GARDEN CITY COMMUNITY COLLEGE

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June 30, 2022

GARDEN CITY COMMUNITY COLLEGE
Basic Financial Statements
For the Year Ended June 30, 2022

TABLE OF CONTENTS

	Statement
Independent Auditor's Report	
Management's Discussion and Analysis	
BASIC FINANCIAL STATEMENTS	
Statement of Net Position	1
Statement of Revenues, Expenses and Changes in Net Position	2
Statement of Cash Flows	3
Statement of Fiduciary Net Position	4
Statement of Changes in Fiduciary Net Position	5
Notes to Financial Statements	
REQUIRED SUPPLEMENTARY INFORMATION	Schedule
Schedules of Net Pension Liability and Contributions Attributable to the College	RSI-1
Schedule of Changes in the College's Share of OPEB Liability and Related Ratios – Healthcare	RSI-2
Schedule of Changes in the College's Share of OPEB Liability and Related Ratios – KPERS Death and Disability	RSI-3
SUPPLEMENTARY INFORMATION	Schedule
Combining Schedule of Revenue, Expenditures, Encumbrances and Changes in Unencumbered Cash - Actual and Budget - Current Funds - Unrestricted (Legal Basis)	1
Schedule of Revenue - Actual and Budget - General Fund - Unrestricted (Legal Basis)	1-A
Schedule of Revenue, Expenditures, Encumbrances and Changes in Unencumbered Cash - Actual and Budget - Adult Basic Education Fund (Legal Basis)	2
Schedule of Revenue, Expenditures, Encumbrances and Changes in Unencumbered Cash - Actual and Budget - Postsecondary Technical Education Fund (Legal Basis)	3
Schedule of Revenue, Expenditures, Encumbrances and Changes in Unencumbered Cash - Actual and Budget - Plant Funds - Unexpended (Legal Basis)	4
Notes to Supplementary Information	

(continued)

GARDEN CITY COMMUNITY COLLEGE
Basic Financial Statements
For the Year Ended June 30, 2022

TABLE OF CONTENTS

(continued)

	Schedule
ADDITIONAL INFORMATION -	
Schedules of Management Information	
Combining Statement of Revenue, Expenditures and Other Changes - Current Funds	5
Combining Statement of Net Position - All Current Funds - Unrestricted	6
Combining Statement of Revenue and Expenditures - All Current Funds - Unrestricted	7
Combining Statement of Changes in Net Position - All Current Funds - Unrestricted	8
Combining Statement of Changes in Net Position - Various Funds	9
Combining Statement of Changes in Fiduciary Net Position - All Custodial Funds	10
GRAPHS	
Comparison of Revenues - All Current Funds - Unrestricted (Legal Basis) excluding Auxiliary Enterprises but including Restricted - Postsecondary Technical Education Fund	11
Comparison of Expenditures, Encumbrances and Net Transfers - All Current Funds - Unrestricted (Legal Basis) excluding Auxiliary Enterprises but including Restricted - Postsecondary Technical Education Fund	12
Comparison of Revenues, and Expenditures, Encumbrances and Net Transfers - All Current Funds - Unrestricted (Legal Basis) excluding Auxiliary Enterprises but including Restricted - Postsecondary Technical Education Fund	13
FEDERAL AWARD PROGRAMS	
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	
Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance In Accordance with the Uniform Guidance	
Schedule of Findings and Questioned Costs	
Corrective Action Plan and Comments on Audit Resolution Matters Relating to the Student Financial Assistance and Federal Award Programs	
Schedule of Expenditures of Federal Awards	
Notes to Schedule of Expenditures of Federal Awards	

LEWIS, HOOPER & DICK LLC
certified public accountants

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Garden City Community College
801 Campus Drive
Garden City, Kansas 67846

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities and discretely presented component units of Garden City Community College, Garden City, Kansas (the College), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component units of the College as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Kansas Municipal Audit and Accounting Guide* (KMAAG), issued by the State of Kansas. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. The financial statements of the Garden City Community College Endowment Association and the Broncbuster Athletic Association were not audited in accordance with *Government Auditing Standards*, or the KMAAG. We are required to be independent of the 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.

Responsibilities of Management for the Financial Statements

The College's 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 the 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 GAAS and the KMAAG 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 GAAS and the KMAAG, 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 the 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 the 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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages vii through xv, the schedules of net pension liability and contributions attributable to the College on pages 50 and 51, the schedule of changes in the College's share of OPEB liability and related ratios – healthcare on page 52, and the schedule of changes in the College's share of OPEB liability and related ratios – KPERS death and disability on page 53 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 evidence sufficient to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the College's basic financial statements. The supplementary information and additional information as listed in the table of contents (pages 55 through 76); and the Schedule of Expenditures of Federal Awards (pages 93 and 94), required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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, additional information, and Schedule of Expenditures of Federal Awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the financial statements. The other information comprises the graphs presented in Schedules 11, 12 and 13 (pages 77 through 80), and on page 99. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 9, 2023, on our consideration of the 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

Lewis, Hooper & Dick, LLC

LEWIS, HOOPER & DICK, LLC

February 9, 2023

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Management's Discussion and Analysis

As management of Garden City Community College, Garden City, Kansas (the College), we offer readers of the College's financial statements this narrative overview and analysis of the financial activity of the College for the fiscal year ended June 30, 2022.

Financial Highlights

- The assets and deferred outflows of resources of the College exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $28,873,128 (net position). The unrestricted net position, which represents the amounts available to meet the College's ongoing obligations to citizens and creditors, was $6,110,002.

- The College's total net position increased by $13,993. This increase was attributable to increases in federal grants.

- Capital assets increased a total of $2,315,245 from 2021, as a result of current year additions and the completion of capital projects. Major projects during fiscal year 2022 include the Broncbuster suite roof replacement, west hall HVAC, hydronic water pipe, baseball lights, 52 passenger bus and graphics, DPAC roof replacement, quad tunnel cap, STEM building renovation addition, transportation building, turf and track, and a video board.

- The College's total long-term liabilities increased by $3,563,004, or 35.09%, during the current fiscal year. The key factor in this increase was the issuance of a lease obligation for sports field lighting for $441,481 on August 17, 2021, and a Certificate of Participation (COP) for $5,100,000 on June 1, 2022; however, these were offset by payments on numerous lease obligations during the year.

- Operating revenues increased by $2,020,439, or 21.04%, from 2021. This was due to an increase in student tuition and fees and federal grants.

- Operating expenses increased by $3,802,372, or 13.55%, from 2021. This was primarily due to overall increases in academic support, student services, operating and maintenance of plant, institutional support and auxiliary enterprises. Academic support and student services increased as a result of additional staff and COVID-19 funded expenses. Institutional support increased as a result of COVID-19 funded expenses. Operating and maintenance of plant increased as a result of COVID-19 funded expenses; increases in utilities, property insurance, vehicle fuel and janitorial supplies; and adjustments made to staff hourly wages. Auxiliary enterprises increased as a result of increased costs related to the food service contract, and increased costs in textbook and learning resources.

- Actual expenditures, including transfers out, for the General Fund were over budget $144,109 or 0.80%. The comparison of actual to published budget reflects that the College did not operate within its legal budget authority as required by the State of Kansas.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the College's basic financial statements. The College's basic financial statements are comprised of two components: 1) government-wide financial statements, and 2) the notes to the financial statements. This report also contains supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the College's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all of the College's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether financial position of the College is improving or deteriorating.

The Statement of Revenues, Expenses and Changes in Net Position presents information showing how the College's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements include not only the College itself (known as the primary government), but also a legally separate endowment association and a legally separate athletic association for which the College is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself. See Note 1, item B, in the notes to the financial statements for more details regarding the relationship between these entities and the College.

Notes to the Financial Statements

The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 9 through 47 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the College's net pension liability and contributions attributable to the College and the College's progress in funding its obligation to provide other postemployment benefits (OPEB) to its employees. Required supplementary information can be found on pages 49 through 53 of this report.

Supplementary information comparing actual and budget results is presented immediately following the required supplementary information on OPEB. Additional information containing schedules of management information are also presented. The supplementary and additional information can be found on pages 55 through 80 of this report.

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Government-wide Financial Analysis

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of Garden City Community College, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $28,873,128 at the close of the most recent fiscal year.

