\$ 12,076,722	\$ 24,338,800	\$ 9,943,974

(Concluded)

See accompanying notes to financial statements.

# BUTLER COUNTY COMMUNITY COLLEGE

## STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

YEAR ENDED JUNE 30, 2020  
(With Comparative Totals for Year Ending June 30, 2019)

	2020		2019	
	BCCC	BCCC Foundation	BCCC	BCCC Foundation
<b>Revenues:</b>				
Operating revenues:				
Student tuition and fees	\$ 15,100,767	\$ -	\$ 15,756,531	\$ -
Federal grants	6,098,397	-	5,582,080	-
Sale of books and merchandise, net of cost of \$1,191,875	435,670	-	483,958	-
Contributions	4,332	2,086,877	-	591,636
Support and grant agreement	457,814	-	532,126	-
Other operating revenues	174,188	429,257	146,433	535,983
Total operating revenues	22,271,168	2,516,134	22,501,128	1,127,619
<b>Expenses:</b>				
Operating expenses:				
Regular programs	27,688,317	-	27,654,461	-
Special programs	2,139,059	-	2,212,351	-
Equipment purchases	871,371	-	603,998	-
Equipment rentals	129	-	3,181	-
Salaries, wages, and expenses, students and auxiliary enterprises	398,240	-	398,445	-
Student activities	149,504	-	171,649	-
Student grants and scholarships	5,203,710	185,112	4,637,403	158,963
Fundraising	-	43,533	-	45,964
Grants to College	-	41,872	-	29,017
Support agreement grant	-	457,813	-	436,213
Management and general	-	124,039	-	117,703
Contracted services	-	1,600	-	6,750
Hospitality	-	1,457	-	2,785
Other	283,747	161,492	105,698	302,886
Rental expense	-	188,177	-	178,142
Interest expense - leases	6,195	-	11,135	-
Depreciation/amortization	3,123,112	563	3,107,462	563
Total operating expenses	39,863,384	1,205,658	38,905,783	1,278,986
<b>Operating Income (Loss)</b>	<b>(17,592,216)</b>	<b>1,310,476</b>	<b>(16,404,655)</b>	<b>(151,367)</b>
<b>Nonoperating Revenues (Expenses):</b>				
Investment income	122,437	822,272	96,963	753,591
Loss on disposition of asset	(4,146)	-	(10,816)	-
State appropriations and grants	11,142,835	-	11,048,733	-
County appropriations and grants	4,414,508	-	4,348,428	-
Foundation grant	127,223	-	68,434	-
Other nonoperating revenue	900	-	-	-
Debt service - interest expense	(1,016,790)	-	(1,008,601)	-
Interfund Transfers	-	-	-	-
Net nonoperating revenues (expenses)	14,786,967	822,272	14,543,141	753,591
Income (loss) before other revenues, expenses, gains, or losses	(2,805,249)	2,132,748	(1,861,514)	602,224
State appropriations and grants - capital	1,977,395	-	2,626,434	-
County appropriations and grants - capital	1,175,445	-	1,175,445	-
<b>Changes in Net Position</b>	<b>347,591</b>	<b>2,132,748</b>	<b>1,940,365</b>	<b>602,224</b>
Net position - beginning of year, as restated	24,338,800	9,943,974	22,398,435	9,341,750
Net position - end of year	<u>\$ 24,686,391</u>	<u>\$ 12,076,722</u>	<u>\$ 24,338,800</u>	<u>\$ 9,943,974</u>

See accompanying notes to financial statements.

# BUTLER COUNTY COMMUNITY COLLEGE

## STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2020

(With Comparative Totals for Year Ending June 30, 2019)

	2020		2019	
	BCCC	BCCC Foundation	BCCC	BCCC Foundation
<b>Cash Flows From Operating Activities:</b>				
Tuition and fees	\$ 14,988,499	\$ -	\$ 15,008,021	\$ -
Federal grants	9,032,583	-	8,564,740	-
Payments to suppliers	(1,073,482)	(236,623)	(669,231)	(152,096)
Auxiliary enterprise charges:				
Bookstore	526,203	-	434,533	-
Contributions	4,332	-	-	-
Program expenses	(30,386,329)	(243,199)	(30,172,410)	(381,376)
Payments for student activities	(149,504)	-	(171,649)	-
Payments for grants and scholarships	(8,137,896)	(348,184)	(7,620,063)	(808,180)
Support and grant agreement	121,201	1,972,750	716,113	796,191
Other receipts (payments)	278,808	487,759	(209,631)	528,019
Net cash provided by (used in) operating activities	(14,795,585)	1,632,503	(14,119,577)	(17,442)
<b>Cash Flows From Noncapital Financing Activities:</b>				
Government appropriations and grants	15,515,053	-	15,241,432	-
Foundation grants	127,223	-	68,434	-
Other	900	-	-	-
Net cash provided by (used in) noncapital financing activities	15,643,176	-	15,309,866	-
<b>Cash Flows From Capital and Related Financing Activities:</b>				
Government appropriations and grants	3,152,840	-	3,801,879	-
Payments for capital items	(991,775)	-	(2,485,559)	(15,731)
Amortization expense	(804,325)	-	(776,699)	-
Principal paid on capital debt and lease	(8,075,984)	(148,809)	(7,928,500)	(149,090)
Proceeds from capital debt	6,633,634	-	6,375,000	-
Interest paid on capital debt and lease	(547,990)	-	(673,630)	-
Proceeds from line of credit	675,580	-	18,912	-
Payments on line of credit	(354,783)	-	(249,808)	-
Net cash provided by (used in) capital and related financing activities	(312,803)	(148,809)	(1,918,405)	(164,821)
<b>Cash Flows From Investing Activities:</b>				
Sale (purchases) of investments	(1,376)	(452,799)	(1,086)	(522,503)
Interest on investments	122,437	669,937	96,963	749,909
Net cash provided by (used in) investing activities	121,061	217,138	95,877	227,406
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>655,849</b>	<b>1,700,832</b>	<b>(632,239)</b>	<b>45,143</b>
<b>Cash and Cash Equivalents:</b>				
Beginning of year	14,399,975	1,972,895	15,032,214	1,927,752
End of year	\$ 15,055,824	\$ 3,673,727	\$ 14,399,975	\$ 1,972,895

(Continued)

See accompanying notes to financial statements.

# BUTLER COUNTY COMMUNITY COLLEGE

## STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2020

(With Comparative Totals for Year Ending June 30, 2019)

(Continued)

	2020		2019	
	BCCC	BCCC Foundation	BCCC	BCCC Foundation
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:</b>				
Operating income (loss)	\$ (17,592,216)	\$ 1,310,476	\$ (16,404,655)	\$ (151,367)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation/amortization	3,123,112	114,915	3,107,462	114,768
Pension expense	495,264	-	626,779	-
OPEB expense	(8,320)	-	(8,567)	-
Pension payments made subsequent to measurement date	(688,926)	-	(680,264)	-
Change in assets and liabilities:				
Receivables, net	1,199,149	28,879	810,306	(28,857)
Prepaid expenses	316,418	256	(358,764)	(215)
Inventories	90,533	-	(49,425)	-
Other asset	-	-	7,138	-
Accounts payable	(280,649)	(3,886)	38,433	3,409
Payable to College	-	(35,798)	-	(470,730)
Unearned revenue	(1,233,273)	(18,519)	(946,421)	11,394
Compensated absences	119,936	-	54,414	-
Pledge receivable	-	(95,608)	-	193,161
Support and grant agreement	(336,613)	336,613	(316,013)	316,013
Gift annuity payable	-	(4,825)	-	(5,018)
Total adjustments	2,796,631	322,027	2,285,078	133,925
Net cash provided by (used in) operating activities	<u>\$ (14,795,585)</u>	<u>\$ 1,632,503</u>	<u>\$ (14,119,577)</u>	<u>\$ (17,442)</u>

(Concluded)

See accompanying notes to financial statements.

# BUTLER COUNTY COMMUNITY COLLEGE

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

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### 1. Organization

The Butler County Community College (BCCC), chartered in 1965, was the first community college in Western Pennsylvania. On September 26, 1966, BCCC opened its doors to 242 day and 190 evening students. During the current fiscal year, 5,001 students were enrolled in credit programs and another 8,704 people took part in the many other educational opportunities available on the BCCC main campus, and the Cranberry, Lawrence, Brockway Mercer, and Armstrong sites. BCCC is dedicated to providing quality and comprehensive educational opportunities accessible to all that can benefit.

#### Reporting Entity

BCCC is a component unit of the County of Butler (County), Pennsylvania. The Commissioners of the County appoint all members of the governing Board of Trustees (Board) of BCCC. As sponsor of BCCC, the County provides funding for up to one-third of operating expenses and one-half of the capital expenses. In addition, the County's approval is required for the issuance of any bonded debt by BCCC as the County is legally committed for a portion of the repayment of such debt.

In evaluating BCCC as a reporting entity in accordance with the Governmental Accounting Standards Board (GASB), management has addressed all potential component units. Consistent with applicable guidance, the criteria used by BCCC to evaluate the possible inclusion of related entities within its reporting entity are financial accountability and the nature and significance of the relationship.

Following is a brief description of the component unit that is included within the financial reporting entity because of the nature and significance of the relationship:

#### Butler County Community College Education Foundation (Foundation)

The Foundation is a non-profit organization incorporated on October 1, 1985. The purpose of the Foundation is to promote the educational efforts of BCCC. A nineteen-member Board of Directors governs the Foundation. The President of BCCC is a member of the Board of Directors and the Executive Director of the Foundation is an employee of BCCC. Separate financial statements of the Foundation are prepared and can be obtained through the Foundation.



# BUTLER COUNTY COMMUNITY COLLEGE

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

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### 2. Summary of Significant Accounting Policies

The financial statements of BCCC have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. GASB is the authoritative standard-setting body for the establishment of governmental accounting and financial reporting principles. BCCC's significant accounting policies are as follows:

#### Basis of Accounting

The financial statements of BCCC have been prepared on the accrual basis. Accordingly, revenues are recorded when earned and expenses are recognized when the liability is incurred. BCCC records student receivables at the time of registration for classes. As of June 30, 2020, BCCC determines the portion of the receivable and the tuition that has been paid that relates to classes that will take place after June 30. This amount is reported as unearned revenue.

Operating revenues and expenses consist of those revenues and expenses that result from ongoing principal operations of BCCC. Operating revenues consist of tuition and fees and government grants. Nonoperating and other revenues and expenses consist of those revenues and expenses relating to subsidies and capital items.

The Foundation's policy is to prepare its financial statements on the accrual basis of accounting. Under this basis, revenues are recognized when earned and expenses are recognized when incurred. If expenditure results in the acquisition of an asset having an estimated useful life which extends substantially beyond the year of acquisition, the expenditure is capitalized and depreciated or amortized over the estimated useful life of the asset.

#### Financial Reporting

BCCC elects to report its activity as "business-type activities only" financial statements.

#### Prior-Year Comparative Information

The financial statements include summarized prior year comparative information. Such information does not include the prior year footnote disclosures and thus, does not include all of the information required for a presentation in accordance with accounting principles generally accepted in the United States of America. Accordingly, such information should

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# BUTLER COUNTY COMMUNITY COLLEGE

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

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be read in conjunction with the College's financial information for the year-end June 30, 2019 from which the summarized information was derived.

### Classification of Net Position

Accounting standards require the classification of net position into three components – net investment in capital assets; restricted; and unrestricted. These classifications are defined as follows:

- Net investment in capital assets – The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position. If there are significant unspent related debt proceeds or deferred inflows of resources at the end of the reporting period, the portion of the debt or deferred inflows of resources attributable to the unspent amount is not included in the calculation of net investment in capital assets. Instead, that portion of the debt or deferred inflow of resources is included in the same net position component (restricted or unrestricted) as the unspent amount.
- Restricted – The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Generally, a liability relates to restricted assets if the asset results from a resource flow that also results in the recognition of a liability or if the liability will be liquidated with the restricted assets reported. Two categories are used to further describe restricted net position:

Expendable – can be expended in compliance with the external restriction

Nonexpendable – net position that is required to be retained in perpetuity

Expendable restricted net position at June 30, 2020 of BCCC consisted of \$7,057,516 related to the support agreement receivable.

Net position related to the Foundation is described in Note 11.

# BUTLER COUNTY COMMUNITY COLLEGE

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

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- Unrestricted – The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted components of net position.

BCCC uses restricted resources, when available, before using unrestricted resources to pay expenditures.

### Inventory

Inventory consisting of books and merchandise held for sale in the bookstore is stated at average cost and is expensed as sold or used.

### Allowance for Uncollectible Receivables

BCCC maintains the most current two academic years as student receivables. All other student receivables are considered to be uncollectible and are written off. During the year, BCCC wrote off \$371,204 of receivables considered to be uncollectible.

### Capital Assets and Depreciation/Amortization

Physical plant and equipment are stated at cost at date of acquisition or fair market value at date of donation in the case of gifts. Depreciation/amortization on assets has been provided using the straight-line method over the estimated useful lives, as follows:

Buildings	30-60 years
Furniture and fixtures	15-20 years
Library reference materials and books	5 years
Maintenance equipment	10 years
Office and computer equipment	5-10 years
Vehicles	2-5 years
Technology software	5 years

### Leases

Commencing with fiscal year end June 30, 2020, BCCC lease agreements are recognized as a lease liability and lease asset at the commencement of the lease term, unless the lease is a short-term lease or it transfers ownership of the underlying asset. The lease liability is

# BUTLER COUNTY COMMUNITY COLLEGE

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

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measured at the present value of payments expected to be made during the lease term, less any lease incentives. The lease assets is measured at the amount of the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. The lease liability is reduced as payments are made and recognized as expenditures for interest on the liability. The lease asset is amortized on the straight-line method over the shorter of the lease term or the useful life of the underlying asset. Short-term leases are defined as leases that, at the commencement of the lease term, have a maximum possible term under the lease contract of 12 months or less, including any options to extend, regardless of their probability of being exercised. Short-term lease payments are recognized as expenditures based on the payment provisions of the lease contract. An asset is recognized if payments are made in advance or a liability for rent due if payments are to be made subsequent to the reporting period.

### Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

### Investments

Investments purchased by BCCC consist of U.S. Government Obligations and are carried at fair value. Investments of the Foundation are reported at fair value with the exception of stock held in a non-publicly traded entity as discussed in Note 3.

BCCC categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant to other observable inputs. Level 3 inputs are significant unobservable inputs.

### Bond Discounts

Original issue bond discounts are deferred and amortized over the life of the related bonds using the straight-line method of amortization. The unamortized balance of the bond discount is recorded as a reduction of the related bond payable.

# **BUTLER COUNTY COMMUNITY COLLEGE**

## **NOTES TO FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2020**

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### Deferred Inflows and Outflows of Resources

Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then.

### Deferred Outflows of Resources - Refunding

The deferred charge on refunding is treated as a deferred outflow of resources and resulted from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

### Deferred Inflows and Outflows of Resources Related to Pensions and OPEBs

In conjunction with pension and OPEB accounting requirements, differences between expected and actual experience, changes in assumptions, the effect of the change in BCCC's proportion, the net difference between expected and actual investment earnings, the difference between employer contributions and the proportionate share of contributions, and payments made to PSERS subsequent to the measurement date are recorded as a deferred inflow or outflow of resources related to pensions or a deferred inflow or outflow of resources related to pensions or OPEBs on statements of net position. These amounts are determined based on the actuarial valuations performed for PSERS. Notes 5 through 7 present additional information about PSERS and its pension and OPEB plans.

### Postemployment Benefits

In the statements of net position, long-term liabilities related to postemployment benefits, including pensions, health insurance, and life insurance are calculated based on actuarial valuations as described in Notes 5 and 7.

### Adopted Standards

The requirements of the following GASB Statement were adopted for BCCC's 2020 financial statements.

# BUTLER COUNTY COMMUNITY COLLEGE

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

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GASB Statement No. 87, "*Leases*," requires lessees to recognize assets and liabilities on the statement of net position for the rights and obligations created by all leases with terms of more than twelve months. The adoption of this standard resulted in the presentation of right of use lease assets and related lease liabilities on the statement of net position, and additional footnote disclosure. As a result of this implementation, net position as of July 1, 2019 was restated with a decrease of \$52,268 to record BCCC's lease asset and liability and the 2019 comparative financial statements were restated to reflect this adoption as well.

### Pending Standards

GASB has issued statements that will become effective in future years, including Statement Nos. 89 (Accounting for Interest Cost), 91 (Conduit Debt Obligations), 92 (Omnibus 2020), 93 (Interbank Offered Rates), 94 (Public-Private and Public-Public Partnerships), 96 (Information Technology Arrangements), and 97 (Deferred Compensation Plans). Management has not yet determined the impact of these statements on the financial statements.

### Reclassification

Certain amounts presented in the prior year have been reclassified in order to be consistent with the current year's presentation.

## **3. Deposits and Investments**

### Deposits

Under Section 440.1 of the Pennsylvania Public School Code for 1949, as amended, and PA Act 10 of 2016, BCCC is permitted to invest funds consistent with sound business practices in the following types of investments:

Obligations of (a) the United States of America or any of its agencies or instrumentalities backed by the full faith and credit of the United States of America, (b) the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the Commonwealth of Pennsylvania, or (c) of any political subdivision of the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the political subdivision.

# BUTLER COUNTY COMMUNITY COLLEGE

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

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U.S. government obligations, short-term commercial paper issued by a public corporation, and banker's acceptances.

Deposits in savings accounts, time deposits, or share accounts of institutions insured by the Federal Deposit Insurance Corporation (FDIC) to the extent that such accounts are so insured and, for any amounts above the insured maximum, provided that approved collateral, as provided by law, is pledged by the depository.

The deposit and investment policy of BCCC adheres to state statutes and prudent business practice. There were no deposit or investment transactions during the year that were in violation of either the state statutes or the policy of BCCC.

*Credit risk.* The risk that an issuer or other counterparty to an investment will not fulfill its obligations is called credit risk. The majority of BCCC's investments is in U.S. Government Obligations and is therefore not exposed to this type of risk.

*Custodial credit risk – deposits.* In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. At year-end, the carrying amount of BCCC's cash and deposits was \$15,055,824 and the related bank balances totaled \$15,661,810, of which \$500,000 was covered by FDIC. The remaining balance was collateralized in accordance with Act 72 of the Pennsylvania state legislature, which requires the institution to pool collateral for all governmental deposits and have collateral held by an approved custodian in the institution's name.

As of June 30, 2020, the Foundation held cash and cash equivalents with a book and bank balance of \$3,673,727 and \$3,675,431, respectively. \$3,409,228 of the bank balance was on deposit with banking institutions and covered under FDIC insurance. The remaining balance was invested in "sweep" repurchase agreement accounts, which are not FDIC insured. The financial institution holding the Foundation's "sweep" balances has pledged assets in a coverage ratio of 1.05%. For every one dollar in uninsured "sweep" funds, the financial institution has pledged \$1.05 in U.S. government security assets.

*Custodial credit risk – investments.* For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At year-end, the carrying amount of BCCC's investments was \$250,823.

# BUTLER COUNTY COMMUNITY COLLEGE

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

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BCCC's investments at June 30, 2020 are composed of the following:

Cash equivalent investments	\$ 250,823
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At year-end, \$250,000 of the cash equivalent investments were covered by federal depository insurance.

Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in values of investment securities will occur in the near-term and that such changes could materially affect the amount reported on the statement of net position.

### Fair Value of Investments

BCCC measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- *Level 1:* Quoted prices for identical investments in active markets;
- *Level 2:* Observable inputs other than quoted market prices; and,
- *Level 3:* Unobservable inputs.

The Foundation's investments at June 30, 2020 are composed of the following:

Cash and cash equivalents	\$ 1,908,381
Mutual funds	5,314,529
	<u>\$ 7,222,910</u>

At June 30, 2020, the Foundation had the following recurring fair value measurements:

- Mutual funds of \$5,314,529 are valued using quoted market prices (Level 1 inputs)

The Foundation's investments are not insured or registered and are held by the financial institution's trust department or agent on behalf of the Foundation but are not in the Foundation's name. Investments may be held in the name of a nominee, as long as the investments are held on behalf of the Foundation. Those amounts identified above as cash and cash equivalents include funds being held in highly liquid money market mutual funds that are invested in governmental debt securities with maturities from the date of purchase of three months or less.



# BUTLER COUNTY COMMUNITY COLLEGE

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

### 4. Bonds Payable

Long-term debt consists of the following:

	Balance at June 30, 2019	Issuance	Refinance	Payments	Accretion	Balance at June 30, 2020	Due within one year
General obligation bonds:							
Series G of 2000	\$ 6,163,441	\$ -	\$ -	\$ -	\$ 371,131	\$ 6,534,572	\$ -
Series B of 2011	1,375,000	-	-	(680,000)	-	695,000	695,000
Series A & B of 2012	6,145,000	-	(6,145,000)	-	-	-	-
Series A of 2018	6,375,000	-	-	(475,000)	-	5,900,000	535,000
Series A of 2019	-	3,770,000	-	(110,000)	-	3,660,000	170,000
Series B of 2019	-	2,605,000	-	(245,000)	-	2,360,000	270,000
	<u>\$ 20,058,441</u>	<u>\$ 6,375,000</u>	<u>\$ (6,145,000)</u>	<u>\$ (1,510,000)</u>	<u>\$ 371,131</u>	<u>19,149,572</u>	<u>\$ 1,670,000</u>
					Unaccreted interest	2,630,428	
						<u>\$ 21,780,000</u>	

Amounts above do not reflect an amortized issue discount in the amount of \$136,146 and premium in the amount of \$9,426 for the bonds. This amount is amortized using the straight-line method.

During 2001, the SPSBA and BCCC issued Series G of 2000 (Series G) Bonds in the amount of \$4,121,861. The Series G Bonds include current interest bonds in the amount of \$2,060,000 and capital appreciation bonds in the amount of \$2,061,861. The Series G Bonds were issued to cover additional costs associated with the construction of the science/technology building. The interest rates on the Series G Bonds range from 4.5% to 6.0% with the bonds maturing January 15, 2031.

