# NEOSHO COUNTY
# COMMUNITY COLLEGE

Chanute, Kansas

Independent Auditor's Report and
Financial Statements with
Supplementary Information

For the Year Ended June 30, 2023

**NEOSHO COUNTY COMMUNITY COLLEGE**
Chanute, Kansas

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**NEOSHO COUNTY COMMUNITY COLLEGE**
Chanute, Kansas

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# Management's Discussion and Analysis

## Introduction:

The following discussion and analysis of the financial performance and activity of Neosho County Community College (The College) is to provide an introduction to and an understanding of the basic financial statements of the College for the year ended June 30, 2023 with selected comparative information for the year ended June 30, 2022. This discussion focuses on the current activities, resulting changes, and currently known facts. This discussion should be read in conjunction with the College's basic financial statements and the footnotes to those financial statements. The College is solely responsible for the completeness of this information.

## Using the Annual Report:

The annual financial report will include the basic financial statements and required supplementary information.

Basic financial statements are comprised of two parts:

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

Required Supplementary Information:

Management Discussion & Analysis (MD&A) - This is information that is required by standards to be presented but is not part of the basic financial statements.

## Highlights to the Financial Statements:

Neosho County Community College completed a solid performance for the fiscal year ended June 30, 2023. At year end, the College's position exceeded its liabilities by $19,228,724. Of this amount, $4,924,150 is classified as unrestricted net position. This unrestricted net position may be used to meet the College's ongoing obligations. Cash and fund balances remained strong. Total credit hours generated in 2023 were 29,519. While funding levels will be a concern for the College into the foreseeable future, since our three major sources of revenue are dependent upon student enrollment, state aid appropriations and assessed property valuation, the revenues in the 2023 year helped to maintain the College's strong financial condition.

## ***Statement of Net Position***

The statement of net position presents the assets, liabilities, and net position of the College at June 30, 2023. The purpose of the statement of net position is to present the financial condition of the College.

The assets and liabilities are categorized between current and noncurrent. Noncurrent assets are externally restricted cash and investments restricted to make debt service payments, maintain sinking or reserve funds, or to purchase or construct capital or other noncurrent assets, such as capital assets. Noncurrent liabilities include (1) principal amounts of revenue bonds payable, notes payable, and capital lease obligations with

contractual maturities greater than one year; (2) estimated amounts for accrued compensated absences and other liabilities that will not be paid within the next fiscal year; or (3) other liabilities that although payable within one year, are to be paid from funds that are classified as noncurrent assets. The College's current assets consist primarily of cash, short-term investments and accounts receivables, while noncurrent assets consist mainly of capital assets.

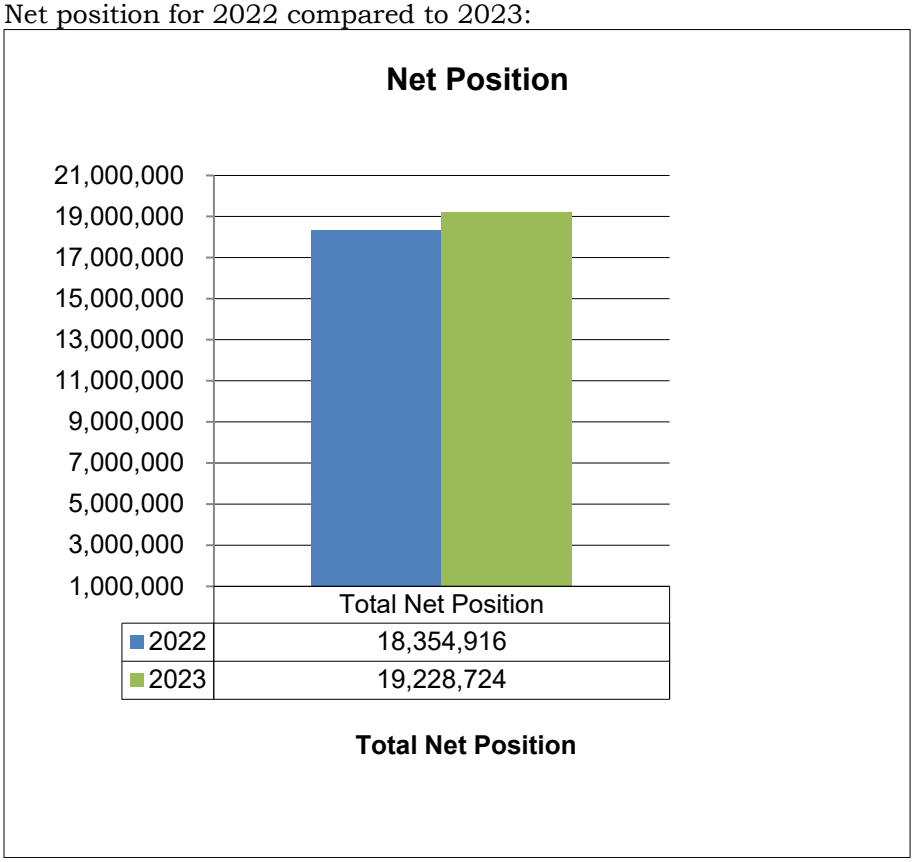
The Governmental Accounting Standards Board implemented Statement No. 87 -Leases that went into effect for the Fiscal Year 2022 audit. The fundamental principle of Statement 87 is that leases are financings of the right to use an underlying asset. The intangible right to use lease asset is recorded as a noncurrent asset and the outstanding liability of future lease payments is recorded in the noncurrent liabilities.

The Governmental Accounting Standards Board implemented Statement No. 96 - Subscription-Based Information Technology Arrangements that went into effect for the Fiscal Year 2023 audit. The fundamental principle of Statement 96 is that software arrangements be recognized as the right to use an underlying asset. The intangible right to use subscription-based information technology arrangements (SBITA) is recorded as a noncurrent asset.

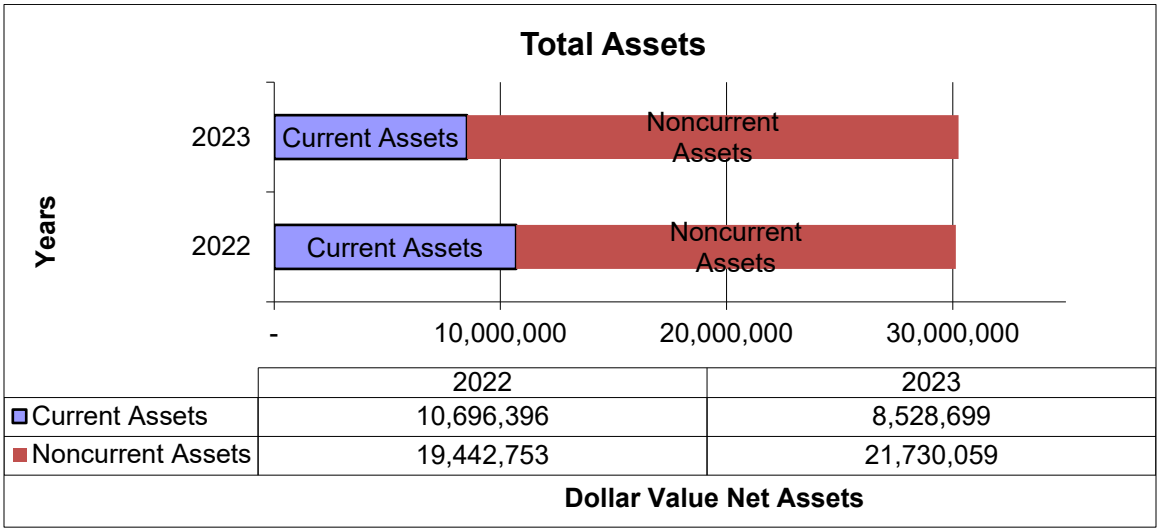
*Comparison of Position – Fiscal Year 2022 to 2023*

Net position is presented in three major categories. The first is invested in capital assets, net of related debt, which represents the College's equity in its property, plant, and equipment. The second is restricted and the third is unrestricted. Net position increased during the current fiscal year from $18,354,916 to $19,228,724 for a total increase of $873,808; on a percentage basis this is a 5.57% increase.

Net position for 2022 compared to 2023:



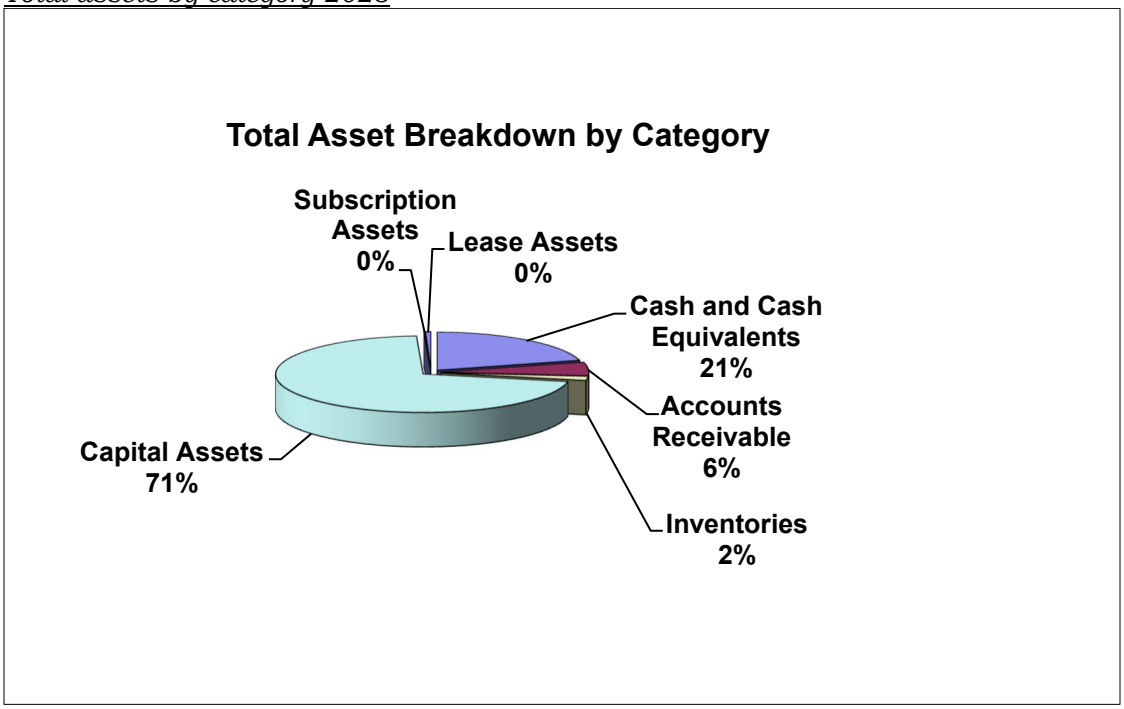
Total breakdown of assets between current and noncurrent classification is as follows:




| | 2022 | 2023 |
|---|---|---|
| Current Assets | 10,696,396 | 8,528,699 |
| Noncurrent Assets | 19,442,753 | 21,730,059 |

**Dollar Value Net Assets**

*Total assets by category 2023*



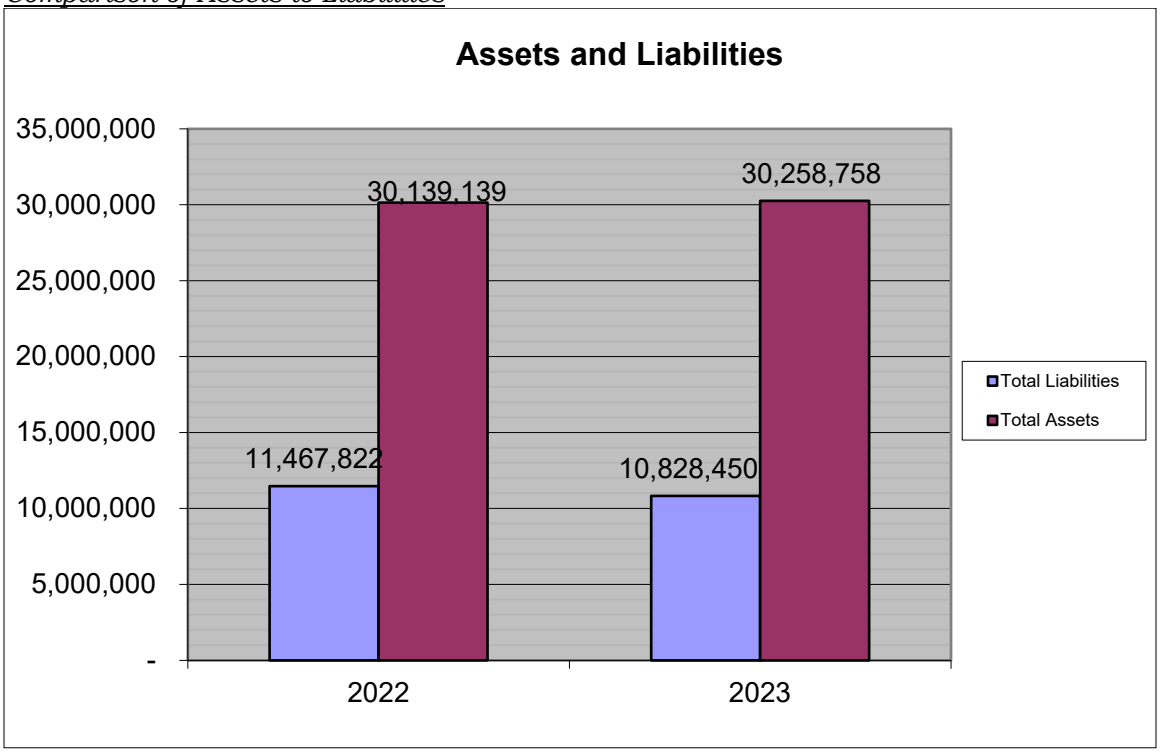

Of the $30,258,758 in total assets, approximately 21% are in cash and cash equivalents. Capital assets represent 71% of total assets.

*Comparison of Liabilities – Fiscal Year 2022 to 2023*

| | 2022 | % Total 2022 | 2023 | % Total 2023 |
|---|---|---|---|---|
| Current Liabilities | 3,434,422 | 29.95% | 3,587,217 | 33.13% |
| Noncurrent Liabilities | 8,033,400 | 70.05% | 7,241,233 | 66.87% |
| Total Liabilities | 11,467,822 | 100.00% | 10,828,450 | 100.00% |

The liabilities are categorized between current and noncurrent. For example, the College's current liabilities consist primarily of accounts payable, accrued liabilities, and deferred revenue. The noncurrent liabilities portion is due to the accrued vacation, OBEB obligations, Bond premium and financing lease payable.

*Comparison of Assets to Liabilities*




Total liabilities decreased $639,372 from $11,467,822 in 2022 to $10,828,450 in 2023. This represents a 5.58% decrease in total liabilities. Assets increased $119,619 from $30,139,139 to $30,258,758 for a 0.40% increase. The asset to liability ratio was 2.63 ($30,139,139/11,467,822) in 2022 and 2.79 ($30,258,758/10,828,450) in 2023. In summary, assets increased $119,619 while liabilities decreased by $639,372.

***Statement of Revenues, Expenses and Changes in Net Position***

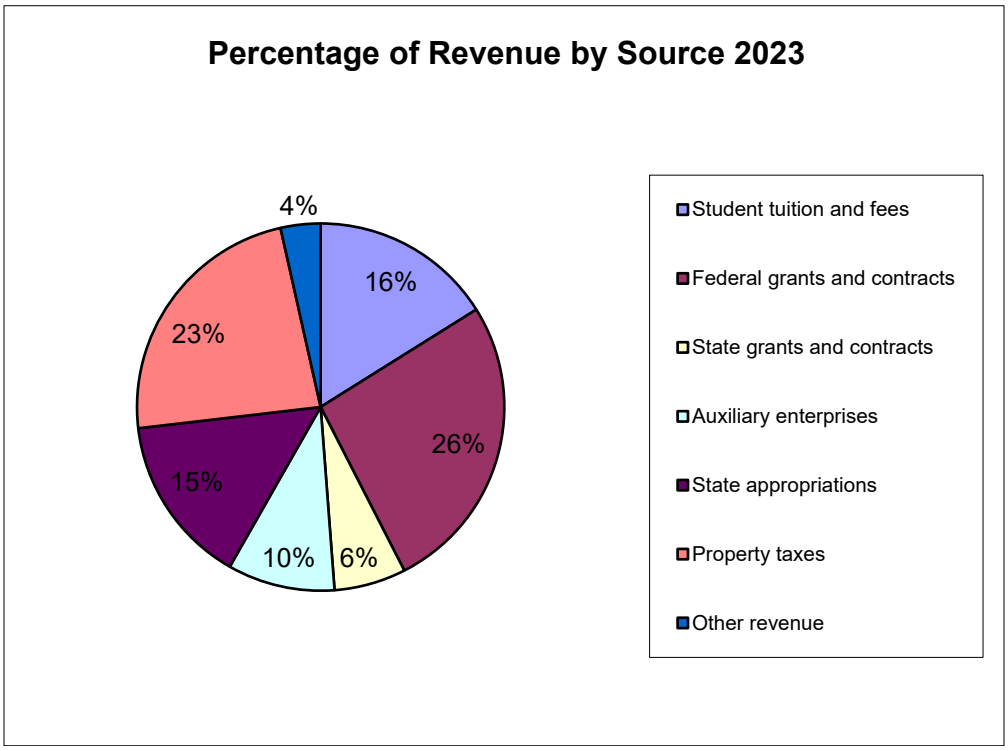
The statement of revenues, expenses, and changes in net position present the College's financial results for the fiscal year ending June 30, 2023. The statements include the College's revenue and expenses, both operating and nonoperating.