Statement of Net position
June 30, 2022 and 2021

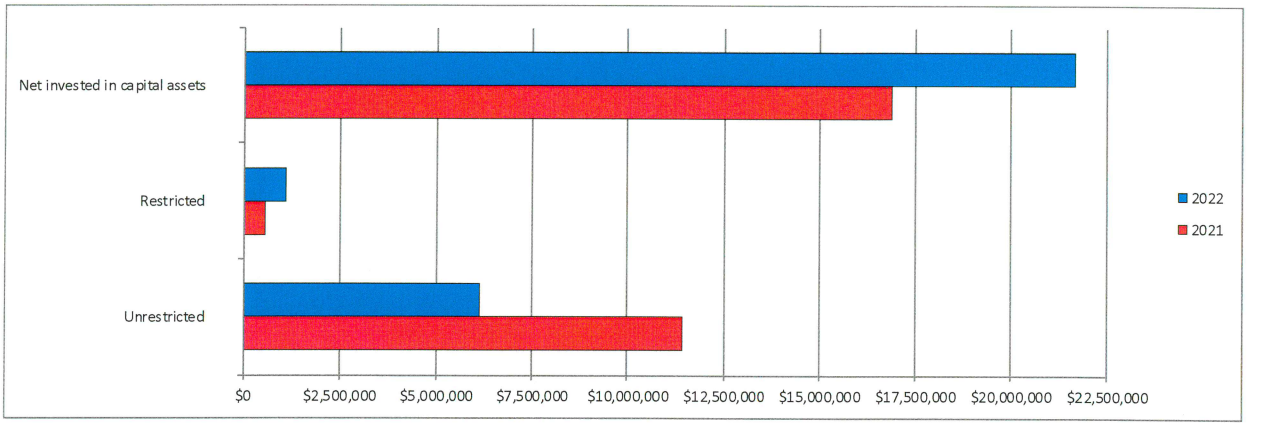
	2022	2021	Increase (Decrease)
Assets			
Current assets	$ 24,737,708	$ 19,499,682	$ 5,238,026
Non-current assets	29,210,676	26,895,431	2,315,245
Total assets	$ 53,948,384	$ 46,395,113	$ 7,553,271
Total deferred outflows of resources	$ 120,880	$ 161,443	$ (40,563)
Liabilities			
Current liabilities	$ 5,948,686	$ 2,870,785	$ 3,077,901
Non-current liabilities	13,718,161	10,155,157	3,563,004
Total liabilities	$ 19,666,847	$ 13,025,942	$ 6,640,905
Total deferred inflows of resources	$ 5,529,289	$ 4,671,479	$ 857,810
Net position			
Investment in capital assets	$ 21,663,798	$ 16,862,775	$ 4,801,023
Restricted	1,099,328	570,596	528,732
Unrestricted	6,110,002	11,425,764	(5,315,762)
Total net position	$ 28,873,128	$ 28,859,135	$ 13,993

By far the largest portion of Garden City Community College's net position (75.03%) reflects its investment in capital assets (e.g., land, property, plant and equipment); less any related debt used to acquire those assets that is still outstanding. The College uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the College's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other resources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of Garden City Community College's net position (3.81%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (21.16%) may be used to meet the College's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, Garden City Community College is able to report positive balances in all categories of net position. The same situation held true for the prior fiscal year.

Net Position
June 30, 2022 and 2021



The College's net position increased by $13,993 during the current fiscal year. This increase was attributable to changes in revenues and expenses as outlined in the following pages.

Statement of Revenues, Expenses and Changes in Net Position
As of June 30, 2022 and 2021

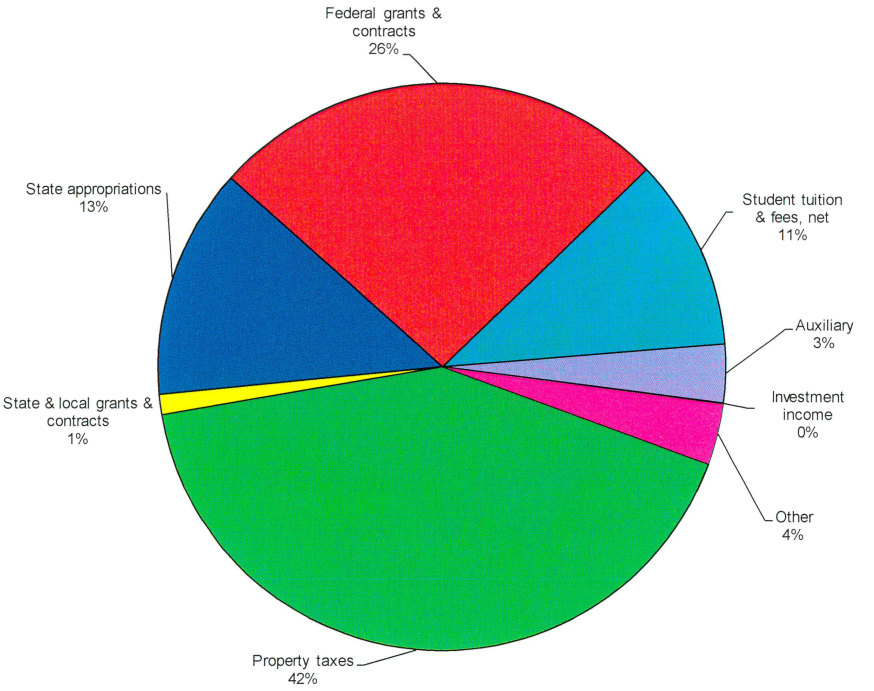
	2022	2021	Increase (Decrease)
Operating revenues:			
Student tuition and fees (net of scholarship allowances)	$ 3,520,882	$ 2,982,888	$ 537,994
Federal grants and contracts	5,552,340	4,937,280	615,060
Auxiliary enterprises	1,065,973	812,137	253,836
Other	1,483,192	869,643	613,549
Total operating revenues	11,622,387	9,601,948	2,020,439
Operating expenses	31,868,308	28,065,936	3,802,372
Operating loss	(20,245,921)	(18,463,988)	(1,781,933)
Nonoperating revenues (expenses)			
Property taxes	13,381,640	12,361,731	1,019,909
State appropriations	4,226,184	5,141,317	(915,133)
Pell and SEOG grants	2,820,605	3,002,234	(181,629)
Other	(168,515)	(181,882)	13,367
Net nonoperating revenues (expenses)	20,259,914	20,323,400	(63,486)
Increase in net position	13,993	1,859,412	(1,845,419)
Net position, beginning of year	28,859,135	26,999,723	1,859,412
Net position, end of year	$ 28,873,128	$ 28,859,135	$ 13,993

Operating revenues increased by $2,020,439. This reflects an increase in student tuition and fees of $537,994 after the allowance for scholarships. Federal grants and contracts increased $615,060 primarily as a result of Higher Education Emergency Relief grants (HEERF) received during the year. Other operating revenues increased $613,549 as a result of nongovernmental, and state and local grants and contracts received during the year.

Total non-operating revenues (expenses) decreased by $63,486. This was primarily due to increases in property taxes offset by decreases in appropriations from the state, and decreases in Pell and SEOG grants.

The following is a graphic illustration of revenues by source as of June 30, 2022.

Revenues by Source



As of June 30, 2021	
Property taxes	41%
State & local grants & contracts	1%
State appropriations	17%
Federal grants & contracts	26%
Student tuition & fees, net	10%
Auxiliary	3%
Investment income	0%
Other	2%

As shown in the revenues by source graph, the three primary sources of revenue for the College are property taxes at 42%, Federal grants and contracts at 26% and State appropriations at 13%.

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Local funding consists primarily of property tax allocations. Here is an analysis of the College's mill levy for the past 10 years.

Mill Analysis

Year Taxes Levied	Abstract Assessed Valuation	Total Mills Assessed	Total Taxes Levied	% Taxes Increase/ Decrease
2013	$ 498,479,163	21.130	$ 10,532,865	-0.06%
2014	532,306,790	20.985	11,170,132	6.05%
2015	466,634,740	21.003	10,030,594	-10.20%
2016	455,924,303	20.996	9,570,596	-4.59%
2017	488,690,879	20.997	10,261,042	7.21%
2018	498,038,873	21.416	10,666,001	3.95%
2019	481,016,786	22.188	10,672,800	0.06%
2020	479,790,065	24.598	11,801,711	10.58%
2021	483,273,244	25.455	12,301,115	4.23%
2022	544,229,295	25.339	13,790,048	12.10%

The average increase over the 10 year period is 2.93%. Since 42% of the College's funding comes from local sources, the local tax levy has a significant impact on the College's finances.

State funding consists primarily of State operating grants. An analysis of the grants received for the past ten years under the new State funding formula are as follows:

State Operating Grant Analysis

Year	Grant Amount	% Increase/ Decrease	CPI % Changes	2003 Base w/ CPI $ Change
2013	$ 2,669,553	5.49%	2.30%	$ 3,350,312
2014	2,704,307	1.30%	1.40%	3,397,216
2015	2,650,220	-2.00%	-0.60%	3,376,833
2016	2,704,307	2.04%	1.10%	3,413,978
2017	2,596,135	-4.00%	0.40%	3,427,634
2018	2,596,135	0.00%	2.20%	3,503,042
2019	2,667,725	2.76%	1.30%	3,548,582
2020	2,767,767	3.75%	0.20%	3,555,679
2021	2,815,675	1.73%	6.10%	3,772,575
2022	2,790,517	-0.89%	9.70%	4,138,515

As shown, the State operating grant decreased in the current year. The reason for this change is due to the State funding formula based on State budget appropriations.