In July 2011, the SPSBA and BCCC issued Series A and B Bonds in the amount of \$7,840,000 and \$5,795,000, respectively. The Series A Bonds were issued to (1) refund, on a current basis, BCCC's Refunding Series A-I of 2001 Bonds; (2) provide funds for various capital expenditures of BCCC; and (3) pay certain costs of issuing the Series A Bonds. The Series B Bonds were issued to (1) refund, on a current basis, BCCC's Refunding Series A-II of 2001 Bonds; (2) provide funds for various capital expenditures of BCCC; and (3) pay certain costs of issuing the Series B Bonds. The interest rates on the Series A Bonds range from 0.75% to 4.45% with the bonds. Series A was refinanced with Series A of 2018 during fiscal year 2019. The interest rates on the Series B Bonds range from 0.50% to 4.45% with the bonds maturing from 2012 until 2020. During the year, BCCC paid interest of \$33,128.

# BUTLER COUNTY COMMUNITY COLLEGE

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

In September 2012, the SPSBA and BCCC issued Series A and B Bonds in the amount of \$4,610,000 and \$4,165,000, respectively. The Series Bonds were issued to (1) refund, on a current basis, BCCC's outstanding College Revenue Bonds, Series A of 2008; (2) provide funds for various capital expenditures of BCCC; and (3) pay certain costs of issuing the Series a Bonds. The Series B Bonds were issued to (1) refund, on a current basis, BCCC's outstanding College Revenue Bonds, Series B of 2008; (2) provide funds for various capital expenditures of BCCC; and (3) pay certain costs of issuing the Series B Bonds. Series A and B were refinanced with Series A and B of 2019 during fiscal year 2020. During the year, BCCC paid interest of \$190,788.

In October 2018, the SPSBA and BCCC issued Series A Bonds in the amount of \$6,375,000. The Series A Bonds were issued to (1) refund, on a current basis, BCCC's Series A of 2011; (2) paying the costs and expenses of issuing and insuring the Series A Bonds. The interest rates on the Series A Bonds range from 2.00% to 3.50% with the bonds. During the year, BCCC paid interest of \$205,955.

In November 2019, the SPSBA and BCCC issued Series A and B Bonds in the amount of \$3,770,000 and \$2,605,000, respectively. The Series A and B Bonds were issued to (1) refund, on a current basis, BCCC's Series A and B of 2012; (2) paying the costs and expenses of issuing and insuring the Series A and B Bonds. The interest rates on the Series A and B Bonds range from 1.55% to 3.07% with the bonds. During the year, BCCC paid interest of \$25,068.

During 2017, Moody's Investor Service downgraded BCCC's credit rating from A3 to Baa1. The scheduled retirement of bonds is as follows:

	Principal	Interest	Total
2021	\$ 1,670,000	\$ 335,533	\$ 2,005,533
2022	1,900,000	298,726	2,198,726
2023	1,940,000	271,908	2,211,908
2024	1,950,000	243,498	2,193,498
2025	1,985,000	213,189	2,198,189
2026-2030	9,715,000	629,059	10,344,059
2031-2035	2,100,000	182,800	2,282,800
2036-2038	520,000	23,400	543,400
	21,780,000	\$ 2,198,113	\$ 23,978,113
Less: unaccreted interest	(2,630,428)		
	<u>\$ 19,149,572</u>		

# BUTLER COUNTY COMMUNITY COLLEGE

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

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### 5. Retirement Plans

The College has two (2) contributory pension plans covering substantially all full-time employees:

- Public School Employees' Retirement System (PSERS)
- Teachers Insurance and Annuity Association/College Retirement and Equity Fund (TIAA-CREF).

#### Plan Descriptions

##### ***PSERS***

PSERS administers a governmental cost-sharing, multi-employer defined benefit pension plan (PSERS Pension) and a governmental cost-sharing, multi-employer defined benefit Health Insurance Premium Assistance Program OPEB plan (Premium Assistance), to public school employees of the Commonwealth of Pennsylvania. PSERS issues a publicly available financial report that can be obtained at [www.psers.pa.gov](http://www.psers.pa.gov).

Employees eligible for PSERS benefits include all full-time public school employees, part-time hourly public school employees who render at least 500 hours of service in the school year, and part-time per diem public school employees who render at least 80 days of service in the school year in any of the reporting entities in Pennsylvania.

PSERS retirees can participate in the Premium Assistance if they satisfy the following criteria:

- Have 24 ½ or more years of service, or
- Are a disability retiree, or
- Have 15 or more years of service and retired after reaching superannuation age, and
- Participate in the PSERS Health Options Program or an employer-sponsored health insurance program.

##### ***TIAA-CREF***

TIAA-CREF is defined contribution pension plan. In a defined contribution plan, benefits depend on amounts contributed to the plan plus investment earnings. Employer and employee contribution rates are established by statute. Employees electing TIAA-CREF

# BUTLER COUNTY COMMUNITY COLLEGE

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

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contributed 5.25% of their regular monthly compensation if they began participating in the plan prior to July 22, 1983, or 6.25% if their participation began after July 22, 1983. BCCC's contribution rate at June 30, 2020 was 10%. Beyond that salary-based contribution, the College bears no responsibility for any liabilities, funded or unfunded, of TIAA-CREF. Contributions are immediately and fully vested.

### Summary of Significant Accounting Policies

For purposes of measuring the net pension liability, the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to pensions or OPEBs, pension expense, and OPEB expense, information about the fiduciary net position of PSERS and additions to/deductions from PSERS' fiduciary net position have been determined on the same basis as they are reported by PSERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Detailed information about PSERS' fiduciary net position related to pension and OPEBs is available in the PSERS Comprehensive Annual Financial Report, which can be found on the PSERS website at [www.psers.pa.gov](http://www.psers.pa.gov).

### Benefits Provided

#### ***PSERS – Pension***

Members are eligible for monthly retirement benefits upon reaching (a) age 62 with at least one year of credited service; (b) age 60 with 30 or more years of credited service; or (c) 35 or more years of service regardless of age. Act 120 of 2010 (Act 120) preserves the benefits of existing members and introduced benefit reductions for individuals who become new members on or after July 1, 2011. Act 120 created two new membership classes: Membership Class T-E (Class T-E) and Membership Class T-F (Class T-F). To qualify for normal retirement, Class T-E and Class T-F members must work until age 65 with a minimum of three years of service or attain a total combination of age and service that is equal to or greater than 92 with a minimum of 35 years of service. Benefits are generally equal to 2% or 2.5%, depending upon membership class, of the member's final average salary (as defined in the Code) multiplied by the number of years of credited service. For members whose membership started prior to July 1, 2011, after completion of five years of service, a member's right to the defined benefits is vested and early retirement benefits may be elected. For Class T-E and T-F members, the right to benefits is vested after ten years of service.

# BUTLER COUNTY COMMUNITY COLLEGE

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

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Participants are eligible for disability retirement benefits after completion of five years of credited service. Such benefits are generally equal to 2% or 2.5%, depending upon membership class, of the member's final average salary (as defined in the Code) multiplied by the number of years of credited service, but not less than one-third of such salary nor greater than the benefit the member would have had at normal retirement age. Members over normal retirement age may apply for disability benefits.

Death benefits are payable upon the death of an active member who has reached age 62 with at least one year of credited service (age 65 with at least three years of credited service for Class T-E and Class T-F members) or who has at least five years of credited service (ten years for Class T-E and Class T-F members). Such benefits are actuarially equivalent to the benefit that would have been effective if the member had retired on the day before death.

### ***PSERS – Premium Assistance***

Effective January 1, 2002, under the provisions of Act 9 of 2001, participating eligible annuitants are entitled to receive PSERS Premium Assistance payments equal to the lesser of \$100 per month or their eligible out-of-pocket monthly health insurance premium. As of June 30, 2019, there were no assumed future benefit increases to participating eligible retirees.

### Member Contributions

#### ***PSERS***

The following illustrates the PSERS' member's contribution as a percent of the member's qualifying compensation:

- Active members who joined PSERS prior to July 22, 1983:
  - Membership Class T-C 5.25%
  - Membership Class T-D 6.50%
- Members who joined PSERS on or after July 22, 1983, and who were active or inactive as of July 1, 2001:
  - Membership Class T-C 6.25%
  - Membership Class T-D 7.50%

# BUTLER COUNTY COMMUNITY COLLEGE

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

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- Members who joined PSERS after June 30, 2001, and before July 1, 2011:
  - Membership Class T-D 7.50%
- Members who joined PSERS after June 30, 2011, and before June 30, 2019:
  - Membership Class T-E\* 7.50%
  - Membership Class T-F\*\* 10.30%

\*Shared risk program could cause future contribution rates to fluctuate between 7.50% and 9.50%.

\*\*Shared risk program could cause future contribution rates to fluctuate between 10.30% and 12.30%.

- Members who joined PSERS on or after July 1, 2019:
  - Membership Class T-G (hybrid)\* 8.25% (combined rate)
  - Membership Class T-H (hybrid)\*\* 7.50% (combined rate)
  - Defined Contribution only 7.50%

\*Shared risk program could cause future contribution rates to fluctuate between 5.25% and 11.25%.

\*\* Shared risk program could cause future contribution rates to fluctuate between 4.50% and 10.50%

On June 12, 2017, Commonwealth of Pennsylvania Act 5 of 2017 was signed into law. This legislation establishes a new hybrid defined benefit/defined contribution retirement benefit plan applicable to all school employees who become new members of PSERS on July 1, 2019 and thereafter. The three new plan design options under Act 5 include two hybrid plans consisting of defined benefit and defined contribution components and a stand-alone defined contribution plan. A stand-alone defined benefit plan is no longer available to new members after June 30, 2019.

# BUTLER COUNTY COMMUNITY COLLEGE

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

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### Employer Contributions

During the year ended June 30, 2020, the College contributed the following to each of its retirement plans:

PSERS Pension	\$ 688,926
PSERS Premium Assistance	<u>17,347</u>
Total PSERS	706,273
 TIAA-CREF	 <u>1,031,571</u>
Total contributions	<u><u>\$ 1,737,844</u></u>

### **PSERS**

The College's contractually required PSERS contribution rate for fiscal year ended June 30, 2020 was 34.29%, of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. This rate is composed of a 33.36% rate for the Pension Plan, a 0.84% rate for the Premium Assistance, and a 0.09% rate for Act 5 Defined Contribution for fiscal year ended June 30, 2020.

The combined rate for the fiscal year ended June 30, 2020 was an increase from the fiscal year ended June 30, 2019 combined rate of 33.43%. The combined contribution rate will increase to 34.51% in fiscal year 2021 and is projected to grow to 38.17% by fiscal year 2028.

The College remits contributions to PSERS on a quarterly basis. Approximately \$203,340 is owed to PSERS as of June 30, 2020, which represents the College's required contribution for the end of year payroll.

### Commonwealth Contributions

### **PSERS**

The Commonwealth of Pennsylvania pays approximately one-half of contributions directly to PSERS on behalf of the College. These contributions qualify as a special funding situation.

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# BUTLER COUNTY COMMUNITY COLLEGE

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

The PSERS net pension liability recorded by the College reflects a reduction for the Commonwealth's support. The total of the collective net pension liability relative to PSERS that is associated with the College is as follows:

College's proportionate share of PSERS net pension liability	\$ 7,064,000
Commonwealth's proportionate share of PSERS net pension liability associated with the College	<u>7,090,000</u>
Total	<u>\$ 14,154,000</u>

### Proportionate Share

#### ***PSERS***

The College's proportion of PSERS' net pension liability and PSERS' net OPEB liability were calculated utilizing the College's one-year reported covered payroll as it relates to PSERS' total one-year reported covered payroll.

At June 30, 2019 (measurement date for PSERS' net pension liability and net OPEB liability reported at June 30, 2020), the College's proportion for PSERS was 0.0151%, which was a decrease of 0.0006% from its proportion measured as of June 30, 2018.

### **6. Net Pension Liability, Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pensions**

At June 30, 2020, the College reported a liability of \$7,064,000 for its proportionate share of PSERS' net pension liability. The PSERS net pension liability reported at June 30, 2020 was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by rolling forward PSERS' total pension liability as of June 30, 2018 to June 30, 2019.

For the year ended June 30, 2020, the College recognized pension expense of \$495,264.



# BUTLER COUNTY COMMUNITY COLLEGE

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 39,000	\$ 234,000
Changes in assumptions	68,000	-
Net difference between projected and actual earnings on pension plan investments	-	20,000
Differences between employer contributions and proportionate share of contributions	-	-
Changes in proportion	9,000	568,000
College contributions subsequent to the measurement date	688,926	-
Total	<u>\$ 804,926</u>	<u>\$ 822,000</u>

\$688,926 was reported as deferred outflows of resources resulting from the College's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	PSERS
<u>Year Ending June 30:</u>	
2021	\$ (206,000)
2022	(372,000)
2023	(142,000)
2024	14,000
Total	<u>\$ (706,000)</u>

# BUTLER COUNTY COMMUNITY COLLEGE

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

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### Actuarial Assumptions

#### ***PSERS***

The actuarial valuation used for the June 30, 2019 measurement date contained the following methods and assumptions:

- Actuarial cost method – Entry Age Normal – level % of pay
- Investment return – 7.25%, includes inflation at 2.75%
- Salary growth – Effective average of 5.00%, comprised of 2.75% for inflation and 2.25% for real wage growth and merit or seniority increases
- Mortality rates were based on the RP-2014 Mortality Tables for males and females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 Mortality Improvement Scale
- Experience study – July 1, 2010 through June 30, 2015

There were no changes in assumptions affecting the actuarial valuation used for the June 30, 2019 measurement date.

There were no changes in benefit terms affecting the actuarial valuation used for the June 30, 2019 measurement date.

### Pension Plan Investments

#### ***PSERS***

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The pension plan's policy in regard to the allocation of invested plan assets is established and may be amended by the PSERS Board. Plan assets are managed with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the pension.

# BUTLER COUNTY COMMUNITY COLLEGE

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global public equity	20.0%	5.6%
Fixed income	36.0%	1.9%
Commodities	8.0%	2.7%
Absolute return	10.0%	3.4%
Risk parity	10.0%	4.1%
Infrastructure/MLPs	8.0%	5.5%
Real estate	10.0%	4.1%
Alternative investments	15.0%	7.4%
Cash	3.0%	0.3%
Financing (LIBOR)	-20.0%	0.7%
	100.0%	

For PSERS' years ended June 30, 2019, the annual money-weighted rate of return on the pension plan investments, net of pension plan investment expenses, was 6.58% and 9.30%, respectively.

### Discount Rate

The discount rate used to measure the total pension liability for PSERS was 7.25%. The projection of cash flows used to determine the discount rate assumed that the contributions from plan members will be made at the current contribution rate and that the contributions from employers 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.

# BUTLER COUNTY COMMUNITY COLLEGE

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

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### Sensitivity of the College's Proportionate Share of PSERS' Net Pension Liability to Changes in the Discount Rate

The following presents the College's proportionate share of PSERS' net pension liabilities calculated using the discount rate described above, as well as what the College's proportionate share of PSERS' net pension liabilities would be if they were calculated using a discount rate that is one-percentage-point lower or one-percentage-point higher than the current rate:

	<u>1% Decrease (6.25%)</u>	<u>Current Discount Rate (7.25%)</u>	<u>1% Increase (8.25%)</u>
<u>June 30, 2020</u>			
College's proportionate share of PSERS' net pension liability	<u>\$ 8,799,000</u>	<u>\$ 7,064,000</u>	<u>\$ 5,595,000</u>

### **7. Net OPEB Liability, OPEB Expense, and Deferred Outflows and Inflows of Resources Related to OPEB**

At June 30, 2020, BCCC reported a liability of \$321,000 for its proportionate share of PSERS' net OPEB liability. PSERS' net OPEB liability reported at June 30, 2020 was measured as of June 30, 2019, and the total OPEB liability used to calculate PSERS' net OPEB liability was determined by rolling forward PSERS' total OPEB liability as of June 30, 2018 to June 30, 2019.

For the year ended June 30, 2020, the College recognized OPEB expense as follows:

OPEB expense related to PSERS	
Premium Assistance	<u>\$ 8,320</u>

# BUTLER COUNTY COMMUNITY COLLEGE

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience:	\$ 2,000	\$ -
Changes in assumptions:	11,000	10,000
Net difference between projected and actual earnings on OPEB plan investments:	1,000	-
Changes in proportion:	-	34,000
College contributions subsequent to the measurement date:	17,347	-
Total	<u>\$ 31,347</u>	<u>\$ 44,000</u>

\$17,347 was reported at June 30, 2020 as deferred outflows of resources resulting from the College's contributions subsequent to the measurement date. The amount recorded at June 30, 2020 will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2021. The amount recorded at June 30, 2019 was recognized as a reduction of the net OPEB liability for the year ended June 30, 2020.

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

	PSERS Premium Assistance
<u>Year Ending June 30:</u>	
2021	\$ (7,000)
2022	(7,000)
2023	(7,000)
2024	(7,000)
2025	(2,000)
Total	<u>\$ (30,000)</u>

# BUTLER COUNTY COMMUNITY COLLEGE

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

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### Additional Required Disclosures for PSERS Premium Assistance

#### *Actuarial Assumptions*

The actuarial valuation used for the June 30, 2019 measurement date contained the following methods and assumptions:

- Actuarial cost method – Entry Age Normal – level % of pay
- Investment return – 2.79% - S&P 20-year Municipal Bond Rate
- Salary increases – Effective average of 5.00%, comprised of 2.75% for inflation and 2.25% for real wage growth and merit or seniority increases
- Premium Assistance reimbursement is capped at \$1,200 per year
- Assumed healthcare cost trends were applied to retirees with less than \$1,200 in Premium Assistance per year
- Mortality rates were based on the RP-2014 Mortality Tables for males and females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 Mortality Improvement Scale
- Experience study – July 1, 2010 through June 30, 2015
- Participation rate –
  - Eligible retirees will elect to participate pre-age 65 at 50%
  - Eligible retirees will elect to participate post-age 65 at 70%.

#### *Changes in Assumptions*

The discount rate decreased from 2.98% to 2.79% for the actuarial valuation used for the June 30, 2019 measurement date.

#### *Changes in Benefit Terms*

There were no changes in benefit terms affecting the actuarial valuation used for the June 30, 2019 measurement date.

#### *OPEB Plan Investments*

Investments consist primarily of short-term assets designed to protect the principal of the plan assets. The expected rate of return on OPEB plan investments was determined using the OPEB asset allocation policy and best estimates of geometric real rates of return for each asset class.

# BUTLER COUNTY COMMUNITY COLLEGE

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

The OPEB plan's policy in regard to the allocation of invested plan assets is established and may be amended by the PSERS Board. Employer contribution rates are established to provide reserves in the Health Insurance Account that are sufficient for the payment of the Premium Assistance for each succeeding year. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	13.2%	0.20%
US Core Fixed Income	83.1%	1.0%
Non-US Developed Fixed	3.7%	0.00%
	<u>100.0%</u>	

For PSERS' years ended June 30, 2019 and 2018, the annual money-weighted rate of return on the Premium Assistance plan investments, net of plan investment expenses, was 2.68% and 1.63%, respectively.

### *Discount Rate*

The discount rate used to measure the total OPEB liability was 2.79%. Under the Premium Assistance plan's funding policy, contributions are structured for short-term funding of the Premium Assistance. The funding policy sets contribution rates necessary to assure solvency of the Premium Assistance through the third fiscal year after the actuarial valuation date. The Premium Assistance account is funded to establish reserves that are sufficient for the payment of the Premium Assistance benefits for each succeeding year. Due to the short-term funding policy, the OPEB plan's fiduciary net position was not projected to be sufficient to meet projected future benefit payments; therefore, the plan is considered a "pay-as-you-go" plan. A discount rate of 2.79%, which represents the S&P 20-year Municipal Bond Rate at June 30, 2019, was applied to all projected benefit payments to measure the total OPEB liability. The discount rate used to measure the Total OPEB liability decreased from 2.98% as of June 30, 2018 to 2.79% as of June 30, 2019.

# BUTLER COUNTY COMMUNITY COLLEGE

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

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*Sensitivity of the College's Proportionate Share of PSERS' Net OPEB Liability to Changes in the Discount Rate*

The following presents the College's proportionate share of PSERS' net OPEB liability calculated using the discount rates described above, as well as what the College's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower or one-percentage-point higher than the current rate:

<u>June 30, 2020</u>	<u>1% Decrease (1.79%)</u>	<u>Current Discount Rate (2.79%)</u>	<u>1% Increase (3.79%)</u>
College's proportionate share of PSERS' net OPEB liability	<u>\$ 366,000</u>	<u>\$ 321,000</u>	<u>\$ 284,000</u>

*Sensitivity of the College's Proportionate Share of PSERS' Net OPEB Liability to Changes in the Healthcare Cost Trend Rates*

Healthcare cost trend rates were applied to retirees receiving less than \$1,200 in annual Premium Assistance. As of June 30, 2019, retirees' Premium Assistance benefits are not subject to future healthcare cost increases. The annual Premium Assistance reimbursement for qualifying retirees is capped at a maximum of \$1,200. The actual number of retirees receiving less than the \$1,200 per year cap is a small percentage of the total population and has a minimal impact on the healthcare cost trends as depicted below.

The following presents the College's proportionate share of PSERS' net OPEB liability calculated using current healthcare cost trend rates as well as what the College's proportionate share of the net OPEB liability would be if it were calculated using a healthcare cost trend rate that is one-percentage-point lower or one-percentage-point higher than the current rate:

<u>June 30, 2020</u>	<u>1% Decrease</u>	<u>Current Trend</u>	<u>1% Increase</u>
College's proportionate share of PSERS' net OPEB liability	<u>\$ 321,000</u>	<u>\$ 321,000</u>	<u>\$ 321,000</u>



# BUTLER COUNTY COMMUNITY COLLEGE

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

### 8. Accumulated Compensated Absences

Accumulated compensated absences were comprised of the following at June 30, 2020:

Early Retirement Incentive	Accumulated Sick Leave	Unused Vacation Pay	Total
<u>\$ 48,750</u>	<u>\$ 695,616</u>	<u>\$ 313,891</u>	<u>\$ 1,058,257</u>

Based on actual experience of BCCC, all amounts above are assumed to be long-term.