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

***Results of Operations Fiscal Year 2023***

| | 2022 | % Total 2022 | 2023 | % Total 2023 |
|---|---|---|---|---|
| Student tuition and fees | 4,372,327 | 17.85% | 3,975,721 | 16.10% |
| Federal grants and contracts | 5,146,186 | 21.01% | 6,517,272 | 26.38% |
| State grants and contracts | 1,755,406 | 7.17% | 1,560,750 | 6.32% |
| Auxiliary enterprises | 2,197,993 | 8.97% | 2,332,019 | 9.44% |
| State appropriations | 3,219,046 | 13.14% | 3,685,190 | 14.92% |
| Property taxes | 5,713,291 | 23.32% | 5,761,241 | 23.32% |
| Other revenue | 2,092,248 | 8.54% | 868,625 | 3.52% |
| Total revenue | 23,223,296 | 100.00% | 23,233,691 | 100.00% |

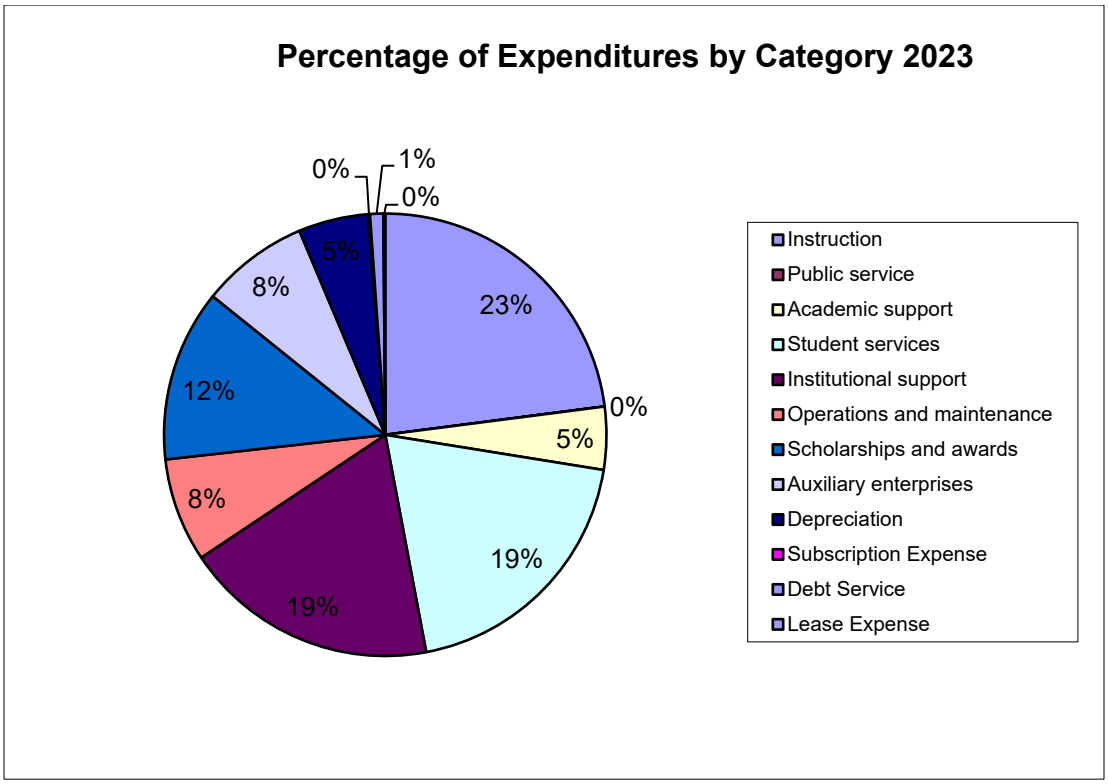
*Revenue*
Detail of the 2022 and 2023 expenditures:
Components and sources of revenue:
Neosho County Community College receives revenue from five major sources. They are: The State of Kansas; Federal Government; students, in the form of tuition and fees; local taxpayers, by way of property taxes; and through business style auxiliary enterprises. The percentage of state appropriation increased 1.78% and the percentage of student tuition and fees decreased 1.75% in 2023.




*Expenditures*

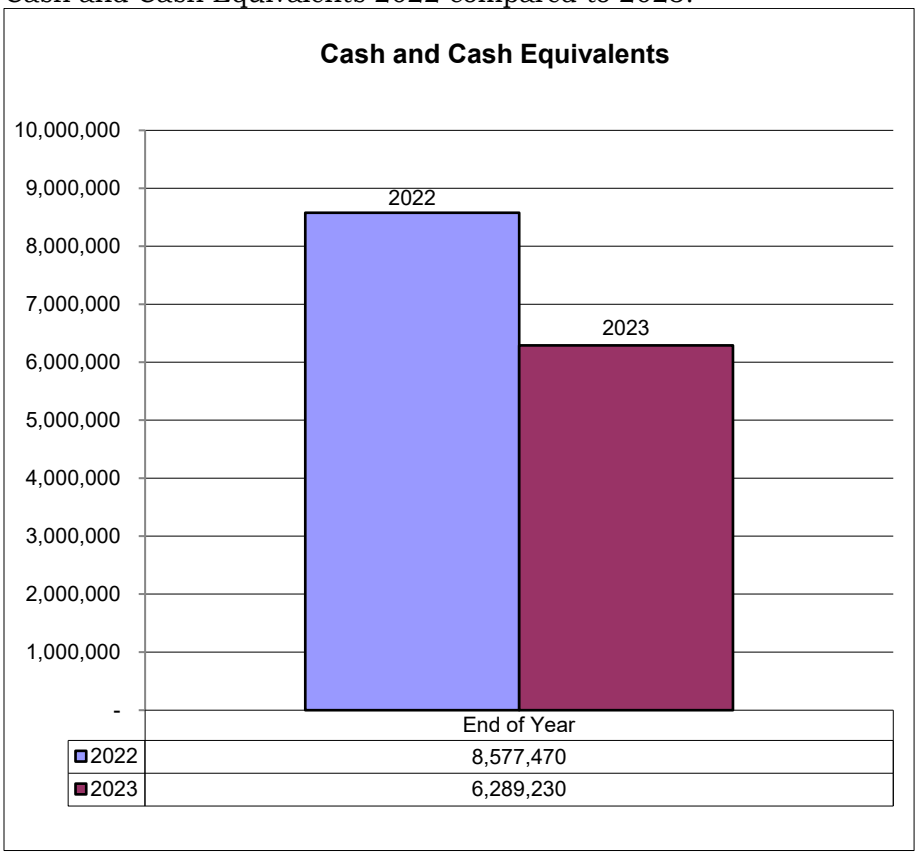
Detail of the 2022 and 2023 Education and General expenditures:

| | 2022 | % Total 2022 | 2023 | % Total 2023 |
|---|---|---|---|---|
| Instruction | 5,617,882 | 25.73% | 5,538,806 | 22.95% |
| Public service | 2,817 | 0.01% | 3,743 | 0.02% |
| Academic support | 888,332 | 4.07% | 1,107,586 | 4.59% |
| Student services | 4,400,895 | 20.15% | 4,702,167 | 19.48% |
| Institutional support | 4,129,790 | 18.91% | 4,487,821 | 18.59% |
| Operations and maintenance | 1,903,829 | 8.72% | 1,831,108 | 7.59% |
| Scholarships and awards | 1,758,759 | 8.05% | 3,030,310 | 12.56% |
| Auxiliary enterprises | 1,560,902 | 7.15% | 1,902,575 | 7.88% |
| Depreciation | 1,295,329 | 5.93% | 1,232,068 | 5.10% |
| Subscription Expense | 0 | 0.00% | 33,845 | 0.14% |
| Debt Service | 259,227 | 1.19% | 231,954 | 0.96% |
| Lease Expense | 20,054 | 0.09% | 33,582 | 0.14% |
| Total expenditures | 21,837,816 | 100.00% | 24,135,565 | 100.00% |




***Statement of Cash Flows***

Cash and Cash Equivalents 2022 compared to 2023:



The statement of cash flows present information about cash receipts and cash payments during the year. It helps assess the College's ability to generate net cash flows and to meet its obligations as they come due. The largest sources of cash from operating activities were student tuition and fees, federal financial aid and sales and services of auxiliary enterprises. Major uses of cash were payments made to employees and vendors.

***Summary of Overall Performance***

Neosho County Community College's financial condition remained stable overall this fiscal year. Net position increased, on an accrual basis, in 2023 from 2022 by $873,808. Cash and cash equivalents decreased by $2,288,240 ($6,289,230-8,577,470). Fund balances on a budget basis (presented in supplementary information schedules 4-10) decreased by $2,205,389 from $7,436,515 to $5,231,126 during the 2023 fiscal year.

***Current Factors Having Probable Future Financial Significance***

Since the new dorm was built, the College has not been able to fill all 294 beds in the two dorms throughout the entire semester. In the fall of 2022, the College had 264 residents. The occupancy decreased to 230 in the spring of 2023. The College had enough money from housing contracts, profits from the bookstore, and the student union fee paid on each credit hour by the Chanute students to cover annual expenditures. As a result, nothing was transferred from agency funds as of June 30, 2023. The College has not had to transfer from agency funds for the past several years.

***Economic Outlook***

Neosho County Community College shows relatively steady cash reserves and steady enrollment. Credit hour enrollments increased by 1.75% between FY2003 and FY2023. The College continues to work on increasing enrollment numbers. In August 2022, a newly renovated 28,000 square foot Mitchell Career and Technical Center (MCTC) was opened which includes programs such as aero structures, electrical technology, HVAC, welding, construction, automotive and industrial maintenance technology programs. The building also hosts the regional Kansas Works office and will house career advisor from NCCC and USD 413.

***Additional Funding Sources***

The College has been very successful in receiving grant monies to help leverage taxes received from Neosho County taxpayers. In FY 2023-24 Neosho County Community College will receive $42 thousand through the Kansas Board of Regents Innovative Technology Grant. The purpose of this grant is to advance selected projects in Kansas. The grant challenges institutions to raise outside funds through donations to match the award, the combined funds to be used for one-time capital projects such as NCCC's Mitchell Career and Technology Center (MCTC). NCCC has already matched the state grant with donations and additional grants and is preparing required documents to receive the grant.

***Request for Information***

This discussion and analysis is designed to provide a general overview of Neosho County Community College's finances for all those with an interest in such matters. Questions concerning any of the information provided in this audit report or request for additional information should be addressed to the office of Chief Financial Officer, Neosho County Community College, 800 West 14th, Chanute, Kansas 66720.



Signed: _____

Title: President

**JARRED, GILMORE & PHILLIPS, PA**
CERTIFIED PUBLIC ACCOUNTANTS

# INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Neosho County Community College
Chanute, Kansas

**Report on the Financial Statements**
We have audited the accompanying financial statements of Neosho County Community College, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Neosho County Community College's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Neosho County Community College, as of June 30, 2023, and the 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.

**Basis for Opinion**
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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Neosho County Community College and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Change in Accounting Principle**
As described in Note 24 to the financial statements, in the fiscal year 2023, the College adopted new accounting guidance, *GASB Statement No. 96, accounting for subscription based information technology arrangements*. Our opinion is not modified with respect to this matter.

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

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

**Auditor's Responsibilities for the Audit of the Financial Statements**
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material

misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

**Other Matters**

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and schedule of funding progress on pages i-ix and 31 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Neosho County Community College's basic financial statements. The supplementary information, as listed in the table of contents as pages 32 to 44, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of "Municipality", Kansas as of and for the year ended June 30, 2022 (not presented herein), and have issued our report thereon dated November 7, 2022, which contained an unmodified opinion on the basic financial statement. The 2022 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link https://admin.ks.gov/offices/accountsreports/local-government/municipal-services. The 2022 actual column (2022 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures—actual and budget for the year ended June 30, 2023 (Schedules 4 to 9 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2022 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2022 basic financial statement. The 2022 comparative information was subjected to the auditing procedures applied in the audit of the 2023 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2022 basic financial statement or to the 2022 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2022 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended June 30, 2022, on the basis of accounting described in Note 2.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 17, 2023, on our consideration of the Neosho County Community College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Neosho County Community College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Neosho County Community College's internal control over financial reporting and compliance.

Jarred, Gilmore & Phillips, PA

JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants

Chanute, Kansas
November 17, 2023

**NEOSHO COUNTY COMMUNITY COLLEGE**
Chanute, Kansas
Statement of Net Position
June 30, 2023

| | Primary Institution | Component Unit-Foundation |
|---|---|---|
| ASSETS | | |
| Current Assets | | |
| Cash and Cash Equivalents | $ 6,289,229.60 | $ 248,913.13 |
| Investments | - | 3,718,945.43 |
| Accounts Receivable, Net | 1,738,048.38 | - |
| Current Portion of Unconditional Promises to Give | - | 33,708.80 |
| Inventories | 501,421.36 | - |
| Total Current Assets | 8,528,699.34 | 4,001,567.36 |
| Noncurrent Assets | | |
| Long Term Unconditional Promises to Give | - | 61,333.34 |
| Capital Assets, Net of Accumulated Depreciation | 21,512,487.34 | 13,682.94 |
| Lease Assets, Net of Accumulated Amortization | 43,813.27 | - |
| Subscription Assets, Net of Accumulated Amortization | 173,757.97 | - |
| Total Noncurrent Assets | 21,730,058.58 | 75,016.28 |
| TOTAL ASSETS | 30,258,757.92 | 4,076,583.64 |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Pension Related Deferred Outflows | 152,272.00 | - |
| LIABILITIES | | |
| Current Liabilities | | |
| Accounts Payable | 1,462,220.51 | - |
| Deferred Revenue | 416,021.22 | - |
| Deposits Held in Custody for Others | 508,218.16 | 143,303.98 |
| Accrued Interest Expense | 62,828.54 | - |
| Lease Liabilities, Due Within One Year | 17,462.63 | - |
| Financing Lease Payable, Due Within One Year | 1,069,093.64 | - |
| Subscription Liability, Due Within One Year | 51,372.81 | - |
| Total Current Liabilities | 3,587,217.51 | 143,303.98 |
| Noncurrent Liabilities | | |
| Accrued Vacation | 528,837.61 | - |
| OPEB Obligations | 424,895.00 | - |
| Lease Liabilities | 30,077.92 | - |
| Financing Lease Payable | 6,157,953.42 | - |
| Subscription Liability | 99,468.88 | - |
| Total Noncurrent Liabilities | 7,241,232.83 | - |
| TOTAL LIABILITIES | 10,828,450.34 | 143,303.98 |
| DEFERRED INFLOWS OF RESOURCES | | |
| Pension Related Deferred Inflows | 353,856.00 | - |
| Invested in Capital Assets, Net of Related Debt | 14,304,573.58 | - |
| Restricted Net Position | | |
| Restricted Net Position - Expendable | - | 1,046,811.68 |
| Restricted Net Position - Nonexpendable | - | 1,988,711.74 |
| Unrestricted Net Position | 4,924,150.00 | 897,756.24 |
| TOTAL NET POSITION | $ 19,228,723.58 | $ 3,933,279.66 |

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

**NEOSHO COUNTY COMMUNITY COLLEGE**
Chanute, Kansas
Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended June 30, 2023

| | Primary Institution | Component Unit-Foundation |
|---|---|---|
| REVENUES | | |
| Operating Revenues | | |
| Student Tuition and Fees, | | |
| (Net of Scholarships, Discounts and Allowances of $1,497,984.21) | $ 3,975,721.04 | $ - |
| Federal Grants and Contracts | 5,050,145.05 | 20,000.00 |
| State Grants and Contracts | 1,560,749.68 | - |
| Sales and Services of Auxiliary | | |
| Enterprises | 2,332,018.81 | - |
| Other Operating Revenues | 823,111.20 | 26,453.68 |
| Total Operating Revenues | 13,741,745.78 | 46,453.68 |
| EXPENSES | | |
| Educational and General | | |
| Instruction | 5,538,806.58 | - |
| Public Service | 3,742.86 | - |
| Academic Support | 1,107,585.97 | - |
| Student Services | 4,702,166.97 | - |
| Institutional Support | 4,487,821.30 | 340,386.53 |
| Operation and Maintenance | 1,831,108.34 | - |
| Scholarships and Awards | 3,030,309.82 | 141,154.00 |
| Auxiliary Enterprises | 1,902,574.82 | - |
| Subscription Expense | 33,845.49 | - |
| Lease Expense | 33,581.59 | - |
| Depreciation Expense | 1,232,067.80 | 2,001.42 |
| Total Operating Expenses | 23,903,611.54 | 483,541.95 |
| Operating Income (Loss) | (10,161,865.76) | (437,088.27) |
| Nonoperating Revenues (Expenses) | | |
| State Appropriations | 3,685,190.00 | - |
| Federal Pell Grants | 1,467,127.00 | - |
| County Appropriations | 5,761,241.38 | - |
| Gifts | 308,819.85 | 230,060.59 |
| Investment Income | 48,526.84 | 333,157.59 |
| Debt Service | (231,953.66) | - |
| Gain (Loss) on Sale of Assets | (3,012.99) | - |
| Net Nonoperating Revenues (Expenses) | 11,035,938.42 | 563,218.18 |
| Increase (Decrease) in Net Position | 874,072.66 | 126,129.91 |
| Net Position - Beginning of Year, As Previously Reported | 18,354,916.26 | 3,807,149.75 |
| Changes in Accounting Principles and Restatement, See Note 24 | (265.34) | - |
| Net Position - Beginning of Year, As Restated | 18,354,650.92 | 3,807,149.75 |
| Net Position - End of Year | $ 19,228,723.58 | $ 3,933,279.66 |