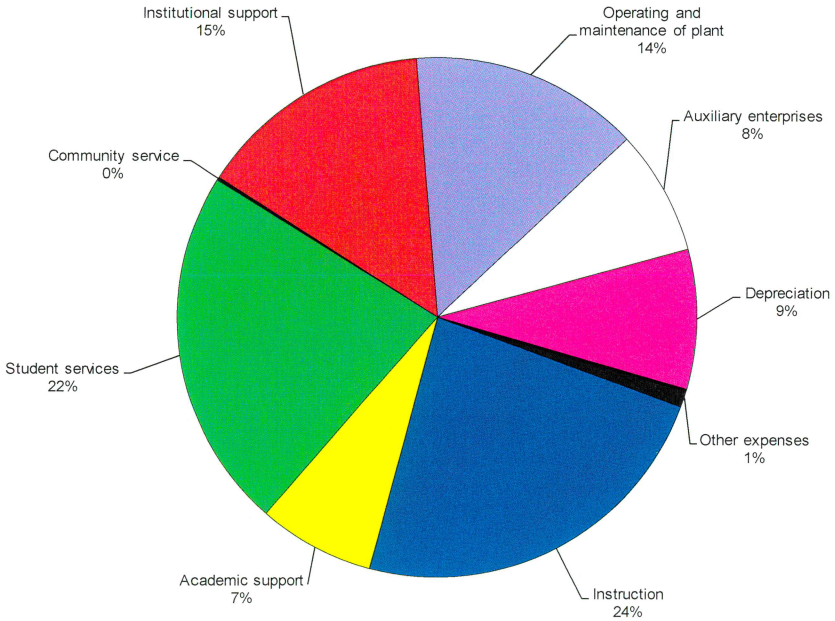
Student tuition is determined by the number of credit hours and the tuition rate. The following is an analysis of credit hours and tuition rates over the past 10 years.

Credit Hour Analysis					Cost Per Credit Hour		
Year	In State	Out of State	Total	% Increase/ Decrease	Year	In State	Out of State
2013	36,715	7,365	44,080	6.53%	2013	$ 50	$70 and $65
2014	37,825	7,785	45,610	3.47%	2014	53	$73 and $68
2015	39,210	9,256	48,466	6.26%	2015	55	$74 and $69
2016	38,060	10,140	48,200	-0.55%	2016	57	$76 and $71
2017	37,392	11,301	48,693	1.02%	2017	57	$76 and $71
2018	43,442	9,875	53,317	9.50%	2018	61	$80 and $75
2019	38,093	8,180	46,273	-13.21%	2019	61	$80 and $75
2020	36,397	8,084	44,481	-3.87%	2020	61	$80 and $75
2021	34,600	7,840	42,440	-4.59%	2021	61	$80 and $75
2022	36,766	8,795	45,561	7.35%	2022	61	$81 and $76

The number of credit hours fluctuates based on course offerings and resulting student enrollment.

The following is a graphic illustration of operating expenses as of June 30, 2022.

Operating Expenses



As of June 30, 2021	
Instruction	28%
Academic support	7%
Student services	21%
Community service	0%
Institutional support	14%
Operating and maintenance of plant	13%
Auxiliary enterprises	7%
Depreciation	9%
Other expenses	1%

As shown, the four largest areas of operating expenses are instruction at 24%, student services at 22%, institutional support at 15%, and operating and maintenance of plant at 14%. Total operating expenses increased $3,802,372, or 13.55% from 2021. This was primarily due to increases in academic support, student services, operating and maintenance of plant, institutional support and auxiliary enterprises. Academic support and student services increased as a result of additional staff and COVID-19 funded expenses. Institutional support increased as a result of COVID-19 funded expenses. Operating and maintenance of plant increased as a result of COVID-19 funded expenses; increases in utilities, property insurance, vehicle fuel and janitorial supplies; and adjustments made to staff hourly wages. Auxiliary enterprises increased as a result of increased costs related to the food service contract, and increased costs in textbook and learning resources.

Capital Asset and Debt Administration

Capital Assets

The College's investment in capital assets as of June 30, 2022, amounts to $29,210,676 (net of accumulated depreciation). This investment in capital assets includes land, improvements, buildings and equipment. The total increase in capital assets for the current fiscal year was approximately 8.61% compared to the 2021 total.

The following chart summarizes the changes in net capital assets by the various categories of assets.

Changes in Capital Assets

	Beginning Balance	Additions	Retirements	Ending Balance
Capital assets not being depreciated:				
Land	$ 1,580,064	$ -	$ -	$ 1,580,064
Construction in progress	447,961	3,871,767	1,587,533	2,732,195
Total capital assets not being depreciated	2,028,025	3,871,767	1,587,533	4,312,259
Capital assets being depreciated:				
Improvements other than buildings	11,663,936	440,196	-	12,104,132
Buildings	43,978,451	205,943	-	44,184,394
Equipment	10,887,644	2,156,636	88,192	12,956,088
Total capital assets being depreciated	66,530,031	2,802,775	88,192	69,244,614
Less accumulated depreciation for:				
Improvements other than buildings	6,329,447	628,821	-	6,958,268
Buildings	26,442,247	1,505,020	-	27,947,267
Equipment	8,890,931	637,923	88,192	9,440,662
Total accumulated depreciation	41,662,625	2,771,764	88,192	44,346,197
Total capital assets being depreciated, net	24,867,406	31,011	-	24,898,417
Property, plant and equipment, net	$ 26,895,431	$ 3,902,778	$ 1,587,533	$ 29,210,676

Major capital asset events during the current fiscal year included the following:

MAJOR CAPITAL ASSET EVENTS	
Broncbuster suite roof replacement	$ 205,943
West hall HVAC	537,900
Hydronic water pipe	145,861
Baseball lights	441,481
52 passenger bus and graphics	235,274
DPAC roof replacement	103,424
Quad tunnel cap	336,772

Additional information on the College's capital assets can be found in Note 3, item C on page 21, and Note 3, item G on page 37 of this report.

Long-term Debt

At the end of the current fiscal year, the College had total debt outstanding of $14,326,288, which was backed by the full faith and credit of the College.

The College's total debt increased by $4,293,590 (42.80%) during the current fiscal year. The key factors in this increase were issuance of a lease obligation for sports field lighting for $441,481 on August 17, 2021, and a lease purchase agreement certificates of participation (COP) for building improvements for $5,100,000 on June 1, 2022; however, these were offset by payments on numerous lease obligations during the year.

State statutes limit the amount of general obligation debt the College may issue to 3% of its total assessed valuation. The current debt limitation for the College is $14,498,197. The College had no outstanding debt subject to the debt limit.

Additional information about the College's long-term debt can be found in Note 3, item I on pages 38 through 42; and Note 3, item J on page 43 of this report.

Budgetary Highlights

The legally adopted budget for the College was not amended by the Board of Trustees during fiscal year 2022. However, departments within the College are allowed to transfer budget authority between line items and between cost centers within a department. As a result of these budget transfers, the original budget and the final budget may not be the same in some cost centers.

The comparison of actual to published budget, as shown on pages 56 through 62 of this report, reflects that the College did not operate within its legal budget authority as required by the State of Kansas for the General, Adult Supplementary, Adult Basic Education, and Capital Outlay funds.

Other Economic Factors

The economics in the State of Kansas and Garden City continue to be a challenge. A large portion of the College's resources come from state and local sources. The College continues to monitor the State of Kansas budget, specifically the impact of COVID-19 on State revenues, to consider the future impact of the State's funding on the College's budget. The State's budget impacts the amount of State operating grant received.

The College administration continues to monitor the local economy and employment trends, specifically the impact of COVID-19 on the unemployment rate, to consider the future impact on the College budget.

Valuation at the local level impacts local tax funds available. The College administration continues to monitor residential and commercial property values and economic activity in Finney County, specifically the impact of COVID-19 on assessed valuations and delinquent payment rates, to attempt to forecast the future funding impact on the College.

Requests for Information

This financial report is designed to provide a general overview of the College's finances for all those with an interest in the College's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Karla Armstrong
Vice President of Administrative Services / Chief Financial Officer
Garden City Community College
801 Campus Drive
Garden City, KS 67846
karla.armstrong@gcccks.edu

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BASIC FINANCIAL STATEMENTS

GARDEN CITY COMMUNITY COLLEGE
Statement of Net Position
June 30, 2022

	Community College	Endowment Association	Broncbuster Athletic Association
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Current assets:			
Cash and cash equivalents	$ 7,670,932	$ -	$ 75,566
Short-term investments	10,990,000	-	-
Receivables (net of allowance for uncollectibles):			
Taxes	564,374	-	-
Miscellaneous	5,512,402	-	25,422
Total current assets	24,737,708	-	100,988
Noncurrent assets:			
Restricted cash and cash equivalents	-	268,339	-
Endowment investments	-	6,598,960	-
Capital assets, net of accumulated depreciation:			
Land and construction in process	4,312,259	-	-
Other capital assets, net of accumulated depreciation	24,898,417	65,799	1,456
Total noncurrent assets	29,210,676	6,933,098	1,456
Total assets	53,948,384	6,933,098	102,444
Deferred outflows of resources:			
Deferred outflows of resources related to pensions	52,846	-	-
Deferred outflows of resources related to OPEB - healthcare	61,877	-	-
Deferred outflows of resources related to OPEB - KPERS death and disability	6,157	-	-
Total deferred outflows of resources	120,880	-	-
Total assets and deferred outflows of resources	$ 54,069,264	$ 6,933,098	$ 102,444

(continued)

GARDEN CITY COMMUNITY COLLEGE
Statement of Net Position
June 30, 2022

	Community College	Endowment Association	Broncbuster Athletic Association
(continued)			
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION			
Current liabilities:			
Accounts payable and accrued liabilities	$ 1,160,979	$ 9,848	$ (462)
Accrued interest	57,733	-	-
Deposits held in custody for others	603,342	-	-
Unearned revenue - dues / fees	2,194,398	-	21,700
Long-term liabilities, current portion	1,932,234	-	-
Total current liabilities	5,948,686	9,848	21,238
Noncurrent liabilities:			
Long-term liabilities	13,718,161	-	-
Total liabilities	19,666,847	9,848	21,238
Deferred inflows of resources:			
Deferred inflows of resources related to pensions	65,692	-	-
Deferred inflows of resources related to OPEB - healthcare	262,608	-	-
Deferred inflows of resources related to OPEB - KPERS death and disability	82,064	-	-
Deferred revenue - current property taxes	5,118,925	-	-
Total deferred inflows of resources	5,529,289	-	-
Net position:			
Investment in capital assets, net of related debt	21,663,798	-	-
Restricted, expendable for:			
Scholarships	-	339,129	-
Loans	-	12,844	-
Capital projects, net of related debt	-	126,121	-
Other	1,099,328	259,271	-
Unrestricted	6,110,002	6,185,885	81,206
Total net position	28,873,128	6,923,250	81,206
Total liabilities, deferred inflows of resources and net position	$ 54,069,264	$ 6,933,098	$ 102,444

The accompanying Notes to Financial Statements are an integral part of this statement.