### 9. Capital Assets

BCCC's capital asset balances at June 30, 2020 consisted of the following:

	Balance at June 30, 2019	Additions	Deletions / Transfers	Balance at June 30, 2020
Capital assets, not being depreciated/amortized:				
Land and improvements	\$ 5,915,548	\$ -	\$ -	\$ 5,915,548
Construction in progress	6,371	281,808	-	288,179
Total capital assets, not being depreciated/amortized	<u>5,921,919</u>	<u>281,808</u>	<u>-</u>	<u>6,203,727</u>
Capital assets, being depreciated/amortized:				
Buildings	55,521,489	540,402	-	56,061,891
Vehicles	423,454	-	(20,428)	403,026
Equipment, furniture, and fixtures	12,763,869	169,565	(186,009)	12,747,425
Total capital assets, being depreciated/amortized	<u>68,708,812</u>	<u>709,967</u>	<u>(206,437)</u>	<u>69,212,342</u>
Less: total accumulated depreciation/amortization	<u>(42,086,480)</u>	<u>(2,294,147)</u>	<u>202,290</u>	<u>(44,178,337)</u>
Net capital assets, being depreciated/amortized	<u>26,622,332</u>	<u>(1,584,180)</u>	<u>(4,147)</u>	<u>25,034,005</u>
Net capital assets	<u>\$ 32,544,251</u>	<u>\$ (1,302,372)</u>	<u>\$ (4,147)</u>	<u>\$ 31,237,732</u>

During the year ended June 30, 2020, building additions related to the roofing restoration project and the light project. Construction in progress activity relates to the ongoing construction of the new maintenance building.

# BUTLER COUNTY COMMUNITY COLLEGE

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

The Foundation's capital asset balances at June 30, 2020 consisted of the following:

	Balance at June 30, 2019	Additions	Deletions	Balance at June 30, 2020
Capital assets, not being depreciated:				
Land	\$ 455,991	\$ -	\$ -	\$ 455,991
Total capital assets, not being depreciated	455,991	-	-	455,991
Capital assets, being depreciated:				
Buildings	2,848,766	-	-	2,848,766
Furniture and equipment	2,816	-	-	2,816
Total capital assets, being depreciated	2,851,582	-	-	2,851,582
Less: total accumulated depreciation	(985,746)	(114,915)	-	(1,100,661)
Net capital assets, being depreciated	1,865,836	(114,915)	-	1,750,921
Net capital assets	\$ 2,321,827	\$ (114,915)	\$ -	\$ 2,206,912

Depreciation expense is included in rental expense on the statement of revenues, expenses, and changes in net position, as the entire amount for the year ended June 30, 2020 relates to a building the Foundation rents to BCCC.

### 10. Medical Insurance Plan – Risk Management

BCCC is one of sixty members of the Allegheny County Schools Health Insurance Consortium (Consortium). The Consortium is a public entity risk pool which affords health care coverage for members' employees on a pooled basis. The College pays premiums to the Consortium based upon rates established by the trustees of the Consortium. The Consortium establishes rates with the objective of satisfying current costs and claims of covered health care services, as well as maintaining working capital requirements and a Premium Stabilization Fund for periods when actual costs of coverage exceed premiums collected from members. At the end of each fiscal year, actual claims experience is compared with premiums paid. The difference results in either a retroactive refund or charge. Included in the retroactive refund/charge is a calculation for the reserve needed to cover expenses incurred but not yet reported by health providers. Any retroactive charge may be paid from the Premium Stabilization Fund, up to ten percent of total premiums paid. The remainder may be charged to the Schools. At June 30, 2020, the Consortium's net assets available for benefits approximated \$75 million, of which approximately \$594,000 is attributable to BCCC.

# **BUTLER COUNTY COMMUNITY COLLEGE**

## **NOTES TO FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2020**

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BCCC paid premiums during the year of approximately \$3.01 million. The Consortium's agreement permits participants to withdraw from the Consortium under specified terms. In such an event, the withdrawing member is entitled to or responsible for a proportionate share of the Consortium fund balance or deficit as determined on the date of withdrawal.

BCCC participates in an insurance program offered by a commercial insurance company. It purchases commercial insurance policies for risks of losses for casualty, workmen's compensation, and liability claims.

BCCC is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims for these risks have not exceeded commercial insurance coverage for the past three years. Management believes the insurance coverage is sufficient to cover BCCC against potential losses.

### **11. Butler County Community College Education Foundation**

The Foundation is a non-profit Pennsylvania corporation. It is organized and operated exclusively for educational and cultural purposes to assist in developing and fostering scholarship and charitable activities. A twenty-one-member Board of Directors that oversees the holding, investing, managing, and awarding of Foundation assets governs the Foundation. The Internal Revenue Service considers the Foundation exempt from taxes under Section 501(c)(3) of the Internal Revenue Code.

The Foundation reports under FASB standards. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. Minimal modifications have been made to the Foundation's financial information in BCCC's reporting entity for those differences, as the differences were not significant to the reporting entity.

# BUTLER COUNTY COMMUNITY COLLEGE

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

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	Available for educational and related purposes (Expendable)	Held in perpetuity as designated by donor (Nonexpendable)	Total
Foundation Net Position at June 30, 2020:			
Net investment in capital assets	\$ 453,553	\$ -	\$ 453,553
Restricted:	-	-	-
Expendable	6,376,408	-	6,376,408
Nonexpendable	-	3,308,961	3,308,961
Unrestricted	1,937,800	-	1,937,800
Total Net Position	<u>\$ 8,767,761</u>	<u>\$ 3,308,961</u>	<u>\$ 12,076,722</u>

### Support Agreement and Investment Agreement

The Foundation has made a committed effort to make capital improvements to BCCC and as a part of that commitment in October 2000, BCCC entered into a support agreement with the Foundation. Funding was provided beginning in fiscal year 2002 and will end in fiscal year 2031. The support agreement outlines the minimum yearly contributions BCCC will receive from the Foundation. Below is the schedule of minimum payments that are to be made under the support agreement:

<u>Fiscal Year</u>	<u>Amount</u>
2021	\$ 120,900
2022	1,029,500
2023	1,031,600
2024	1,027,300
2025	1,026,600
2026-2030	5,139,100
2031	920,000
	<u>\$ 10,295,000</u>

As a result of the support agreement, BCCC has recorded a receivable at net present value in the amount of \$7,082,998.

In November 2000, the Foundation entered into an investment agreement with a financial institution to provide funds to meet its obligation to make the minimum payments to the College. The investment agreement required that the Foundation make a one-time payment of \$3,200,000; in return, they would receive payments totaling \$12,627,189

# BUTLER COUNTY COMMUNITY COLLEGE

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

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through 2031. The payments are guaranteed only by the financial institution and are not insured.

The investment agreement requires that the investment be collateralized if the financial institution's S&P or Moody's rating falls below 'AA-' or 'Aa3', respectively. During 2009, the rating was downgraded below this level, and the Foundation entered into a collateral agreement in which a third party provided collateral in the amount of 105% of the investment value. The collateral assets are comprised of U.S. Treasury Securities and held in the name of the Foundation by a Trustee. The collateral agreement ceases to exist if the S&P or Moody's rating of the original agreement is upgraded above the required ratings.

The investment agreement also requires that if the financial institution's S&P or Moody's rating is withdrawn or suspended, or falls below 'A', the provider must 1) assign the investment agreement to an alternative provider acceptable to the Foundation that is rated at least 'AA-' or 'Aa3' by S&P or Moody's, respectively, or 2) at the direction of the Foundation within 10 days of receipt of such direction, repay the contract proceeds, computing any gains or losses arising from the termination. During 2014, the Moody rating was downgraded below the 'A' level. The Foundation believes it has the right to waive either option and continue with the investment.

The value of the investment and payable is recorded at June 30, 2020 in the amount of \$7,082,998. The expected rate of return on the investment is approximately 7%.

In July 2016, the original financial institution that entered into the investment agreement merged with its parent company. Upon merging, the parent company assumed all rights and obligations of the original agreement with the Foundation. The parent company's S&P credit rating is "A+" as of June 30, 2020. Accordingly, the third-party collateral remains in place.

# BUTLER COUNTY COMMUNITY COLLEGE

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

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### Pledges Receivable

Foundation pledges receivable are expected to be received as follows:

<u>Fiscal Year(s) ending June 30,</u>	<u>Amount</u>
2021	\$ 384,297
2022	403,750
2023	<u>200,000</u>
	988,047
Allowance for uncollectible pledges	<u>(6,207)</u>
Pledges receivable, net	<u><u>\$ 981,840</u></u>

The Foundation's estimate for allowance for uncollectible pledges is estimated at approximately 2% of pledges receivable, based on the last capital campaign. Decisions to charge off uncollectible pledges are based on management's judgment after consideration of facts and circumstances surrounding potential uncollectible accounts. It is reasonably possible that the Foundation's estimate of an allowance for uncollectible pledges will change.

### Split-Interest Agreements

The Foundation administers five charitable remainder trusts, in the form of gift annuities. The gift annuities provide for the payment of distributions to the grantor or other designated beneficiaries over the term of the annuity. At the end of the term, the remaining assets are available for the Foundation's use. In the period the trust is established, the portion of the trust attributable to the present value of the future benefits to be received by the Foundation is recorded in the statement of activities as a contribution.

Assets held for gift annuities totaled \$299,411 at June 30, 2020 and are reported at fair value in the Foundation's statement of financial position as investments. The Foundation records a liability to make distributions to the designated beneficiaries; the estimated future payments total \$58,490 at June 30, 2020.

### Unrecorded Assets

The Foundation transferred land and buildings to the Audubon Society of Western Pennsylvania (ASWP) during the year ended June 30, 2012. The Foundation retained the oil

# BUTLER COUNTY COMMUNITY COLLEGE

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

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and gas rights to the property. The market value of the asset is not determinable by the Foundation. As oil and gas rights are recorded at the lower of cost or market value, and the Foundation's cost basis is \$0, no amount has been recorded on the financial statements.

### 12. Leases

BCCC has entered into various leases for buildings and miscellaneous equipment. It is expected that in the normal course of business, such leases will continue to be required. With the adoption of GASB Statement No. 87 as discussed in Note 2, the following leases are recognized as a lease liability and lease asset at the commencement of the lease term:

In April 2007, BCCC entered into a lease agreement for a site in Lawrence County. The terms of the original lease began April 1, 2008 and extended for 10 years through and including March 31, 2018. In August of 2015, the terms of the lease were amended. The commencement date changed from April 1, 2008 to October 1, 2015 and the expiration date changed from March 31, 2018 to June 30, 2025.

In February 2010, BCCC entered into a lease agreement for a site in Mercer County with the Foundation. The terms of the lease began March 1, 2010 and extends for 11 years through February 28, 2021.

In September 2014, BCCC entered into a lease agreement for a site in Brockway, Pennsylvania. The terms of the lease began September 2013 for five years and was extend for five additional years through June 30, 2023.

The right of use asset at June 30, 2020 consists of the following:

	June 30, 2019	Deletions	June 30, 2020
Right of use asset	\$ 4,098,793	\$ -	\$ 4,098,793
Accumulated amortization	(828,966)	(828,965)	(1,657,931)
Net right to use asset	\$ 3,269,827	\$ (828,965)	\$ 2,440,862

# BUTLER COUNTY COMMUNITY COLLEGE

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

Future minimum lease payments on the leases are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 732,493	\$ 75,283	\$ 807,776
2022	554,124	53,652	607,776
2023	573,833	33,943	607,776
2024	322,917	17,859	340,776
2025	334,403	6,373	340,776
	<u>\$ 2,517,770</u>	<u>\$ 187,110</u>	<u>\$ 2,704,880</u>

### Other Leases

The following leases are short term or relate to software and are recognized as expenditures based on the payment provisions of the lease contract:

In April 2015, BCCC entered into a lease agreement for a site in Manor Township, Pennsylvania. The terms of the lease are year to year, and BCCC has renewed the lease for a 4% increase in rent through June 30, 2021.

In May 2016, BCCC entered into a service agreement with Ellucian for their colleague software. The terms of the lease begin July 1, 2016 through June 30, 2021.

Future minimum lease payments on the leases are as follows:

<u>Fiscal Year</u>	<u>Principal</u>
2021	<u>\$ 253,644</u>



# BUTLER COUNTY COMMUNITY COLLEGE

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

### 13. Line of Credit

Line of credit consists of the following at June 30, 2020:

	Balance at June 30, 2019	Proceeds	Payments	Balance at June 30, 2020
State Public School Building Authority: Line of credit	\$ -	\$ 675,580	\$ (354,783)	\$ 320,797
Total line of credit	<u>\$ -</u>	<u>\$ 675,580</u>	<u>\$ (354,783)</u>	<u>\$ 320,797</u>

During 2016, BCCC obtained a line of credit to fund short-term working capital needs of the College due to the Commonwealth of Pennsylvania's budget impasse in the amount of \$2,000,000. At June 30, 2020, BCCC had an outstanding balance of \$0. The interest rate in the future is variable based on changes in the index rate and BCCC has opted to keep the line of credit open in case of future needs.

During 2019, BCCC obtained two lines of credit with the State Public School Building Authority for capital purchases. At June 30, 2020, BCCC had a cumulative outstanding balance of \$320,797.

### 14. Notes Payable

Notes payable consists of the following:

	Balance at June 30, 2019	Proceeds	Payments	Balance at June 30, 2020	Due within one year
Library loan	\$ 1,282,451	\$ -	\$ (237,943)	\$ 1,044,508	\$ 246,948
Children's Center loan	868,170	-	(96,041)	772,129	100,475
Constellation Energy loan	-	258,634	(87,000)	171,634	80,284
	<u>\$ 2,150,621</u>	<u>\$ 258,634</u>	<u>\$ (420,984)</u>	<u>\$ 1,988,271</u>	<u>\$ 427,707</u>

In June 2014, BCCC obtained a loan in the amount of \$2,350,000 to finance the cost of construction, renovation and equipping of the Heaton Family Learning Commons (formerly

# BUTLER COUNTY COMMUNITY COLLEGE

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

Beck Library) and the cost of issuing the Note. The loan has a stated interest rate of 3.65% with semi-annual principal and interest payments of \$141,680, and a maturity of ten years ending on June 30, 2024. The outstanding balance at June 30, 2020 was \$1,044,508. Interest paid during fiscal year 2020 was \$45,417.

In March 2017, BCCC obtained a loan in the amount of \$1,100,000 to finance the State's portion of the Children's Creative Learning Center building renovation. The loan has a stated interest rate of 5.5% with semi-annual principal and interest payments of \$71,636, and a maturity of ten years ending on December 31, 2026. The outstanding balance at June 30, 2020 was \$772,129. Interest paid during fiscal year 2020 was \$47,232.

In September 2019, BCCC obtained a loan in the amount of \$258,634 to finance the Parking Lot Lighting Project. The loan has a stated interest rate of 4.6% with semi-annual principal and interest payments of \$7,223, and a maturity of three years ending in August 2022. The outstanding balance at June 30, 2020 was \$171,634. Interest paid during fiscal year 2020 was \$9,676.

The future annual payments required to amortize notes payable outstanding as of June 30, 2020 are as follows:

	Principal	Interest	Total
2021	\$ 427,707	\$ 84,482	\$ 512,189
2022	447,676	65,633	513,309
2023	386,333	47,487	433,820
2024	395,412	31,219	426,631
2025	126,593	16,679	143,272
2026-2027	204,550	11,480	216,030
	<u>\$ 1,988,271</u>	<u>\$ 256,980</u>	<u>\$ 2,245,251</u>

In February 2010, the Foundation authorized the Mortgage Revenue Drawdown Note, Series of 2010 in the aggregate principal amount of \$2,940,000, to assist with the construction costs of the LindenPointe expansion project. The 2010 Note bears an interest rate of the Federal Home Loan Bank (FHLB) rate plus 2.50%, fixed for the first five years, then reset to the current FHLB rate plus 2.50% for the next five years, with a final one-year reset to the then-existing FHLB rate plus 2.50%. The Note is secured by property of the Foundation and matures in 2021. The interest rate at June 30, 2020 approximated 2.87%.

# BUTLER COUNTY COMMUNITY COLLEGE

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

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At June 30, 2020, \$1,753,359 remains outstanding. Interest expense for the year ended June 30, 2020 totaled \$56,253.

The annual maturities of the Foundation's long-term debt are as follows:

Year ending June 30,	
2021	<u>\$ 1,753,359</u>

In February 2010, the Foundation was given land valued at \$113,883 to be used as a parking facility for BCCC's LindenPointe campus. An interest-free Mortgage Note was attached to the land to be repaid only in the event that the Foundation transfer the property to another entity or use the property for any purpose other than as a parking facility for BCCC. The note obligation was forgiven as of June 30, 2020.

In the event that BCCC fails to make its required debt service payment with respect to its general obligation notes, provisions of the Community College Act requires that the Secretary of Education withhold from the College any subsequent subsidy payment(s) in the amount equal to the debt service payment owed by the College to the Bond Trustee.

### 15. Contingencies

BCCC is subject to state and federal audits by grantor agencies. Applicable laws and regulations are complex and subject to interpretation. BCCC is not aware of any pending audit findings involving prior or current years. However, compliance with such laws and regulations can be subject to future reviews and interpretation which could result in disallowed costs.

### 16. Risk and Contingency

The COVID-19 pandemic remains a rapidly evolving situation. The extent of the impact on COVID-19 on the College's business and financial results will depend on future developments, including the duration and spread of the outbreak within the markets in which the College operates, which is highly uncertain.

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## **REQUIRED SUPPLEMENTARY INFORMATION**

# **BUTLER COUNTY COMMUNITY COLLEGE**

## **SCHEDULE OF THE COLLEGE'S PROPORTIONATE SHARE OF PSERS' NET PENSION LIABILITY**

Last 10 Fiscal Years<sup>1</sup>

	2020	2019	2018	2017	2016	2015
College's proportion of PSERS' net pension liability	0.0151%	0.0157%	0.0166%	0.0174%	0.0173%	0.0177%
College's proportionate share of PSERS' net pension liability	\$ 7,064,000	\$ 7,537,000	\$ 8,198,000	\$ 8,623,000	\$ 7,494,000	\$ 7,006,000
Commonwealth's proportionate share of PSERS' net pension liability associated with the College	7,090,000	7,539,000	8,178,334	8,620,573	7,507,572	7,032,050
Total proportionate share	<u>\$ 14,154,000</u>	<u>\$ 15,076,000</u>	<u>\$ 16,376,334</u>	<u>\$ 17,243,573</u>	<u>\$ 15,001,572</u>	<u>\$ 14,038,050</u>
College's covered payroll	\$ 2,088,832	\$ 2,116,064	\$ 2,204,042	\$ 2,253,346	\$ 2,230,094	\$ 2,264,744
College's proportionate share of PSERS' net pension liability as a percentage of its covered payroll	338.18%	356.18%	371.95%	382.68%	336.04%	309.35%
PSERS' plan fiduciary net position as a percentage of PSERS' total pension liability	55.66%	54.00%	51.84%	50.14%	54.36%	57.24%

<sup>1</sup> The amounts presented for each fiscal year were determined as of the measurement date, which is June 30 of the immediately preceding fiscal year. This schedule is intended to illustrate information for 10 years. However, until a full 10-year trend is compiled, the College is presenting information for those years only for which information is available.

## **SCHEDULE OF COLLEGE CONTRIBUTIONS TO THE PSERS PENSION PLAN**

Last 10 Fiscal Years<sup>2</sup>

	2020	2019	2018	2017	2016	2015
Contributions recognized by PSERS	\$ 1,377,852	\$ 1,360,528	\$ 1,361,275	\$ 1,308,041	\$ 1,139,711	\$ 950,092
College's covered payroll	\$ 2,067,537	\$ 2,078,319	\$ 2,204,042	\$ 2,203,779	\$ 2,253,870	\$ 2,230,094
Contributions as a percentage of covered payroll	66.64%	65.46%	61.76%	59.35%	50.57%	42.60%

<sup>2</sup> The amounts presented for each fiscal year were determined as of the fiscal year-end date. This schedule is intended to illustrate information for 10 years. However, until a full 10-year trend is compiled, the College is presenting information for those years only for which information is available.

See accompanying notes to required supplementary information.

# BUTLER COUNTY COMMUNITY COLLEGE

## SCHEDULE OF THE COLLEGE'S PROPORTIONATE SHARE OF PSERS' NET OPEB LIABILITY

Last 10 Fiscal Years<sup>1</sup>

	2020	2019	2018
College's proportion of PSERS' net OPEB liability	0.0151%	0.0157%	0.0166%
College's proportionate share of PSERS' net OPEB liability	\$ 321,000	\$ 327,000	\$ 338,000
College's covered payroll	\$ 2,088,832	\$ 2,116,064	\$ 2,204,042
College's proportionate share of PSERS' net OPEB liability as a percentage of its covered payroll	15.37%	15.45%	15.34%
PSERS' plan fiduciary net position as a percentage of PSERS' total OPEB liability	5.56%	5.56%	5.73%

<sup>1</sup> The amounts presented for each fiscal year were determined as of the measurement date, which is June 30 of the immediately preceding fiscal year. This schedule is intended to illustrate information for 10 years. However, until a full 10-year trend is compiled, the College is presenting information for those years only for which information is available.

## SCHEDULE OF COLLEGE CONTRIBUTIONS TO THE PSERS PREMIUM ASSISTANCE

Last 10 Fiscal Years<sup>2</sup>

	2020	2019	2018
Contributions recognized by PSERS	\$ 17,347	\$ 17,320	\$ 17,567
College's covered payroll	\$ 2,067,537	\$ 2,078,319	\$ 2,204,042
Contributions as a percentage of covered payroll	0.84%	0.83%	0.80%

<sup>2</sup> The amounts presented for each fiscal year were determined as of the fiscal year-end date. This schedule is intended to illustrate information for 10 years. However, until a full 10-year trend is compiled, the College is presenting information for those years only for which information is available.

See accompanying notes to required supplementary information.

# BUTLER COUNTY COMMUNITY COLLEGE

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2020

### 1. Budgetary Data

Include budgetary note as reported in PY reports, if applicable.