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

**NEOSHO COUNTY COMMUNITY COLLEGE**
Chanute, Kansas
Statement of Cash Flows
For the Year Ended June 30, 2023

| | Primary Institution | Component Unit-Foundation |
|---|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Student Tuition and Fees | $ 4,094,327.67 | $ - |
| Federal Grants and Contracts | 5,050,145.05 | 20,000.00 |
| State Grants and Contracts | 1,560,749.68 | - |
| Sales and Services of Auxiliary Enterprises | 2,332,018.81 | - |
| Miscellaneous Income | 823,111.20 | 26,453.68 |
| Payments on Behalf of Employees | (11,714,790.34) | - |
| Payments for Supplies and Materials | (740,626.74) | - |
| Payments for Lease Expense | (44,982.03) | - |
| Payments for Other Expenses | (10,329,945.93) | (401,470.68) |
| Net cash provided by (used in) operating activities | (8,969,992.63) | (355,017.00) |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | |
| State Appropriations | 3,685,190.00 | - |
| Federal Pell Grants | 1,467,127.00 | - |
| Federal Direct Loans | 715,951.00 | - |
| Federal Direct Loans Paid | (715,951.00) | - |
| County Appropriations | 5,761,241.38 | - |
| Gifts | 308,819.85 | 183,561.24 |
| Net cash provided by (used in) noncapital financing activities | 11,222,378.23 | 183,561.24 |
| CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES | | |
| Payments for Purchase of Capital Assets | (3,537,146.21) | - |
| Proceeds on Sale of Assets | 14.00 | - |
| Interest Paid on Debt | (190,074.48) | - |
| Proceeds from the Issuance of Long-Term Liabilities | 155,034.29 | - |
| Principal Payments on Debt | (1,075,702.17) | - |
| Net cash provided by (used in) capital financing activities | (4,647,874.57) | - |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Proceeds from Sales and Maturities of Investments | - | 205,949.36 |
| Purchase of Investments | - | (252,284.32) |
| Interest Earned on Investments | 48,526.84 | 114,442.93 |
| Net cash provided by (used in) investing activities | 48,526.84 | 68,107.97 |
| Net Increase (Decrease) in Cash and Cash Equivalents | (2,346,962.13) | (103,347.79) |
| Cash and Cash Equivalents, Beginning of Year | 8,636,191.73 | 352,260.92 |
| Cash and Cash Equivalents, End of Year | $ 6,289,229.60 | $ 248,913.13 |

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

**NEOSHO COUNTY COMMUNITY COLLEGE**
Chanute, Kansas
Statement of Cash Flows
For the Year Ended June 30, 2023

| | Primary Institution | Component Unit-Foundation |
|---|---|---|
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH USED BY OPERATING ACTIVITIES | | |
| Operating Income (Loss) | $ (10,161,865.76) | $ (437,088.27) |
| Adjustments to Reconcile Change in Net Position to Net Cash Used in Operating Activities: | | |
| Depreciation Expense | 1,232,067.80 | 2,001.42 |
| Amortization of Lease Assets | 17,729.64 | - |
| Amortization of Subscription Assets | 12,671.54 | |
| Non Cash Expenditures | - | 89,457.24 |
| (Increase) Decrease in Receivables | (117,573.16) | - |
| (Increase) Decrease in Inventory | (2,980.44) | - |
| Increase (Decrease) in Accounts Payable | (72,867.13) | (2,401.13) |
| Increase (Decrease) in Deferred Outflows | (80,031.00) | - |
| Increase (Decrease) in Deferred Revenue | 236,179.79 | - |
| Increase (Decrease) in Compensated Absences | 99,674.37 | - |
| Increase (Decrease) in OPEB Obligations | 95,246.00 | - |
| Increase (Decrease) in Deferred Inflows | (34,786.00) | - |
| Increase (Decrease) in Deposits Held for Others | (193,458.28) | (6,986.26) |
| Net cash provided by (used in) operating activities | $ (8,969,992.63) | $ (355,017.00) |

| | | |
|---|---|---|
| Supplementary Information: | | |
| Non Cash Contributions - Management and General | $ - | $ 89,457.24 |
| Cash Paid for Interest | 230,181.33 | - |

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

## 1. NATURE OF ACTIVITIES

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

Reporting Entity
The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion could cause the financial statements to be misleading or incomplete.

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

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

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Cash and Cash Equivalents
For purposes of the statement of cash flows, the College considers all highly liquid investments including certificates of deposit to be cash equivalents.

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

Accounts Receivable and Deferred Revenue
Accounts receivable consist of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty and staff, the majority of each residing in the State of Kansas. Accounts receivable also includes amounts due from the Federal government, state and local governments, or private sources, in connection with reimbursement of allowable expenditures made pursuant to the College's grant and contracts. Accounts receivable also include taxes in process of collection for property taxes assessed and collected for the calendar year ending December 31, 2022.

In accordance with governing state statutes, property taxes levied during the current year are a revenue source to be used to finance the budget of the ensuing year. Taxes are assessed on a calendar year basis and become a lien on the property on November 1st of each year. The County Treasurer is the tax collection agent for all taxing entities within the County. Property owners have the option of paying one-half or the full amount of the taxes levied on or before December 14th during the year levied with the balance to be paid on or before May 10th of the ensuing year. State statutes prohibit the County Treasurer from distributing taxes collected in the year levied prior to January 1st of the ensuing year.

Consequently, for revenue recognition purposes, taxes levied during the current year are not due and receivable until the ensuing year. Property taxes levied in November 2022 are recorded as taxes receivable. Approximately 10% of these taxes are normally distributed after June 30, 2023, and are presented as accounts receivable–taxes in process and deferred revenue to indicate that they are not appropriable. It is not practicable to apportion delinquent taxes held by the County Treasurer at the end of the year and, further, the amounts thereof are not material in relationship to the financial statements taken as a whole.

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

Noncurrent Cash and Cash Equivalents
Cash and cash equivalents that are externally restricted to make debt service payments, maintain sinking or reserve funds, or to purchase or construct capital or other noncurrent assets, are classified as noncurrent assets in the statement of net position.

Capital Assets
Capital assets include land, buildings, furniture, equipment, and vehicles. Capital assets are defined as assets with an initial individual cost of more than $5,000.00 and an estimated useful life of more than one year. Such assets are recorded at historical cost or estimated historical cost. Donated fixed assets are recorded at estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend the life of the asset are not capitalized. Major additions and improvements are capitalized. The College capitalizes interest on the construction of capital assets when material.

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

Capital Assets (Continued)
The College's capital assets are depreciated using the straight line method over the estimated useful lives of the assets. Estimated useful lives are as follows:

| | |
|---|---|
| Buildings | 35 Years |
| Building Improvements | 20 Years |
| Furniture | 10 Years |
| Vehicles | 5-7 Years |
| Equipment, including computers | 3-7 Years |

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

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

Net position
The College's net position are classified as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Information

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

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

If the College is holding a revenue neutral rate hearing, the budget timeline for adoption of the final budget has been adjusted to on or before September 20th. The College did hold a revenue neutral rate hearing for this year.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. During the year ended June 30, 2023 the College amended the Post-Secondary Education Fund.

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

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

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

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

## 3. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Compliance with Kansas Statutes

Supplementary Schedules 4 to 9 have been prepared in order to show compliance with the cash basis and budget laws of Kansas. Based upon these schedules, all were in compliance with Kansas cash basis and budget laws.

## 4. DEPOSITS

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

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

*Concentration of credit risk.* State statutes place no limit on the amount the Government may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

*Custodial credit risk – deposits.* Custodial credit risk is the risk that in the event of a bank failure, the College's deposits may not be returned to it. State statutes require the College's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka. All deposits were legally secured at June 30, 2023.

At year-end, the College's carrying amount of the deposits was $6,287,629.60 and the bank balance was $6,952,474.59. The bank balance was held by seven institutions resulting in a concentration of credit risk. Of the bank balance, $1,041,088.81, was covered by FDIC insurance, $5,908,883.99 was collateralized with pledged securities held by the pledging financial institutions' agents in the College's name, and $2,501.79 was held in trust with Security Bank of Kansas City.

Component Unit:
At year-end, the carrying amount of the Foundation's deposits were $248,913.13. The bank balances were $253,221.44. The bank balance was held by six banks and one investment company resulting in a concentration of credit risk. Of the bank balances, $191,307.53 was covered by FDIC insurance and the remaining $61,913.91 was covered with SIPC insurance.

## 5. INVESTMENTS

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

**5. INVESTMENTS** (Continued)

The investment objective requires a disciplined and consistent management philosophy. The objectives do not call for a philosophy which represents extreme positions or opportunistic styles. The portfolio shall be diversified with both fixed income and equity holdings. The purpose of such diversification is to provide reasonable assurance that not one single security or class of securities will have a disproportionate impact of the total portfolio.

Investments are made under the direction of the Board of Directors. Equity investments and other investments are recorded at fair values subject to comments on Investments under the summary of accounting policies.

Investments at June 30, 2023, are comprised of the following:

| | FAIR VALUE |
|---|---|
| Mutual Funds | $ 3,717,338.43 |
| Morgan Dollar Collection | 1,607.00 |
| Total Investments | $ 3,718,945.43 |

**6. FAIR VALUE MEASUREMENTS**

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

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

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

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

## 6. FAIR VALUE MEASUREMENTS (Continued)

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

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2023.

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

Morgan Dollar Collection: Valued at Greysheet value. The Greysheet value is the wholesale guide to coin prices published monthly widely used by coin dealers internationally.

| | June 30, 2023 | | |
|---|---|---|---|
| | Level 1 | Level 2 | Total |
| Mutual Funds | $ 3,717,338.43 | $ - - | $ 3,717,338.43 |
| Morgan Dollar Collection | - - | 1,607.00 | 1,607.00 |
| Totals | $ 3,717,338.43 | $ 1,607.00 | $ 3,718,945.43 |

## 7. ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2023, consisted of the amounts due under the following programs:

| | Primary Institution |
|---|---|
| Current: | |
| Federal Grants | $1,012,316.92 |
| State Grants | 11,656.42 |
| Taxes in Process | 386,425.00 |
| Student Accounts | 327,650.04 |
| Total Accounts Receivable | $1,738,048.38 |

All receivables are considered collectible at June 30, 2023. The College has elected to record bad debts using the direct write off method. Generally accepted accounting principles require that the allowance method be used to recognize bad debts. However, the effect, if using the direct write-off method, is not materially different from the results that would have been obtained under the allowance method.

## 8. INVENTORIES

Inventories consisted of the following at June 30, 2023:

| | |
|---|---|
| College Bookstore | |
| Rental and Consumable Textbooks | $ 467,635.20 |
| Garments | 25,536.95 |
| Other Supplies | 8,249.21 |
| Total Inventories | $ 501,421.36 |

## 9. UNCONDITIONAL PROMISES TO GIVE

Component Unit:
Unconditional promises to give at June 30, 2023, consist of the following:

| | |
|---|---|
| Score Board: | |
| Due within one year | $ 2,000.00 |
| Due within next five years | 2,000.00 |
| Total | $ 4,000.00 |
| Mitchell Career & Technology Center: | |
| Due within one year | $ 27,708.80 |
| Due within next five years | 23,333.34 |
| Total | $ 51,042.14 |
| Greenhouse: | |
| Due within one year | $ 4,000.00 |
| Due within next five years | 16,000.00 |
| Thereafter | 20,000.00 |
| Total | $ 40,000.00 |

Amounts are shown net of an allowance for uncollectible pledges of $0.00.

## 10. CAPITAL ASSETS

Following are the changes in capital assets for the year ended June 30, 2023:

Primary Institution:

| | Balance 06/30/2022 | Additions | Retirements | Transfers | Balance 06/30/2023 |
|---|---|---|---|---|---|
| Capital Assets not being Depreciated | | | | | |
| Construction in Progress | $ 2,941,777.77 | $ 2,985,944.10 | $ - | $ (5,827,094.50) | $ 100,627.37 |
| Land | 28,656.00 | - | - | - | 28,656.00 |
| Other Capital Assets | | | | | |
| Buildings and Improvements | 16,373,368.27 | 269,239.65 | - | 5,827,094.50 | 22,469,702.42 |
| Buildings and Improvements Under Capital Lease | 12,590,021.14 | - | - | - | 12,590,021.14 |
| Equipment | 5,761,370.66 | 111,188.17 | (669,612.61) | - | 5,202,946.22 |
| Total Other Capial Assets | 37,695,193.84 | 3,366,371.92 | (669,612.61) | - | 40,391,953.15 |
| Accumulated Depreciation | | | | | |
| Buildings and Improvements | 9,331,710.28 | 459,279.41 | - | - | 9,790,989.69 |
| Buildings and Improvements Under Capital Lease | 4,219,622.15 | 453,814.91 | - | - | 4,673,437.06 |
| Equipment | 4,762,651.20 | 318,973.48 | (666,585.62) | - | 4,415,039.06 |
| Total Accumulated Depreciation | 18,313,983.63 | 1,232,067.80 | (666,585.62) | - | 18,879,465.81 |
| Net Capital Assets | $ 19,381,210.21 | $ 2,134,304.12 | $ (3,026.99) | $ - | $ 21,512,487.34 |

**10. CAPITAL ASSETS** (Continued)

Following are the changes in capital assets for the year ended June 30, 2023:
Component Unit:

| | Balance 06/30/2022 | Additions | Retirements | Balance 06/30/2023 |
|---|---|---|---|---|
| Capital Assets | | | | |
| Leasehold Improvements | $ 19,577.74 | $ - | $ - | $ 19,577.74 |
| Equipment | 7,490.26 | - | - | 7,490.26 |
| Total Capial Assets | 27,068.00 | - | - | 27,068.00 |
| Accumulated Depreciation | | | | |
| Leasehold Improvements | 5,873.32 | 1,305.18 | - | 7,178.50 |
| Equipment | 5,510.32 | 696.24 | - | 6,206.56 |
| Total Accumulated Depreciation | 11,383.64 | 2,001.42 | - | 13,385.06 |
| Net Capital Assets | $ 15,684.36 | $ (2,001.42) | $ - | $ 13,682.94 |

**11. FINANCING LEASES**

The College entered into a financing lease/certificate of participation with Security Bank of Kansas City, dated April 15, 2015; requiring semi-annual interest only payments until May 15, 2018, then annual principal payments and semi-annual interest payments of between 2% and 4% through May 15, 2030, secured by dormitory and said revenues.

| Financing Lease – Dorms and Improvements | |
|---|---|
| Debt requirements are as follows: | |
| June 30, | |
| 2024 | $ 525,081.26 |
| 2025 | 522,481.26 |
| 2026 | 524,581.26 |
| 2027 | 525,675.00 |
| 2028 | 525,725.00 |
| 2029-2030 | 1,028,500.00 |
| Total Net Minimum Lease Payments | 3,652,043.78 |
| Less: Imputed Interest | (447,043.78) |
| Net Present Value of Financing Lease | 3,205,000.00 |
| Less: Current Maturities | (420,000.00) |
| Long-Term Financing Lease Obligations | $ 2,785,000.00 |

**11. FINANCING LEASES** (Continued)

The College entered into a financing lease/certificate of participation with Security Bank of Kansas City, dated June 30, 2016; requiring annual principal payments and semi-annual interest payments of between 2% and 3% through April 15, 2030, secured by real property located in Ottawa, Kansas.

| Financing Lease – Ottawa Campus | |
|---|---|
| Debt requirements are as follows: | |
| June 30, | |
| 2024 | $ 403,718.76 |
| 2025 | 403,668.76 |
| 2026 | 394,443.76 |
| 2027 | 395,318.76 |
| 2028 | 395,475.00 |
| 2029-2030 | 790,368.76 |
| Total Net Minimum Lease Payments | 2,782,993.80 |
| Less: Imputed Interest | (227,993.80) |
| Net Present Value of Financing Lease | 2,555,000.00 |
| Less: Current Maturities | (335,000.00) |
| Long-Term Financing Lease Obligations | $ 2,220,000.00 |

The College entered into a financing lease purchase agreement for the financing of various energy conservation measures at the College, dated June 16, 2017; requiring monthly payments including interest of 2.11% through December 15, 2027, secured by energy equipment purchased.

| Financing Lease – Energy Conservation | |
|---|---|
| Debt requirements are as follows: | |
| June 30, | |
| 2024 | $ 342,022.68 |
| 2025 | 342,022.68 |
| 2026 | 342,022.68 |
| 2027 | 342,022.68 |
| 2028 | 171,011.34 |
| Total Net Minimum Lease Payments | 1,539,102.06 |
| Less: Imputed Interest | (72,055.00) |
| Net Present Value of Financing Lease | 1,467,047.06 |
| Less: Current Maturities | (314,093.64) |
| Long-Term Financing Lease Obligations | $ 1,152,953.42 |

## 12. LEASES

The College has entered into a number of operating leases for office space and two postage machines. The office space was leased beginning February 22, 2016, for a term of 12 months at $575.00 per month, and was capitalized at an incremental borrowing rate of 2.95%, lease has been renewed annually. The postage machine located in Chanute was leased beginning April 1, 2020, for a term of 60 months at $2,947.08 per quarter, and is capitalized at an incremental borrowing rate of 3.34%. The postage machine located in Ottawa was leased beginning February 15, 2015, for a term of 60 months at $288.96 per quarter, and is capitalized at an incremental borrowing rate of 2.98%, the lease has continued on a quarter by quarter basis.