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GARDEN CITY COMMUNITY COLLEGE
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2022

	Community College	Endowment Association	Broncbuster Athletic Association
REVENUES			
Operating revenues:			
Student tuition and fees (net of scholarship allowances of $1,321,858)	$ 3,520,882	$ -	$ -
Federal grants and contracts	5,552,340	-	-
State and local grants and contracts	364,224	-	-
Nongovernmental grants and contracts	814,821	804,963	36,342
Auxiliary enterprises (net of scholarship allowances of $1,622,249)	1,065,973	-	-
Other operating revenues	304,147	12,616	63,984
Total operating revenues	11,622,387	817,579	100,326
EXPENSES			
Operating expenses:			
Instruction	7,499,335	-	-
Academic support	2,319,906	-	-
Student services	7,161,836	-	-
Community service	61,130	-	77,957
Operating and maintenance of plant	4,557,081	-	8,085
Institutional support	4,647,147	366,845	-
Auxiliary enterprises	2,489,213	-	-
Depreciation	2,771,764	779	460
Other expenses	360,896	-	-
Total operating expenses	31,868,308	367,624	86,502
Operating income (loss)	(20,245,921)	449,955	13,824
NONOPERATING REVENUES (EXPENSES)			
Property taxes	13,381,640	-	-
State appropriations	4,226,184	-	-
Pell and SEOG grants	2,820,605	-	-
Investment income	15,213	(844,918)	-
Payments to GCCC	-	(442,679)	-
Interest on capital asset related debt	(183,728)	-	-
Net nonoperating revenues (expenses)	20,259,914	(1,287,597)	-
Increase (decrease) in net position	13,993	(837,642)	13,824
NET POSITION			
Net position, beginning of year	28,859,135	7,760,892	67,382
Net position, end of year	$ 28,873,128	$ 6,923,250	$ 81,206

The accompanying Notes to Financial Statements are an integral part of this statement.

GARDEN CITY COMMUNITY COLLEGE
Statement of Cash Flows
For the Year Ended June 30, 2022

	Community College
CASH FLOWS FROM OPERATING ACTIVITIES	
Student tuition and fees	$ 3,411,835
Federal grants and contracts	5,552,340
State and local grants and contracts	364,224
Nongovernmental grants and contracts	814,821
Payment to suppliers	(14,779,298)
Payment to employees	(12,563,871)
Auxiliary enterprise charges	1,065,973
Other	304,147
Net cash used by operating activities	(15,829,829)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Property taxes	13,602,798
State appropriations	2,638,937
Pell and SEOG grants	2,820,605
Net cash provided by noncapital financing activities	19,062,340
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds from capital debt and leases	5,541,481
Purchases of capital assets	(5,087,009)
Principal paid on capital debt and leases	(1,186,874)
Interest paid on capital debt and leases	(160,506)
Net cash used by capital and related financing activities	(892,908)
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from sales and maturities of investments	5,188,608
Interest on investments	15,213
Purchase of investments	(9,990,000)
Net cash used by investing activities	(4,786,179)
Net decrease in cash	(2,446,576)
Cash, beginning of year	10,117,508
Cash, end of year	$ 7,670,932

(continued)

GARDEN CITY COMMUNITY COLLEGE
Statement of Cash Flows
For the Year Ended June 30, 2022

	Community College
(continued)	
RECONCILIATION OF NET OPERATING REVENUES (EXPENSES) TO NET CASH USED BY OPERATING ACTIVITIES	
Operating loss	$ (20,245,921)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation	2,771,764
KPERS pension expense	1,587,247
Changes in net assets:	
Miscellaneous receivables	(2,330,890)
Deferred outflows related to pensions	29,547
Deferred outflows related to OPEB - healthcare	10,403
Deferred outflows related to OPEB - KPERS death and disability	613
Accounts payable and accrued liabilities	181,573
Deposits held in custody for others	52,845
Unearned revenues - dues/fees	2,168,998
Deferred inflows related to pensions	21,342
Deferred inflows related to OPEB - healthcare	43,269
Deferred inflows related to OPEB - KPERS death and disability	19,721
Accrued compensated absences	8,214
Net pension liability	(65,307)
Net OPEB liability - healthcare	(81,972)
Net OPEB liability - KPERS death and disability	(1,275)
Net cash used by operating activities	$ (15,829,829)
Schedule of non-cash operating activities:	
Contribution of State aid for KPERS pension expense	$ 1,587,247

The accompanying Notes to Financial Statements are an integral part of this statement.

STATEMENT 4

GARDEN CITY COMMUNITY COLLEGE
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2022

	Custodial Funds
ASSETS	
Cash and investments	$ 604,168
Total assets	$ 604,168
NET POSITION	
Accounts payable	$ 826
Net position restricted for organizations	603,342
Total net position	$ 604,168

STATEMENT 5

Statement of
Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2022

	Custodial Funds
Additions:	
Student activities	$ 1,861,919
Total additions	1,861,919
Deductions:	
Student activities	1,808,248
Total deductions	1,808,248
Net increase in fiduciary net position	53,671
Net position, beginning of year	550,497
Net position, end of year	$ 604,168

The accompanying Notes to Financial Statements are an integral part of these statements.

NOTES TO FINANCIAL STATEMENTS

1. Summary of significant accounting policies

The Garden City Community College, Garden City, Kansas (the College), was incorporated under the provisions of the State of Kansas.

The financial statements of the College have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the College's accounting policies are described below.

A. Description of government-wide financial statement

The government-wide financial statement (i.e., the statement of net position) reports information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable. The College has no *governmental activities*.

B. Reporting entity

The College is governed by an elected six-member board. As required by accounting principles generally accepted in the United States of America, these financial statements present the College (the primary government) and its component units. Component units are included in the College's reporting entity because of the significance of their operational or financial relationships with the College.

The following organizations, functions or activities are discretely presented component units of the College and are included in the component units' columns in the College's basic financial statements. They are reported in a separate column to emphasize that they are not-for-profit entities legally separate from the College. Each discretely presented component unit has a June 30th year end.

The Garden City Community College Endowment Association is a not-for-profit corporation organized to raise funds to support educational undertakings at the College, and to receive and hold in trust any property transferred to the Association for the benefit of the College, or any student or employee of the College, managing all property received according to the uses specified by the donors or, in case the gift is a general one, to such uses as may be agreed upon by the Board of Directors. Scholarships totaling $442,679 were provided to the College during the year.

The Broncbuster Athletic Association is a not-for-profit organization created to promote activities and events to raise funds to provide scholarships, education, equipment and opportunities for student athletes at the College.

The individual component units did not issue separate financial reports. Other financial information for the individual component units can be obtained from their respective administrative offices.

Garden City Community College
Endowment Association
801 Campus Drive
Garden City, Kansas 67846

Broncbuster Athletic Association
801 Campus Drive
Garden City, Kansas 67846

1. Summary of significant accounting policies (continued)

C. Basis of presentation – government-wide financial statements
For financial statement reporting purposes, the College is considered a special-purpose government engaged only in a business-type activity. Separate financial statements are provided for fiduciary funds, even though they are excluded from the government-wide financial statements.

As discussed earlier, the government has two discretely presented component units. While neither the Endowment Association nor the Broncbuster Athletic Association is considered to be a major component unit, they are nevertheless shown in separate columns in the government-wide financial statements.

D. Basis of presentation – fund financial statements
The College reports all operating activity under one major enterprise fund.

Additionally, the College reports the following fund type:

The custodial funds account for monies held for the student organizations to which the College provides accounting and investing services; none of which are held in trust.

E. Measurement focus and basis of accounting
The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources.* The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide and fiduciary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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1. Summary of significant accounting policies (continued)

F. Budgetary information

Although the College's financial statements consist of only one enterprise-type activity, budgets are adopted for the departments classified as Current Unrestricted Funds (including Auxiliary Enterprises), Adult Basic Education Fund, Postsecondary Technical Education Fund, and Unexpended Plant Funds – Capital Outlay. Although directory rather than mandatory, Kansas 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 calendar year on or before August 1st.
2. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. There were no budget amendments to the adopted annual operating budget for fiscal year 2022.

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. Budget comparison statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

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

Excess of expenditures over appropriations

Under Kansas statutes, expenditures are mandated to be controlled, so that no indebtedness is created in excess of budgeted limits. At June 30, 2022, four funds exceeded their legal budgets per Kansas statute 79-2935 as a result of excess expenditures: the General fund by $144,109; the Adult Supplementary fund by $34,385; the Adult Basic Education fund by $37,655; and the Capital Outlay fund by $51,004.