### 2. Factors and Trends in Actuarial Assumptions Used Under GASB Statement No. 68 for the PSERS Pension Plan

Actuarial Valuation Date/ Measurement Date	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
College Fiscal Year In Which NPL is Recorded	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015
Discount Rate	7.25%	7.25%	7.25%	7.25%	7.50%	7.50%
Salary Increases	5.00%	5.00%	5.00%	5.00%	5.50%	5.50%
Mortality	RP-2014, Scale MP-2015	RP-2014, Scale MP-2015	RP-2014, Scale MP-2015	RP-2014, Scale MP-2015	RP-2000	RP-2000
Changes in Benefits	A new hybrid defined benefit/ defined contribution plan is applicable for new PSERS members on July 1, 2019 and thereafter	None	Vested Class T-E and T-F members can withdraw their accumulated contributions and interest	None	None	None
Actuarially Calculated Contribution Rate from Actuarial Date Shown Above	33.51%	33.36%	32.60%	31.74%	29.20%	25.00%
College Fiscal Year in Which Actuarially Calculated Contribution Rate Is Applied	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016



# BUTLER COUNTY COMMUNITY COLLEGE

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2020

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### 3. Factors and Trends in Actuarial Assumptions Used Under GASB Statement No. 75 for the PSERS Premium Assistance (OPEBs)

Actuarial Valuation Date/ Measurement Date	6/30/2019	6/30/2018	6/30/2017
College Fiscal Year In Which NOL is Recorded	6/30/2020	6/30/2019	6/30/2018
Discount Rate	2.79%	2.98%	3.13%
Salary Increases	5.00%	5.00%	5.00%
Mortality	RP-2014, Scale MP-2015	RP-2014, Scale MP-2015	RP-2014, Scale MP-2015
Changes in Benefits	A new hybrid defined benefit/ defined contribution plan is applicable for new PSERS members on July 1, 2019 and thereafter	None	Vested Class T-E and T-F members can withdraw their accumulated contributions and interest
Actuarially Calculated Contribution Rate from Actuarial Date Shown Above	0.82%	0.84%	0.83%
College Fiscal Year in Which Actuarially Calculated Contribution Rate Is Applied	6/30/2021	6/30/2020	6/30/2019

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## **SUPPLEMENTARY INFORMATION**

# BUTLER COUNTY COMMUNITY COLLEGE

## STATEMENT OF NET POSITION CURRENT FUNDS - UNRESTRICTED

JUNE 30, 2020  
(With Comparative Totals at June 30, 2019)

	2020					2019
	Operating Fund	Bookstore	Academic Enhancement	Student Activities and Club Accounts	Total	Total
<b>Assets</b>						
Current assets:						
Cash and cash equivalents	\$ 21,089,350	\$ 2,709,813	\$ 1,076,588	\$ 105,821	\$ 24,981,572	\$ 24,053,120
Due from (to):						
Other funds	47,218	(26,920)	-	(20,298)	-	-
Accounts receivable - other	109,660	136,460	-	-	246,120	325,504
Accounts receivable - students	4,134,045	-	-	-	4,134,045	5,255,050
Prepaid expenses	392,759	-	-	-	392,759	690,867
Inventories	-	215,143	-	-	215,143	305,676
Other asset	19,091	-	-	-	19,091	19,091
<b>Total current assets</b>	<b>25,792,123</b>	<b>3,034,496</b>	<b>1,076,588</b>	<b>85,523</b>	<b>29,988,730</b>	<b>30,649,308</b>
Noncurrent assets:						
Investments	250,823	-	-	-	250,823	249,447
Right of use asset - lease, net	1,608,138	-	-	-	1,608,138	2,051,239
<b>Total noncurrent assets</b>	<b>1,858,961</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,858,961</b>	<b>2,300,686</b>
<b>Total Assets</b>	<b>27,651,084</b>	<b>3,034,496</b>	<b>1,076,588</b>	<b>85,523</b>	<b>31,847,691</b>	<b>32,949,994</b>
<b>Deferred Outflows of Resources</b>						
Deferred outflows of resources for pension	804,926	-	-	-	804,926	946,264
Deferred outflows of resources for OPEB	31,347	-	-	-	31,347	25,320
<b>Total deferred outflows of resources</b>	<b>836,273</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>836,273</b>	<b>971,584</b>
<b>Liabilities</b>						
Current liabilities:						
Accounts payable	183,856	110,215	-	46,871	340,942	447,425
Accrued wages	740,775	-	-	-	740,775	813,356
Employee payroll deductions	396,293	-	-	-	396,293	505,658
Notes payable, current portion	100,475	-	-	-	100,475	96,040
Lease liability, current portion	389,475	-	-	-	389,475	424,593
Unearned revenue	3,548,811	-	-	-	3,548,811	4,778,372
<b>Total current liabilities</b>	<b>5,359,685</b>	<b>110,215</b>	<b>-</b>	<b>46,871</b>	<b>5,516,771</b>	<b>7,065,444</b>
Noncurrent liabilities:						
Pension liability	7,064,000	-	-	-	7,064,000	7,537,000
OPEB liability	321,000	-	-	-	321,000	327,000
Notes payable	671,654	-	-	-	671,654	772,130
Lease liability	1,270,263	-	-	-	1,270,263	1,659,738
Accumulated compensated absences	1,058,257	-	-	-	1,058,257	938,321
<b>Total noncurrent liabilities</b>	<b>10,385,174</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,385,174</b>	<b>11,234,189</b>
<b>Total Liabilities</b>	<b>15,744,859</b>	<b>110,215</b>	<b>-</b>	<b>46,871</b>	<b>15,901,945</b>	<b>18,299,633</b>
<b>Deferred Inflows of Resources</b>						
Deferred inflows of resources for pension	822,000	-	-	-	822,000	684,000
Deferred inflows of resources for OPEB	44,000	-	-	-	44,000	41,000
<b>Total deferred inflows of resources</b>	<b>866,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>866,000</b>	<b>725,000</b>
<b>Net Position</b>						
Net investment in capital assets	(772,129)	-	-	-	(772,129)	(868,170)
Unrestricted	12,648,627	2,924,281	1,076,588	38,652	16,688,148	15,765,115
<b>Total Net Position</b>	<b>\$ 11,876,498</b>	<b>\$ 2,924,281</b>	<b>\$ 1,076,588</b>	<b>\$ 38,652</b>	<b>\$ 15,916,019</b>	<b>\$ 14,896,945</b>

# BUTLER COUNTY COMMUNITY COLLEGE

## STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION CURRENT FUNDS - UNRESTRICTED

YEAR ENDED JUNE 30, 2020  
(With Comparative Totals for Year Ending June 30, 2019)

	2020					2019
	Operating Fund	Bookstore	Academic Enhancement	Student Activities and Club Accounts	Total	Total
<b>Revenues:</b>						
Operating revenues:						
Student tuition and fees	\$ 15,100,767	\$ -	\$ -	\$ -	\$ 15,100,767	\$ 15,756,531
Auxiliary enterprises:						
Sale of books and merchandise - net of cost of \$1,191,875	-	435,670	-	-	435,670	483,958
Contributions	4,332	-	-	-	4,332	-
Other operating revenues	155,418	15,701	-	3,069	174,188	146,433
Total operating revenues	15,260,517	451,371	-	3,069	15,714,957	16,386,922
<b>Expenses:</b>						
Operating expenses:						
Instruction - credit	12,015,006	-	-	-	12,015,006	12,116,965
Instruction - noncredit	1,930,790	-	-	-	1,930,790	2,229,222
Academic support	1,001,822	-	-	-	1,001,822	953,056
Student services	3,033,139	-	-	-	3,033,139	3,043,853
Institutional support	6,507,318	-	-	-	6,507,318	5,975,945
Operation and maintenance of plant	3,200,242	-	-	-	3,200,242	3,335,420
Auxiliary enterprises:						
Salaries	-	225,777	-	-	225,777	212,448
Payroll expense	-	118,143	-	-	118,143	110,897
Student activities	-	-	-	149,504	149,504	171,649
Amortization expense	443,101	-	-	-	443,101	443,101
Other	-	116,045	-	-	116,045	105,698
Total operating expenses	28,131,418	459,965	-	149,504	28,740,887	28,698,254
<b>Operating Income (Loss)</b>	<b>(12,870,901)</b>	<b>(8,594)</b>	<b>-</b>	<b>(146,435)</b>	<b>(13,025,930)</b>	<b>(12,311,332)</b>
<b>Nonoperating Revenues (Expenses):</b>						
Investment income	108,819	11,965	-	1,653	122,437	96,963
State appropriations and grants	9,749,411	-	-	-	9,749,411	9,704,856
County appropriations and local grants	4,275,113	-	-	-	4,275,113	4,189,188
Foundation grant	-	-	-	-	-	22,415
Transfer (to) from college work study fund	(2,527)	-	-	-	(2,527)	(3,380)
Transfer (to) from bookstore fund	(114,641)	-	-	-	(114,641)	213,540
Transfer (to) from student activities	(174,200)	-	-	-	(174,200)	(174,200)
Transfer (to) from operating fund	-	15,211	-	174,200	189,411	(57,421)
Net nonoperating revenues (expenses)	13,841,975	27,176	-	175,853	14,045,004	13,991,961
<b>Changes in Net Position</b>	<b>971,074</b>	<b>18,582</b>	<b>-</b>	<b>29,418</b>	<b>1,019,074</b>	<b>1,680,629</b>
Net position - beginning of year, as restated	10,905,424	2,905,699	1,076,588	9,234	14,896,945	13,216,316
Net position - end of year	\$ 11,876,498	\$ 2,924,281	\$ 1,076,588	\$ 38,652	\$ 15,916,019	\$ 14,896,945

# BUTLER COUNTY COMMUNITY COLLEGE

## STATEMENT OF NET POSITION CURRENT FUNDS - RESTRICTED

JUNE 30, 2020  
(With Comparative Totals at June 30, 2019)

	2020			2019
	Special Programs	Federal Student Aid	Total	Total
<b>Assets</b>				
Cash and cash equivalents (overdraft)	\$ (342,430)	\$ (33,273)	\$ (375,703)	\$ (339,139)
Due from grantor agencies:				
Federal government	242,045	33,785	275,830	161,454
State government	81,944	-	81,944	132,016
College Foundation	117,112	-	117,112	139,126
Accounts receivable - other	263	-	263	(977)
Right of use asset - lease, net	733,850	-	733,850	978,466
<b>Total Assets</b>	<b>832,784</b>	<b>512</b>	<b>833,296</b>	<b>1,070,946</b>
<b>Liabilities</b>				
Current liabilities:				
Accounts payable	47,787	-	47,787	44,219
Accrued wages	42,543	512	43,055	35,945
Unearned revenue	8,604	-	8,604	12,316
Current portion of lease liability	244,318	-	244,318	235,927
Noncurrent liabilities				
Noncurrent portion of lease liability	515,014	-	515,014	759,332
<b>Total Liabilities</b>	<b>858,266</b>	<b>512</b>	<b>858,778</b>	<b>1,087,739</b>
<b>Net Position</b>				
Restricted	(25,482)	-	(25,482)	(16,793)
<b>Total Net Position</b>	<b>\$ (25,482)</b>	<b>\$ -</b>	<b>\$ (25,482)</b>	<b>\$ (16,793)</b>

# BUTLER COUNTY COMMUNITY COLLEGE

## STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION CURRENT FUNDS - RESTRICTED

YEAR ENDED JUNE 30, 2020  
(With Comparative Totals for Year Ending June 30, 2019)

	2020			2019
	Special Programs	Federal Student Aid	Total	Total
<b>Revenues:</b>				
Operating revenues:				
Federal grants	\$ 842,894	\$ 5,255,503	\$ 6,098,397	\$ 5,582,080
<b>Expenses:</b>				
Operating expenses:				
Special programs	2,139,059	-	2,139,059	2,212,351
Student wages - federal - regular	-	54,320	54,320	75,100
Student grants and scholarships	-	5,203,710	5,203,710	4,637,403
Other	167,702	-	167,702	-
Amortization expense	244,616	-	244,616	244,616
Total operating expenses	2,551,377	5,258,030	7,809,407	7,169,470
<b>Operating Income (Loss)</b>	<b>(1,708,483)</b>	<b>(2,527)</b>	<b>(1,711,010)</b>	<b>(1,587,390)</b>
<b>Nonoperating Revenues (Expenses):</b>				
State appropriations and grants	1,393,424	-	1,393,424	1,343,877
County appropriations and grants	139,395	-	139,395	159,240
Foundation grants	127,223	-	127,223	46,019
Transfer from (to) operating fund	99,430	2,527	101,957	21,461
Transfer from (to) other funds	(59,678)	-	(59,678)	-
Net nonoperating revenues (expenses)	1,699,794	2,527	1,702,321	1,570,597
<b>Changes in Net Position</b>	<b>(8,689)</b>	<b>-</b>	<b>(8,689)</b>	<b>(16,793)</b>
Net position - beginning of year, as restated	(16,793)	-	(16,793)	-
Net position - end of year	\$ (25,482)	\$ -	\$ (25,482)	\$ (16,793)

# BUTLER COUNTY COMMUNITY COLLEGE

## STATEMENT OF NET POSITION LOAN FUNDS

JUNE 30, 2020  
(With Comparative Totals at June 30, 2019)

	2020	2019
	Scholarship Loan Funds	Total
<b>Assets</b>		
Cash and cash equivalents	\$ 9,868	\$ 9,868
<b>Total Assets</b>	<u>\$ 9,868</u>	<u>\$ 9,868</u>
<b>Net Position</b>		
Unrestricted	\$ 9,868	\$ 9,868
<b>Total Net Position</b>	<u>\$ 9,868</u>	<u>\$ 9,868</u>



# BUTLER COUNTY COMMUNITY COLLEGE

## STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION - LOAN FUNDS

YEAR ENDED JUNE 30, 2020  
(With Comparative Totals for Year Ending June 30, 2019)

	<u>2020</u>	<u>2019</u>
	Scholarship Loan Funds	Total
<b>Revenues:</b>		
Operating revenues:		
Contributions received	\$ -	\$ -
Other operating revenues	-	-
Total operating revenues	-	-
<b>Expenses:</b>		
Operating expenses:		
Repayment to federal government	-	-
Other	-	-
Total operating expenses	-	-
<b>Operating Income (Loss)</b>	-	-
<b>Change in Net Position</b>	-	-
Net position - beginning of year	9,868	9,868
Net position - end of year	<u>\$ 9,868</u>	<u>\$ 9,868</u>

# BUTLER COUNTY COMMUNITY COLLEGE

## STATEMENT OF NET POSITION

### PLANT FUND

JUNE 30, 2020

(With Comparative Totals at June 30, 2019)

	2020	2019
	Capital/Debt Service	Capital/Debt Service
<b>Assets</b>		
Current assets:		
Cash and cash equivalents (overdraft)	\$ (9,559,913)	\$ (9,323,874)
Support agreement receivable	120,900	121,200
Prepaid expenses	-	18,310
Total current assets	(9,439,013)	(9,184,364)
Noncurrent assets:		
Support agreement receivable	6,962,098	6,625,185
Right of use asset - lease, net	98,874	240,122
Capital assets:		
Land	341,710	341,710
Land improvements	2,292,076	2,292,076
Buildings	56,061,891	55,521,489
Instructional equipment	6,198,720	6,290,835
Non-instructional equipment	4,023,323	3,975,388
Audio-visual equipment	235,797	238,521
Instructional furniture	470,331	449,817
Non-instructional furniture	617,751	607,805
Vehicles	403,026	423,454
Library books and films	1,201,503	1,201,503
Parking lots	3,281,762	3,281,762
Construction in progress	288,179	6,371
Total capital assets	75,416,069	74,630,731
Less: accumulated depreciation	(44,178,337)	(42,086,480)
Net capital assets	31,237,732	32,544,251
Total noncurrent assets	38,298,704	39,409,558
<b>Total Assets</b>	28,859,691	30,225,194
<b>Deferred Outflows of Resources</b>		
Deferred charge on refunding	799,074	845,600
<b>Liabilities</b>		
Current liabilities:		
Accounts payable	6,669	9,567
Accrued interest payable	207,619	207,619
Line of credit	320,797	-
Bonds payable, current portion	1,670,000	1,560,000
Note payable, current portion	327,232	237,943
Current portion of lease liability	98,700	143,805
Total current liabilities	2,631,017	2,158,934
Noncurrent liabilities:		
Bonds payable, net	17,352,852	18,319,872
Note payable	888,910	1,044,508
Noncurrent portion of lease liability	-	98,700
Total noncurrent liabilities	18,241,762	19,463,080
<b>Total Liabilities</b>	20,872,779	21,622,014
<b>Net Position</b>		
Net investment in capital assets	11,477,015	12,227,528
Restricted - expendable	7,082,998	6,746,385
Unrestricted	(9,774,027)	(9,525,133)
<b>Total Net Position</b>	\$ 8,785,986	\$ 9,448,780

# BUTLER COUNTY COMMUNITY COLLEGE

## STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION - PLANT FUND

YEAR ENDED JUNE 30, 2020  
(With Comparative Totals for Year Ending June 30, 2019)

	2020 <u>Capital</u>	2019 <u>Capital</u>
<b>Revenues:</b>		
Operating revenues:		
Support and grant agreement	\$ 457,814	\$ 532,126
<b>Expenses:</b>		
Operating expenses:		
Equipment purchases:		
Instructional equipment	528,664	232,998
Non-instructional equipment	59,049	137,734
Non-instructional furniture	13,751	73,530
Computer software	115,000	-
Other	154,907	159,736
Equipment rentals	129	3,181
Interest expense - leases	6,195	11,135
Depreciation/amortization	2,435,395	2,419,745
Total operating expenses	3,313,090	3,038,059
Operating Income (Loss)	(2,855,276)	(2,505,933)
<b>Nonoperating Revenues (Expenses):</b>		
Loss on disposition of asset	(4,146)	(10,816)
Other nonoperating revenue	900	-
Debt service - interest expense	(1,016,790)	(1,008,601)
Transfer from (to) other funds	59,678	-
Net nonoperating revenues (expenses)	(960,358)	(1,019,417)
Income (loss) before other revenues, expenses, gains, or losses	(3,815,634)	(3,525,350)
State appropriations and grants - capital	1,977,395	2,626,434
County appropriations and grants - capital	1,175,445	1,175,445
Change in Net Position	(662,794)	276,529
Net position - beginning of year, as restated	9,448,780	9,172,251
Net position - end of year	\$ 8,785,986	\$ 9,448,780

# BUTLER COUNTY COMMUNITY COLLEGE

## DETAIL OF SPECIAL PROGRAM EXPENSES

YEAR ENDED JUNE 30, 2020

(With Comparative Totals for Year Ending June 30, 2019)

	2020	2019
Federal Projects:		
Project 23-11-99230 Perkins Grant:		
Administration part-time	\$ 6,667	\$ 6,560
Support professional salaries	4,183	-
Professional technical - temporary part-time	36,200	41,278
Tutors	23,894	23,999
FICA	5,300	5,402
TIAA-CREF retirement	2,521	2,514
Audit service	350	350
Instructional supplies	26,684	65,522
Travel	86	-
Unemployment compensation insurance	285	286
Workman's compensation insurance	423	431
Space rental	660	900
Instructional equipment	23,232	7,787
Indirect costs	4,573	4,972
Total Perkins Grant	135,058	160,001
Project 23-11-99112 Trade Adjustment Assistance		
Tuition	78,209	175,129
Total Trade Adjustment Assistance	78,209	175,129

(Continued)

# BUTLER COUNTY COMMUNITY COLLEGE

## DETAIL OF SPECIAL PROGRAM EXPENSES

YEAR ENDED JUNE 30, 2020

(With Comparative Totals for Year Ending June 30, 2019)

(Continued)

	2020	2019
<b>Federal Projects (Continued):</b>		
Project 23-11-99194 Classroom Training - TCPIC/Butler:		
Books	35,596	159,562
Total Classroom Training - TCPIC/Butler	35,596	159,562
Project 23-11-99210 Adult Basic Education - GED:		
Faculty Salaries - part-time	15,080	5,912
Administrative salaries	32,012	25,650
Support professional	41,381	57,262
Secretarial/clerical - regular - part-time	12,792	10,529
Salary in lieu of fringes	540	432
FICA	8,414	7,883
Medical insurance	8,580	22,631
PSERS retirement	14,001	19,192
P!TIAA-CREF	3,905	3,297
Dental insurance	1,300	1,635
Vision insurance	221	298
Contracted services	227,392	224,839
Printing	2,308	-
Non-instructional office supplies	384	35
Instructional supplies	1,115	5,112
Postage	1,106	-
Travel	408	1,650
Unemployment compensation insurance	440	420
Workman's compensation insurance	659	629
Space rental	345	-
Memberships	100	-
Total Adult Basic Education - GED	372,483	387,406

(Continued)

# BUTLER COUNTY COMMUNITY COLLEGE

## DETAIL OF SPECIAL PROGRAM EXPENSES

YEAR ENDED JUNE 30, 2020

(With Comparative Totals for Year Ending June 30, 2019)

(Continued)

	2020	2019
Federal Projects (Continued):		
Project 23-11-92204 Keys Grant (partially State-funded):		
Administrative salaries	46,404	45,662
Administrative - part-time	7,500	-
Support professional - full-time	42,415	41,180
Secretarial/clerical - full-time	36,865	36,275
Tutors - part-time	1,999	1,683
FICA	5,401	4,971
Life insurance	784	772
Medical insurance	15,097	14,969
TIAA-CREF retirement	12,568	12,312
Dental insurance	2,182	2,182
Vision insurance	463	463
Contracted services	6,999	-
Non-instructional office supplies	4,143	2,845
Instructional supplies	4,067	1,970
Instructional computer hardware	5,300	-
Travel	1,751	5,445
Hospitality	-	1,302
Workman's compensation insurance	865	802
Unemployment compensation insurance	576	535
Staff development	7,074	2,258
Publicity and advertising	1,454	-
Miscellaneous	17,999	25,577
Total Keys Grant	221,906	201,203
<b>Total Federal Projects</b>	<b>843,252</b>	<b>1,083,301</b>

(Continued)

# BUTLER COUNTY COMMUNITY COLLEGE

## DETAIL OF SPECIAL PROGRAM EXPENSES

YEAR ENDED JUNE 30, 2020  
(With Comparative Totals for Year Ending June 30, 2019)  
(Continued)