*Lease Expense:*

| | |
|---|---|
| Amortization expense by class of underlying asset: | |
| Office Space | $ 5,831.88 |
| Postage Machine | 11,897.76 |
| Total Amortization Expense | 17,729.64 |
| Interest on Lease Liability | 1,757.65 |
| Short Term Lease Expense | 25,494.74 |
| Total Lease Expense | $ 44,982.03 |

*Lease Assets:*

| | Beginning | Additions | Subtractions | Ending |
|---|---|---|---|---|
| Office Space | $ 68,038.63 | $ 0.00 | $ 0.00 | $ 68,038.63 |
| Postage Machine | 63,077.20 | 0.00 | 8,712.72 | 54,364.48 |
| | 131,115.83 | 0.00 | 0.00 | 122,403.11 |
| Less Accumulated Amortization | | | | |
| Office Space | (37,421.23) | (5,831.88) | 0.00 | (43,253.11) |
| Postage Machine | (32,151.69) | (11,897.76) | (8,712.72) | (35,336.73) |
| Net Lease Assets | $ 61,542.91 | $ (17,729.64) | $ 0.00 | $ 43,813.27 |

| | Beginning | Additions | Principal | Ending |
|---|---|---|---|---|
| *Lease Liabilities*: | $ 65,588.19 | $ 0.00 | $ (18,047.64) | $ 47,540.55 |

*Future Maturity Analysis*:

| | Principal | Interest | Total Payments |
|---|---|---|---|
| 2024 | $ 17,462.63 | $ 1,225.69 | $ 18,688.32 |
| 2025 | 15,074.81 | 666.43 | 15,741.24 |
| 2026 | 6,545.44 | 354.56 | 6,900.00 |
| 2027 | 6,741.16 | 158.84 | 6,900.00 |
| 2028 | 1,716.51 | 8.49 | 1,725.00 |
| Totals | $ 47,540.55 | $ 2,414.01 | $ 49,954.56 |

*Lease Liabilities Accrued Interest*:

| | Beginning | Adjustment | Ending |
|---|---|---|---|
| Building | $ 94.57 | $ (38.87) | $ 55.70 |

## 13. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

The College implemented Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements*, in fiscal year 2023. The College has three software arrangements that require recognition under GASBS No. 96. The software amortization expense is included on the Statement of Revenues, Expenses and Changes in Fund Net Position related to the College's intangible asset of three software systems. The College now recognizes a subscription-based information technology arrangements (SBITA) liability and an intangible right-to-use asset for Concourse, by Intellidemia to manage syllabus for the College, a 36 month agreement with an imputed interest rate of 3.85%, Peak Uptime Elevate BaaS & DRaaS for cloud hosting services, a 36 month agreement with an imputed interest rate of 2.99%, and Sophos Central Intercept X Advanced for server protection from the latest malware threats, a 60 month agreement with an imputed interest rate of 3.85%.

*Lease Expense:*

| | |
|---|---|
| Amortization expense by class of underlying asset: | |
| SBITA – GASB 96 | $ 12,671.54 |
| Interest on Lease Liability | 1,021.12 |
| Total Lease Expense | $ 13,692.66 |

*Lease Assets:*

| | Beginning | Additions | Subtractions | Ending |
|---|---|---|---|---|
| SBITA – GASB 96 | $ 15,920.56 | $ 170,774.29 | $ 0.00 | $ 186,694.85 |
| Less Accumulated Amortization | | | | |
| SBITA – GASB 96 | (265.34) | (12,671.54) | 0.00 | (12,936.88) |
| Net Lease Assets | $ 15,655.22 | $ 158,102.75 | $ 0.00 | $ 173,757.97 |

| | Beginning | Additions | Principal | Ending |
|---|---|---|---|---|
| *Lease Liabilities*: | $ 15,920.56 | $ 155,034.29 | $ (20,113.16) | $ 150,841.69 |

*Future Maturity Analysis*:

| | Principal | Interest | Total Payments |
|---|---|---|---|
| 2024 | $ 51,372.81 | $ 4,907.19 | $ 56,280.00 |
| 2025 | 53,385.93 | 2,894.07 | 56,280.00 |
| 2026 | 46,082.95 | 817.05 | 46,900.00 |
| Totals | $ 150,841.69 | $ 8,618.31 | $ 159,460.00 |

## 14. RESTRICTED NET POSITION – EXPENDABLE

Component Unit:
Restricted Net Position – Expendable consist of donations received and are restricted to use and are presented as follows:

| | |
|---|---|
| Mary Lee Johnson – Donor use restrictions | $ 155,512.52 |
| Bethel Evangelical Lutheran Church – Donor use restrictions | 6,500.00 |
| Mitchell Career and Technology Center – Donor use restrictions | 51,042.13 |
| Yuza Greenhouse Donation – Donor use restrictions | 40,000.00 |
| Score Board Panther Donation – Donor use restrictions | 4,000.00 |
| Title III-A Grant and Match – 50% interest only for 20 years (expires 06/2030) | 744,492.08 |
| Title III-B Grant and Match – 50% interest after 5 years only for 20 years (expires 06/2042) | 45,264.95 |
| Total Expendable Restricted Net Position | $ 1,046,811.68 |

## 15. NET POSITION - NONEXPENDABLE

Component Unit:
On June 30, 2023 the Foundation Endowments are summarized in the following table:

| | Nonexpendable |
|---|---|
| Donor-Restricted Endowment Funds | $ 1,988,711.74 |

Changes in endowments as of June 30, 2023 are as follows:

| | Nonexpendable |
|---|---|
| Endowment Net position, Beginning of Year | $ 1,969,120.57 |
| Contributions | 19,591.17 |
| Endowment Net position, End of Year | $ 1,988,711.74 |

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

## 16. OTHER POST EMPLOYMENT BENEFITS

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

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

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

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

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

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

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

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

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

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

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

The actuarially determined employer contribution rates and the statutory contribution rates for school employees are 15.59% and 14.23%, respectively. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009 and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate of 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members.

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

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

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

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

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

At June 30, 2022, the proportion recognized by the State of Kansas on behalf of the College was .143732%, which was an decrease of .011145% from the proportion measured at June 30, 2021.

*Net Pension Liability*
At June 30, 2022 and 2021, the proportionate share of the net pension liability recognized by the State of Kansas that was attributable to the College was $10,270,237.00 and $8,725,784.00, respectively.

*Actuarial Assumptions*
The total pension liability was determined by an actuarial valuation as of December 31, 2021, which was rolled forward to June 30, 2022, using the following actuarial assumptions:

| | |
|---|---|
| Price inflation | 2.75% |
| Salary increases, including wage increases | 3.50 to 12.00%, including inflation |
| Long-term rate of return, net of investment expense, and including price inflation | 7.00% |

Mortality rates were based on the RP-2014 Mortality Tables, with age setback and age set forwards as well as other adjustments based on different membership groups. Future mortality improvements are anticipated using Scale MP-2016.

The long-term expected rate of return of pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class as of the most recent experience study dated, January 7, 2020, as provided by KPERS' investment consultant, are summarized in the following table:

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

| Asset Class | Long-Term Target Allocation | Long-Term Expected Real Rate of Return |
|---|---|---|
| U.S. Equities | 23.50% | 5.20% |
| Non-U.S. Equities | 23.50 | 6.40 |
| Private Equities | 8.00 | 9.50 |
| Private Real Estate | 11.00 | 4.45 |
| Yield Driven | 8.00 | 4.70 |
| Real return | 11.00 | 3.25 |
| Fixed Income | 11.00 | 1.55 |
| Short-term investments | 4.00 | 0.25 |
| Total | 100.00% | |

*Discount Rate:*
The discount rate used to measure the total pension liability at the measurement date of June 30, 2022 was 7.00%. The discount rate used to measure total pension liability at the prior measurement date of June 30, 2021 was 7.25%. The actuarial assumption used in the calculation of the total pension liability were based on the results of the most recent actuarial experience study. It covered the three-year period of January 1, 2016 through December 31, 2018 and was dated January 7, 2020.

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

*Revenue and Pension Expense Recorded by the College:*
For the year ended June 30, 2023, the College recognized revenue and pension expense in an equal amount of $1,081,646.70.

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

*Plan Description*: The College sponsors Medical and Dental insurance to qualifying retirees and their dependents. Coverage is provided through fully insured contracts that collectively operate as a single-employer defined benefit plan. Qualifying retirees are those employees who are eligible for immediate retirement benefits under the Kansas Public Employees Retirement System and retire prior to age 65. Retirees may continue coverage with the College until their Medicare eligibility (i.e age 65). Upon covered retiree death or attainment of age 65, spouses may elect COBRA coverage. Participants are required to contribute 100% of group insurance premiums to maintain coverage. Age-adjusted costs may exceed group insurance premiums thus creating an age-subsidy or indirect benefit that forms the basis for the valuation. The plan is identifiable as a single-employer plan. There are 158 total active employees and 5 retirees who are participating in the plan as of October 1, 2021, the census date used for the actuarial valuation.

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

*Funding of benefits*: Costs under the College's group insurance program are paid from pooled operating assets. This arrangement does not qualify as an "OPEB Plan" under GASB requirements and thus these assets may not be reported as an offset to GASB liabilities.

*Total OPEB Liability*: The College's total OPEB liability of $424,895.00 was measured as of June 30, 2023, and was determined by an actuarial valuation as of that date.

*Actuarial Assumptions and Other Inputs*: The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

| | |
|---|---|
| Valuation Date | October 1, 2021 |
| Measurement Date (End of Year) | June 30, 2023 |
| Reporting Date | June 30, 2023 |
| Discount Rate | 4.0% (Measurement Date)<br>3.90% (Year Preceding Measurement Date) |
| Salary Scale | 3.0% |
| Actuarial Cost Method | Entry Age – Level Percent-of-Pay |
| Health Care Cost Trend Rates | Starting at 7.50% in year three, then decreasing by 0.50% per year until year 7, then decreasing by 0.25% reaching an ultimate trend rate of 4.5% in year 12 |

The average of the S&P Municipal Bond 20 Year High Grade and Fidelity GO AA-20 Year published yields was evaluated to determine the discount rate. The selected rates are 3.9% (beginning-of-year measurement) and 4.0% (end-of-year measurement).

Annual OPEB cost and net OPEB obligation:

| | |
|---|---|
| Net OPEB Liability | |
| I. Total OPEB Liability | $ 424,895 |
| II. Plan Fiduciary Net Position (Trust Assets) | 0 |
| III. Net OPEB Liability at June 30, 2023 (I minus II) | $ 424,895 |

| | |
|---|---|
| OPEB Liability Changes | |
| Total OPEB Liability – Beginning of Year | $ 329,649 |
| 1. Service Cost | 24,626 |
| 2. Interest Cost | 13,081 |
| 3. Changes in Benefit Terms | 0 |
| 4. Differences between actual and expected experience | 49,605 |
| 5. Changes in assumptions and inputs | 43,934 |
| 6. Employer Contributions (Benefit Payments) | (36,000) |
| Net Changes (1 + 2 + 3 + 4 + 5 – 6) | 95,246 |
| Total OPEB Liability – End of Year | $ 424,895 |

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

| OPEB Expense – Fiscal Year 2022-23 | |
|---|---|
| 1. Service Cost | $ 24,626 |
| 2. Interest Cost | 13,081 |
| 3. Changes in Benefit Terms | 0 |
| 4. Differences between expected and actual experience | (5,166) |
| 5. Changes of assumptions and inputs | (16,112) |
| 6. Projected earnings on OPEB plan investments | 0 |
| 7. Differences between projected & actual earnings on OPEB investments | 0 |
| OPEB Expense (1 + 2 + 3 + 4 + 5 – 6+7) | $ 16,429 |

| OPEB Liability as a percentage of payroll | |
|---|---|
| Total OPEB Liability | $ 424,895 |
| Payroll | *6,777,414 |
| Percent of Payroll | 6.3% |

* Annualized pay as of October 1, 2021 of active employees

Sensitivity of Total OPEB Liability to changes in the Discount Rate

| | 1% Decrease 3.0% | Current Single Discount Rate Assumption 4.0 | 1% Increase 4.9% |
|---|---|---|---|
| Total OPEB Liability | 464,764 | 424,895 | 388,442 |
| Increase/(Decrease) from Baseline | 39,869 | | (36,453) |

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

| | 1% Decrease | Current Trend Assumption | 1% Increase |
|---|---|---|---|
| Total OPEB Liability | 368,924 | 424,895 | 492,275 |
| Increase/(Decrease) from Baseline | (5,971) | | 67,380 |

*Deferred Outflows and Inflows of Resources:* The accumulated amount of Deferred Outflows and Inflows of Resources as of June 30, 2023 are shown below.

| Category | Deferred Outflows of Resources | Deferred Inflow of Resources |
|---|---|---|
| Changes in Assumptions | 92,367 | 161,458 |
| Differences between expected and actual experience | 59,905 | 192,398 |
| Contributions Subsequent to Measurement Date (1) | 0 | 0 |

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

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

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

| Fiscal Year Ending | Amount |
|---|---|
| 2024 | $(21,278) |
| 2025 | (21,278) |
| 2026 | (21,278) |
| 2027 | (21,278) |
| 2028 | (21,278) |
| 2029 & Thereafter | (95,194) |

Average Expected Remaining Service Life: 9.4738 years

*Early Retirement Benefits:* The College provides an early retirement program for certain eligible employees. The early retirement benefit shall be an annual payment made in the retired employee's name to the college's identified 403 (b) plan provider. The payment will be determined by utilization of the percentage opposite the year of benefit on the following table. The percentage of the year shall be multiplied by the Full-time Employee's last annual contract salary. The payment shall be paid annually in either January or July through the college contract year in which the Full-time Employee reaches age sixty-four (64) or for a period of five (5) years, whichever occurs first. The initial date selected for first year payment (January/July) shall then become the anniversary date for subsequent payments. Early retirement benefits shall be based on KPERS retirement eligibility and years of service after eligibility according to the chart below.

KPERS Eligible ..... 21%
Eligibility + 1 year service ..... 18%
Eligibility + 2 years' service ..... 15%
Eligibility + 3 years' service ..... 12%
Eligibility + 4 years' service ..... 9%
Eligibility + 5 years' service ..... 6%
Eligibility + 6 years' service ..... 3%

The following is a schedule of benefits payable for eligible employees which have taken early retirement as of June 30, 2023:

| Paid or Payable | Year Ended June 30th | Amount |
|---|---|---|
| Paid | 2023 | $ 52,458.53 |
| Payable | 2024 | 230,014.65 |
| Payable | 2025 | 261,332.03 |
| Payable | 2026 | 253,671.50 |
| Payable | 2027 | 228,725.30 |

## 17. COMPENSATED ABSENSES

Full time employees are entitled to vacation pay based upon employment classification and years of services. If an employee terminates before the end of the contract year, the vacation period will be prorated based upon the number of contract days in such year employed prior to termination. All vacations must receive prior approval from the employee's immediate supervisor, and the employee must complete an absence report. Vacation days not scheduled and used within twelve (12) months from the end of the contract year in which earned will be forfeited.

Schedule of Vacation Hours (Days)

| | 1 – 5 yrs | 6 – 10 yrs | 11 – 15 yrs | 16 + yrs |
|---|---|---|---|---|
| Clerical/Maintenance | 80 (10) | 120 (15) | 160 (20) | 200 (25) |
| Management Support | 80 (10) | 120 (15) | 160 (20) | 200 (25) |
| Administrator | 160 (20) | 168 (21) | 184 (23) | 200 (25) |
| Senior Administrator | 160 (20) | 176 (22) | 200 (25) | 200 (25) |
| Executive Administrator | 160 (20) | 200 (25) | 240 (30) | 240 (30) |

Each full-time employee shall receive eight sick hours per month. A full-time employee may not accumulate in excess of 720 hours accumulated sick leave. Employees shall be compensated for all accumulated unused sick leave at the time of that employee's retirement. Compensation will be set at a rate of six dollars ($6) per hour for each hour of accumulated unused sick leave at the time of retirement.