Budgetary basis of accounting

All budgets are prepared using the modified accrual basis further modified by the encumbrance method of accounting – that is, commitments such as purchase orders and contracts, in addition to disbursements and accounts payable, are recorded as expenditures. Unused appropriations for all of the above annually budgeted funds lapse at the end of the year. The Schedules of Revenue, Expenditures, Encumbrances and Changes in Unencumbered Cash – Actual and Budget; Schedules 1, 1-A, 2, 3, and 4 in the SUPPLEMENTARY INFORMATION section; present the comparisons by funds of the legally adopted budget with actual data on the budgetary basis.

Budgetary compliance – non-GAAP financial statements

By statute, the College prepares its annual budget on a non-GAAP basis of accounting as described above. A reconciliation of these budgetary basis statements to the GAAP statements is presented in the Notes to Supplementary Information.

1. Summary of significant accounting policies (continued)

G. Assets, liabilities, deferred outflows/inflows of resources and net position

Cash and cash equivalents
The College's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Deposits and investments
Cash resources of the individual funds are combined to form a pool of cash and investments which is managed by the Vice President of Administrative Services/Chief Financial Officer. Cash includes amounts in demand deposits. Investments of the pooled accounts consist of certificates of deposit and money market investments backed by U.S. government securities. Interest income earned is allocated among funds based on average monthly cash balances and in accordance with the adopted budget.

State statutes authorize the College to invest idle funds in U.S. government securities, temporary notes, no-fund warrants, repurchase agreements and the Kansas Municipal Investment Pool. The Kansas Municipal Investment Pool operates in accordance with appropriate State laws and regulations. The reported value of the investment in the Kansas Municipal Investment Pool is the same as the fair value of its pool shares. Other investments of the College and its component units are stated at fair value. Fair value is the price that would be received to sell an investment in an orderly transaction at year end. The aggregate value of the investments, including certificates of deposit, at June 30, 2022, is $10,990,000.

Allowance for uncollectible accounts
All trade receivables are considered to be fully collectible; accordingly, no allowance for uncollectible accounts is required. If amounts become uncollectible, an allowance will be established.

Inventories and prepaid items
The College deems inventory as immaterial to the financial statements. No capitalization or amortization has been recorded in the financial statements of the primary government.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expense when consumed rather than when purchased.

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1. Summary of significant accounting policies (continued)

G. Assets, liabilities, deferred outflows/inflows of resources and net position (continued)

Capital assets

Capital assets include property, plant and equipment, and infrastructure assets, such as roads and sidewalks. Capital assets are defined by the College as assets with an initial unit cost of $5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at their acquisition value or the price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction at the acquisition date. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Land and construction in progress are not depreciated. Property, plant and equipment of the College are depreciated using the straight-line method over the following useful lives:

Buildings	20 to 40 years
Improvements other than buildings	20 years
Equipment	5 to 22 years
Computer technology	3 years

The College's library collection adheres to the College's policy to (a) maintain the library collection for education or research; (b) protect, keep unencumbered, care for, and preserve the library collection; and (c) require proceeds from the sale of the library collection to be used to acquire other collection items. Generally accepted accounting principles permit collections maintained in this manner to be charged to operations at time of purchase rather than capitalized.

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1. Summary of significant accounting policies (continued)

G. Assets, liabilities, deferred outflows/inflows of resources and net position (continued)

Deferred outflows/inflows of resources

In addition to assets, the statement of net position includes a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The College reports a collective deferred outflow of resources related to pensions, which is described in more detail in Note 3, item D – Defined benefit pension plan, and a collective deferred outflow of resources related to other postemployment benefits, which is described in more detail in Note 3, items E and F – Other postemployment benefit plan. The deferred amounts related to pensions and other postemployment benefits relate to differences between estimated and actual investment earnings, changes in actuarial assumptions, and other pension and postemployment benefit related changes.

In addition to liabilities, the statement of net position includes a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources,* represents an acquisition of net assets that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. Under the accrual basis of accounting, the College reports unearned revenues from property taxes as deferred and recognized as an inflow of resources in the period that the amounts become available and earned. The College reports amounts related to pensions and other postemployment benefits on the statement of net position as a deferred inflow of resources. In addition, the College reports deferred charges on refunding on the statement of net position. The deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Net position

For government-wide reporting as well as in proprietary funds, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called net position. Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances of bonds, notes, and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.

Restricted net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either by external parties or by law through constitutional provision or enabling legislation.

Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

Sometimes the College will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the College's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

1. Summary of significant accounting policies (continued)

H. Revenues and expenses

Proprietary funds operating and nonoperating revenues and expenses

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the College are sales and services of educational departments and auxiliary enterprises. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Tuition and fee revenues collected during the fiscal year which relate to the period after June 30, 2022, have been deferred.

Property taxes

Property taxes are levied each calendar year on all taxable real property located in the taxing district. Property taxes are recorded on an accrual basis of accounting. Pursuant to the Board of Trustees, property tax levies approved in August 2021 were allocated 41.61% to fiscal year 2023.

The College's property taxes are assessed on a calendar year basis, are levied and become a lien on the property on November 1st of each year. The determination of assessed valuation and the collection of property taxes for all political subdivisions in the State of Kansas is the responsibility of the various counties. The County Appraiser's Office annually determines assessed valuation and the County Clerk spreads the annual assessment to the taxing units. One-half of the property taxes are due December 20th and distributed to the College by January 20th to finance a portion of the current year's budget. The second half is due May 10th and distributed to the College by June 5th. This distribution to the College is for its next budget year and is reflected as deferred revenues. The College draws available funds from the County Treasurer's office at designated times throughout the year.

The College has a concentration of credit risk in the form of taxes receivable from the County Treasurer for property taxes collected in Finney County, Kansas.

Grants and contributions

The College receives grants from federal agencies and the State of Kansas, as well as contributions from individuals and private organizations. Revenues from grants and contributions (including contributions of capital assets) are recognized when all eligibility requirements, including time requirements are met. Grants and contributions may be restricted for either specific operating purposes or for capital purposes. Amounts that are unrestricted or that are restricted to a specific operating purpose are reported as nonoperating revenues. Amounts restricted to capital acquisitions are reported after nonoperating revenues and expenses.

1. Summary of significant accounting policies (continued)

H. Revenues and expenses (continued)

Compensated absences

The College's policy regarding sick leave pay permits employees to accumulate leave days at a maximum rate of 12 days per year up to 90 days. Leave may be used for sick leave and personal leave. Retiring faculty, in good standing, with at least 50 days of accumulated sick leave, shall be paid for 10 days of accumulated sick leave at $100 per day.

The College's policy regarding vacation leave permits employees to accumulate vacation leave to a maximum of up to 20 days. Personnel leaving the employment of the College will be paid for unused vacation days at the daily rate of the employee's last contract. The estimated dollar amount of accumulated vacation leave pay at June 30, 2022, totals $314,615. The current portion of accrued vacation leave, which would be liquidated with expendable available resources, is not material.

I. New pronouncements

The GASB has issued the following statements which will have an impact on the College's future financial reporting, although they are not yet required to be implemented by the College:

- GASB Statement No. 91, *Conduit Debt Obligations*, issued May 2019 will be effective for the College beginning with its year ending June 30, 2023. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with commitments extended by issuers, arrangements associated with conduit debt obligations and related note disclosures.

- GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, issued March 2020 will be effective for the College beginning with its year ending June 30, 2023. The objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs).

- GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, issued May 2020 will be effective for the College beginning with its year ending June 30, 2023. The objective of this Statement is to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments).

- GASB Statement No. 99, *Omnibus 2022*, issued April 2022 will be effective for the College beginning with its year ending June 30, 2023. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements and accounting and financial reporting for financial guarantees.

- GASB Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*, issued June 2022 will be effective for the College beginning with its year ending June 30, 2024. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

1. Summary of significant accounting policies (continued)

I. New pronouncements (continued)

- GASB Statement No. 101, *Compensated Absences*, issued June 2022 will be effective for the College beginning with its year ending June 30, 2025. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

The College's management has not yet determined the effect these Statements will have on the College's financial statements.

J. Change in accounting principle

GASB Statement No. 87, *Leases,* became effective for the College for the year ended June 30, 2022. This Statement requires the recognition of certain lease assets and liabilities for leases that were previously classified as operating leases. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The Statement was required to be applied retroactively; however, there were no changes to net position as a result of applying the Statement as the College has no leases of this type.

2. Stewardship, compliance and accountability

A. Compliance with Kansas statutes

References made herein to the statutes are not intended as interpretation of law, but are offered for consideration of the Kansas Department of Administration's Chief Financial Officer and interpretation by the County Attorney and the legal representative of the College. There are no known material violations of finance-related legal and contractual provisions including Kansas statutes, regulations, contracts, debt covenants, or other agreements for the year ended June 30, 2022.

Note 1, item F, on the *Excess of expenditures over appropriations,* describes budgetary violations that occurred for the year ended June 30, 2022.

3. Detailed notes on all activities and funds

A. Cash and investments

A reconciliation of cash and investments as shown on the government-wide statement of net position for the primary government follows:

Cash and cash equivalents	$ 7,670,932
Short-term investments	10,990,000
Total cash and investments	$ 18,660,932
Carrying amount of deposits	$ 12,769,120
Carrying amount of investments	6,489,854
Cash on hand	6,126
Less custodial funds	(604,168)
Total cash and investments	$ 18,660,932

3. Detailed notes on all activities and funds (continued)

A. Cash and investments (continued)

Cash deposits with financial institutions

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 and held by a third party bank that is independent of the pledging bank. The pledged securities are held under a tri-party custodial agreement signed by all three parties: the College, the pledging bank and the independent third-party bank holding the pledged securities. All deposits were secured at June 30, 2022.