	2020	2019
<u>State Projects:</u>		
Project 23-11-92203 Adult Literacy Grant (Act 143):		
Faculty salaries - part-time	16,930	12,219
Administration - full-time	13,719	19,350
Support professional	20,593	16,413
Secretarial/clerical - regular part-time	7,351	9,432
Salary in lieu of fringes	300	384
Social Security employer	2,406	2,344
Medical insurance	4,030	3,890
TIAA-CREF retirement	2,181	2,545
PSERS retirement	6,376	6,180
Dental insurance	587	547
Vision insurance	95	82
Contracted services - child care	108,547	115,892
Printing	989	49
Non-instructional office supplies	139	179
Non-instructional other supplies	108	-
Postage	474	145
Instructional supplies	2,300	8,386
Testing materials	86	-
Travel	452	3,287
Memberships	50	250
Unemployment compensation insurance	252	245
Workman's compensation insurance	379	368
Space rental	345	600
Total Adult Literacy Grant (Act 143)	<u>188,689</u>	<u>202,787</u>
Project 23-11-92208 It's On Us Grant		
Non-instructional other supplies	25	-
Instructional software	7,500	-
Staff development	1,000	-
Total It's On Us Grant	<u>8,525</u>	<u>-</u>
Project 23-92205 Keystone Stars		
Administrative Bonuses	<u>5,160</u>	<u>-</u>
Project 23-24-11709 BC3 Brockway Grant:		
Faculty salaries - part-time	228,791	177,724
Administrative salaries	130,682	100,022
Professional technical - temporary - part-time	2,885	6,370
Professional technical - regular - part-time	-	13,443
Secretarial/clerical salaries - part-time	17,657	17,714
Secretarial/clerical salaries - part-time OT	-	11
Salary in lieu of fringes	768	792
FICA	13,895	12,008
Unemployment compensation	1,473	1,267
Workman's compensation	2,209	1,900
Life insurance	565	603
Medical insurance	41,686	25,046
TIAA-CREF retirement	11,423	15,608
PSERS retirement	25,331	12,561
Dental insurance	2,109	1,298
Vision insurance	448	273
Cell phone benefit	600	600
Contracted services	22,216	25,622

(Continued)

# BUTLER COUNTY COMMUNITY COLLEGE

## DETAIL OF SPECIAL PROGRAM EXPENSES

YEAR ENDED JUNE 30, 2020

(With Comparative Totals for Year Ending June 30, 2019)

(Continued)

	2020	2019
<b>State Projects (Continued):</b>		
Project 23-24-11709 BC3 Brockway Grant (Continued):		
Printing	278	612
Publicity and advertising	10,432	16,551
Non-instructional office supplies	1,859	641
Non-instructional other supplies	1,728	8,422
Postage	434	377
Building maintenance supplies	47	1,606
Instructional supplies	4,040	4,178
Instructional supplies	528	1,107
Custodial supplies	431	28
Travel	3,971	9,437
Hospitality	261	923
Memberships	1,058	1,814
Telephone	8,196	6,693
Instructional equipment	-	(75)
Internet	18,700	18,800
Other communications	1,245	1,274
Interest expense - lease	31,073	39,177
Equipment rental	5,097	4,944
Activities event	2,103	580
Miscellaneous	34	2
<b>Total Project 23-24-11709</b>	<b>594,253</b>	<b>529,971</b>
Project 23-24-11400 Nursing & Allied Health - BC3 Brockway Grant:		
Faculty salaries - regular	66,081	44,500
Faculty salaries - part-time	24,271	21,000
Faculty salaries - full-time overload	19,153	14,200
Administrative Salaries	-	20,712
Secretary/ clerical - reg full-time	-	13,000
FICA	4,217	2,698
Unemployment compensation	448	289
Workers compensation	671	434
Life insurance	282	145
Medical insurance	18,868	17,737
TIAA-CREF	6,334	4,137
PSERS	6,734	-
LTD Insurance	203	-
Dental insurance	884	884
Vision insurance	190	190
Contracted services	-	391
Instructional supplies	-	1,414
Travel	2,778	3,977
Hospitality and representation	-	134
Miscellaneous	-	2,350
<b>Total Project 23-24-11400</b>	<b>151,114</b>	<b>148,192</b>
<b>Total BC3 Brockway Grant</b>	<b>745,367</b>	<b>678,163</b>
Project 23-11-92206 Sept. Of Edu. Tutor Grant		
Support professional salaries	32,558	23,209
FICA	1,174	839
Unemployment compensation	130	93
Workers compensation	195	139
Medical insurance	6,192	4,014
TIAA-CREF	3,256	2,261
Dental insurance	413	276
Vision insurance	84	56
Contracted services	5,453	5,690
Printing	-	49
Publicity and advertising	1,255	478
Non-instructional office supplies	209	-
Non-instructional other supplies	108	-
Postage	87	-
Instructional computer hardware	-	706
Instructional supplies	933	2,114
Travel	973	2,863
Memberships	50	50
<b>Total Project 23-11-92206 Sept. of Edu. Tutor Grant</b>	<b>53,070</b>	<b>42,837</b>
Project 23-11-92207 DCED Manufacturing Certificate		
Contracted services	730	-
<b>Total State Projects</b>	<b>1,001,541</b>	<b>923,787</b>

(Continued)



# BUTLER COUNTY COMMUNITY COLLEGE

## DETAIL OF SPECIAL PROGRAM EXPENSES

YEAR ENDED JUNE 30, 2020

(With Comparative Totals for Year Ending June 30, 2019)

(Continued)

	2020	2019
Local Projects:		
Project 23-11-90121 Educational Improvement Tax Credit Grant:		
Administrative salaries	19,731	28,097
Professional tech - temp part-time	8,887	9,180
Secretary/ clerical - reg part-time	-	6,273
Salary in lieu of fringes	-	276
FICA	1,035	1,589
Unemployment compensation insurance	114	177
Workman's compensation insurance	172	265
Life insurance	134	174
Medical insurance	8,920	11,672
TIAA-CREF retirement	2,862	4,386
Long-term disability insurance	100	130
Dental insurance	442	590
Vision insurance	95	127
Non-instructional office supplies	498	-
Hospitality	-	205
Total Educational Improvement Tax Credit Grant	42,990	63,141
Project 23-11-90120 Grants Department:		
Administrative Salaries	74,010	66,959
FICA	2,942	2,678
Unemployment compensation insurance	313	285
Workman's compensation	470	428
Life insurance	355	349
Medical insurance	6,066	6,033
TIAA-CREF	7,401	6,696
Long-term disability insurance	343	310
Dental Insurance	973	973
Vision Insurance	209	209
Total Grants Department	93,082	84,920
Project 23-11-90123 Butler Bar Adult Lit Grant:		
Secretary/ clerical - reg part-time	-	660
FICA	-	25
Unemployment compensation	-	3
Workers compensation	-	4
TIAA-CREF	-	66
Instructional supplies	25	52
Total Butler Bar Adult Lit Grant	25	810
Project 23-90135 SRU BToP Grant		
Instructional Supplies	977	-

(Continued)

# BUTLER COUNTY COMMUNITY COLLEGE

## DETAIL OF SPECIAL PROGRAM EXPENSES

YEAR ENDED JUNE 30, 2020  
(With Comparative Totals for Year Ending June 30, 2019)  
(Continued)

	2020	2019
Local Projects (Continued):		
Project 23-11-90122 XTO Grant:		
Instructional Equipment	-	6,856
Total XTO Grant	-	6,856
Project 23-11-90125 BC3 Foundation Grants:		
Professional/ technical full-time	6,356	800
FICA	243	31
Unemployment compensation	25	3
Workers compensation	38	5
TIAA-CREF	285	80
PSERS	363	-
Contracted Services	-	2,500
Printing	85	69
Publicity and advertising	6,075	-
Non-instructional software	-	900
Non-instructional other supplies	3,434	5,944
Postage	-	698
Instructional computer hardware	-	2,697
Instructional supplies	2,002	11,663
Travel	284	6,532
Hospitality	1,321	110
Instructional Equipment	40,000	8,762
Non-instructional equipment	-	2,347
Buildings	13,466	2,879
Total BC3 Foundation Grants	73,977	46,020
Project 23-11-90130 CCR/Opioid Use Disorder Grant:		
Professional technical - temp - part-time	17,250	3,000
Part time faculty	1,000	-
Full time clerical	309	-
FICA	700	92
Unemployment compensation	73	10
Workers compensation	110	14
Life insurance	2	-
Medical insurance	52	-
TIAA-CREF	31	-
LTD insurance	1	-
Dental insurance	3	-
Vision insurance	1	-
Contracted services	47,197	-
Non-instructional office supplies	4	-
Instructional supplies	4,954	400
Travel	395	-
Space rental	1,650	-
Instructional equipment	56	-
Total CCR/Opioid Use Disorder Grant	73,788	3,516
Project 23-11-90127 Rivel Grant		
Part time faculty salary	9,002	-
FICA	335	-
Unemployment compensation	36	-
Workers compensation	54	-
Total Rivel Grant	9,427	-
<b>Total Local Projects</b>	<b>294,266</b>	<b>205,263</b>
<b>Total Special Program Expenses</b>	<b>\$ 2,139,059</b>	<b>\$ 2,212,351</b>

(Concluded)

# BUTLER COUNTY COMMUNITY COLLEGE

## DETAIL OF REGULAR PROGRAM EXPENSES

YEAR ENDED JUNE 30, 2020  
(With Comparative Totals for Year Ending June 30, 2019)

	2020	2019
Instruction - Credit:		
Humanities:		
Faculty salaries - full-time	\$ 1,088,637	\$ 1,129,094
Faculty salaries - part-time	550,252	647,856
Faculty salaries - full-time overhead	134,876	129,384
Administration - full-time	164,125	160,100
Secretarial/clerical - full-time	37,394	36,896
FICA	149,579	159,011
Unemployment compensation	7,973	8,431
Workman's compensation	11,958	12,646
Life insurance	5,986	6,111
Medical insurance	281,088	278,388
TIAA-CREF	93,900	89,010
PSERS	183,495	217,500
Long-term disability insurance	6,082	6,195
Dental insurance	14,654	14,949
Vision insurance	3,130	3,194
Cell phone benefit	600	600
Contracted services	146	-
Printing	197	246
Non-instructional office supplies	155	312
Non-instructional other supplies	4,656	15
Instructional supplies	5,602	15,089
Audio visual materials	-	17
Books other than library	1,120	1,398
Periodicals and newspapers	333	327
Travel - humanities	3,262	4,502
Hospitality and representation	1,078	1,619
Memberships	625	996
Miscellaneous	777	704
Total Humanities	2,751,680	2,924,590
Praxis/PECT:		
Faculty salaries - full-time	4,713	27,441
Faculty salaries - part-time	31,387	29,670
Secretarial/clerical - full-time	1,150	1,850
FICA	3,392	3,660
Unemployment compensation	178	191
Workman's compensation	267	287
Life insurance	9	-
Medical insurance	1,340	877
TIAA-CREFF	2,761	3,566
PSERS	3,503	2,696
Dental insurance	59	-
Vision insurance	13	-
Printing	33	-
Publicity and advertising	177	150
Postage	50	-
Travel	1,808	1,839
Staff development	125	1,078
Miscellaneous	36	-
Total Praxis	51,001	73,305

(Continued)

# BUTLER COUNTY COMMUNITY COLLEGE

## DETAIL OF REGULAR PROGRAM EXPENSES

YEAR ENDED JUNE 30, 2020

(With Comparative Totals for Year Ending June 30, 2019)

(Continued)

	2020	2019
<b>Instruction - Credit (Continued):</b>		
Distance Education:		
Faculty salaries - part-time	-	816
Administrative salaries	143,719	141,521
Professional technical - full-time	41,351	39,262
Secretarial/clerical - full-time	29,759	22,859
Secretarial/clerical - full-time OT	-	67
Secretarial/clerical - part-time	9,599	9,673
Secretarial/clerical - part-time OT	56	-
Salary in lieu of fringes	420	432
FICA	16,589	15,720
Unemployment compensation	905	859
Workman's compensation	1,358	1,288
Life insurance	1,077	1,043
Medical insurance	54,297	54,063
TIAA-CREFF	13,287	12,296
PSERS	27,152	28,908
Long-term disability insurance	1,000	981
Dental insurance	2,970	2,901
Vision insurance	620	620
Cell phone benefit	600	600
Contracted services	2,600	7,300
Printing	-	49
Non-instructional office supplies	177	433
Audio visual	-	74
Audio visual materials	177	-
Instructional supplies	494	9,623
Instructional software	82,509	90,196
Books other than library	-	295
Periodicals and newspapers	899	809
Travel	1,730	3,889
Hospitality	113	29
Staff development	389	50
Memberships	4,941	4,575
Total Distance Education	438,788	451,231
<b>Business:</b>		
Faculty salaries - full-time	611,006	658,065
Faculty salaries - part-time	139,764	136,640
Faculty salaries - full-time overhead	111,000	97,881
Administration - full-time	87,439	90,614
Secretarial/clerical - full-time	72,774	71,611
FICA	78,760	80,404
Unemployment compensation	4,190	4,271
Workman's compensation	6,285	6,407
Life insurance	3,867	4,089
Medical insurance	175,971	182,382
TIAA-CREFF	66,027	67,019
PSERS	81,293	91,985

(Continued)

# BUTLER COUNTY COMMUNITY COLLEGE

## DETAIL OF REGULAR PROGRAM EXPENSES

YEAR ENDED JUNE 30, 2020  
(With Comparative Totals for Year Ending June 30, 2019)

(Continued)

	2020	2019
Instruction - Credit (Continued):		
Business (Continued):		
Med insurance	3,473	3,647
Dental insurance	10,131	11,178
Vision insurance	2,228	2,437
Non-instructional office supplies	235	255
Non-instructional other supplies	24	456
Instructional supplies	1,512	3,216
Instructional computer hardware	100	225
Instructional software	-	240
Printing	49	98
Staff development	-	207
Travel - business	441	6,068
Hospitality and representation	-	309
Memberships	4,288	3,571
Total Business	1,460,857	1,523,275
Science and Technologies:		
Faculty salaries - full-time	897,044	958,701
Faculty salaries - part-time	292,657	250,352
Faculty salaries - full-time - overhead	98,013	107,088
Administrative salaries	154,121	152,088
Secretarial/clerical - full-time	37,686	37,184
Professional technical - temp - part-time	-	2,597
Professional technical regular - temp - part-time	41,485	43,361
FICA	116,491	117,649
Unemployment compensation	6,179	6,241
Workman's compensation	9,269	9,361
Life insurance	4,663	5,040
Medical insurance	215,537	220,227
TIAA-CREFF	79,943	77,594
PSERS	150,308	184,635
Long-term disability insurance	4,948	5,239
Dental insurance	12,207	12,504
Vision insurance	2,615	2,678
Contracted services	2,692	-
Printing	-	148
Non-instructional office supplies	708	618
Non-instructional other supplies	1,050	77
Instructional computer hardware	-	698
Instructional supplies science	56,304	60,450
Instructional supplies	37	-
Instructional software	250	500
Equipment repairs and maintenance	1,496	3,788
Books other than library	409	117
Travel - technology	547	4,156
Hospitality and representation	70	811
Memberships	560	560
Total Science and Technologies	2,187,289	2,264,462
Nursing and Allied Health:		
Faculty salaries - full-time	383,820	414,650
Faculty salaries - part-time	150,459	83,247
Faculty salaries - full-time - overhead	40,705	53,560
Administration - full-time	110,041	73,234
Professional technical - temp part-time	17,720	10,105
Professional technical - part-time	3,576	4,023
Secretarial/clerical - full-time	52,089	37,976
FICA	57,734	54,105
Unemployment compensation	3,070	2,881
Workman's compensation	4,605	4,321
Life insurance	2,878	2,790
Medical insurance	130,358	129,517
TIAA-CREFF	61,272	61,737

# BUTLER COUNTY COMMUNITY COLLEGE

## DETAIL OF REGULAR PROGRAM EXPENSES

YEAR ENDED JUNE 30, 2020  
(With Comparative Totals for Year Ending June 30, 2019)  
(Continued)

	2020	2019
Instruction - Credit (Continued):		
Nursing and Allied Health (Continued):		
PSERS	2,291	(499)
Long-term disability insurance	2,546	2,339
Dental insurance	5,001	4,966
Vision insurance	1,256	1,249
Honoraria	100	250
Contracted services	-	25,723
Printing	49	151
Non-instructional office	193	-
Non-instructional other	163	470
Instructional computer hardware	120	-
Instructional supplies	8,916	9,900
Books other than library	160	1,148
Travel - nursing	2,349	5,475
Hospitality and representation	250	379
Staff development	-	65
Memberships	5,026	6,094
Miscellaneous	54,847	25,865
Total Nursing and Allied Health	1,101,594	1,015,721
Cranberry Center:		
Faculty - full-time	122,135	151,074
Faculty salaries - part-time	238,324	194,316
Faculty salaries - regular - overhead	18,492	17,400
Administration - full-time	117,507	122,472
Support professional salaries - full-time	1,957	-
Professional technical - full-time	5,762	3,850
Professional technical - temporary - part-time	4,269	-
Secretarial/clerical - full-time	39,268	38,640
Secretarial/clerical - regular - part-time	8,201	7,977
Secretarial/clerical - regular - part-time OT	-	11
Safety security - full-time	2,248	2,212
Salary in lieu of fringes	360	360
FICA	43,730	39,917
Unemployment compensation	2,312	2,114
Workman's compensation	3,468	3,171
Life insurance	1,726	1,824
Medical insurance	74,991	76,290
TIAA-CREFF	28,384	32,154
PSERS	23,101	13,123
Long-term disability insurance	1,355	1,460
Dental insurance	4,891	5,416
Vision insurance	858	967
Cell phone benefit	600	600
Contracted services	24,669	32,634
Printing	268	1,266
Publicity and advertising	1,605	1,914
Non-instructional office supplies	129	567
Non-instructional other supplies	24	206
Instructional supplies	1,646	2,616
Travel	1,655	593
Gas	8,625	10,236
Electricity	54,474	27,267
Water and sewage	3,630	3,134
Telephone	17,511	16,598
Hospitality and representation	255	278
Memberships	954	785
Miscellaneous	445	2,574
Total Cranberry Center	859,829	816,016
Lawrence County:		
Faculty - full-time	207,503	129,089
Faculty salaries - part-time	313,241	348,976
Faculty - full-time - over-time	7,237	27,560
Administration salaries	115,144	113,403
Support professional salaries	5,514	-
Professional technical - full-time	16,235	9,313
Professional technical - part-time	1,566	1,844

(Continued)

# BUTLER COUNTY COMMUNITY COLLEGE

## DETAIL OF REGULAR PROGRAM EXPENSES

YEAR ENDED JUNE 30, 2020  
(With Comparative Totals for Year Ending June 30, 2019)

(Continued)

	2020	2019
<u>Instruction - Credit (Continued):</u>		
Lawrence County (Continued):		
Professional technical - regular - part-time	21,128	23,717
Secretarial/clerical - full-time	37,863	37,257
Secretarial/clerical - regular - part-time	10,950	9,527
Safety security - full-time	24,728	24,333
Salary in lieu of fringe	480	384
FICA	56,704	54,984
Life insurance	2,186	1,737
Medical insurance	101,216	83,268
TIAA - CREF	26,028	22,293
PSERS	68,826	66,717
Long-term disability insurance	1,750	1,311
Dental insurance	5,461	4,659
Vision insurance	1,160	977
Cell phone benefit	600	600
Contract services	36,871	45,227
Publicity and advertising	11,878	11,271
Equipment repairs and maintenance	500	300
Printing	428	4,822
Non-instructional office supplies	428	410
Non-instructional other supplies	399	-
Grounds maintenance	-	300
Instructional supplies	2,792	5,678
Instructional supplies	-	1,440
Newspaper and periodicals	320	323
Hospitality	184	1,151
Travel	602	1,569
Workman's compensation insurance	3,010	2,912
Unemployment compensation insurance	4,515	4,368
Space rental	5,965	6,965
Lease interest expense	59,988	69,761
Gas	5,006	6,093
Electricity	11,390	13,442
Water and sewage	2,119	2,478
Telephone	16,481	6,668
Memberships	1,570	1,495
Non-instructional equipment	-	1,000
Miscellaneous	1,046	2,077
<b>Total Lawrence County</b>	<b>1,191,012</b>	<b>1,151,699</b>
Mercer County:		
Faculty - full-time	61,460	44,581
Faculty salaries - part-time	234,679	239,716
Faculty - full-time - over-time	12,461	4,000
Administrative salaries	114,732	113,276
Support professional salaries	6,130	-
Professional technical - temporary - part-time	14,695	-
Professional technical - full-time	16,235	8,188
Professional technical - regular - part-time	8,327	21,796
Secretarial/clerical - full-time	37,055	36,463
Safety security - full-time	15,736	15,484
FICA	39,409	37,489
Life insurance	1,390	1,296
Medical insurance	63,987	63,632
TIAA - CREF	17,542	13,205
PSERS	42,020	49,448
Long-term disability insurance	1,119	1,013
Dental insurance	3,467	3,536
Vision insurance	735	736
Cell phone benefit	600	600
Contracted services	43,842	45,925
Equipment repairs and maintenance	222	374
Printing	558	3,955
Publicity and advertising	10,707	10,192
Non-instructional office supplies	143	596
Non-instructional other supplies	220	270
Custodial supplies	-	99
Instructional supplies science	3,601	5,197
Instructional supplies	372	872
Postage	127	100
Hospitality	1,028	1,583
Travel	340	285
Workman's compensation insurance	2,081	1,983
Unemployment compensation insurance	3,122	2,975
Lease interest expense	6,195	11,135
Gas	2,773	3,741
Electricity	9,381	10,090
Water and sewage	3,967	5,626
Telephone	19,962	19,944
Memberships	1,150	1,075
Miscellaneous	972	124
<b>Total Mercer County</b>	<b>802,542</b>	<b>780,654</b>

(Continued)

# BUTLER COUNTY COMMUNITY COLLEGE

## DETAIL OF REGULAR PROGRAM EXPENSES

YEAR ENDED JUNE 30, 2020

(With Comparative Totals for Year Ending June 30, 2019)

(Continued)