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

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

In accordance with the above criteria the College has accrued a liability for vacation and has not recorded a liability for sick leave, which has been earned, but not taken, inasmuch as the amount cannot be reasonably estimated.

## 18. CONTINGENT LIABILITIES

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

## 19. CONCENTRATION OF RISK

Component Unit
68.15% of the Foundation's cash and investments are invested in growth and income funds at June 30, 2023. The effect in the future on the Foundation's portfolio is unknown and is subject to market economic conditions.

## 20. RISK MANAGEMENT

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

## 21. EMPLOYEE BENEFIT PLANS

The College has established a 403(B) plan available for its employees. An employee is eligible on the date of hire to contribute and receive employer match. The College has approved a match of not less than $25.00 per month. Total contributions made by the Organization into the plan on behalf of the employees for the year ended June 30, 2023 was $29,638.52.

## 22. RELATED PARTY TRANSACTIONS

The Neosho County Community College Foundation was formed to promote and foster the educational purposes of the College, and to create a fund to be used for any program, project, or enterprise undertaken in the interest of the College. The Foundation acts largely as a fund raising organization, soliciting, receiving, managing and disbursing contributions on behalf of the College. Most of the contributions received are designated by the donors to be used for specific purposes or by specific departments. In these instances, the Foundation serves essentially as a conduit. Contributions that are not designated are used where the need is considered greatest, as determined by the Foundation's board of directors. The Foundation disbursed to the College for the year ended June 30, 2023 was $141,154.00 for scholarships and $193,849.85 in donations for capital projects. The Foundation disbursed on behalf of the College, through its activities funds for the year ended June 30, 2023, $234,270.95. The College disbursed on behalf of the Foundation donated services and facilities for the year ended June 30, 2023 $89,457.24.

## 23. INTERFUND TRANSFERS

Operating transfers were as follows:

| From Fund: | To Fund: | Amount |
|---|---|---|
| General Fund | Adult Education Fund | $ 27,400.00 |
| General Fund | Postsecondary Technical Education Fund | 2,637,849.35 |
| General Fund | Other Grants Fund | 292.50 |
| Auxiliary Enterprise Student Union Fund | General Fund | 324,000.00 |
| Auxiliary Enterprise Bookstore Fund | General Fund | 225,000.00 |

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

## 24. CHANGES IN ACCOUNTING PRINCIPLES AND RESTATEMENT

The software was initially leased in fiscal year 2022 and the implementation of GASBS No. 96 requires retroactive application. The prior period adjustment for this subscription-based information technology arrangement requires the following restatement to prior balances.

| | |
|---|---|
| Prior Period Adjustment at June 30, 2022 | |
| Increase SBITA right-to-use asset | $ 15,920.56 |
| Increase accumulated amortization | (265.34) |
| Increase SBITA liability | (15,920.56) |
| Decrease Net Investment in Capital Assets | $ (265.34) |

## 25. SUBSEQUENT EVENTS

The College evaluated events and transactions occurring subsequent to June 30, 2023, there were no subsequent events requiring recognition in the financial statements. Additionally, there were no nonrecognized subsequent events requiring disclosure.

# REQUIRED
# SUPPLEMENTARY INFORMATION

**NEOSHO COUNTY COMMUNITY COLLEGE**
Chanute, Kansas
Schedule of Funding Progress
For the Year Ended June 30, 2023*

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

| | 06/30/2018 | 06/30/2019 | 06/30/2020 | 06/30/2021 | 06/30/2022 | 06/30/2023 |
|---|---|---|---|---|---|---|
| OPEB Liability Changes | | | | | | |
| Total OPEB Liability - Beginning of Year | $ 568,930 | # $ 427,015 | $ 492,299 | $ 575,726 | $ 487,898 | $ 329,649 |
| 1. Service Cost | 49,757 | 38,196 | 42,770 | 53,185 | 40,929 | 24,626 |
| 2. Interest Cost | 20,491 | 15,022 | 15,617 | 15,975 | 10,307 | 13,081 |
| 3. Changes in Benefit Terms | (17,890) | 0 | 0 | 0 | 0 | 0 |
| 4. Difference between actual and expected experience | (165,557) | 21,533 | (6,104) | (104,757) | (15,413) | 49,605 |
| 5. Changes in assumptions and inputs | 3,284 | 10,533 | 60,144 | (23,231) | (167,072) | 43,934 |
| 6. Employer Contributions (Benefit Payments) | 32,000 | 20,000 | 29,000 | 29,000 | 27,000 | 36,000 |
| Net Changes (1+2+3+4+5-6) | (141,915) | 65,284 | 83,427 | (87,828) | (158,249) | 95,246 |
| Total OPEB Liability - End of Year | $ 427,015 | # $ 492,299 | $ 575,726 | $ 487,898 | $ 329,649 | $ 424,895 |
| OPEB Liability as a percentage of payroll | | | | | | |
| Total OPEB Liability | 427,015 | 492,299 | 575,726 | 487,898 | 329,649 | 424,895 |
| Payroll | * 5,708,478 | * 5,708,478 | ** 6,702,872 | ** 6,702,872 | *** 6,777,414 | *** 6,777,414 |
| Percent of Payroll | 7.5% | 8.6% | 8.6% | 7.3% | 4.9% | 6.3% |

* Annualized pay as of July 1, 2017 of active employees included in the valuation
** Annualized pay as of July 1, 2019 of active employees
*** Annualized pay as of October 1, 2021 of active employees

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

*Changes in Assumptions*: Changes in assumptions or other inputs reflect a change in the discount rate from 2.0% (beginning-of-year measurement) to 3.9% (end-of-year measurement)

# SUPPLEMENTARY INFORMATION

**NEOSHO COUNTY COMMUNITY COLLEGE**
Chanute, Kansas
Combining Schedule of Net Position - Primary Institution
June 30, 2023

| ASSETS | GENERAL | POSTSECONDARY TECHNICAL EDUCATION | ADULT EDUCATION | ADULT SUPPLEMENTAL EDUCATION | AUXILIARY ENTERPRISE STUDENT UNION | AUXILIARY ENTERPRISE BOOKSTORE | FEDERAL WORK STUDY | SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANT | PELL GRANT |
|---|---|---|---|---|---|---|---|---|---|
| Current Assets | | | | | | | | | |
| Cash and Cash Equivalents | $ 2,861,210.52 | $ 464,530.33 | $ 133,587.85 | $ 24,470.85 | $ 1,173,768.20 | $ 1,024,875.25 | $ 650.21 | $ 71.00 | $ (1,058.00) |
| Receivables | | | | | | | | | |
| Taxes in Process | 386,425.00 | - | - | - | - | - | - | - | - |
| Federal | - | - | - | - | - | - | 2,636.27 | - | 3,939.00 |
| Other | 61,465.36 | 66,210.83 | - | 55.00 | 86,003.24 | 38,846.72 | - | - | - |
| Inventories | - | - | - | - | - | 501,421.36 | - | - | - |
| Total Current Assets | 3,309,100.88 | 530,741.16 | 133,587.85 | 24,525.85 | 1,259,771.44 | 1,565,143.33 | 3,286.48 | 71.00 | 2,881.00 |
| Noncurrent Assets | | | | | | | | | |
| Capital Assets, Net | - | - | - | - | - | - | - | - | - |
| Lease Assets, Net | - | - | - | - | - | - | - | - | - |
| Subscription Assets, Net | - | - | - | - | - | - | - | - | - |
| Total Noncurrent Assets | - | - | - | - | - | - | - | - | - |
| TOTAL ASSETS | 3,309,100.88 | 530,741.16 | 133,587.85 | 24,525.85 | 1,259,771.44 | 1,565,143.33 | 3,286.48 | 71.00 | 2,881.00 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | | | | | |
| Pension Related Deferred Outflows | 152,272.00 | - | - | - | - | - | - | - | - |
| LIABILITIES | | | | | | | | | |
| Current Liabilities | | | | | | | | | |
| Accounts Payable | 409,378.51 | 56,266.03 | 15,099.12 | - | 4,006.02 | 3,120.05 | - | - | 3,939.00 |
| Deferred Revenue | 392,624.00 | 8,666.00 | - | - | - | 825.00 | - | - | - |
| Deposits Held in Custody for Others | - | - | - | - | 10,823.00 | - | - | - | - |
| Accrued Interest Expense | 10,780.00 | - | - | - | 7,727.12 | - | - | - | - |
| Current Portion of: | | | | | | | | | |
| Lease Liabilities | - | - | - | - | - | - | - | - | - |
| Financing Lease Payable | - | - | - | - | - | - | - | - | - |
| Subscription Liability | - | - | - | - | - | - | - | - | - |
| Total Current Liabilities | 812,782.51 | 64,932.03 | 15,099.12 | - | 22,556.14 | 3,945.05 | - | - | 3,939.00 |
| Noncurrent Liabilities | | | | | | | | | |
| Accrued Vacation | 404,032.61 | 77,913.81 | 35,713.70 | - | 2,151.52 | 9,025.97 | - | - | - |
| OPEB Obligations | 424,895.00 | - | - | - | - | - | - | - | - |
| Lease Liabilities | - | - | - | - | - | - | - | - | - |
| Financing Lease Payable | - | - | - | - | - | - | - | - | - |
| Subscription Liability | - | - | - | - | - | - | - | - | - |
| Total Noncurrent Liabilities | 828,927.61 | 77,913.81 | 35,713.70 | - | 2,151.52 | 9,025.97 | - | - | - |
| TOTAL LIABILITIES | 1,641,710.12 | 142,845.84 | 50,812.82 | - | 24,707.66 | 12,971.02 | - | - | 3,939.00 |
| DEFERRED INFLOWS OF RESOURCES | | | | | | | | | |
| Pension Related Deferred Inflows | 353,856.00 | - | - | - | - | - | - | - | - |
| NET POSITION | | | | | | | | | |
| Invested in Capital Assets, Net of Related Debt | - | - | - | - | - | - | - | - | - |
| Unrestricted Net Position | 1,465,806.76 | 387,895.32 | 82,775.03 | 24,525.85 | 1,235,063.78 | 1,552,172.31 | 3,286.48 | 71.00 | (1,058.00) |
| TOTAL NET POSITION | $ 1,465,806.76 | $ 387,895.32 | $ 82,775.03 | $ 24,525.85 | $ 1,235,063.78 | $ 1,552,172.31 | $ 3,286.48 | $ 71.00 | $ (1,058.00) |

**NEOSHO COUNTY COMMUNITY COLLEGE**
Chanute, Kansas
Combining Schedule of Net Position - Primary Institution
June 30, 2023

| ASSETS | DIRECT LOANS | TITLE III | OTHER GRANT FUNDS | BARBEE LIBRARY BEQUEST | ALL-FAITH CHAPEL | RETIREMENT OF INDEBTEDNESS | INVESTMENT IN PLANT | AGENCY FUNDS | TOTALS - PRIMARY INSTITUTION |
|---|---|---|---|---|---|---|---|---|---|
| Current Assets | | | | | | | | | |
| Cash and Cash Equivalents | $ - | $ (1,739.99) | $ 39,316.17 | $ 1,029.96 | $ 205.64 | $ 83,454.43 | $ - | $ 484,857.18 | $ 6,289,229.60 |
| Receivables | | | | | | | | | |
| Taxes in Process | - | - | - | - | - | - | - | - | 386,425.00 |
| Federal | 12,013.00 | 54,382.99 | 951,002.08 | - | - | - | - | - | 1,023,973.34 |
| Other | - | - | - | - | - | - | - | 75,068.89 | 327,650.04 |
| Inventories | - | - | - | - | - | - | - | - | 501,421.36 |
| Total Current Assets | 12,013.00 | 52,643.00 | 990,318.25 | 1,029.96 | 205.64 | 83,454.43 | - | 559,926.07 | 8,528,699.34 |
| Noncurrent Assets | | | | | | | | | |
| Capital Assets, Net | - | - | - | - | - | - | 21,512,487.34 | - | 21,512,487.34 |
| Lease Assets, Net | - | - | - | - | - | - | 43,813.27 | - | 43,813.27 |
| Subscription Assets, Net | - | - | - | - | - | - | 173,757.97 | - | 173,757.97 |
| Total Noncurrent Assets | - | - | - | - | - | - | 21,730,058.58 | - | 21,730,058.58 |
| TOTAL ASSETS | 12,013.00 | 52,643.00 | 990,318.25 | 1,029.96 | 205.64 | 83,454.43 | 21,730,058.58 | 559,926.07 | 30,258,757.92 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | | | | | |
| Pension Related Deferred Outflows | - | - | - | - | - | - | - | - | 152,272.00 |
| LIABILITIES | | | | | | | | | |
| Current Liabilities | | | | | | | | | |
| Accounts Payable | 12,013.00 | 1,388.00 | 894,479.87 | - | - | - | - | 62,530.91 | 1,462,220.51 |
| Deferred Revenue | - | - | 13,906.22 | - | - | - | - | - | 416,021.22 |
| Deposits Held in Custody for Others | - | - | - | - | - | - | - | 497,395.16 | 508,218.16 |
| Accrued Interest Expense | - | - | - | - | - | 44,265.72 | 55.70 | - | 62,828.54 |
| Current Portion of: | | | | | | | | | |
| Lease Liabilities | - | - | - | - | - | - | 17,462.63 | - | 17,462.63 |
| Financing Lease Payable | - | - | - | - | - | - | 1,069,093.64 | - | 1,069,093.64 |
| Subscription Liability | - | - | - | - | - | - | 51,372.81 | - | 51,372.81 |
| Total Current Liabilities | 12,013.00 | 1,388.00 | 908,386.09 | - | - | 44,265.72 | 1,137,984.78 | 559,926.07 | 3,587,217.51 |
| Noncurrent Liabilities | | | | | | | | | |
| Accrued Vacation | - | - | - | - | - | - | - | - | 528,837.61 |
| OPEB Obligations | - | - | - | - | - | - | - | - | 424,895.00 |
| Lease Liabilities | - | - | - | - | - | - | 30,077.92 | - | 30,077.92 |
| Financing Lease Payable | - | - | - | - | - | - | 6,157,953.42 | - | 6,157,953.42 |
| Subscription Liability | - | - | - | - | - | - | 99,468.88 | - | 99,468.88 |
| Total Noncurrent Liabilities | - | - | - | - | - | - | 6,287,500.22 | - | 7,241,232.83 |
| TOTAL LIABILITIES | 12,013.00 | 1,388.00 | 908,386.09 | - | - | 44,265.72 | 7,425,485.00 | 559,926.07 | 10,828,450.34 |
| DEFERRED INFLOWS OF RESOURCES | | | | | | | | | |
| Pension Related Deferred Inflows | - | - | - | - | - | - | - | - | 353,856.00 |
| NET POSITION | | | | | | | | | |
| Invested in Capital Assets, Net of Related Debt | - | - | - | - | - | - | 14,304,573.58 | - | 14,304,573.58 |
| Unrestricted Net Position | - | 51,255.00 | 81,932.16 | 1,029.96 | 205.64 | 39,188.71 | - | - | 4,924,150.00 |
| TOTAL NET POSITION | $ - | $ 51,255.00 | $ 81,932.16 | $ 1,029.96 | $ 205.64 | $ 39,188.71 | $ 14,304,573.58 | $ - | $ 19,228,723.58 |