At June 30, 2022, the College's carrying amount of deposits was $12,769,120 and the bank balance was $12,910,157. Of the bank balance, 96.13% was held by three banks resulting in a concentration of credit risk. Of the bank balance, $1,000,146 was covered by federal depository insurance and $11,910,011 was collateralized with securities held by the pledging financial institutions' agents in the College's name. The College's cash deposits by financial institution at year end are as follows:

	Bank balance covered by		
	FDIC Coverage	Pledged securities at market value	Total bank balance
Commerce Bank	$ 250,000	$ 1,264,123	$ 1,514,123
Landmark National Bank	250,000	6,643,136	6,893,136
Dream First Bank	146	-	146
Western State Bank	250,000	3,752,752	4,002,752
Security Savings Bank of Kansas City	250,000	250,000	500,000
Total	$ 1,000,146	$ 11,910,011	$ 12,910,157

Investments

Credit and interest rate risks
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 or branch bank in the county in which the College is located, or in an adjoining county if such institution has been designated as an official depository, and the banks 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 or limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. State statute limits the College's investment maturities to two years or less.

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. All investments must be insured, registered, or held by the College or its agent in the College's name.

3. Detailed notes on all activities and funds (continued)

A. Cash and investments (continued)

Investments (continued)

Credit and interest rate risks (continued)
The College has no investment policy that would further limit its investment choices. The rating of the Government's investments is noted below.

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

As of June 30, 2022, the College had the following investments and maturities:

Investment type	Fair Value	Investment Maturities (in Years) Less Than 1	Rating
Municipal Investment Pool	$ 210,486	$ 210,486	S&P AAAf/S1+
Treasury obligations	6,279,368	6,279,368	N/A
Total fair value	$ 6,489,854	$ 6,489,854	

Concentration of credit risk
State statutes place no limit on the amount the College may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. The College's allocation of investments as of June 30, 2022, is as follows:

Investment Type	Percentage of Investments
Municipal Investment Pool	3.24%
Treasury obligations	96.76%

Custodial credit risk – investments
For an investment, this is the risk that, in the event of the failure of the counterparty, the College will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The College has no custodial credit risk exposure for its investments.

3. Detailed notes on all activities and funds (continued)

B. Receivables

Receivables as of year end for the College, including the applicable allowances for uncollectible accounts, are as follows:

Taxes		$ 564,374
Miscellaneous:		
Student accounts receivable - Fall 2022	$ 2,136,970	
Student accounts receivable	1,630,307	
State tuition reimbursement	274,253	
Endowment	1,004	
Other	1,469,868	5,512,402
Total net receivables		$ 6,076,776

C. Capital assets

The following is a summary of changes in the various capital asset categories for the year ended June 30, 2022:

	Beginning Balance	Additions	Retirements	Ending Balance
Capital assets not being depreciated:				
Land	$ 1,580,064	$ -	$ -	$ 1,580,064
Construction in progress	447,961	3,871,767	1,587,533	2,732,195
Total capital assets not being depreciated	2,028,025	3,871,767	1,587,533	4,312,259
Capital assets being depreciated:				
Improvements other than buildings	11,663,936	440,196	-	12,104,132
Buildings	43,978,451	205,943	-	44,184,394
Equipment	10,887,644	2,156,636	88,192	12,956,088
Total capital assets being depreciated	66,530,031	2,802,775	88,192	69,244,614
Less accumulated depreciation for:				
Improvements other than buildings	6,329,447	628,821	-	6,958,268
Buildings	26,442,247	1,505,020	-	27,947,267
Equipment	8,890,931	637,923	88,192	9,440,662
Total accumulated depreciation	41,662,625	2,771,764	88,192	44,346,197
Total capital assets being depreciated, net	24,867,406	31,011	-	24,898,417
Property, plant and equipment, net	$ 26,895,431	$ 3,902,778	$ 1,587,533	$ 29,210,676

Depreciation expense for the year ended June 30, 2022, was $2,771,764.

3. Detailed notes on all activities and funds (continued)

D. Defined benefit pension plan – Kansas Public Employees Retirement System

The College participates in a cost-sharing multiple-employer pension plan administered by the Kansas Public Employees Retirement System (KPERS). For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the KPERS and additions to/deductions from KPERS fiduciary net position have been determined on the same basis as they are reported by KPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

General information about the pension plan

Plan description

The College participates in a cost-sharing multiple-employer pension plan, as defined in Governmental Accounting Standards Board Statement No. 67, *Financial Reporting or 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. The State of Kansas and Kansas schools are required to participate, while 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.

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3. Detailed notes on all activities and funds (continued)

D. Defined benefit pension plan – Kansas Public Employees Retirement System (continued)

General information about the pension plan (continued)

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

Benefits provided
Benefits are established by statute and may only be changed by the Legislature. 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 "points".

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 State Legislature and the Governor of the State of Kansas.

The 2012 Legislature made changes affecting new hires, current members and employers. A new KPERS 3 cash balance retirement plan for new hires starting January 1, 2015, was created. Normal retirement age for KPERS 3 is 65 with five years of service or 60 with 30 years of service. Early retirement is available at age 55 with ten years of service, with a reduced benefit. Monthly benefit options are an annuity benefit based on the account balance at retirement.

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, which includes the state and the school 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 for the fiscal year ended June 30, 2021.

3. Detailed notes on all activities and funds (continued)

D. Defined benefit pension plan – Kansas Public Employees Retirement System (continued)

General information about the pension plan (continued)

Contributions (continued)
The actuarially determined employer contribution rate and the statutory contribution rate for College employees are 14.23% and 14.23%, respectively. Member contribution rates as a percentage of eligible compensation for the fiscal year ended June 30, 2021, are 6.00% for state/school employees.

Special funding situation
The employer contributions for non-retired employees of community colleges, as defined in K.S.A. 74-4931 (3), are funded by the State of Kansas on behalf of these employers. Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 68. The State is treated as a nonemployer contributing entity in the KPERS System. Since these employers do not contribute directly to KPERS for active employees, there is no net pension liability or deferred inflows or outflows to report in their financial statements associated with the non-retired employees. The College recognizes pension expense associated with the College as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the College.

The community colleges make contributions directly to KPERS for KPERS retirees filling KPERS covered positions per K.S.A. 74-4937, "working after retirement" employees. The resulting proportional share of these agencies "working after retirement" contributions and resulting net pension liability are attributable to the employer. These amounts are reflected separately in the schedules.

Employer 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 allocation percentages for the College's share of the collective pension amounts as of June 30, 2021 and 2020, were based on the ratio of its contributions to the total of the employer and nonemployer contributions of the group for the fiscal years ended June 30, 2021 and 2020, respectively. The contributions used exclude contributions made for prior service, excess benefits and irregular payments. At June 30, 2021, the College's proportion was 0.225%, which was an increase of 0.004% from its proportion measured at June 30, 2020.

3. Detailed notes on all activities and funds (continued)

D. Defined benefit pension plan – Kansas Public Employees Retirement System (continued)

Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions

Net pension liability
At June 30, 2022, the College reported a liability of for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the College. The amount recognized by the College as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the College were as follows:

College's proportionate share of the net pension liability	$	45,128
State's proportionate share of the net pension liability associated with the College		12,677,479
Total	$	12,722,607

Actuarial assumptions
The total pension liability was determined by an actuarial valuation as of December 31, 2020, which was rolled forward to June 30, 2021. The actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial cost method	Entry age normal
Price inflation	2.75%
Salary increase	3.50% to 12.00%, including price inflation
Investment rate of return	7.25% compounded annually, net of investment expense, including price inflation

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

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3. Detailed notes on all activities and funds (continued)

D. Defined benefit pension plan – Kansas Public Employees Retirement System (continued)

Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions (continued)

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

Asset Class	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 equity	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, 2021, was 7.25%. The discount rate used to measure total pension liability at the prior measurement date of June 30, 2020, was 7.50%. The actuarial assumptions 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 was based on member and employer contributions as outlined below:

- In KPERS, the State/School and Local groups do not necessarily contribute the full actuarial determined rate. Based on legislation passed in 1993 and subsequent legislation, the employer contribution rates certified by the Board may not increase by more than the statutory cap. The statutory cap for fiscal year 2021 was 1.20%.

3. Detailed notes on all activities and funds (continued)

D. Defined benefit pension plan – Kansas Public Employees Retirement System (continued)

Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions (continued)

Discount rate (continued)

- In recent years, the Legislature has made several changes to statutory rates that deviate from the scheduled contribution increases set under the caps established in 2012 for the State/School group. Under 2015 SB 4, the previously certified State/School statutory rate for fiscal year 2015 of 11.27% was reduced to 8.65% for the last half of the fiscal year as part of the Governor's allotment. That same session, SB 228 recertified statutory rates for the State/School group to 10.91% for fiscal year 2016 and 10.81% for fiscal year 2017 in anticipation of the issuance of $1 billion in pension obligation bonds. Legislation in the 2016 session (SB 161) provided for the delay of up to $100 million in State and School contributions to the pension plan. Legislation passed by the 2017 Legislature removed the repayment provisions included in SB 161.