	2020	2019
<b>Instruction - Credit (Continued):</b>		
Armstrong Site:		
Faculty salaries - regular	-	5,705
Faculty salaries - part-time	170,278	156,560
Administrative salaries	48,278	47,775
Support professional salaries	1,957	-
Professional technical - regular - full-time	5,762	3,850
Professional technical - regular - part-time	8,657	2,100
Secretarial/clerical - full-time	40,779	40,127
FICA	20,585	19,475
Unemployment compensation	1,085	1,029
Workman's compensation	1,628	1,544
Life insurance	617	622
Medical insurance	26,105	27,700
TIAA-CREF	9,960	10,070
PSERS	13,520	14,829
Long-term disability insurance	454	466
Dental insurance	1,475	1,432
Vision insurance	311	302
Cell phone benefit	600	600
Contracted services	-	250
Printing	-	326
Publicity and advertising	7,564	9,472
Non-instructional office supplies	140	48
Custodial supplies	-	100
Instructional supplies science	4,445	2,366
Travel	73	28
Memberships	500	500
Telephone	3,859	4,029
Space rental	30,674	31,764
<b>Total Armstrong Site</b>	<b>399,306</b>	<b>383,069</b>
<b>College in High Schools:</b>		
Faculty salaries - part-time	125,306	133,975
Faculty salaries - full-time overload	2,445	-
Administrative salaries	21,009	11,569
Secretarial/clerical - regular - part-time	18,265	6,617
Salary in lieu of fringe benefits	804	300
FICA	12,598	12,027
Unemployment compensation	668	633
Workman's compensation	1,001	950
Life insurance	132	87
Medical insurance	8,920	5,836
TIAA-CREF	4,192	1,890
PSERS	16,873	24,210
Long-term disability insurance	99	65
Dental insurance	442	295
Vision insurance	95	63
Cell phone benefit	600	600
Non-instructional office supplies	147	118
Postage	5	-
Non-instructional computer hardware	498	-
Travel	2,792	3,458
Hospitality	45	-
Memberships	560	-
<b>Total College in High Schools</b>	<b>217,496</b>	<b>202,693</b>

(Continued)



# BUTLER COUNTY COMMUNITY COLLEGE

## DETAIL OF REGULAR PROGRAM EXPENSES

YEAR ENDED JUNE 30, 2020  
(With Comparative Totals for Year Ending June 30, 2019)

(Continued)

Instruction - Credit (Continued):	2020	2019
Physical Therapy Department		
Faculty salaries regular	159,796	155,360
Faculty salaries - part-time	12,021	15,555
Faculty full time overload	13,562	11,112
FICA	14,025	13,415
Unemployment compensation	747	715
Workers compensation	1,121	1,073
Life insurance	604	597
Medical insurance	35,120	34,029
TIAA-CREF	17,860	17,129
Long term disability insurance	768	737
Dental insurance	1,654	1,636
Vision insurance	355	351
Honoraria	400	-
Contracted services	446	-
Instructional supplies	562	571
Books OTL	1,360	-
Hospitality	182	82
Memberships	6,125	4,250
Total Physical Therapy Department	266,708	256,612
Medical Assistance Department:		
Faculty salaries regular	30,579	17,200
Faculty salaries - part-time	13,040	13,867
Faculty salaries - full-time - overhead	1,630	4,800
FICA	3,220	2,888
Unemployment compensation	173	153
Workman's compensation	260	230
Life insurance	190	82
Medical insurance	11,394	5,800
TIAA-CREFF	3,720	3,206
Long-term disability insurance	142	10
Dental insurance	590	295
Vision insurance	127	63
Instructional supplies	67	64
Memberships	2,050	1,200
Total Medical Assistant Department	67,182	49,858
Message Therapy Department:		
Faculty salaries - full-time	11,375	10,826
Faculty salaries - part-time	11,003	15,467
Faculty salaries - full-time - overhead	815	1,400
FICA	1,778	2,046
Unemployment compensation	94	108
Workman's compensation	141	162
Life insurance	42	48
Medical insurance	2,442	2,759
TIAA-CREFF	1,617	1,902
Long term disability insurance	55	61
Dental insurance	115	133
Vision insurance	25	29
Instructional supplies	71	662
Memberships	655	-
Total Message Therapy Department	30,228	35,603
Medical Coding Department		
Faculty salaries regular	86,340	88,376
Faculty salary - part-time	34,185	32,000
Faculty full time overload	9,373	3,200
FICA	9,718	9,105
Unemployment compensation	520	487
Workers compensation	780	731
Life insurance	475	586
Medical insurance	28,390	34,071
TIAA-CREF	8,480	6,959
PSERS	9,037	9,840
Long term disability insurance	259	145
Dental insurance	1,600	2,208
Visions insurance	337	469
Total Medical Coding Department	189,494	188,177
<b>Total Instruction - Credit</b>	<b>12,015,006</b>	<b>12,116,965</b>

(Continued)

# BUTLER COUNTY COMMUNITY COLLEGE

## DETAIL OF REGULAR PROGRAM EXPENSES

YEAR ENDED JUNE 30, 2020

(With Comparative Totals for Year Ending June 30, 2019)

(Continued)

	2020	2019
<b>Instruction - Noncredit:</b>		
Adult and Community Education:		
Faculty salaries	2,847	8,856
Administration	67,251	66,176
Professional - regular - part-time	10,085	17,722
Secretarial/clerical - full-time	37,105	36,563
Secretarial/clerical	11,060	10,711
Salary in lieu of fringe benefits	492	240
FICA	9,971	10,606
Unemployment compensation	532	564
Workman's compensation	798	846
Life insurance	581	558
Medical insurance	26,426	22,901
TIAA-CREF	12,745	13,086
PSERS	163	1,055
Long-term disability insurance	504	496
Dental insurance	1,519	1,298
Vision insurance	321	273
Contracted services	1,073	3,204
Printing	-	2,955
Non-instructional office supplies	409	-
Non-instructional other supplies	22	640
Instructional supplies	2,106	2,511
Hospitality	19	-
Memberships	745	814
Miscellaneous	267	15
<b>Total Adult and Community Education</b>	<b>187,041</b>	<b>202,090</b>
<b>Public Safety EMT:</b>		
Faculty salaries - part-time	26,514	51,377
Administrative salaries	56,549	54,883
Professional technical - full-time	69,679	49,938
Professional technical - temp - part-time	1,820	-
Professional technical - regular - part-time	-	6,801
Secretarial/clerical - full-time	34,731	29,701
Secretarial/clerical - part-time salaries	-	477
FICA	14,424	14,021
Unemployment compensation	779	757
Workman's compensation	1,168	1,135
Life insurance	908	696
Medical insurance	48,147	45,036
TIAA-CREF	16,096	14,582
PSERS	(19)	98
Long-term disability insurance	566	293
Dental insurance	2,596	2,433
Vision insurance	547	516
Cell phone benefit	600	600
Contracted services	5,098	1,618
Printing	49	98
Non-instructional office supplies	553	260
Non-instructional other supplies	106	348
Instructional supplies	38,689	64,923
Travel	2,899	13,800
Hospitality	247	966
Space rental	200	648
Equipment rental	-	390
Memberships	220	190
<b>Total Public Safety EMT</b>	<b>323,166</b>	<b>356,585</b>
<b>Public Safety Fire:</b>		
Faculty salaries - part-time	149,390	225,950
Administrative salaries	43,519	42,823
Support professional salaries - part-time	3,349	4,934
Secretarial/clerical - full-time	38,312	37,699
Secretarial/clerical - full-time - overtime	-	455
FICA	19,050	23,173

# BUTLER COUNTY COMMUNITY COLLEGE

## DETAIL OF REGULAR PROGRAM EXPENSES

YEAR ENDED JUNE 30, 2020

(With Comparative Totals for Year Ending June 30, 2019)

(Continued)

	2020	2019
<u>Instruction - Noncredit (Continued):</u>		
Public Safety Fire (Continued):		
Unemployment compensation	1,011	1,226
Workman's compensation	1,516	1,840
Life insurance	528	519
Medical insurance	34,189	33,568
TIAA-CREF	8,455	8,458
PSERS	3,156	3,105
Long-term disability insurance	185	182
Dental insurance	1,769	1,769
Vision insurance	380	380
Cell phone benefit	600	600
Contracted services	870	3,136
Printing	2,269	2,164
Non-instructional office supplies	82	-
Non-instructional other supplies	-	6
Instructional supplies	2,459	4,962
Memberships	100	100
Travel	28,173	43,367
Hospitality	2,945	6,055
Miscellaneous	-	1,228
	<hr/>	<hr/>
Total Public Safety Fire	342,307	447,699
	<hr/>	<hr/>
Business and Industry Safety Training:		
Faculty salaries	55,043	69,315
Administrative salaries	43,519	42,823
Secretarial/clerical - full-time	35,236	34,673
FICA	10,310	10,650
Unemployment compensation	556	573
Workman's compensation	834	860
Life insurance	508	500
Medical insurance	37,097	36,405
TIAA-CREF	9,532	9,633
PSERS	42	279
Long-term disability insurance	380	374
Dental insurance	1,769	1,769
Vision insurance	380	380
Cell phone benefit	600	600
Contracted services	400	2,450
Printing	226	1,351
Non-instructional office supplies	61	57
Non-instructional other supplies	38	350
Instructional supplies	14,351	8,475
Travel	5,766	6,453
Hospitality	5,487	8,315
Space rental	-	188
Memberships	2,570	2,450
Miscellaneous	725	1,967
	<hr/>	<hr/>
Total Business and Industry Safety Training	225,430	240,890
	<hr/>	<hr/>
Business Training:		
Faculty salaries - part-time	46,179	69,912
Administrative salaries	41,277	40,617
Secretarial/clerical - regular - full-time	37,055	36,463
FICA	9,808	10,944
Unemployment compensation	538	602
Workman's compensation	807	902
Life insurance	505	497
Medical insurance	23,048	22,702
TIAA-CREF	8,497	9,039
PSERS	1,185	2,475
Long-term disability insurance	378	372
Dental insurance	884	884
Vision insurance	190	190

(Continued)

# BUTLER COUNTY COMMUNITY COLLEGE

## DETAIL OF REGULAR PROGRAM EXPENSES

YEAR ENDED JUNE 30, 2020  
(With Comparative Totals for Year Ending June 30, 2019)  
(Continued)

	2020	2019
<u>Instruction - Noncredit (Continued):</u>		
Business Training (Continued):		
Contracted services	4,145	1,990
Non-instructional office supplies	-	11
Instructional supplies	5,136	5,766
Travel	668	1,918
Hospitality	172	5,040
Space rental	-	200
Miscellaneous	100	20
Total Business Training	180,572	210,544
Training Facility Public Safety:		
Support professional	6,992	11,110
Advising evaluation	2,250	7,200
Professional technical - temporary	6,381	-
Regular professional technical - part-time	12,127	17,039
Secretarial/clerical support - full-time	1,224	7,266
FICA	2,254	3,257
Unemployment compensation	118	171
Workman's compensation	177	256
Life insurance	8	48
Medical insurance	310	1,836
TIAA-CREF	1,413	2,485
PSERS retirement	677	670
LTD insurance	6	36
Dental insurance	14	83
Vision insurance	3	17
Contracted services	2,162	2,216
Non-instructional other supplies	224	226
Grounds maintenance	2,221	849
Miscellaneous	1,175	6,286
Gas	1,081	878
Total Training Facility Public Safety	40,817	61,929
Theatre:		
Administrative salaries	55,767	54,875
Campus police - full-time - overtime	-	228
FICA	4,241	4,139
Unemployment compensation	223	221
Workman's compensation	335	331
Life insurance	323	325
Medical insurance	6,135	6,020

(Continued)

# BUTLER COUNTY COMMUNITY COLLEGE

## DETAIL OF REGULAR PROGRAM EXPENSES

YEAR ENDED JUNE 30, 2020

(With Comparative Totals for Year Ending June 30, 2019)

(Continued)

	2020	2019
Instruction - Noncredit (Continued):		
Theatre (Continued):		
TIAA-CREF	5,577	5,510
Long-term disability insurance	269	265
Dental insurance	413	417
Vision insurance	84	84
Honoraria	40	-
Equipment repairs and maintenance	1,276	100
Publicity and advertising	11,918	11,451
Concerts and lectures	13,952	12,000
Non-instructional software	4,810	4,810
Non-instructional other supplies	2,045	3,354
Printing	6,126	3,399
Travel	-	1,711
Hospitality	826	1,518
Memberships	840	669
Total Theatre	115,200	111,427
Avocat/Recreational:		
Faculty salaries - part-time	21,749	32,043
FICA	1,770	2,408
Unemployment compensation	92	126
Workman's compensation	139	189
TIAA-CREF	-	10
PSERS	1,067	407
Non-instructional other supplies	561	697
Instructional supplies	3,678	7,449
Space rental	32	-
Equipment rental	17	-
Contracted services	600	701
Total Avocat/Recreational	29,705	44,030
Continuing Education and Off-Campus Sites:		
Non-instructional software	26,278	25,267
Travel	1,239	-
Membership	399	399
Total Continuing Education and Off-Campus Sites	27,916	25,715

(Continued)

# BUTLER COUNTY COMMUNITY COLLEGE

## DETAIL OF REGULAR PROGRAM EXPENSES

YEAR ENDED JUNE 30, 2020

(With Comparative Totals for Year Ending June 30, 2019)

(Continued)

	2020	2019
<u>Instruction - Noncredit (Continued):</u>		
Workforce Development:		
Administrative salaries	78,251	72,174
FICA	5,916	5,445
Unemployment compensation	315	291
Workers compensation	473	437
Life insurance	323	323
Medical insurance	15,136	14,854
TIAA-CREF	7,825	7,217
Long term disability insurance	378	349
Dental insurance	884	884
Vision insurance	190	190
Cell phone benefit	600	600
Non-instructional office supplies	-	788
Non-instructional other supplies	167	161
Travel	5,471	8,744
Hospitality	320	70
Memberships	500	250
	<u>116,749</u>	<u>112,777</u>
Total Workforce Development		
Leadership Training:		
Faculty salaries - part-time	1,300	1,000
Administrative salaries	53,404	52,650
Clerical Salaries - full-time	12,477	-
FICA	5,065	4,001
Unemployment compensation	271	214
Workman's compensation	406	321
Life insurance	403	323
Medical insurance	16,384	13,504
TIAA-CREF	6,588	5,255
Long term disability insurance	318	252
Dental insurance	550	413
Vision insurance	217	190
Contracted services	5,585	44,822
Printing	61	78
Non-instructional office supplies	76	43
Non-instructional other supplies	263	1,269
Instructional supplies	250	-
Travel	451	4,239
Hospitality and representation	245	567
Space rental	7,500	6,875
	<u>111,814</u>	<u>136,016</u>
Total Leadership Training		

(Continued)

# BUTLER COUNTY COMMUNITY COLLEGE

## DETAIL OF REGULAR PROGRAM EXPENSES

YEAR ENDED JUNE 30, 2020

(With Comparative Totals for Year Ending June 30, 2019)

(Continued)

	2020	2019
<b>Instruction - Noncredit (Continued):</b>		
Professional Certification:		
Faculty - part-time	18,970	33,365
Administrative salaries	41,169	40,510
Secretarial/clerical and support - full-time	23,611	29,063
FICA	6,643	8,026
Unemployment compensation	357	430
Workman's compensation	536	645
Life insurance	419	453
Medical insurance	24,863	25,544
TIAA-CREF	6,856	7,667
PSERS	141	1,729
Long-term disability insurance	313	339
Dental insurance	1,144	1,215
Vision insurance	242	257
Contracted services	52,568	86,487
Printing	-	49
Non-instructional other supplies	412	237
Instructional supplies	564	1,817
Travel	441	1,638
Memberships	764	264
Miscellaneous	245	170
Hospitality	-	38
Total Professional Certification	180,258	239,943
Kids on Campus:		
Faculty salaries - part-time	25,497	31,063
	10,843	-
FICA	3,621	2,258
Unemployment compensation	190	118
Workman's compensation	285	177
TIAA-CREF	1,084	-
Life insurance	35	-
Medical insurance	1,532	-
PSERS	6,478	5,961
Dental insurance	206	-
Vision insurance	44	-
Total Kids on Campus	49,815	39,577
<b>Total Instruction - Noncredit</b>	1,930,790	2,229,222
<b>Academic Support:</b>		
Library:		
Administrative salaries	96,767	95,220
Support professional salaries	84,808	63,406
Support professional salaries - part-time	5,751	15,941
Secretarial/clerical - full-time	34,369	27,564
Secretarial/clerical - regular - part-time	18,083	11,804
Salary in lieu of fringes	792	528
FICA	18,655	16,503
Unemployment compensation	985	871
Workman's compensation	1,478	1,307
Life insurance	879	758
Medical insurance	38,546	29,478

# BUTLER COUNTY COMMUNITY COLLEGE

## DETAIL OF REGULAR PROGRAM EXPENSES

YEAR ENDED JUNE 30, 2020

(With Comparative Totals for Year Ending June 30, 2019)

(Continued)

	2020	2019
<u>Academic Support (Continued):</u>		
Library (Continued):		
TIAA-CREF	22,114	20,770
PSERS	5,770	1,588
Long-term disability insurance	853	788
Dental insurance	2,624	2,184
Vision insurance	558	466
Contracted services	730	763
Contracted services - OCLC	2,685	2,945
Non-instructional office supplies	381	417
Non-instructional other supplies	766	732
Audio visual supplies	294	37
Audio visual materials	71	825
Instructional equipment maintenance contracts	665	649
Hospitality	16	-
Staff development	75	250
Books - library	22,631	27,484
Periodicals and newspapers	95,723	94,538
Travel	40	281
Total Library	457,109	418,097
Academic Assessment:		
Administrative salaries	139,566	137,335
Full-time secretary clerical salaries	34,869	33,951
FICA	13,372	13,134
Unemployment compensation	715	703
Workman's compensation	1,073	1,054
Life insurance	873	869
Medical insurance	41,549	40,858
TIAA-CREF	10,208	10,009
PSERS	21,417	22,740
Long-term disability insurance	844	817
Dental insurance	1,769	1,769
Vision insurance	570	664
Total Academic Assessment	266,825	263,903
Academic Affairs:		
Faculty salaries - part-time	400	1,000
Administrative salaries	134,191	132,045
Support professional salaries - part-time	815	-
Secretarial/clerical - full-time	41,145	40,362

(Continued)



# BUTLER COUNTY COMMUNITY COLLEGE

## DETAIL OF REGULAR PROGRAM EXPENSES

YEAR ENDED JUNE 30, 2020

(With Comparative Totals for Year Ending June 30, 2019)

(Continued)

	2020	2019
<b>Academic Support (Continued):</b>		
Academic Affairs (Continued):		
FICA	11,887	11,707
Unemployment compensation	706	694
Workman's compensation	1,059	1,041
Life insurance	588	584
Medical insurance	33,450	34,558
TIAA-CREF	17,618	17,276
PSERS	120	-
Long-term disability insurance	682	638
Dental insurance	1,690	1,769
Vision insurance	380	380
Contracted services	2,000	3,945
Printing	49	-
Non-instructional office supplies	343	671
Non-instructional other supplies	218	449
Instructional supplies	-	1,453
Books other than library	-	64
Periodicals and newspapers	-	63
Staff development	2,800	615
Memberships	188	-
Travel	5,445	4,021
Hospitality	4,698	5,506
Miscellaneous	350	589
<b>Total Academic Affairs</b>	<b>260,822</b>	<b>259,430</b>
Academic Assessment and IR:		
Contracted services	4,412	-
Non-instructional office supplies	243	1,027
Books other than library	78	-
Travel	4,798	3,119
Memberships	7,535	7,480
<b>Total Academic Assessment and IR</b>	<b>17,066</b>	<b>11,626</b>
<b>Total Academic Support</b>	<b>1,001,822</b>	<b>953,056</b>
<b>Student Services:</b>		
Academic Center for Enrichment:		
Administrative salaries	348,135	382,926
Secretarial/clerical - full-time	45,190	44,468
Secretarial/clerical - regular	17,723	17,725
Support professionals	102,113	75,212
Professional technical - full-time	17,285	11,550
Support professionals - part-time	4,890	8,017
Professional technical - temporary	3,080	3,018
Tutors	23,563	37,677
Tutors-developmental	5,858	6,294
College Work study	2,706	5,001
Salary in lieu of fringes	756	768
FICA	43,801	45,081

# BUTLER COUNTY COMMUNITY COLLEGE

## DETAIL OF REGULAR PROGRAM EXPENSES

YEAR ENDED JUNE 30, 2020  
(With Comparative Totals for Year Ending June 30, 2019)

(Continued)

	2020	2019
<b>Student Services (Continued):</b>		
Academic Center for Enrichment (Continued):		
Unemployment compensation	2,356	2,412
Workman's compensation	3,505	3,619
Life insurance	2,804	2,679
Medical insurance	107,903	111,195
TIAA-CREF	40,465	41,386
PSERS	45,575	44,015
Long-term disability insurance	2,433	2,285
Dental insurance	6,414	6,326
Vision insurance	1,361	1,343
Contracted services	60,681	62,390
Printing	102	361
Non-instructional office supplies	210	593
Non-instructional software	381	225
Testing materials	10,535	13,975
Books other than library	29	98
Instructional supplies	-	413
Travel	379	1,433
Hospitality	758	879
Staff development	1,200	-
Memberships	404	179
Miscellaneous	-	300
Convocation and public event	-	1,399
<b>Total Academic Center for Enrichment</b>	<b>902,595</b>	<b>935,242</b>
<b>Records and Registration:</b>		
Administrative salaries	151,722	148,431
Secretarial/clerkal - full-time	137,376	135,380
Secretarial/clerkal regular - part-time	18,785	17,583
Salary in lieu of fringes	828	780
FICA	23,244	22,757
Unemployment compensation	1,242	1,216
Workman's compensation	1,863	1,824
Life insurance	1,612	1,605
Medical insurance	63,605	62,456
TIAA-CREF	18,878	18,490
PSERS	35,226	37,107
Long-term disability insurance	1,393	1,364
Dental insurance	3,922	3,922
Vision insurance	726	726
Printing	-	49
Non-instructional office supplies	234	358
Non-instructional other supplies	1,185	2,927
Books OTL	78	58
Travel	90	442
Hospital & representative	-	171
Memberships	1,644	843
<b>Total Records and Registration</b>	<b>463,653</b>	<b>458,489</b>
<b>Child Care Centers:</b>		
Administrative salaries	57,101	86,512
Professional technical - full-time	36,306	18,360
Professional technical - regular - part-time	11,955	13,254
FICA	8,488	8,957
Unemployment compensation	458	483
Workman's compensation	687	725
Life insurance	305	575
Medical insurance	37,072	38,678