**NEOSHO COUNTY COMMUNITY COLLEGE**
Chanute, Kansas
Combining Schedule of Revenues, Expenses, and Changes in Net Position - Primary Institution
For the Year Ended June 30, 2023

| | GENERAL | POSTSECONDARY TECHNICAL EDUCATION | ADULT EDUCATION | ADULT SUPPLEMENTAL EDUCATION | AUXILIARY ENTERPRISE STUDENT UNION | AUXILIARY ENTERPRISE BOOKSTORE | FEDERAL WORK STUDY | SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANT | PELL GRANT |
|---|---|---|---|---|---|---|---|---|---|
| REVENUES | | | | | | | | | |
| Operating Revenues | | | | | | | | | |
| Student Tuition and Fees | $ 2,824,298.49 | $ 2,500,333.38 | $ 1,220.00 | $ 37,078.13 | $ 110,775.25 | $ - | $ - | $ - | $ - |
| Federal Grants and Contracts | 106,738.08 | - | 219,681.28 | - | - | - | 20,415.86 | 46,427.00 | - |
| State Grants and Contracts | 1,081,646.70 | - | 67,759.66 | - | - | - | - | - | - |
| Sales and Services of Auxiliary Enterprises | - | - | - | - | 1,616,262.55 | 715,756.26 | - | - | - |
| Other Operating Revenues | 646,746.20 | 695.00 | 175,670.00 | - | | - | - | - | - |
| Total Operating Revenues | 4,659,429.47 | 2,501,028.38 | 464,330.94 | 37,078.13 | 1,727,037.80 | 715,756.26 | 20,415.86 | 46,427.00 | - |
| EXPENSES | | | | | | | | | |
| Educational and General | | | | | | | | | |
| Instruction | 1,902,573.87 | 4,454,452.17 | 467,345.42 | 12,607.28 | - | - | - | - | - |
| Public Service | 3,742.86 | - | - | - | - | - | - | - | - |
| Academic Support | 883,852.46 | 226,978.51 | - | - | - | - | - | - | - |
| Student Services | 2,075,332.95 | 264,494.86 | - | - | - | - | - | - | - |
| Institutional Support | 4,007,705.00 | 498,129.30 | - | - | - | - | - | - | - |
| Operation and Maintenance | 1,798,453.35 | 818,622.23 | - | - | - | - | - | - | - |
| Scholarships and Awards | 639,860.25 | 663,405.75 | - | - | - | - | 17,232.86 | 46,427.00 | 1,468,587.00 |
| Auxiliary Enterprises | - | - | - | - | 1,331,790.60 | 775,197.39 | - | - | - |
| Subscription Expense | 36,913.95 | - | - | - | - | - | - | - | - |
| Lease Expense | 54,051.62 | - | - | - | - | - | - | - | - |
| Depreciation Expense | - | - | - | - | - | - | - | - | - |
| Total Operating Expenses | 11,402,486.31 | 6,926,082.82 | 467,345.42 | 12,607.28 | 1,331,790.60 | 775,197.39 | 17,232.86 | 46,427.00 | 1,468,587.00 |
| Operating Income (Loss) | (6,743,056.84) | (4,425,054.44) | (3,014.48) | 24,470.85 | 395,247.20 | (59,441.13) | 3,183.00 | - | (1,468,587.00) |
| Nonoperating Revenues (Expenses) | | | | | | | | | |
| State Appropriations | 2,068,300.00 | 1,616,890.00 | - | - | - | - | - | - | - |
| Federal Pell Grants | - | - | - | - | - | - | - | - | 1,467,127.00 |
| County Appropriations | 5,761,238.72 | - | 2.66 | - | - | - | - | - | - |
| Gifts | 17,000.00 | 198,319.85 | - | - | - | - | - | - | - |
| Investment Income | 47,406.88 | - | - | - | 1,119.96 | - | - | - | - |
| Debt Service | (744,120.21) | - | - | - | (521,254.82) | - | - | - | - |
| Gain (Loss) on Sale of Asset | 14.00 | - | - | - | - | - | - | - | - |
| Operating Transfers | (2,116,541.85) | 2,637,849.35 | 27,400.00 | - | (324,000.00) | (225,000.00) | - | - | - |
| Net Nonoperating Revenues (Expenses) | 5,033,297.54 | 4,453,059.20 | 27,402.66 | - | (844,134.86) | (225,000.00) | - | - | 1,467,127.00 |
| Increase (Decrease) in Net Position | (1,709,759.30) | 28,004.76 | 24,388.18 | 24,470.85 | (448,887.66) | (284,441.13) | 3,183.00 | - | (1,460.00) |
| Net Position - Beginning of Year | 3,175,566.06 | 359,890.56 | 58,386.85 | 55.00 | 1,683,951.44 | 1,836,613.44 | 103.48 | 71.00 | 402.00 |
| Net Position - End of Year | $ 1,465,806.76 | $ 387,895.32 | $ 82,775.03 | $ 24,525.85 | $ 1,235,063.78 | $ 1,552,172.31 | $ 3,286.48 | $ 71.00 | $ (1,058.00) |

**NEOSHO COUNTY COMMUNITY COLLEGE**
Chanute, Kansas
Combining Schedule of Revenues, Expenses, and Changes in Net Position - Primary Institution
For the Year Ended June 30, 2023

| | DIRECT LOANS | TITLE III | OTHER GRANT FUNDS | BARBEE LIBRARY BEQUEST | ALL-FAITH CHAPEL | RETIREMENT OF INDEBTEDNESS | INVESTMENT IN PLANT | SUB-TOTAL PRIMARY INSTITUTION | ELIMINATING INTER-COMPANY SCHOLARSHIPS | TOTALS - PRIMARY INSTITUTION |
|---|---|---|---|---|---|---|---|---|---|---|
| REVENUES | | | | | | | | | | |
| Operating Revenues | | | | | | | | | | |
| Student Tuition and Fees | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 5,473,705.25 | $ (1,497,984.21) | $ 3,975,721.04 |
| Federal Grants and Contracts | 715,951.00 | 578,649.39 | 4,078,233.44 | - | - | - | - | 5,766,096.05 | (715,951.00) | 5,050,145.05 |
| State Grants and Contracts | - | - | 411,343.32 | - | - | - | - | 1,560,749.68 | - | 1,560,749.68 |
| Sales and Services of Auxiliary Enterprises | - | - | - | - | - | - | - | 2,332,018.81 | - | 2,332,018.81 |
| Other Operating Revenues | - | - | - | - | - | - | - | 823,111.20 | - | 823,111.20 |
| Total Operating Revenues | 715,951.00 | 578,649.39 | 4,489,576.76 | - | - | - | - | 15,955,680.99 | (2,213,935.21) | 13,741,745.78 |
| EXPENSES | | | | | | | | | | |
| Educational and General | | | | | | | | | | |
| Instruction | - | - | - | - | - | - | (1,298,172.16) | 5,538,806.58 | - | 5,538,806.58 |
| Public Service | - | - | - | - | - | - | - | 3,742.86 | - | 3,742.86 |
| Academic Support | - | - | - | - | - | - | (3,245.00) | 1,107,585.97 | - | 1,107,585.97 |
| Student Services | - | 527,394.39 | 2,798,006.12 | - | - | - | (963,061.35) | 4,702,166.97 | - | 4,702,166.97 |
| Institutional Support | - | - | - | - | - | - | (18,013.00) | 4,487,821.30 | - | 4,487,821.30 |
| Operation and Maintenance | - | - | - | - | - | 93,500.00 | (879,467.24) | 1,831,108.34 | - | 1,831,108.34 |
| Scholarships and Awards | 715,951.00 | - | 1,692,781.17 | - | - | - | - | 5,244,245.03 | (2,213,935.21) | 3,030,309.82 |
| Auxiliary Enterprises | - | - | - | - | - | - | (204,413.17) | 1,902,574.82 | - | 1,902,574.82 |
| Subscription Expense | - | - | - | - | - | - | (3,068.46) | 33,845.49 | - | 33,845.49 |
| Lease Expense | - | - | - | - | - | - | (20,470.03) | 33,581.59 | - | 33,581.59 |
| Depreciation Expense | - | - | - | - | - | - | 1,232,067.80 | 1,232,067.80 | - | 1,232,067.80 |
| Total Operating Expenses | 715,951.00 | 527,394.39 | 4,490,787.29 | - | - | 93,500.00 | (2,157,842.61) | 26,117,546.75 | (2,213,935.21) | 23,903,611.54 |
| Operating Income (Loss) | - | 51,255.00 | (1,210.53) | - | - | (93,500.00) | 2,157,842.61 | (10,161,865.76) | - | (10,161,865.76) |
| Nonoperating Revenues (Expenses) | | | | | | | | | | |
| State Appropriations | - | - | - | - | - | - | - | 3,685,190.00 | - | 3,685,190.00 |
| Federal Pell Grants | - | - | - | - | - | - | - | 1,467,127.00 | - | 1,467,127.00 |
| County Appropriations | - | - | - | - | - | - | - | 5,761,241.38 | - | 5,761,241.38 |
| Gifts | - | - | - | - | - | 93,500.00 | - | 308,819.85 | - | 308,819.85 |
| Investment Income | - | - | - | - | - | - | - | 48,526.84 | - | 48,526.84 |
| Debt Service | - | - | - | - | - | (4,120.00) | 1,037,541.37 | (231,953.66) | - | (231,953.66) |
| Gain (Loss) on Sale of Asset | - | - | - | - | - | - | (3,026.99) | (3,012.99) | - | (3,012.99) |
| Operating Transfers | - | - | 292.50 | - | - | - | - | - | - | - |
| Net Nonoperating Revenues (Expenses) | - | - | 292.50 | - | - | 89,380.00 | 1,034,514.38 | 11,035,938.42 | - | 11,035,938.42 |
| Increase (Decrease) in Net Position | - | 51,255.00 | (918.03) | - | - | (4,120.00) | 3,192,356.99 | 874,072.66 | - | 874,072.66 |
| Net Position - Beginning of Year | - | - | 82,850.19 | 1,029.96 | 205.64 | 43,308.71 | 11,112,216.59 | 18,354,650.92 | - | 18,354,650.92 |
| Net Position - End of Year | $ - | $ 51,255.00 | $ 81,932.16 | $ 1,029.96 | $ 205.64 | $ 39,188.71 | $ 14,304,573.58 | $ 19,228,723.58 | $ - | $ 19,228,723.58 |

**NEOSHO COUNTY COMMUNITY COLLEGE**
Chanute, Kansas

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

For the Year Ended June 30, 2023

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

**NEOSHO COUNTY COMMUNITY COLLEGE**
Chanute, Kansas
Schedule of Revenues, Expenditures and Changes
in Unencumbered Cash - Budget and Actual
Current Funds - Unrestricted
General Fund - Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Amounts for the Year Ended June 30, 2022)

| | | Current Year | | | | |
|---|---|---|---|---|---|---|
| | Prior Year Budget Basis | Actual GAAP Basis | Adjustments Budget Basis | Actual Budget Basis | Budget | Variance Over (Under) |
| REVENUES | | | | | | |
| Student Tuition and Fees | | | | | | |
| Student Tuition | $ 1,422,694.84 | $ 1,720,571.66 | $ (50,673.90) | $ 1,669,897.76 | $ 1,889,507.00 | $ (219,609.24) |
| Other Student Fees | 1,370,829.46 | 1,103,726.83 | - | 1,103,726.83 | 1,265,019.00 | (161,292.17) |
| Total Student Tuition and Fees | 2,793,524.30 | 2,824,298.49 | (50,673.90) | 2,773,624.59 | 3,154,526.00 | (380,901.41) |
| Federal Sources | | | | | | |
| Federal Grant Administration | 95,527.27 | 106,738.08 | - | 106,738.08 | 109,500.00 | (2,761.92) |
| State Sources | | | | | | |
| State Operating Grant | 1,639,180.00 | 2,068,300.00 | - | 2,068,300.00 | 2,068,300.00 | - |
| Other State Sources | 248,362.00 | 1,081,646.70 | (1,081,646.70) | - | - | - |
| Total State Sources | 1,887,542.00 | 3,149,946.70 | (1,081,646.70) | 2,068,300.00 | 2,068,300.00 | - |
| Local Sources | | | | | | |
| Ad Valorem Tax | 4,808,353.59 | 4,922,549.01 | - | 4,922,549.01 | 5,538,587.00 | (616,037.99) |
| Motor Vehicle Tax | 626,753.26 | 628,399.91 | - | 628,399.91 | 674,322.00 | (45,922.09) |
| Commercial Vehicle Tax | 24,954.31 | 34,008.18 | - | 34,008.18 | - | 34,008.18 |
| Rental Motor Vehicle Tax | 2,366.96 | 557.63 | - | 557.63 | - | 557.63 |
| Recreational Vehicle Tax | 5,796.41 | 7,519.66 | - | 7,519.66 | 8,603.00 | (1,083.34) |
| 16M-20M Truck Tax | 24,724.92 | 23,056.03 | - | 23,056.03 | - | 23,056.03 |
| Delinquent Tax | 220,340.94 | 145,148.30 | - | 145,148.30 | 85,000.00 | 60,148.30 |
| Total Local Sources | 5,713,290.39 | 5,761,238.72 | - | 5,761,238.72 | 6,306,512.00 | (545,273.28) |
| Use of Property and Money | | | | | | |
| Interest | 11,284.13 | 47,081.88 | - | 47,081.88 | 15,000.00 | 32,081.88 |
| Facilities Use | 1,900.00 | 325.00 | - | 325.00 | - | 325.00 |
| Capital Lease Proceeds | - | - | - | - | - | - |
| Sale of Property | 280.40 | 14.00 | - | 14.00 | - | 14.00 |
| Total Use of Property and Money | 13,464.53 | 47,420.88 | - | 47,420.88 | 15,000.00 | 32,420.88 |
| Other Sources | | | | | | |
| Commissions | 7,423.17 | 12,469.80 | - | 12,469.80 | - | 12,469.80 |
| Gifts | 31,000.00 | 17,000.00 | - | 17,000.00 | 25,000.00 | (8,000.00) |
| Miscellaneous | 65,041.60 | 62,064.07 | - | 62,064.07 | 428,300.00 | (366,235.93) |
| Reimbursements | 324,078.99 | 572,212.33 | - | 572,212.33 | - | 572,212.33 |
| Total Other Sources | 427,543.76 | 663,746.20 | - | 663,746.20 | 453,300.00 | 210,446.20 |
| Operating Transfers from: | | | | | | |
| Auxiliary Enterprise Student Union Fund | 24,000.00 | 324,000.00 | - | 324,000.00 | - | 324,000.00 |
| Auxiliary Enterprise Bookstore Fund | 225,000.00 | 225,000.00 | - | 225,000.00 | - | 225,000.00 |
| Total Operating Transfers | 249,000.00 | 549,000.00 | - | 549,000.00 | - | 549,000.00 |
| TOTAL REVENUES | 11,179,892.25 | 13,102,389.07 | (1,132,320.60) | 11,970,068.47 | 12,107,138.00 | (137,069.53) |

**NEOSHO COUNTY COMMUNITY COLLEGE**
Chanute, Kansas
Schedule of Revenues, Expenditures and Changes
in Unencumbered Cash - Budget and Actual
Current Funds - Unrestricted
General Fund - Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Amounts for the Year Ended June 30, 2022)

| | | Current Year | | | | |
|---|---|---|---|---|---|---|
| | Prior Year Budget Basis | Actual GAAP Basis | Adjustments Budget Basis | Actual Budget Basis | Budget | Variance Over (Under) |
| EXPENDITURES | | | | | | |
| Instruction | $ 1,944,302.09 | $ 1,902,573.87 | $ 11,851.45 | $ 1,914,425.32 | $ 2,600,585.00 | $ (686,159.68) |
| Public Service | 2,817.00 | 3,742.86 | - | 3,742.86 | 4,350.00 | (607.14) |
| Academic Support | 728,358.52 | 883,852.46 | (21,552.06) | 862,300.40 | 1,157,518.00 | (295,217.60) |
| Student Services | 1,893,977.18 | 2,075,332.95 | (10,639.63) | 2,064,693.32 | 2,414,389.00 | (349,695.68) |
| Institutional Support | 2,579,899.46 | 4,007,705.00 | (1,177,074.86) | 2,830,630.14 | 4,047,750.00 | (1,217,119.86) |
| Operation and Maintenance | 1,969,766.06 | 1,798,453.35 | (8,181.67) | 1,790,271.68 | 2,342,031.00 | (551,759.32) |
| Scholarships | 456,690.78 | 639,860.25 | - | 639,860.25 | 800,790.00 | (160,929.75) |
| Subscription Expense | - | 36,913.95 | - | 36,913.95 | - | 36,913.95 |
| Lease Expense | 12,944.16 | 54,051.62 | (10,780.00) | 43,271.62 | - | 43,271.62 |
| Debt Service | | | | | | |
| Principal | 654,089.47 | 632,541.37 | - | 632,541.37 | - | 632,541.37 |
| Interest | 132,173.43 | 111,578.84 | - | 111,578.84 | - | 111,578.84 |
| Operating Transfers to: | | | | | | |
| Postsecondary Technical Education Fund | 1,113,461.74 | 2,637,849.35 | - | 2,637,849.35 | - | 2,637,849.35 |
| Other Grants Fund | - | 292.50 | - | 292.50 | - | 292.50 |
| Adult Education Fund | 27,400.00 | 27,400.00 | - | 27,400.00 | 27,400.00 | - |
| Total Certified Budget | | | | | 13,394,813.00 | 200,958.60 |
| Adjustments for Qualifying Budget Credits | | | | | 589,212.33 | (589,212.33) |
| TOTAL EXPENDITURES | 11,515,879.89 | 14,812,148.37 | (1,216,376.77) | 13,595,771.60 | 13,984,025.33 | (388,253.73) |
| Excess of Revenues Over (Under) Expenditures and Other Additions (Deductions) | (335,987.64) | (1,709,759.30) | 84,056.17 | (1,625,703.13) | (1,287,675.00) | 251,184.20 |
| Unencumbered Cash - Beginning of Year | 4,410,886.51 | 3,175,566.06 | 899,332.81 | 4,074,898.87 | 4,357,510.00 | (282,611.13) |
| End of Year | $ 4,074,898.87 | $ 1,465,806.76 | $ 983,388.98 | $ 2,449,195.74 | $ 3,069,835.00 | $ 533,795.33 |