- In addition, 2017 Senate Sub for Sub HB 2052 delayed $64.1 million in fiscal year 2017 State/School contributions, to be repaid over 20 years in level dollar installments. The first payment of $6.4 million was paid in full at the beginning of fiscal year 2018, and appropriations for fiscal year 2018 were made at the statutory contribution rate of 12.01% for the State/School group. Additional legislation in the 2017 Session (Senate Sub for HB 2002) provided for a reduction of $194 million from the previously certified contribution rate of 13.21% in the State/School contributions for fiscal year 2019. Like the fiscal year 2017 reduction, it is to be paid back over a 20 year period, beginning in fiscal year 2020. Therefore, both reductions will be accounted for as long term receivables by the pension plan. The 2018 Legislature passed House Sub for Senate Bill 109, which directed on-behalf payments of $56 million in fiscal year 2018 and $82 million in fiscal year 2019. The 2019 Legislative session passed Senate Bill 9 which provided additional contributions to the KPERS School Group of $115 million in fiscal year 2019. House Sub for Senate Bill 25 from the 2019 Legislative session authorized additional funding for the KPERS School group in fiscal year 2020 of $51 million.

- The 2021 Legislature passed House Bill 2405, which authorizes the state of Kansas to issue bonds with net proceeds of $500 million to fund a portion of the School group's unfunded actuarial liability, assuming certain criteria are met. As a result, the State/School contribution rate was recertified for fiscal years 2022 and 2023, lowering them respectively to 13.86% and 13.11%. The bond proceeds were received on August 26, 2021, and were reflected in the projected cash flows.

Based on employer contribution history as described above, it is a reasonable estimate that the State/School group's contribution rate may not be certified at the statutory rate. It has been assumed that contribution rates will be made within the same range as have been seen in the past few years. Using this assumption actuarial modeling indicates that employer contribution rates for the State/School group are sufficient to avoid a depletion date.

The statutory contribution rate for the combined State/School group first became equal to the actuarially required rate in fiscal year 2021. Projections based on the same valuation, and an annual return on investments of 7.25%, indicate that the contribution rate will remain fairly stable until 2036.

3. Detailed notes on all activities and funds (continued)

D. Defined benefit pension plan – Kansas Public Employees Retirement System (continued)

Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions (continued)

Sensitivity of the College's proportionate share of the net pension liability to changes in the discount rate

The following table presents the College's proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as what the College's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate:

1% Decrease (6.25%)	Discount rate (7.25%)	1% Increase (8.25%)
$ 66,308	$ 45,128	$ 27,321

Deferred outflows of resources and deferred inflows of resources

At June 30, 2022, the College reported deferred outflows of resources and deferred inflows of resources related to pensions as shown in the following tables. Experience gains/losses and the impact of changes in actuarial assumptions or other inputs, if any, are recognized over the average expected remaining service life of the active and inactive plan members at the beginning of the measurement period. Investment gains and losses are recognized over a fixed five year period. Contributions subsequent to the measurement date of the net pension liability but before the end of the College's reporting period will be recognized as a reduction of the net pension liability in the subsequent fiscal year rather than in the current fiscal year.

	College's Proportionate Share of Deferred Outflows of Resources	College's Proportionate Share of Deferred Inflows of Resources
Differences between expected and actual experience	$ 670	$ 211
Net differences between projected and actual earnings on Pension Plan investments	-	11,132
Changes of assumptions	6,496	-
Changes in proportion	35,907	54,349
Contributions subsequent to measurement date	9,773	-
Total	$ 52,846	$ 65,692

The net deferred outflows of resources and (deferred inflows) of resources as of June 30, 2021, that will be recognized in pension expense in future years are as follows:

Fiscal Year	Deferred Outflows (Inflows) of Resources
2022	$ (3,523)
2023	(7,477)
2024	(363)
2025	(9,947)
2026	(1,308)
Thereafter	-

3. Detailed notes on all activities and funds (continued)

D. Defined benefit pension plan – Kansas Public Employees Retirement System (continued)

Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions (continued)

Pension expense
For the year ended June 30, 2022, the College recognized pension expense of $963,414, which includes the changes in the collective net pension liability, projected earnings on pension plan investments, and the amortization of deferred outflows of resources and deferred inflows of resources for the current period.

E. Other postemployment benefit plan - healthcare

General information about the plan

Plan description
Kansas statutes provide that postemployment healthcare benefits be extended to retired employees who have met the age and/or service eligibility requirements. The other postemployment benefit (OPEB) for health insurance generally provides the same coverage for retirees and their dependents as for active employees and their dependents. The health insurance benefit plan is a single employer defined benefit plan administered by the College. There are no assets accumulated in a trust meeting the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.* Accordingly, the Plan is considered to be administered on a pay as you go basis.

Benefits provided
The benefit is available for selection at retirement and is extended to retirees age 62 or older and their dependents until the age of 65. Grandfathered retirees may continue coverage until death. The accounting for the health insurance for retirees is included in the College's general operating fund, with the subsidy provided from the general operating fund.

Funding policy
The College provides for medical, dental and prescription drug insurance coverage through its group insurance program to qualifying retirees and their dependents to retiree Medicare eligibility age. Two medical plans (major medical and a high deductible plan) and one dental plan are available. Eligible retirees receive a direct contribution from the College for the premium cost equal to the sum of the high deductible plan and dental single premium rates, capped at $400 per month. Spouses of retirees do not receive a direct contribution from the College and must contribute group rates to maintain coverage. Coverage is provided through fully insured arrangements that operate as a single employer defined benefit plan.

Covered employees
The College has the following employees covered by the OPEB plan as of June 30, 2022:

Inactive employees or beneficiaries currently receiving benefits	6
Active employees	199
	205

3. Detailed notes on all activities and funds (continued)

E. Other postemployment benefit plan - healthcare (continued)

OPEB liabilities, OPEB expense, and deferred outflows of resources and deferred inflows of resources related to OPEB – healthcare (continued)

Net OPEB liability - healthcare
The College's total OPEB liability – healthcare of $439,445 was measured as of June 30, 2022, and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs
The total OPEB liability in the June 30, 2022, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount rate	3.9% (measurement date) 2.0% (year preceding measurement date)
Medical/Rx trend rate	Actual for the first year, decreasing 0.50% per year for the next two years and 0.25% per year after that to an ultimate rate of 4.50% for 2030 and later years.
Dental costs	Actual for the first two years, 3.50% per year thereafter.
Age-based costs	Industry age-based cost relativities were applied to expected per member costs.
Participation in coverage for future retirees	One hundred percent (100%) of future employees are assumed to elect coverage upon retirement.
Enrollment duration	Coverage with the College is assumed to continue until the retiree reaches Medicare eligibility. When the spouse is > age 65 and the retiree is < age 65, the plan is assumed to be primary for both retiree and spouse coverage.
Retirement age	Assumed retirement rates are based on those utilitized for the KPERS-School pension valuations.
Disability	None
Withdrawal	Assumed rates are based on those utilitized for the KPERS-School pension valuations.
Spousal participation	Ten percent (10%) of future eligible retirees are assumed to have a covered spouse for Medical. Twenty percent (20%) is assumed for Dental. This is based on an analysis of covered spouse experience of retirees. Actual spousal elections were valued for spouses of current retirees.
Age difference for covered spouses	Male employees are assumed to be 3 years older than their female spouse for future retirees. Actual spousal age was valued for spouses of current retirees.
Medical plan	Future plan elections are assumed to remain unchanged relative to current elections. Actives currently waiving coverage were valued based upon the plan distribution of the total covered group. However, no benefit is assumed for an employee currently waiving coverage that can't meet the group health plan participation mimimum prior to reaching age 65.
Dental benefits	All future new retirees are assumed to elect Dental. Actual Dental elections were valued for current retirees.
Medicare eligibility age	Age 65
Timing of premium payments	Mid-Year
Salary scale per employee	3.0% per year
CPI inflation	2.75% per year (not explicit in the valuation)

3. Detailed notes on all activities and funds (continued)

E. Other postemployment benefit plan - healthcare (continued)

OPEB liabilities, OPEB expense, and deferred outflows of resources and deferred inflows of resources related to OPEB – healthcare (continued)

Actuarial assumptions and other inputs (continued)
The discount rate was based on the average of the published yields from the S&P Municipal Bond 20 year High Grade and the Fidelity GO AA-20 Years indexes.

Healthy life mortality rates were based on the Society of Actuaries Pub-2010 Public Retirement Plans Headcount-Weighted General Mortality Tables using Scale MP-2021 Full Generational Improvement.

Changes to the net OPEB liability - healthcare

Net OPEB liability - healthcare - beginning of year	$ 521,417
Service cost	27,447
Interest cost	10,507
Changes in assumptions and inputs	(72,926)
Employer contributions (benefit payments)	(47,000)
Net changes	(81,972)
Net OPEB liability - healthcare - end of year	$ 439,445

Changes of assumptions and other inputs reflect a change in the discount rate from the beginning to end of year, less one year of amortization.