(Continued)

# BUTLER COUNTY COMMUNITY COLLEGE

## DETAIL OF REGULAR PROGRAM EXPENSES

YEAR ENDED JUNE 30, 2020

(With Comparative Totals for Year Ending June 30, 2019)

(Continued)

	2020	2019
<b>Student Services (Continued):</b>		
<b>Child Care Centers (Continued):</b>		
TIAA-CREF	10,104	11,732
PSERS	2,331	179
Long-term disability insurance	242	417
Dental insurance	2,299	2,358
Vision insurance	494	506
Contracted services	-	99
Publicity and advertising	133	-
Non-instructional office supplies	105	192
Non-instructional other supplies	522	1,204
Instructional supplies	3,921	2,942
Staff development	582	585
Hospitality and representation	-	95
Memberships	214	120
Miscellaneous	640	553
	<hr/>	<hr/>
Total Child Care Centers	173,959	188,526
	<hr/>	<hr/>
<b>Student Life:</b>		
Administrative salaries	152,262	135,114
Support professional - part-time	47,058	46,315
Professional technical - temporary - part-time	12,705	14,943
College work study	-	1,838
College work cube students	2,336	-
Event staff - temporary - part-time	1,733	2,610
FICA	16,187	15,462
Unemployment compensation	869	814
Workman's compensation	1,303	1,222
Life insurance	578	748
Medical insurance	39,273	17,584
TIAA-CREF	15,820	11,890
PSERS	6,379	13,460
Long-term disability insurance	346	658
Dental insurance	2,035	827
Vision insurance	432	203
Cell phone benefit	600	600
Printing	1,905	3,812
Non-instructional office supplies	1,527	1,605
Non-instructional other supplies	3,491	684
Miscellaneous	4,640	7,177
Convocation and public event	572	3,002
	<hr/>	<hr/>
Total Student Life	312,051	280,568
	<hr/>	<hr/>
<b>Fitness Center:</b>		
Non-instructional other supplies	327	1,336
Instructional equipment maintenance contract	850	-
	<hr/>	<hr/>
Total Fitness Center	1,177	1,336
	<hr/>	<hr/>

(Continued)

# BUTLER COUNTY COMMUNITY COLLEGE

## DETAIL OF REGULAR PROGRAM EXPENSES

YEAR ENDED JUNE 30, 2020

(With Comparative Totals for Year Ending June 30, 2019)

(Continued)

	2020	2019
<u>Student Services (Continued):</u>		
Admissions:		
Administrative salaries	170,809	169,914
Secretarial/clerical - full-time	74,534	73,542
College work study	1,669	1,853
FICA	18,020	17,893
Unemployment compensation	988	980
Workman's compensation	1,482	1,470
Life insurance	1,487	1,465
Medical insurance	84,441	82,324
TIAA-CREF	20,786	20,638
PSERS	11,094	11,778
Long-term disability insurance	1,199	990
Dental insurance	4,393	4,393
Vision insurance	938	938
Non-instructional office supplies	49	85
Non-instructional other supplies	3,810	564
Books other than library	-	78
Printing	98	53
Publicity and advertising	1,073	1,647
Hospitality and representation	2,688	4,043
Periodicals and newspapers	85	85
Travel	25	266
Memberships	-	289
Telephone	2,359	2,231
Miscellaneous	1,929	535
Total Admissions	403,956	398,054
Financial Aid Office:		
Administrative salaries	169,815	165,888
Secretarial/clerical salaries - full-time	114,057	107,558
Secretarial/clerical salaries - part-time	4,592	1,636
FICA	21,105	20,095
Unemployment compensation	1,154	1,099
Workman's compensation	1,731	1,649
Life insurance	1,644	1,583
Medical insurance	103,400	98,883
TIAA-CREF	15,293	14,933
PSERS	38,762	39,609
Long-term disability insurance	1,375	1,319
Dental insurance	5,189	5,166
Vision insurance	1,139	1,109
Contracted services plant	6,000	5,500
Printing	49	-
Non-instructional office supplies	29	51
Non-instructional other supplies	36	27
Travel	845	1,517
Hospitality and representation	122	35
Staff development	-	503
Memberships	1,243	1,311
Miscellaneous	-	12
Total Financial Aid Office	487,580	469,483

(Continued)

# BUTLER COUNTY COMMUNITY COLLEGE

## DETAIL OF REGULAR PROGRAM EXPENSES

YEAR ENDED JUNE 30, 2020  
(With Comparative Totals for Year Ending June 30, 2019)  
(Continued)

	2020	2019
<b>Student Services (Continued):</b>		
Vice President of Student Affairs:		
Administrative salaries	138,371	137,094
Secretarial/clerical salaries - full-time	38,227	37,616
FICA	11,682	11,595
Unemployment compensation	706	699
Workman's compensation	1,060	1,048
Life insurance	569	566
Medical insurance	35,680	35,015
TIAA-CREF	17,660	17,471
Long-term disability insurance	668	665
Dental insurance	1,769	1,769
Vision insurance	380	380
Contracted services	8,025	8,154
Non-instructional office supplies	45	49
Non-instructional other supplies	-	849
Books other than library	32	-
Travel	10,518	21,670
Hospitality and representation	2,268	1,412
Staff development	226	3,275
Memberships	299	329
Miscellaneous	408	1,148
Total Vice President of Student Affairs	268,593	280,804
College Work Program:		
College work study	18,816	30,271
FICA	682	955
Unemployment compensation	77	125
Total College Work Program	19,575	31,351
<b>Total Student Services</b>	3,033,139	3,043,853
<b>Institutional Support:</b>		
Office of the President:		
Administrative salaries	342,800	329,395
Vacation buy-back	5,083	4,925
Housing allowance	13,000	13,000
FICA	16,089	15,823
Unemployment compensation	1,443	1,389
Workman's compensation	2,165	2,084
Life insurance	6,073	6,073
Medical insurance	23,896	23,450
TIAA-CREF	87,006	72,911
Long-term disability insurance	800	795
Dental insurance	1,298	1,298
Vision insurance	273	273

(Continued)

# BUTLER COUNTY COMMUNITY COLLEGE

## DETAIL OF REGULAR PROGRAM EXPENSES

YEAR ENDED JUNE 30, 2020

(With Comparative Totals for Year Ending June 30, 2019)

(Continued)

	2020	2019
Institutional Support (Continued):		
Office of the President (Continued):		
Vision insurance	1,500	-
Non-instructional office supplies	418	790
Non-instructional other supplies	1,016	1,026
Books other than library	-	212
Periodicals and newspapers	270	165
College projects	12,000	15,383
Travel	23,750	23,704
Hospitality and representation	4,184	3,263
Staff development	900	490
Convocation and public event	1,950	5,716
Memberships	78,643	77,339
Total Office of the President	624,557	599,504
Information Technology:		
Administrative salaries	90,146	75,031
Professional technical - full-time	281,123	233,310
Professional technical - part-time	18,853	46,824
Professional technical - part-time overtime	163	372
Secretarial/clerical - full-time	89,905	111,446
Secretarial/clerical salaries - part-time	-	2,832
Secretarial/clerical - regular - part-time	30,302	32,585
Secretarial/clerical - regular - part-time - overtime	-	22
Salary in lieu of fringes	1,188	1,368
FICA	39,415	38,899
Unemployment compensation	2,095	2,064
Workman's compensation	3,143	3,096
Life insurance	2,569	2,369
Medical insurance	88,454	81,056
PSERS	15,944	19,188
TIAA-CREF	45,665	44,055
Long-term disability insurance	2,008	1,696
Dental insurance	4,307	3,943
Vision insurance	904	827
Cell phone benefit	2,880	2,040
Consultants	23,400	-
Contracted services	34,732	83,959
Equipment repairs and maintenance	7,680	3,220
Non-instructional office supplies	134	10
Non-instructional software	647,208	408,046
Non-instructional equipment maintenance contract	251,126	196,369
Non-instructional other supplies	1,337	1,092
AV supplies	5,659	1,238
Instructional computer hardware	640	3,954
Instructional software	90,667	112,368
Books other than library	155	-
Non-instructional computer hardware	8,418	28,351
Travel	-	24
Hospital and representation	22	30
Staff development	7,909	13,204
Memberships	1,507	279

# BUTLER COUNTY COMMUNITY COLLEGE

## DETAIL OF REGULAR PROGRAM EXPENSES

YEAR ENDED JUNE 30, 2020

(With Comparative Totals for Year Ending June 30, 2019)

(Continued)

	2020	2019
<u>Institutional Support (Continued):</u>		
Information Technology (Continued):		
Internet	4,611	3,597
Telephone	956	81
Total Information Technology	<u>1,805,225</u>	<u>1,558,845</u>
 Finance Office:		
Administrative salaries	292,700	287,865
Secretarial/clerical salaries - full-time	152,202	149,869
FICA	31,221	30,771
Unemployment compensation	1,790	1,761
Workman's compensation	2,686	2,642
Life insurance	2,064	2,042
Medical insurance	91,530	93,020
TIAA-CREF	36,203	35,646
PSERS	24,530	25,893
Long-term disability insurance	1,969	1,945
Dental insurance	4,985	4,985
Vision insurance	1,052	1,158
Contracted services	-	569
Non-instructional office supplies	329	615
Non-instructional other supplies	77	76
Travel	1,830	13,487
Hospital and representation	79	320
Total Finance Office	<u>645,247</u>	<u>652,664</u>
 Human Resources Office:		
Administrative salaries	104,559	99,263
Professional technical - full-time	79,756	76,988
Professional technical - temporary - part-time	5,100	5,910
FICA	13,721	13,165
Unemployment compensation	759	728
Workman's compensation	1,139	1,091
Life insurance	971	939
Medical insurance	43,553	38,823
TIAA-CREF	18,431	17,615
PSERS	1,619	1,831
Long-term disability insurance	881	798
Dental insurance	2,453	2,274
Vision insurance	520	480
Contracted services	73,213	59,510
Printing	647	1,900
Non-instructional office supplies	238	824

(Continued)

# BUTLER COUNTY COMMUNITY COLLEGE

## DETAIL OF REGULAR PROGRAM EXPENSES

YEAR ENDED JUNE 30, 2020

(With Comparative Totals for Year Ending June 30, 2019)

(Continued)

	2020	2019
<u>Institutional Support (Continued):</u>		
<u>Human Resources Office (Continued):</u>		
Non-instructional other supplies	19	6
Periodicals and newspapers	1,190	-
Travel	506	1,269
Staff development	-	10
Memberships	189	565
Total Human Resources Office	<u>349,464</u>	<u>323,989</u>
<u>Payroll Services:</u>		
Administrative salaries	34,697	30,294
Professional technical salaries - full-time	41,696	41,029
FICA	5,698	5,331
Unemployment compensation	306	285
Workman's compensation	458	428
Life insurance	440	428
Medical insurance	13,459	11,098
TIAA-CREF	7,639	7,132
Long-term disability insurance	368	344
Dental insurance	831	735
Vision insurance	173	151
Non-instructional office supplies	361	326
Periodicals and newspapers	-	299
Contracted services	66,816	75,179
Total Payroll Services	<u>172,942</u>	<u>173,059</u>
<u>Board of Trustees:</u>		
Non-instructional other supplies	313	7,775
Travel	-	900
Hospitality and representation	2,106	2,430
Memberships	3,437	4,837
Total Board of Trustees	<u>5,856</u>	<u>15,942</u>
<u>Development Office:</u>		
Administrative salaries	117,313	115,437
Secretarial/clerical salaries - full-time	36,669	35,703
Secretarial/clerical salaries - full-time - overtime	122	441
Secretarial/clerical - regular - part-time	20,952	20,818
Secretarial/clerical - regular - part-time - overtime	350	786
Salary in lieu of fringes	924	948

(Continued)



# BUTLER COUNTY COMMUNITY COLLEGE

## DETAIL OF REGULAR PROGRAM EXPENSES

YEAR ENDED JUNE 30, 2020  
(With Comparative Totals for Year Ending June 30, 2019)  
(Continued)

	2020	2019
<u>Institutional Support (Continued):</u>		
Development Office (Continued):		
FICA	12,295	12,176
Unemployment compensation	705	693
Workman's compensation	1,058	1,039
Life insurance	530	526
Medical insurance	32,252	31,650
TIAA-CREF	13,854	13,663
PSERS	10,891	11,545
Long-term disability insurance	614	611
Dental insurance	1,680	1,680
Vision insurance	361	361
Printing	-	49
Non-instructional office supplies	498	95
Non-instructional other supplies	-	198
Travel	3,799	9,321
Staff development	650	-
Memberships	2,604	1,364
Hospitality	50	269
	<u>258,171</u>	<u>259,373</u>
Total Development Office		
Alumni Office:		
Administrative salaries	74,172	73,086
FICA	5,604	5,514
Unemployment compensation	299	294
Workman's compensation	449	442
Life insurance	323	323
Medical insurance	15,092	15,894
PSERS	21,956	23,312
Long-term disability insurance	358	353
Dental insurance	413	413
Vision insurance	190	190
Cell phone benefit	600	600
Non-instructional office supplies	8	331
Non-instructional other supplies	-	10
Travel	219	827
Hosp and rep	20	-
Staff development	473	96
Memberships	-	540
	<u>120,176</u>	<u>122,225</u>
Total Alumni Office		
Communications and Marketing:		
Administrative salaries	228,489	212,021
Professional technical - temporary - part-time	5,938	-
Secretarial/clerical - full-time	37,863	37,257
FICA	21,136	19,420
Unemployment compensation	1,126	1,035
Workman's compensation	1,690	1,552
Life insurance	1,428	1,273
Medical insurance	52,184	46,827
TIAA-CREF	26,635	24,928
Long-term disability insurance	1,234	925
Dental insurance	3,067	2,846
Vision insurance	653	606
Cell phone benefits	600	450
Contracted services	93,349	82,953

(Continued)

# BUTLER COUNTY COMMUNITY COLLEGE

## DETAIL OF REGULAR PROGRAM EXPENSES

YEAR ENDED JUNE 30, 2020

(With Comparative Totals for Year Ending June 30, 2019)

(Continued)

	2020	2019
Institutional Support (Continued):		
Communications and Marketing (Continued):		
Printing	54,139	41,221
Publicity and advertising	69,748	108,075
Non-instructional office supplies	1,908	63
Non-instructional software	-	80
Non-instructional other supplies	13	-
Audio visual supplies	1,377	230
Postage	-	53
Periodicals and newspapers	858	394
Travel	3,698	2,192
Hospitality	170	1,219
Convocation and publicity	-	172
Staff development	275	350
Memberships	-	250
Total Communications and Marketing	607,578	586,392
General Administrative Services:		
Pension benefit expense	-	-
Pay for unused benefits	56,505	38,846
Retirement incentive	48,750	-
Administrative bonus	20,825	14,525
Tuition reimbursement	83,536	84,155
Tuition waiver	77,678	103,024
Unemployment compensation	10,864	20,055
Workman's compensation	727	320
Medical insurance	352	279
Legal service	31,203	30,925
Contracted services	9,300	12,103
Non-instructional office supplies	(143)	56
Non-instructional other supplies	63	-
Periodical and newspapers	424	340
Secretarial travel fund	-	120
Hospitality and representation	1,091	1,874
Staff development	20,246	16,733
Memberships	1,550	1,550
Miscellaneous	4,702	5,056
Convocation and public events	-	657
Recruitment	13,980	10,590
Total General Administrative Services	381,653	341,208

(Continued)

# BUTLER COUNTY COMMUNITY COLLEGE

## DETAIL OF REGULAR PROGRAM EXPENSES

YEAR ENDED JUNE 30, 2020  
(With Comparative Totals for Year Ending June 30, 2019)

(Continued)

	2020	2019
<u>Institutional Support (Continued):</u>		
Institutional Support:		
Unused benefit expense	119,936	54,414
Audit services	37,071	38,065
Architect fees	34,950	19,200
Consultants	18,137	91,936
Contracted service	51,725	69,366
Printing	6,019	7,695
Publicity and advertising	234	107
Non-instructional office supplies	31,925	26,805
Non-instructional equipment maintenance contract	948	948
Non-instructional other supplies	3,384	381
Postage	94,586	81,108
Travel	60	278
Hospitality	7,105	13,027
Liability insurance	45,956	45,388
Plant and equipment	84,514	76,191
Travel insurance	1,500	1,500
Telephone	18,805	18,631
Equipment rental	99,687	98,340
Miscellaneous	15,672	16,970
Goodwill	1,751	2,236
Commencement	15,896	53,300
Charge card fees	91,213	87,751
Bad debts	371,204	159,326
	<u>1,152,278</u>	<u>962,963</u>
Total Institutional Support		
	<u>1,152,278</u>	<u>962,963</u>
College Business Services:		
Professional technical	136,257	132,882
Professional Technical - temp - part-time	-	393
FICA	10,084	9,739
Unemployment compensation	563	551
Workman's compensation	845	827
Life insurance	872	861
Medical insurance	39,157	38,497
TIAA-CREF	13,626	13,288
Long-term disability insurance	649	623
Dental insurance	1,769	1,769
Vision insurance	380	380
Contracted services	188	-
Non-instructional office supplies	296	234
Non-instructional other supplies	230	107
Hospitality and representation	113	165
Staff development	-	20
Membership	954	954
Miscellaneous	1,458	224
	<u>207,441</u>	<u>201,514</u>
Total College Business Services		
	<u>207,441</u>	<u>201,514</u>

(Continued)

# BUTLER COUNTY COMMUNITY COLLEGE

## DETAIL OF REGULAR PROGRAM EXPENSES

YEAR ENDED JUNE 30, 2020

(With Comparative Totals for Year Ending June 30, 2019)

(Continued)

	2020	2019
<b>Institutional Support (Continued):</b>		
Community Events:		
Administrative salaries	43,125	42,435
Professional/technical - full-time	38,982	38,359
Secretarial/clerical salaries - full-time	37,532	36,932
FICA	9,321	9,171
Unemployment compensation	498	490
Workman's compensation	746	735
Life insurance	772	726
Medical insurance	28,178	27,732
TIAA-CREF	11,964	11,772
Long-term disability insurance	578	517
Dental insurance	2,182	2,182
Vision insurance	463	463
Cell phone benefit	480	480
Contracted services	690	47
Non-instructional office supplies	300	50
Non-instructional other supplies	334	287
Travel	442	5,455
Hospitality	143	434
<b>Total Community Events</b>	<b>176,730</b>	<b>178,267</b>
<b>Total Institutional Support</b>	<b>6,507,318</b>	<b>5,975,945</b>
<b>Operation and Maintenance of Plant:</b>		
College-Wide:		
Administrative salaries	118,591	116,694
Secretarial/clerical - full-time	38,622	38,005
Maintenance salaries	464,349	470,446
Maintenance - regular - part-time	18,280	17,909
Maintenance - overtime	22,926	40,387
Maintenance - part-time - overtime	11	133
Custodian - full-time	411,975	420,937
Custodian - full-time - overtime	27,357	40,401
Custodial summer salaries - part-time	5,788	7,926
Special events duty	180	387
Weekend support services	2,275	3,195
Custodial salaries - part-time	16,435	5,193
Vacation buyback	3,432	4,653

(Continued)

# BUTLER COUNTY COMMUNITY COLLEGE

## DETAIL OF REGULAR PROGRAM EXPENSES

YEAR ENDED JUNE 30, 2020

(With Comparative Totals for Year Ending June 30, 2019)

(Continued)

	2020	2019
<u>Operation and Maintenance of Plant (Continued):</u>		
College-Wide (Continued):		
Salary in lieu of fringes	1,467	756
Administrative bonuses	1,925	2,125
FICA	85,154	88,054
Unemployment compensation	4,567	4,719
Workman's compensation	6,855	7,079
Life insurance	5,591	5,552
Medical insurance	250,291	258,925
TIAA-CREF	40,429	38,965
PSERS	208,674	243,233
Long-term disability insurance	4,684	4,606
Dental insurance	12,991	13,334
Vision insurance	2,669	2,807
Consultants	16,800	-
Contracted services	158,362	159,310
Equipment repairs	30,735	42,605
Non-instructional office supplies	12	-
Non-instructional other supplies	14,397	10,248
Medical supplies	-	713
Building maintenance supplies	50,504	55,736
Ground maintenance	13,213	47,762
Custodial supplies	39,574	36,983
Minor repairs to building	40,689	18,420
Staff development	195	75
Travel	1,631	2,580
Hospitality and representation	1,056	1,738
Gas	198,299	199,985
Gasoline and oil	10,743	14,859
Electricity	393,802	407,882
Water and sewage	29,824	28,336
Total College-Wide	<u>2,755,354</u>	<u>2,863,653</u>
Campus Police:		
Administration salaries	73,627	72,450
Safety security - part-time	25,100	23,555
Dispatcher - full-time	36,808	36,219
Campus police - part-time - overtime	587	410
Dispatcher - full-time - overtime	109	294
Safety security - full-time	123,511	148,032
Campus police - full-time - overtime	19,962	21,217
Vacation buy-back	-	2,711
Salary in lieu of fringes	480	444
FICA	21,384	23,411
Unemployment compensation	1,146	1,250
Workman's compensation	1,718	1,874
Life insurance	1,275	1,467
Medical insurance	65,754	62,128
TIAA-CREF	14,433	18,190
PSERS	40,369	38,571
Long-term disability insurance	1,026	1,016
Dental insurance	3,114	3,183
Vision insurance	668	678
Cell phone benefit	600	600
Printing	1,043	-
Non-instructional office supplies	1,886	4,555
Non-instructional other supplies	5,129	2,780
Travel	-	535
Staff development	2,696	3,671
Gasoline and oil	2,463	2,526
Total Campus Police	<u>444,888</u>	<u>471,767</u>
Total Operation and Maintenance of Plant	<u>3,200,242</u>	<u>3,335,420</u>
Total Regular Program Expenses	<u>\$ 27,688,317</u>	<u>\$ 27,654,461</u>

(Concluded)

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# **Butler County Community College**

Independent Auditor's Report  
in Accordance with  
*Government Auditing Standards*

Year Ended June 30, 2020



**Independent Auditor's 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  
Butler County  
Community College**

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 Butler County Community College (BCCC), a component unit of Butler County, and its discretely presented component unit, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise BCCC's basic financial statements, and have issued our report thereon dated December 1, 2020. The financial statements of the Butler County Community College Educational Foundation (Foundation) were not audited in accordance with *Government Auditing Standards* and, accordingly, this report does not include reporting on internal control over financial reporting and on compliance and other matters associated with BCCC.