**NEOSHO COUNTY COMMUNITY COLLEGE**
Chanute, Kansas
Schedule of Revenues, Expenditures and Changes
in Unencumbered Cash - Budget and Actual
Current Funds - Unrestricted
Postsecondary Technical Education Fund - Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Amounts for the Year Ended June 30, 2022)

| | | Current Year | | | | |
|---|---|---|---|---|---|---|
| | Prior Year Budget Basis | Actual GAAP Basis | Adjustments Budget Basis | Actual Budget Basis | Budget | Variance Over (Under) |
| REVENUES | | | | | | |
| Student Tuition and Fees | | | | | | |
| Student Tuition | $ 2,031,721.44 | $ 2,412,522.50 | $ 2,861.55 | $ 2,415,384.05 | $ 2,492,224.00 | $ (76,839.95) |
| Other Student Fees | 425,219.37 | 87,810.88 | - | 87,810.88 | 70,000.00 | 17,810.88 |
| Total Student Tuition and Fees | 2,456,940.81 | 2,500,333.38 | 2,861.55 | 2,503,194.93 | 2,562,224.00 | (59,029.07) |
| State Sources | | | | | | |
| State Operating Grant | 1,387,305.00 | 1,387,305.00 | - | 1,387,305.00 | 1,387,305.00 | - |
| Other State Sources | 192,561.00 | 229,585.00 | - | 229,585.00 | 204,000.00 | 25,585.00 |
| Total State Sources | 1,579,866.00 | 1,616,890.00 | - | 1,616,890.00 | 1,591,305.00 | 25,585.00 |
| Other Sources | | | | | | |
| Gifts | 1,474,144.37 | 198,319.85 | - | 198,319.85 | 1,000,000.00 | (801,680.15) |
| Other Income | - | 695.00 | - | 695.00 | - | 695.00 |
| Total Other Sources | 1,474,144.37 | 199,014.85 | - | 199,014.85 | 1,000,000.00 | (800,985.15) |
| Operating Transfer from General Fund | 1,113,461.74 | 2,637,849.35 | - | 2,637,849.35 | 1,344,043.00 | 1,293,806.35 |
| TOTAL REVENUES | 6,624,412.92 | 6,954,087.58 | 2,861.55 | 6,956,949.13 | 6,497,572.00 | 459,377.13 |
| EXPENDITURES | | | | | | |
| Instruction | 5,251,670.60 | 4,454,452.17 | (7,914.42) | 4,446,537.75 | 3,480,572.00 | 965,965.75 |
| Academic Support | 180,863.52 | 226,978.51 | - | 226,978.51 | 240,000.00 | (13,021.49) |
| Student Services | 269,416.26 | 264,494.86 | - | 264,494.86 | 475,000.00 | (210,505.14) |
| Institutional Support | 496,771.20 | 498,129.30 | - | 498,129.30 | 648,000.00 | (149,870.70) |
| Operation and Maintenance | 619,711.54 | 818,622.23 | - | 818,622.23 | 1,450,000.00 | (631,377.77) |
| Scholarships | 583,021.76 | 663,405.75 | - | 663,405.75 | 204,000.00 | 459,405.75 |
| Total Certified Budget | | | | | 6,497,572.00 | 420,596.40 |
| Adjustments for Qualifying Budget Credits | | | | | 427,904.85 | (427,904.85) |
| TOTAL EXPENDITURES | 7,401,454.88 | 6,926,082.82 | (7,914.42) | 6,918,168.40 | 6,925,476.85 | (7,308.45) |
| Excess of Revenues Over (Under) Expenditures | (777,041.96) | 28,004.76 | 10,775.97 | 38,780.73 | - | 466,685.58 |
| Unencumbered Cash - Beginning of Year | 1,146,525.53 | 359,890.56 | 9,593.01 | 369,483.57 | - | 369,483.57 |
| End of Year | $ 369,483.57 | $ 387,895.32 | $ 20,368.98 | $ 408,264.30 | $ - | $ 408,264.30 |

**NEOSHO COUNTY COMMUNITY COLLEGE**
Chanute, Kansas
Schedule of Revenues, Expenditures and Changes
in Unencumbered Cash - Budget and Actual
Current Funds - Unrestricted
Adult Education Fund - Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Amounts for the Year Ended June 30, 2022)

| | | Current Year | | | | |
|---|---|---|---|---|---|---|
| | Prior Year Budget Basis | Actual GAAP Basis | Adjustments Budget Basis | Actual Budget Basis | Budget | Variance Over (Under) |
| REVENUES | | | | | | |
| Student Tuition and Fees | | | | | | |
| Other Student Fees | $ 544.00 | $ 1,220.00 | $ - | $ 1,220.00 | $ 19,000.00 | $ (17,780.00) |
| Federal Sources | | | | | | |
| Adult Basic Education Grant | 213,622.77 | 219,681.28 | - | 219,681.28 | 217,515.00 | 2,166.28 |
| State Sources | | | | | | |
| Adult Basic Education Grant | 68,504.02 | 67,759.66 | - | 67,759.66 | 65,963.00 | 1,796.66 |
| Local Sources | | | | | | |
| Delinquent Tax | 1.07 | 2.66 | - | 2.66 | - | 2.66 |
| Other Sources | | | | | | |
| Miscellaneous | 175,670.00 | 175,670.00 | - | 175,670.00 | 200,000.00 | (24,330.00) |
| Operating Transfers from | | | | | | |
| General Fund | 27,400.00 | 27,400.00 | - | 27,400.00 | - | 27,400.00 |
| TOTAL REVENUES | 485,741.86 | 491,733.60 | - | 491,733.60 | 502,478.00 | (10,744.40) |
| EXPENDITURES | | | | | | |
| Instruction | 439,556.94 | 467,345.42 | (10,915.48) | 456,429.94 | 592,228.00 | (135,798.06) |
| TOTAL EXPENDITURES | 439,556.94 | 467,345.42 | (10,915.48) | 456,429.94 | 592,228.00 | (135,798.06) |
| Excess of Revenues Over (Under) Expenditures | 46,184.92 | 24,388.18 | 10,915.48 | 35,303.66 | (89,750.00) | 125,053.66 |
| Unencumbered Cash Beginning of Year | 37,000.15 | 58,386.85 | 24,798.22 | 83,185.07 | 63,334.00 | 19,851.07 |
| End of Year | $ 83,185.07 | $ 82,775.03 | $ 35,713.70 | $ 118,488.73 | $ (26,416.00) | $ 144,904.73 |

**NEOSHO COUNTY COMMUNITY COLLEGE**
Chanute, Kansas
Schedule of Revenues, Expenditures and Changes
in Unencumbered Cash - Budget and Actual
Current Funds - Unrestricted
Adult Supplemental Education Fund - Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Amounts for the Year Ended June 30, 2022)

| | | Current Year | | | | |
|---|---|---|---|---|---|---|
| | Prior Year Budget Basis | Actual GAAP Basis | Adjustments Budget Basis | Actual Budget Basis | Budget | Variance Over (Under) |
| REVENUES | | | | | | |
| Student Tuition and Fees | | | | | | |
| Course Fees | $ 283.76 | $ 37,078.13 | $ - | $ 37,078.13 | $ 40,000.00 | $ (2,921.87) |
| TOTAL REVENUES | 283.76 | 37,078.13 | - | 37,078.13 | 40,000.00 | (2,921.87) |
| EXPENDITURES | | | | | | |
| Instruction | 36,419.87 | 12,607.28 | - | 12,607.28 | 76,325.00 | (63,717.72) |
| TOTAL EXPENDITURES | 36,419.87 | 12,607.28 | - | 12,607.28 | 76,325.00 | (63,717.72) |
| Excess of Revenues Over (Under) Expenditures | (36,136.11) | 24,470.85 | - | 24,470.85 | (36,325.00) | 60,795.85 |
| Unencumbered Cash Beginning of Year | 36,136.11 | 55.00 | (55.00) | - | 36,325.00 | 36,325.00 |
| End of Year | $ - | $ 24,525.85 | $ (55.00) | $ 24,470.85 | $ - | $ 24,470.85 |

**NEOSHO COUNTY COMMUNITY COLLEGE**
Chanute, Kansas
Schedule of Revenues, Expenditures, and Changes
in Unencumbered Cash - Budget and Actual
Current Funds - Unrestricted
Auxiliary Enterprise Funds (Regulatory Basis)
For the Year Ended June 30, 2023
(With Comparative Actual Amounts for the Year Ended June 30, 2022)

| | Prior Year | Current Year | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Total Auxiliary Enterprise Funds Budget Basis | Bookstore GAAP | Student Union And Dorm GAAP | Total Auxiliary Enterprise Funds GAAP | Adjustments To Budget Basis | Total Auxiliary Enterprise Funds Budget Basis | Final Budget | Variance Under (Over) |
| REVENUES | | | | | | | | |
| Sales and Services of Auxiliary Enterprises | $ 2,007,262.74 | $ 668,752.34 | $ 1,610,793.58 | $ 2,279,545.92 | $ 57,961.96 | $ 2,337,507.88 | $ 2,017,500.00 | $ 320,007.88 |
| Student Sources | | | | | | | | |
| Student Fees | 104,921.50 | - | 110,775.25 | 110,775.25 | - | 110,775.25 | - | 110,775.25 |
| Use of Property and Money | | | | | | | | |
| Interest | 98.67 | - | 1,119.96 | 1,119.96 | - | 1,119.96 | - | 1,119.96 |
| Local Sources | | | | | | | | |
| Other Income | - | - | - | - | - | - | - | - |
| Other Sources | | | | | | | | |
| Miscellaneous | 69,519.74 | 47,003.92 | 2,903.26 | 49,907.18 | - | 49,907.18 | - | 49,907.18 |
| Commissions | 2,059.06 | - | 2,565.71 | 2,565.71 | - | 2,565.71 | - | 2,565.71 |
| TOTAL REVENUES | 2,183,861.71 | 715,756.26 | 1,728,157.76 | 2,443,914.02 | 57,961.96 | 2,501,875.98 | 2,017,500.00 | 484,375.98 |
| EXPENDITURES | | | | | | | | |
| Auxiliary Enterprise | | | | | | | | |
| Salaries and Benefits | 257,587.56 | 163,304.33 | 137,743.83 | 301,048.16 | (5,203.17) | 295,844.99 | 275,000.00 | 20,844.99 |
| General Operating Expense | 1,170,981.52 | 67,646.38 | 798,604.93 | 866,251.31 | - | 866,251.31 | 650,000.00 | 216,251.31 |
| Supplies | - | 570.78 | 14,669.76 | 15,240.54 | - | 15,240.54 | 20,000.00 | (4,759.46) |
| Cost of Goods Sold | - | 457,161.43 | - | 457,161.43 | 2,980.44 | 460,141.87 | 575,000.00 | (114,858.13) |
| Equipment | 80,821.15 | 86,514.47 | 157,782.64 | 244,297.11 | - | 244,297.11 | 200,000.00 | 44,297.11 |
| Capital Outlay | 89,780.49 | - | 222,989.44 | 222,989.44 | - | 222,989.44 | 2,470,531.00 | (2,247,541.56) |
| Debt Service | 524,081.26 | - | 521,254.82 | 521,254.82 | 976.44 | 522,231.26 | 522,231.00 | 0.26 |
| Operating Transfers to (from) | | | | | | | | |
| General Funds | 249,000.00 | 225,000.00 | 324,000.00 | 549,000.00 | - | 549,000.00 | - | 549,000.00 |
| TOTAL EXPENDITURES | 2,372,251.98 | 1,000,197.39 | 2,177,045.42 | 3,177,242.81 | (1,246.29) | 3,175,996.52 | 4,712,762.00 | (1,536,765.48) |
| Excess of Revenues Over (Under) Expenditures and Other Additions (Deductions) | (188,390.27) | (284,441.13) | (448,887.66) | (733,328.79) | 59,208.25 | (674,120.54) | (2,695,262.00) | 2,021,141.46 |
| Unencumbered Cash Beginning of Year | 3,054,028.19 | 1,836,613.44 | 1,683,951.44 | 3,520,564.88 | (654,926.96) | 2,865,637.92 | 2,695,262.00 | 170,375.92 |
| End of Year | $ 2,865,637.92 | $ 1,552,172.31 | $ 1,235,063.78 | $ 2,787,236.09 | $ (595,718.71) | $ 2,191,517.38 | $ - | $ 2,191,517.38 |

**NEOSHO COUNTY COMMUNITY COLLEGE**
Chanute, Kansas
Schedule of Revenues, Expenditures and Changes
in Unencumbered Cash - Budget and Actual
Plant Funds
Retirement of Indebtedness (Bond and Interest) Fund - Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Amounts for the Year Ended June 30, 2022)

| | | Current Year | | | | |
|---|---|---|---|---|---|---|
| | Prior Year Budget Basis | Actual GAAP Basis | Adjustments Budget Basis | Actual Budget Basis | Budget | Variance Over (Under) |
| REVENUES | | | | | | |
| Other Sources | | | | | | |
| Donations | $ - | $ 93,500.00 | $ - | $ 93,500.00 | $ 5,000.00 | $ 88,500.00 |
| TOTAL REVENUES | - | 93,500.00 | - | 93,500.00 | 5,000.00 | 88,500.00 |
| EXPENDITURES | | | | | | |
| Improvemenets | | | | | | |
| Capital Outlay | - | 93,500.00 | - | 93,500.00 | - | 93,500.00 |
| Debt Service | | | | | | |
| Other Debt Service Expense | 4,120.00 | 4,120.00 | - | 4,120.00 | 48,310.00 | (44,190.00) |
| Total Certified Budget | | | | | 48,310.00 | 49,310.00 |
| Adjustments for Qualifying Budget Credits | | | | | 93,500.00 | (93,500.00) |
| TOTAL EXPENDITURES | 4,120.00 | 97,620.00 | - | 97,620.00 | 141,810.00 | (44,190.00) |
| Excess of Revenues and Transfers Over (Under) Expenditures | (4,120.00) | (4,120.00) | - | (4,120.00) | (43,310.00) | 39,190.00 |
| Unencumbered Cash Beginning of Year | 47,428.71 | 43,308.71 | - | 43,308.71 | 43,310.00 | (1.29) |
| End of Year | $ 43,308.71 | $ 39,188.71 | $ - | $ 39,188.71 | $ - | $ 39,188.71 |

**Schedule 10**

**NEOSHO COUNTY COMMUNITY COLLEGE**
Chanute, Kansas
Schedule of Changes in Assets and Liabilities
All Agency Funds
For the Year Ended June 30, 2023

| Account Name | Balance June 30, 2022 | Additions | Deductions | Balance June 30, 2023 |
|---|---|---|---|---|
| ACTIVITY FUND | | | | |
| Student Services | | | | |
| #Adulting | $ - | $ 609.57 | $ 609.57 | $ - |
| ACKKOP Conference | - | 57.00 | 57.00 | - |
| Anime Club | - | 718.33 | 718.33 | - |
| Art Club | - | 675.19 | 675.19 | - |
| Board Game Knights | - | 903.35 | 903.35 | - |
| Business Club | - | 291.58 | 291.58 | - |
| Chess Club | - | 414.51 | 414.51 | - |
| Construction and Welding | 3,895.90 | - | 1,450.00 | 2,445.90 |
| Crafting of Yarn Club | - | 698.96 | 698.96 | - |
| Culture Exchange Club | - | 579.48 | 579.48 | - |
| Fellowship for Christian Ath | 200.44 | - | 200.44 | - |
| Film Club | - | 602.48 | 602.48 | - |
| Gaming Club | - | 880.79 | 880.79 | - |
| History Club | - | 708.89 | 708.89 | - |
| Improv Club | - | 939.25 | 939.25 | - |
| International Club | (0.30) | 719.91 | 719.61 | - |
| International Student Application Fee | 15,232.82 | 5,100.00 | 2,742.82 | 17,590.00 |
| Literature Club | - | 959.16 | 959.16 | - |
| Mary Grimes Student Nurse - Chanute | - | 528.45 | 528.45 | - |
| Mary Grimes Student Nurse - Ottawa | - | 2,622.03 | 2,622.03 | - |
| Music Club | - | 959.81 | 959.81 | - |
| Occupational Therapy Assistance Appli | 7,453.05 | 1,347.05 | 1,847.95 | 6,952.15 |
| Occupational Therapy Club | - | 1,000.00 | 1,000.00 | - |
| Panther Parents | - | 196.49 | 196.49 | - |
| Panther Players | 7.00 | 993.00 | 1,000.00 | - |
| PN Chanute | 29,019.11 | 6,468.50 | 3,837.42 | 31,650.19 |
| PN Ottawa | 50,853.08 | 16,215.75 | 23,996.03 | 43,072.80 |
| Reading and Creative Writing Club | - | 164.22 | 164.22 | - |
| RSVP Fundraising Activities | 12,047.68 | 1,865.00 | 3,714.12 | 10,198.56 |
| Science Fair | 2,792.00 | - | - | 2,792.00 |
| SEK Art Exhibition Consortium | 501.08 | - | - | 501.08 |
| Sociology Club | - | 600.00 | 600.00 | - |
| SSS Poster Machine | 1,235.91 | - | 1,235.91 | - |
| Surgical Technician Application Fee | 10,642.22 | 2,000.00 | 1,334.00 | 11,308.22 |
| Surgical Technician Uniform | 391.88 | 456.00 | 847.88 | - |
| Welding Scrap Metal | 1,971.25 | 771.46 | 1,092.50 | 1,650.21 |
| Wellness Committee | - | 146.85 | 146.85 | - |
| YFU Cultural Activities | 28,244.11 | 316.32 | 457.03 | 28,103.40 |
| Total Student Services | 164,487.23 | 51,509.38 | 59,732.10 | 156,264.51 |
| Scholarships | | | | |
| Endowment Foundation Scholarships | 607.00 | 138,873.00 | 139,480.00 | - |
| ESI Camp | 3,852.36 | - | 1,076.00 | 2,776.36 |
| Total Scholarship Accounts | 4,459.36 | 138,873.00 | 140,556.00 | 2,776.36 |

**NEOSHO COUNTY COMMUNITY COLLEGE**
Chanute, Kansas
Schedule of Changes in Assets and Liabilities
All Agency Funds
For the Year Ended June 30, 2023

| Account Name | Balance June 30, 2022 | Additions | Deductions | Balance June 30, 2023 |
|---|---|---|---|---|
| Other Student Accounts | | | | |
| Building Fee Ottawa | $ - | $ 159,604.00 | $ 159,604.00 | $ - |
| Dorm Damages | - | 3,548.00 | 3,548.00 | - |
| Gate Receipts | - | 428,213.00 | 428,213.00 | - |
| In/Out GED Testing | 13,405.00 | 8,198.09 | 7,801.25 | 13,801.84 |
| In/Out Bookstore Payroll Deduction | - | 32.45 | 32.45 | - |
| In/Out Chanute | 6,690.75 | 8,505.70 | 14,826.25 | 370.20 |
| In/Out Insurance | (6,839.27) | 50,041.16 | 42,801.00 | 400.89 |
| In/Out Fines | - | 5,409.25 | 5,409.25 | - |
| In/Out Youth for Understanding | 77.00 | 154.00 | - | 231.00 |
| Incidental Computer Fee Chanute | 140,435.88 | 119,405.00 | 119,553.50 | 140,287.38 |
| Incidental Computer Fee Ottawa | 151,606.93 | 97,502.00 | 98,336.25 | 150,772.68 |
| Incidental Fee Chanute | - | 279,041.31 | 279,041.31 | - |
| Incidental Fee Ottawa | - | 203,345.16 | 203,345.16 | - |
| Incidental Fee Outreach | - | 142,714.00 | 142,714.00 | - |
| International Student Insurance | 1,470.62 | 51,655.99 | 53,126.61 | - |
| Library | 3,770.92 | - | 3,770.92 | - |
| NSF Check Fees | (511.75) | 511.75 | - | - |
| Out-District Fee | 141,262.18 | 424,960.00 | 549,644.53 | 16,577.65 |
| SB155 Tuition Waiver | - | 728,848.00 | 728,848.00 | - |
| Student Activity Fees | - | 1,413,972.16 | 1,414,200.16 | (228.00) |
| Student Senate | 16,140.65 | 32,932.44 | 32,932.44 | 16,140.65 |
| Student Senate-Ottawa | - | 9,014.10 | 9,014.10 | - |
| Student Union Fee | - | 64,364.00 | 64,364.00 | - |
| Total Other Student Accounts | 467,508.91 | 4,231,971.56 | 4,361,126.18 | 338,354.29 |
| TOTAL ACTIVITY FUND | $ 636,455.50 | $ 4,422,353.94 | $ 4,561,414.28 | $ 497,395.16 |
| TOTAL - ALL AGENCY FUNDS | | | | |
| Assets | | | | |
| Cash and Investments | $ 529,849.96 | $ 4,459,234.49 | $ 4,504,227.27 | $ 484,857.18 |
| Other Receivables | 111,949.44 | 75,068.89 | 111,949.44 | 75,068.89 |
| TOTAL ASSETS | $ 641,799.40 | $ 4,534,303.38 | $ 4,616,176.71 | $ 559,926.07 |
| Liabilities | | | | |
| Accounts Payable | $ 5,343.90 | $ 62,530.91 | $ 5,343.90 | $ 62,530.91 |
| Deposits Held For Others | 636,455.50 | 4,422,353.94 | 4,504,227.27 | 497,395.16 |
| TOTAL LIABILITIES | $ 641,799.40 | $ 4,484,884.85 | $ 4,509,571.17 | $ 559,926.07 |

**NEOSHO COUNTY COMMUNITY COLLEGE**
**CHANUTE, KANSAS**

# FEDERAL COMPLIANCE SECTION

For the Year Ended June 30, 2023

EIN NUMBER: 48-0698341
OPE ID NUMBER: 00193600
DUNS NUMBER: 789599172
UEI NUMBER RTK3Q5NTGZ25

COMPLIANCE ATTESTATION EXAMINATION
INCLUDING TITLE IV STUDENT FINANCIAL ASSISTANCE PROGRAMS

CHANUTE, KANSAS
OTTAWA, KANSAS
INDEPENDENCE, KANSAS
GARNETT, KANSAS
LAWRENCE, KANSAS

FEDERAL PELL GRANT PROGRAM (PELL) (84.063)
FEDERAL SUPPLEMENTARY EDUCATIONAL OPPORTUNITY GRANT (FSEOG) (84.007)
FEDERAL DIRECT STUDENT LOAN PROGRAM (DIRECT LOAN) (84.268)
FEDERAL WORK-STUDY PROGRAM (FWS) (84.033)
EDUCATION STABILIZATION FUND - STUDENT (CARES) (84.425E)
EDUCATION STABILIZATION FUND – INSTITUTION (CARES) (84.425F)
STRENGTHENING INSTITUTIONS PROGRAM (CARES) (84.425M)
STUDENT FINANCIAL ASSISTANCE (CARES) (84.425S)
EDUCATION STABILIZATION (CARES) (84.425C)
TITLE III PART A (84.031A)
CORONAVIRUS RECOVERY FUNDS (21.027)

## AUDITOR INFORMATION SHEET

**NEOSHO COUNTY COMMUNITY COLLEGE**
800 W. 14th
CHANUTE, KANSAS 66720

EIN NUMBER: 48-0698341
OPE ID NUMBER: 00193600
DUNS NUMBER: 789599172
UEI NUMBER RTK3Q5NTGZ25

TELEPHONE: (620) 431-2820
FAX: (620) 431-0082

PRESIDENT: Dr. Brian Inbody
CONTACT PERSON & TITLE: Sondra K. Solander, Chief Financial Officer

LEAD AUDITOR: Neil L. Phillips, CPA
EMAIL ADDRESS: nphillips@jgppa.com
LICENSE NUMBER & HOME STATE: 10957 KS
FIRM'S NAME & ADDRESS: JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants
1815 S. Santa Fe
P.O. Box 779
Chanute, Kansas 66720
FIRM'S FEDERAL ID NUMBER: 20-3906022
TELEPHONE: (620) 431-6342
FAX: (620) 431-0724

| PROGRAMS EXAMINED: | | |
|---|---|---|
| | PELL | 84.063 |
| | FSEOG | 84.007 |
| | DIRECT LOAN | 84.268 |
| | FWS | 84.033 |
| | EDUCATION STABILIZATION | 84.425(E) |
| | EDUCATION STABILIZATION | 84.425(F) |
| | STRENGTHENING INSTITUTIONS | 84.425(M) |
| | STUDENT FINANCIAL ASSISTANCE | 84.425(S) |
| | EDUCATION STABILIZATION | 84.425(C) |
| | TITLE III PART A | 84.031(A) |
| | CORONAVIRUS RECOVERY FUNDS | 21.027 |

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

| | |
|---|---|
| Correspondence or telecommunication courses to total courses | NONE |
| Regular students enrolled in correspondence courses | NONE |
| Regular students that are incarcerated | NONE |
| Regular students enrolled based on ability to benefit | NONE |
| For short term programs— | |
| Completion | N/A |
| Placement | N/A |

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

| ALL LOCATIONS | > 50% OF PROGRAM OFFERED @ SITE | LOCATION ON ELIGIBILITY LETTER | NOTICE TO ED PRIOR TO OFFERING INSTRUCTION | DATE OPENED | DATE CLOSED | DATE OF CPA'S LAST VISIT | EXCLUSION REASON |
|---|---|---|---|---|---|---|---|
| Chanute, KS | Yes | Yes | Yes | 1936 | N/A | 2023 | N/A |
| Ottawa, KS | Yes | Yes | Yes | 1991 | N/A | 2023 | N/A |
| Independence, KS | Yes | Yes | Yes | 2007 | N/A | 2023 | N/A |
| Garnett, KS | Yes | Yes | Yes | 2013 | N/A | 2023 | N/A |
| Lawrence, KS | Yes | Yes | Yes | 2016 | N/A | 2023 | N/A |

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

The College does not use a servicer.

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

NEOSHO COUNTY COMMUNITY COLLEGE
800 W. 14th
CHANUTE, KANSAS 66720

For Close-Out Examination only: N/A

**NEOSHO COUNTY COMMUNITY COLLEGE**
Chanute, Kansas
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

| FEDERAL GRANTOR/ PASS THROUGH GRANTOR/ PROGRAM TITLE | Pass-Through Entity Identifying Number | FEDERAL CFDA NUMBER | | PASSED THROUGH TO SUBRECIPIENTS | DISBURSE-MENTS/ EXPENDITURES |
|---|---|---|---|---|---|
| **U.S. DEPARTMENT OF EDUCATION** | | | | | |
| Direct Grants: | | | | | |
| Student Financial Aid Cluster | | | | | |
| Federal Supplemental Education Opportunity | N/A | 84.007 | | $ - | $ 46,427.00 |
| Federal Direct Student Loan Program | N/A | 84.268 | (1) | - | 715,951.00 |
| Federal Work-Study Program | N/A | 84.033 | | - | 17,232.86 |
| Federal Work-Study Program - Admin | N/A | 84.033 | | - | 3,183.00 |
| | | Total 84.033 | | - | 20,415.86 |
| Federal Pell Grant | N/A | 84.063 | | - | 1,467,127.00 |
| Federal Pell Grant - Admin | N/A | 84.063 | | - | 1,600.00 |
| | | Total 84.063 | | - | 1,468,727.00 |
| Total Student Financial Aid Cluster | | | | - | 2,251,520.86 |
| TRIO Cluster | | | | | |
| TRIO - Talent Search | N/A | 84.044 | | - | 513,479.46 |
| TRIO - Student Support Services | N/A | 84.042 | | - | 317,564.37 |
| TRIO - Upward Bound | N/A | 84.047 | | - | 318,097.78 |
| Total TRIO Cluster | | | | - | 1,149,141.61 |
| COVID-19 - Education Stabilization Fund - Institutional | N/A | 84.425(F) | | - | 265,645.46 |
| COVID-19 - Education Stabilization Fund - Student | N/A | 84.425(E) | | - | 1,301,760.00 |
| COVID-19 - Strengthening Institutions Program | N/A | 84.425(M) | | - | 32,968.00 |
| COVID-19 - SAIHE Student Financial Assistance | N/A | 84.425(S) | | - | 331,758.00 |
| Passed through the Kansas Board of Regents | | | | | |
| COVID-19 - Education Stabilization Fund - GEER | S425C210046 | 84.425(C) | | - | 30,000.00 |
| | | Total 84.425 | | - | 1,962,131.46 |
| Direct Grant | | | | | |
| Title III Part A, Charting New Pathways to Success | N/A | 84.031A | | - | 578,649.39 |
| Passed through the Kansas Board of Regents | | | | | |
| Adult Basic Education Program | FY23-ABE | 84.002 | | - | 207,969.06 |
| Adult Basic Education Program - Dsicreationary | ABE -Leadership | 84.002 | | - | 11,712.22 |
| | | Total 84.002 | | - | 219,681.28 |
| Passed through the Kansas Board of Regents | | | | | |
| Carl Perkins Vocational Education Grants: | | | | | |
| Career and Technical Education | V048A220016 | 84.048 | | - | 73,739.00 |
| Career and Technical Education - Incentive | V048A210016 | 84.048 | | - | 8,000.00 |
| Career and Technical Education - Implementation | V048A210016 | 84.048 | | - | 4,100.68 |
| | | Total 84.048 | | - | 85,839.68 |
| Total U.S. Department of Education | | | | - | 6,246,964.28 |

# NEOSHO COUNTY COMMUNITY COLLEGE

Chanute, Kansas

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2023

| FEDERAL GRANTOR/ PASS THROUGH GRANTOR/ PROGRAM TITLE | Pass-Through Entity Identifying Number | FEDERAL CFDA NUMBER | PASSED THROUGH TO SUBRECIPIENTS | DISBURSE-MENTS/ EXPENDITURES |
|---|---|---|---|---|
| **CORPORATION FOR NATIONAL AND COMMUNITY SERVICE** | | | | |
| Direct Grants: | | | | |
| Retired and Senior Volunteer Program | N/A | 94.002 | $ - | $ 59,775.69 |
| Total Corporation for National and Community Service | | | - | 59,775.69 |
| **U.S. DEPARTMENT OF LABOR** | | | | |
| Passed through Heartland Works, Inc. | | | | |
| WIA/WIOA Youth Activities | WIOAY-19-04 | 17.259 | - | 192,375.68 |
| Passed through Kansas Department of Commerce | | | | |
| WIA/WIOA Youth Activities | PY18-YSSA-NCCC | 17.259 | - | 80,232.31 |
| | | Total 17.259 | - | 272,607.99 |
| Total U.S. Department of Labor | | | - | 272,607.99 |
| **U.S. DEPARTMENT OF TREASURY** | | | | |
| Passed through Kansas Department of Commerce | | | | |
| Coronavirus State and Local Fiscal Recovery Funds - COVID-19 | FY23-CTC-NEO | 21.027 | - | 821,345.00 |
| Total U.S. Department of Treasury | | | - | 821,345.00 |
| FEDERAL ASSISTANCE TOTALS | | | $ - | $ 7,400,692.96 |

NOTE A -- BASIS OF PRESENTATION

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

NOTE B --INDIRECT COST RATE

Neosho County Community College did not elect to use the 10% de minimis cost rate.

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

## 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
Neosho County Community College
Chanute, Kansas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Neosho County Community College, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Neosho County Community College's basic financial statements and have issued our report thereon dated November 17, 2023.

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

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

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

**Report on Compliance and Other Matters**
As part of obtaining reasonable assurance about whether the Neosho County Community College's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 College's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Jarred, Gilmore & Phillips, PA

JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants

Chanute, Kansas
November 17, 2023

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

Board of Trustees
Neosho County Community College
Chanute, Kansas

### Report on Compliance for Each Major Federal Program

### Opinion on Each Major Federal Program

We have audited Neosho County Community College's compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of Neosho County Community College's major federal programs for the year ended June 30, 2023. Neosho County Community College's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Neosho County Community College complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

### Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

### Responsibilities of Management for Compliance

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

### Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Neosho County Community College's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion,

forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Neosho County Community College's compliance with the requirements of each major federal program as a whole**.**

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Neosho County Community College's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Neosho County Community College's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Neosho County Community College's internal control over compliance. Accordingly, no such opinion is expressed.

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

**Report on Internal Control over Compliance**

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

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

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

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



JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants

Chanute, Kansas
November 17, 2023

**NEOSHO COUNTY COMMUNITY COLLEGE**
Chanute, Kansas

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

## I. SUMMARY OF AUDITOR'S RESULTS

**Financial Statements:**

The auditor's report expresses an unmodified opinion on the basic financial statements of Neosho County Community College.

**Internal Control over Financial Reporting**:

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

**Federal Awards:**

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

The auditor's report on compliance for the major federal award programs for Neosho County Community College expresses an unmodified opinion.

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

Identification of major programs:

**U.S. DEPARTMENT OF EDUCATION**
Student Financial Aid Cluster
Federal Pell Grant Program – CFDA No. 84.063
Federal Supplementary Educational Opportunity Grant – CFDA No. 84.007
Federal Work-Study Program – CFDA No. 84.033
Federal Direct Student Loan Program – CFDA No. 84.268
Education Stabilization Fund – Student – CFDA No. 84.425(E)
Education Stabilization Fund – Institutional – CFDA No. 84.425(F)
Strengthening Institutions Program – CFDA No. 84.425(M)
Student Financial Assistance – SAIHE – CFDA No. 84.425(S)
Education Stabilization Fund - GEER – CFDA No. 84.425(C)
Title III, Part A – Charting New Pathways to Success – CFDA No. 84.031(A)

**U.S. DEPARTMENT OF TREASURY**
Coronavirus State and Local Recovery Funds – CFDA No. 21.027

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

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

## II. FINANCIAL STATEMENT FINDINGS

None

## III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

**NEOSHO COUNTY COMMUNITY COLLEGE**
Chanute, Kansas

Schedule of Resolution of Prior Year's Findings and Questioned Costs
For the Year Ended June 30, 2023

None