**Internal Control over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during



Board of Trustees  
Butler County Community College  
Independent Auditor's Report on Internal Control over  
Financial Reporting and on Compliance and Other Matters

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 BCCC's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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



Pittsburgh, Pennsylvania  
December 1, 2020

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**APPENDIX B**  
**BUTLER COUNTY COMMUNITY COLLEGE**  
**FORM OF CONTINUING DISCLOSURE CERTIFICATE**

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\$8,385,000  
STATE PUBLIC SCHOOL BUILDING AUTHORITY  
(Commonwealth of Pennsylvania)  
Dated April 1, 2020 - Final Maturity June 15, 2040  
College Revenue Bonds (Butler County Community College Project) Series of 2021

CONTINUING DISCLOSURE CERTIFICATE

**THIS CONTINUING DISCLOSURE CERTIFICATE** (the "Certificate") is executed and delivered the 1st day of April, 2021 by Butler County Community College (the "College") in connection with the issuance of \$8,385,000 State Public School Building Authority (the "Authority") College Revenue Bonds (Butler County Community College Project) Series of 2021 (the "Bonds"). The Bonds are being issued pursuant to a resolution adopted by the Authority on February 18, 2021. The College certifies, covenants and agrees as follows:

**SECTION 1.** Purpose of the Certificate.

This Certificate is being executed and delivered by the College to provide for the disclosure of certain information concerning the Bonds of the Authority on an on-going basis as set forth herein for the benefit of Bondholders (as hereinafter defined) in accordance with the provisions of Securities and Exchange Commission Rule 15c2-12, as amended from time to time (the "Rule"). The College is the Obligated Party as set forth in the Rule.

**SECTION 2.** Definitions; Scope of this Certificate.

All terms capitalized but not otherwise defined herein shall have the meanings assigned to those terms in the Authorizing Legislation and the Bonds. Notwithstanding the foregoing, the term "Disclosure Agent" shall mean the College, or any disclosure agent appointed or engaged by the College; any successor disclosure agent shall automatically succeed to the rights and duties of the Disclosure Agent hereunder, without any amendment hereto. The following capitalized terms shall have the following meanings:

*"Annual Financial Information"* shall mean a copy of the annual audited financial information prepared by the College which shall include a balance sheet, a statement of revenue and expenditures and a statement of changes in fund balances. All such financial information shall be prepared using generally accepted accounting principles as applied to educational entities such as the College, provided, however, that the College may change the accounting principles used for preparation of such financial information so long as the College includes as information provided to the public, a statement to the effect that different accounting principles are being used, stating the reason for such change and how to compare the financial information provided by the differing financial accounting principles. Any or all of the items listed above may be incorporated by reference from other documents, including Offering Documents of debt issues of the College or related public entities, which have been transmitted to the MSRB, or may be included by specific reference to documents available to the public on the MSRB's website or filed with the SEC.

*"Beneficial Owner"* shall mean any person which has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

*"Bondholders"* shall mean any holder of the Bonds and any Beneficial Owner thereof.

*"EMMA"* shall mean the Electronic Municipal Market Access System created by the MSRB and located at [www.emma.msrb.org](http://www.emma.msrb.org) and as described in Securities and Exchange Commission Release No. 34-59061 and Release No. 34-59062.

*"Financial Obligation"* means a:

(A) (i) Debt obligation;

(ii) Derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or

(iii) A guarantee of either (i) or (ii), above.

(B) Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

*"MSRB"* shall mean the Municipal Securities Rulemaking Board.

*"Material Event"* shall mean any of the following events:

(i) Principal and interest payment delinquencies;

(ii) Non-payment related defaults, if material;

(iii) Unscheduled draws on debt service reserves reflecting financial difficulties;

(iv) Unscheduled draws on credit enhancements reflecting financial difficulties;

(v) Substitution of credit or liquidity providers, or their failure to perform;

(vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

(vii) Modifications to rights of security to the Bondholders, if material;

(viii) Bond calls (if material) and tender offers;

(ix) Defeasances;

(x) Release, substitution or sale of property securing repayment of the Bonds, if material;

- (xi) Rating changes;
- (xii) Bankruptcy, insolvency, receivership or similar events of the Issuer;
- (xiii) The consummation of a merger, consolidation, or acquisition involving the Issuer, or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- (xiv) Appointment of a successor or additional trustee or the change of name of a trustee, if material.
- (xv) Incurrence of a financial obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material.
- (xvi) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the obligated person, any of which reflect financial difficulties.

The SEC requires the listing of (i) through (xvi) although some of such events may not be applicable to the Bonds.

"*Official Statement*" shall mean the Offering Document, dated \_\_\_\_\_, 2021.

"*Operating Data*" shall mean an update of the College's Enrollment as set forth on page 15 of the Offering Document, and Statement of Net Position and Statement of Revenues, Expenses and Changes in Net Position, Revenues by Source and Expenditures by Category, Student Tuition and Fees and Financial Aid as set forth on pages 17 through 22 of the Offering Document.

"*Participating Underwriter*" shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

"*SEC*" shall mean the Securities and Exchange Commission.

"*SID*" shall mean the state information depository ("SID"), as such term is used in the Securities and Exchange Commission Release No. 34-34961.

"*State*" shall mean Commonwealth of Pennsylvania.

### SECTION 3. Disclosure of Information.

(A) Information Provided to be Disclosed. Except to the extent this Certificate is modified or otherwise altered in accordance with Section 4 hereof, the College shall make, or shall

cause the Disclosure Agent to make, a filing with the MSRB through EMMA of the information set forth in subsections (1), (2) and (3) below:

(1) Annual Financial Information and Operating Data. Annual Financial Information and Operating Data within 270 days following the fiscal year ending June 30, 2020, and continuing with each fiscal year thereafter. If the Disclosure Agent is an entity or person other than the College, then the College shall provide the Annual Financial Information to the Disclosure Agent not later than fifteen (15) Business Days prior to the disclosure date referenced above. The Annual Financial Information may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information; provided that the audited financial statements of the College may be submitted separately from the balance of the Annual Financial Information.

(2) Material Events Notices. Notice of the occurrence of a Material Event, which notice shall be filed not more than ten (10) business days after the occurrence thereof.

(3) Failure to Provide Annual Financial Information or Operating Data. Notice of the failure of the College to provide the Annual Financial Information or Operating Data by the date required herein.

(B) Means of Submitting Information.

The College or the Disclosure Agent under this Certificate shall submit the information required to be disclosed under this Certificate:

(a) to the MSRB using EMMA. Such information shall be transmitted in portable document word-searchable format (word-searchable pdf) at [www.emma.msrb.org](http://www.emma.msrb.org), and accompanied by identifying information as prescribed by the MSRB; and

(b) to the SID (if a SID is established for the State), by (i) electronic facsimile transmissions confirmed by first class mail, postage prepaid, or (ii) first class mail, postage prepaid; provided that the College or the Disclosure Agent is authorized to transmit information to a SID by whatever means are mutually acceptable to the Disclosure Agent or the College, as applicable, and the SID.

SECTION 4. Amendment or Modification.

Notwithstanding any other provision of this Certificate, the College may amend this Certificate and any provision of this Certificate may be waived, if such amendment or waiver is supported by an opinion of nationally recognized bond counsel expert in federal securities laws to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule as well as any change in circumstance.



SECTION 5. Indemnity and Reimbursement of Authority.

The Authority shall have no responsibility or liability for this Certificate or the College's obligations, including filing obligations, under this Certificate, including, without limitation, financial information, Operating Data or notices provided under this Certificate or for the contents of such filings or omissions therefrom. The College agrees to indemnify, compensate and reimburse (to the extent permitted by law) the Authority and its respective members, officers, directors, employees and agents for any claims, loss, expense (including reasonable attorneys' fees and expenses) or liability arising from or based upon this Certificate and the transactions contemplated hereunder, including, without limitation, (i) any breach by the College of this Certificate or (ii) any Annual Financial Information or notices provided under this Certificate or any omissions therefrom. This Section 5. shall survive the termination of this Certificate.

SECTION 6. Miscellaneous.

(A) Termination. The College's obligations under this Certificate shall terminate when all of the Bonds of the Authority are or are deemed to be no longer outstanding by reason of redemption or legal defeasance or at maturity.

(B) Additional Information. Nothing in this Certificate shall be deemed to prevent the College from disseminating any other information, using the means of dissemination set forth in this Certificate or any other means of communication, or including any other information in any Annual Financial Statement or notice of occurrence of a Material Event, in addition to that which is required by this Certificate. If the College chooses to include any information in any Annual Financial Statement or notice of occurrence of a Material Event in addition to that which is specifically required by this Certificate, the College shall have no obligation under this Certificate to update such information or include it in any future Annual Financial Statement or notice of occurrence of a Material Event.

(C) Defaults; Remedies. In the event of a failure of the College or the Disclosure Agent to comply with any provision of this Certificate any Bondholder may take such action as may be necessary and appropriate, including seeking an action in mandamus or specific performance to cause the College or the Disclosure Agent to comply with its obligations under this Certificate. A default under this Certificate shall not constitute a default on the Bonds and the sole remedy available in any proceeding to enforce this Certificate shall be an action to compel specific performance.

(D) Beneficiaries. This Certificate shall inure solely to the benefit of the College, the Disclosure Agent, the Participating Underwriters and Bondholders, or beneficial owners thereof, and shall create no rights in any other person or entity.

SECTION 7. Additional Disclosure Obligations.

The College acknowledges and understands that other state and federal laws, including but not limited to the Securities Act of 1933, the Securities Exchange Act of 1934 and Rule 10b-5 promulgated thereunder, may apply to the College, and that under some circumstances compliance with this Agreement, without additional disclosures or other action, may not fully discharge all duties and obligations of the College under such laws.

IN WITNESS WHEREOF, the College has caused its duly authorized officer to execute this Continuing Disclosure Certificate as of the day and year first above written.

BUTLER COUNTY COMMUNITY COLLEGE

By: \_\_\_\_\_  
Vice President for Administration and Finance

**APPENDIX C**  
**FORM OF OPINION OF BOND COUNSEL**

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FORM OF OPINION OF BOND COUNSEL

*The form of the approving legal opinion of Clark Hill PLC, Bond Counsel, is set forth below. The actual opinion will be delivered on the date of delivery of the Bonds and may vary from the form herein set forth to reflect circumstances both factual and legal at the time of such delivery. Recirculation of this Official Statement shall create no implication that Clark Hill has reviewed any of the matters set forth in such opinion subsequent to the date thereof.*

\$8,385,000  
STATE PUBLIC SCHOOL BUILDING AUTHORITY  
COLLEGE REVENUE BONDS  
(BUTLER COUNTY COMMUNITY COLLEGE PROJECT)  
SERIES OF 2021

To and for the attention  
of the Purchaser(s) of  
the Described Bonds:

April 1, 2021

We have acted as Bond Counsel in connection with the issuance by the State Public School Building Authority (the "Authority") of the Authority's College Revenue Bonds (Butler County Community College Project), Series of 2021 in the aggregate principal amount of \$8,385,000 (the "Bonds") issued pursuant to a Trust Indenture dated as of April 1, 2021 (the "Indenture") between the Authority and The Bank of New York Mellon Trust Company, N.A., as Trustee (the "Trustee"). The Bonds are being issued to finance a portion of the costs of a project consisting of (a) the College's South End Campus project, consisting of the demolition of the current operations building and construction of a new operations building and a nursing and allied health building, and (b) the payment of the costs and expenses of issuing and insuring the Bonds to be issued for the project (the "Project").

The proceeds of the Bonds will be loaned by the Authority to the College for the purpose of paying a portion of the costs of the Project pursuant to a Loan Agreement between the Authority and the College dated as of April 1, 2021 (the "Loan Agreement"). Pursuant to the Loan Agreement, the College will make Loan Payments, assigned by the Authority to the Trustee, at the times and in the amounts sufficient to pay debt service due in respect of the Bonds (the "Loan Payments"). To evidence its obligation to make Loan Payments under the Loan Agreement, the College will deliver to the Authority its General Obligation Note, Series of 2021 (the "Note"), which is a general obligation of the College. Pursuant to the Indenture, the Authority has pledged and assigned to the Trustee as security for the payment of the Bonds all revenues and all right, title and interest of the Authority in, to and under the Loan Agreement and the Note and all amounts payable to the Authority by the College thereunder (except certain rights of the Authority to indemnification and payment of its expenses). Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Indenture.

We have reviewed the form of the Bonds, the Indenture and the Loan Agreement (collectively, the "Authority Documents"); opinions of counsel to the Authority and the College; certificates of the Authority, the Trustee and the College, and others; the Note and such other documents, opinions and matters to the extent we deemed necessary to provide the opinions or conclusions set forth herein.

We also have examined such constitutional and statutory provisions and such other resolutions, certificates, instruments and documents as we have deemed necessary or appropriate to enable us to render an informed opinion as to the matters set forth herein.

In rendering the opinions herein, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals, the conformity to original documents (and the authenticity of such originals) of all documents submitted to us as copies and the accuracy and completeness of all documents submitted to us. As to the accuracy of various factual matters material to our opinion, we have relied upon the representations and warranties of the Authority contained in the Authority Documents. Unless separately noted, we have not independently verified factual certifications, either contained in the Official Statement or other similar document used in connection with the sale of the Bonds or made to us by either the Authority or the College, nor their officers and agents during the course of our engagement.

Based upon and subject to the foregoing, as well as to the additional qualifications and other matters hereinafter set forth, we are of the opinion, as of the date hereof and under existing law, that:

1. The Authority is a public instrumentality of the Commonwealth of Pennsylvania (the "Commonwealth") and a public body corporate and politic, duly organized and validly existing under the Constitution and the laws of the Commonwealth with full power and authority, among other things, to perform its duties and obligations under and to consummate the transactions contemplated by the Authority Documents.

2. The proceedings of the Authority authorizing the execution and delivery of the Indenture and the Loan Agreement are valid and legally sufficient, and the Indenture and the Loan Agreement have been duly authorized, executed and delivered by the Authority, and are legal, binding and enforceable instruments in accordance with their terms, except as may be limited by bankruptcy, insolvency, reorganization, or other laws or equitable principles affecting creditors' rights generally.

3. The proceedings of the Authority authorizing the execution, sale and delivery of the Bonds are valid and legally sufficient, the Bonds have been duly and validly authorized, executed, issued and delivered by the Authority pursuant to the Indenture, and all conditions precedent to their sale and delivery have been satisfied and all consents and approvals of any governmental authority which are required for the lawful issuance of the Bonds have been obtained. The Bonds constitute special limited obligations of the Authority and the principal of, premium, if any, and interest on the Bonds are payable solely from the revenues and other moneys pledged and assigned by the Indenture to secure their payment.

4. The obligation of the College to make the Loan Payments pursuant to the Loan Agreement is a valid and binding general obligation of the College. The payment by the College of the Loan Payments is subject to, and such payment is further assured by, the "State Intercept" and withholding provisions of Section 1913-A of the Public School Code of 1949, as amended.

5. All right, title and interest of the Authority in and to the Loan Agreement, the Loan Payments and the Note (except for payments with respect to certain fees and expenses of the Authority and its right to indemnification) have been validly assigned to the Trustee.

6. Under the laws of the Commonwealth of Pennsylvania as enacted and construed on the date hereof, interest on the Bonds is exempt from Pennsylvania personal income tax and corporate net income tax in the Commonwealth of Pennsylvania. No opinion is expressed as to the treatment of original issue discount in the computation of gain from the sale of the Bonds.

7. Assuming compliance by the Authority with certain covenants contained in the Indenture, and by the College with certain covenants contained in the Loan Agreement, in each case pertaining to tax matters, interest on the Bonds is excluded from gross income for Federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). Furthermore, interest on the Bonds will not be treated as a specific item of tax preference, under Section 57(a)(5) of the Code, in computing the individual alternative minimum tax.

The foregoing opinions are further subject to the following qualifications and limitations:

a. Our opinions are limited solely to the laws, as now in effect, of the Commonwealth of Pennsylvania and the United States of America. We have not considered and express no opinions as to the laws of other jurisdictions; we have assumed compliance with all such laws.

b. The enforceability of rights and remedies provided in the Authority Documents (whether such enforceability is considered in a proceeding in equity or at law or in a bankruptcy proceeding) is subject to the effect of bankruptcy, reorganization, insolvency, receivership, fraudulent conveyance or transfer, moratorium and other similar laws affecting the rights and remedies of creditors generally and is further subject to the exercise of judicial discretion and principles of equity.

c. Certain agreements, waivers, rights, remedies and other provisions of the Authority Documents may be unenforceable in whole or in part under the laws of the Commonwealth of Pennsylvania, but the inclusion of such provisions does not affect the overall validity of the Authority Documents or make the remedies afforded by the Authority Documents inadequate for the practical realization of the rights and benefits purported to be provided thereby.

d. The Bonds do not pledge the general credit of the Authority or the credit or taxing power of the Commonwealth of Pennsylvania or of any political subdivision thereof, nor will the Commonwealth of Pennsylvania, or any political subdivision thereof, be liable for payment of the principal of, premium, if any, or interest on the Bonds.

e. Except as set forth in Paragraphs 6 and 7 above, we express no opinion as to any Federal or state tax consequences of ownership of the Bonds.

The opinions herein are given as of the date hereof. We assume no obligation to update or supplement any of the opinions to reflect any facts or circumstances which may hereafter come to our attention or any changes in laws which may hereafter occur.

Page 4  
April 1, 2021

This opinion is being delivered to you solely for your benefit. This opinion may not be used for any other purpose without our express prior written consent. The opinions expressed herein are limited to the matters set forth herein, and no other opinions should be inferred beyond the matters expressly stated herein.

Very truly yours,

CLARK HILL PLC



**APPENDIX D**  
**SPECIMEN MUNICIPAL BOND INSURANCE POLICY**

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## MUNICIPAL BOND INSURANCE POLICY

ISSUER:

Policy No: -N

BONDS: \$ in aggregate principal amount of

Effective Date:

Premium: \$

ASSURED GUARANTY MUNICIPAL CORP. ("AGM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") (as set forth in the documentation providing for the issuance of and securing the Bonds) for the Bonds, for the benefit of the Owners or, at the election of AGM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the Business Day next following the Business Day on which AGM shall have received Notice of Nonpayment, AGM will disburse to or for the benefit of each Owner of a Bond the face amount of principal of and interest on the Bond that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by AGM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of the principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in AGM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by AGM is incomplete, it shall be deemed not to have been received by AGM for purposes of the preceding sentence and AGM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, who may submit an amended Notice of Nonpayment. Upon disbursement in respect of a Bond, AGM shall become the owner of the Bond, any appurtenant coupon to the Bond or right to receipt of payment of principal of or interest on the Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under the Bond, to the extent of any payment by AGM hereunder. Payment by AGM to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of AGM under this Policy.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity unless AGM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment of principal or interest that is Due for Payment made to an Owner by or on behalf of the Issuer which has been recovered from such Owner pursuant to the

United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from an Owner, the Trustee or the Paying Agent to AGM which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

AGM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee and the Paying Agent specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee and the Paying Agent, (a) copies of all notices required to be delivered to AGM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to AGM and shall not be deemed received until received by both and (b) all payments required to be made by AGM under this Policy may be made directly by AGM or by the Insurer's Fiscal Agent on behalf of AGM. The Insurer's Fiscal Agent is the agent of AGM only and the Insurer's Fiscal Agent shall in no event be liable to any Owner for any act of the Insurer's Fiscal Agent or any failure of AGM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, AGM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to AGM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy.

This Policy sets forth in full the undertaking of AGM, and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, (a) any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity and (b) this Policy may not be canceled or revoked. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

In witness whereof, ASSURED GUARANTY MUNICIPAL CORP. has caused this Policy to be executed on its behalf by its Authorized Officer.

ASSURED GUARANTY MUNICIPAL CORP.

By \_\_\_\_\_  
Authorized Officer

A subsidiary of Assured Guaranty Municipal Holdings Inc.  
1633 Broadway, New York, N.Y. 10019  
(212) 974-0100

**APPENDIX E**  
**SUMMARY OF OUTSTANDING DEBT SERVICE (BONDS AND NOTES ONLY)**

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<u>Year</u>	<u>Other</u>	<u>Series of 2021</u>			<u>Total</u>
	<u>Outstanding</u>	<u>Principal</u>	<u>Interest</u>	<u>Subtotal</u>	<u>Requirements</u>
2020-21	\$2,434,014	\$0	\$66,312	\$66,312	\$2,500,326
2021-22	2,627,079	315,000	322,600	637,600	3,264,679
2022-23	2,640,259	320,000	316,300	636,300	3,276,559
2023-24	2,621,779	330,000	306,700	636,700	3,258,479
2024-25	2,343,253	340,000	296,800	636,800	2,980,053
2025-26	2,350,741	355,000	283,200	638,200	2,988,941
2026-27	2,337,083	365,000	269,000	634,000	2,971,083
2027-28	2,201,364	380,000	254,400	634,400	2,835,764
2028-29	1,873,714	395,000	239,200	634,200	2,507,914
2029-30	1,871,160	415,000	223,400	638,400	2,509,560
2030-31	1,189,275	430,000	206,800	636,800	1,826,075
2031-32	273,225	445,000	189,600	634,600	907,825
2032-33	276,900	465,000	171,800	636,800	913,700
2033-34	270,300	485,000	153,200	638,200	908,500
2034-35	273,100	505,000	133,800	638,800	911,900
2035-36	275,600	525,000	113,600	638,600	914,200
2036-37	267,800	545,000	92,600	637,600	905,400
2037-38		565,000	70,800	635,800	635,800
2038-39		590,000	48,200	638,200	638,200
2039-40		615,000	24,600	639,600	639,600
<b>Total</b>	<b>\$26,126,645</b>	<b>\$8,385,000</b>	<b>\$3,782,912</b>	<b>\$12,167,912</b>	<b>\$38,294,557</b>

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