Sensitivity of the total OPEB liability to changes in the discount rate
The following presents the total OPEB liability of the College, as well as what the College's total OPEB liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current discount rate:

	1% Decrease (2.9%)	Discount Rate (3.9%)	1% Increase (4.9%)
Total OPEB Liability - healthcare	$ 467,916	$ 439,445	$ 413,197

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates
The following presents the total OPEB liability of the College, as well as what the College's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability - healthcare	$ 409,135	$ 439,445	$ 475,109

3. Detailed notes on all activities and funds (continued)

E. Other postemployment benefit plan - healthcare (continued)

OPEB liabilities, OPEB expense, and deferred outflows of resources and deferred inflows of resources related to OPEB – healthcare (continued)

Deferred outflows of resources and deferred inflows of resources
At June 30, 2022, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB - healthcare from the following sources:

Category	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual	$ 61,877	$ 83,681
Changes in assumptions	-	178,927
Total	$ 61,877	$ 262,608

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB – healthcare will be recognized in OPEB expense as follows:

Fiscal Year	Amount
2023	$ 19,254
2024	19,254
2025	19,254
2026	19,254
2027	19,254
2028 & thereafter	104,461
	$ 200,731

OPEB expense – healthcare
For the year ended June 30, 2022, the College recognized OPEB expense for healthcare of $18,700.

F. Other postemployment benefit plan - KPERS death and disability

General information about the OPEB plan

Plan description
The College participates in a multiple-employer defined benefit other postemployment benefit (OPEB) plan (the Plan) which is administered by the Kansas Public Employees Retirement System (KPERS). The Plan provides long-term disability benefits and a life insurance benefit for disabled members to KPERS members, as provided by K.S.A. 74-04927. The Plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. However, because the trust's assets are used to pay employee benefits other than OPEB, the trust does not meet the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Accordingly, the Plan is considered to be administered on a pay as you go basis.

3. Detailed notes on all activities and funds (continued)

F. Other postemployment benefit plan - KPERS death and disability (continued)

General information about the OPEB plan (continued)

Plan description (continued)
The Plan is included in the KPERS annual comprehensive financial report, which is available on the KPERS website at www.kpers.org.

Contributions
Employer contributions are established and may be amended by state statute. Members are not required to contribute. There were no employer contributions paid for benefits during the fiscal year ending June 30, 2022.

Benefits
Benefits are established by statute and may be amended by the KPERS Board of Trustees. The Plan provides long-term disability benefits equal to 60% (prior to January 1, 2006, 66 2/3%) of annual compensation, offset by other benefits. Members receiving long-term disability benefits also receive credit towards their KPERS retirement benefits and have their group life insurance coverage continued under the waiver of premium provision.

The monthly long-term disability benefit is 60% of the member's monthly compensation, with a minimum of $100 and a maximum of $5,000. The monthly benefit is subject to reduction by deductible sources of income, which include Social Security primary disability or retirement benefits, workers compensation benefits, other disability benefits from any other sources by reason of employment, and earnings from any form of employment. If the disability begins before age 60, benefits are payable while the disability continues until the member's 65th birthday or retirement date, whichever occurs first. If the disability begins after age 60, benefits are payable while the disability continues, for a period of five years or until the member retires, whichever occurs first. Benefit payments for disabilities caused or contributed to by substance abuse or non-biologically based mental illnesses are limited to the shorter of the term of the disability or 24 months per lifetime.

The death benefit paid to beneficiaries of disabled members is 150% of the greater of 1) the member's annual rate of compensation at the time of disability, or 2) the members previous 12 months of compensation at the time of the last date on payroll. If the member has been disabled for five or more years, the annual compensation or salary rate at the time of death will be indexed using the consumer price index, less one percentage point, to compute the death benefit. If a member is diagnosed as terminally ill with a life expectancy of 12 months or less, the member may be eligible to receive up to 100% of the death benefit rather than having the benefit paid to the beneficiary. If a member retires or disability benefits end, the member may convert the group life insurance coverage to an individual insurance policy.

3. Detailed notes on all activities and funds (continued)

F. Other postemployment benefit plan - KPERS death and disability (continued)

General information about the OPEB plan (continued)

Covered employees
The College has the following employees covered by the Plan as of June 30, 2021:

Inactive employees or beneficiaries currently receiving benefits	-
Active employees	222
	222

OPEB liabilities, OPEB expense, and deferred outflows of resources and deferred inflows of resources related to OPEB – KPERS death and disability

Net OPEB liability – KPERS death and disability
At June 30, 2021, the total net OPEB liability recognized by the State of Kansas that was attributable to the College was $127,515.

Actuarial assumptions
The total OPEB liability was determined by an actuarial valuation as of December 31, 2020, calculated based on the discount rate and actuarial assumptions below, and rolled forward to the measurement date as of June 30, 2021. Any significant changes during this period have been reflected as prescribed by GASB 75.

Price inflation	2.75 percent
Payroll growth	3.00 percent
Wage inflation	3.50 percent, average, including inflation
Discount rate (based on the Bond Buyer General Obligation 20-Bond Municipal Index)	2.16 percent

Mortality rates used for the death benefits were based on the RP-2000 Healthy Annuitant Mortality Table for Males and Females, adjusted for generational mortality improvement using Scale AA. Mortality rates used for the disability benefits were based on the RP-2000 Disabled Life Table with generational mortality improvement using Scale AA.

The actuarial assumptions used in the December 31, 2020, valuation were based on the results of an actuarial experience study conducted for three years ending December 31, 2018. Changes in assumptions and benefits are described in the notes to the required supplemental information. There were no changes between the measurement date of December 31, 2020, rolled forward to June 30, 2021, and the College's reporting date of June 30, 2022.

3. Detailed notes on all activities and funds (continued)

F. Other postemployment benefit plan - KPERS death and disability (continued)

OPEB liabilities, OPEB expense, and deferred outflows of resources and deferred inflows of resources related to OPEB – KPERS death and disability (continued)

Changes to the net OPEB liability – KPERS death and disability

Net OPEB liability - KPERS death and disability - beginning of year	$ 128,790
Service cost	27,723
Interest cost	3,440
Effect of economic/demographic gains or losses	(30,917)
Effect of assumptions changes or inputs	194
Benefit payments	(1,715)
Net changes	(1,275)
Net OPEB liability - KPERS death and disability - end of year	$ 127,515

Sensitivity of the total OPEB liability to changes in the discount rate
The following presents the total OPEB liability of the College as of June 30, 2022, calculated using the discount rate of 2.16%, as well as what the College's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.16%) or 1 percentage point higher (3.16%) than the current rate.

	1% Decrease (1.16%)	Discount Rate (2.16%)	1% Increase (3.16%)
Total OPEB Liability - KPERS death and disability	$ 130,874	$ 127,515	$ 123,287

Sensitivity of the total OPEB liability to changes in the current trend rate
The following presents the total OPEB liability of the College as of June 30, 2022, calculated using the current healthcare cost trend rates as well as what the College's total OPEB liability would be if it were calculated using trend rates that are 1 percentage point lower or 1 percentage point higher than the current trend rates. The reader should note that healthcare trend rates do not affect the liabilities related to the long-term disability benefits sponsored by KPERS, but this exhibit is provided as it is a required disclosure under GASB 75.

	1% Decrease	Current Trend Rate	1% Increase
Total OPEB Liability - KPERS death and disability	$ 127,515	$ 127,515	$ 127,515

3. Detailed notes on all activities and funds (continued)

F. Other postemployment benefit plan - KPERS death and disability (continued)

OPEB liabilities, OPEB expense, and deferred outflows of resources and deferred inflows of resources related to OPEB – KPERS death and disability (continued)

Deferred outflows of resources and deferred inflows of resources
At June 30, 2022, the deferred inflows and outflows of resources are as follows:

Category	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience	$ -	$ 79,252
Changes in assumptions	6,157	2,812
Total	$ 6,157	$ 82,064

Amounts currently reported as deferred outflows of resources and deferred inflows of resources related to OPEB – KPERS death and disability will be recognized in OPEB expense as follows:

Fiscal Year	Amount
2022	$ (10,389)
2023	(10,389)
2024	(10,389)
2025	(10,389)
2026	(10,389)
2027 & thereafter	(24,094)
	$ (76,039)

OPEB revenue and expense – KPERS death and disability
For the year ended June 30, 2022, the College recognized revenue and OPEB expense for KPERS death and disability in an equal amount of $20,774.

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3. Detailed notes on all activities and funds (continued)

G. Construction and other significant commitments

Construction commitments
Capital projects in process at June 30, 2022, are as follows:

Project	Project Authorization	Expended to 6-30-22	Committed
West Hall dorm shower replacement	$ 50,328	$ 49,955	$ 373
BTSC new dishwasher	64,749	29,125	35,624
STEM building additions and improvements	4,293,600	433,235	3,860,365
Transportation building	2,262,343	1,329,038	933,305
Building controls phase III	175,000	70,000	105,000
Turf and track	845,618	639,494	206,124
Video board	610,825	181,347	429,478
Men's locker room remodel	110,262	-	110,262

H. Risk management
The College is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years.

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3. Detailed notes on all activities and funds (continued)

I. Lease obligations

Financing leases
The College has entered into various financing lease agreements outstanding at June 30, 2022, as follows:

1. First Security Finance, Inc.
The College entered into a lease purchase agreement for improvements and equipment with First Security Finance, Inc. dated June 20, 2013.

The lease purchase agreement commenced June 20, 2013, and expires June 1, 2023. The lease may be terminated upon any of the following events: (1) expiration of the original term including any renewals; (2) the exercise by the College of the option to purchase the equipment granted under the lease; (3) a default by the College and Lessor's election to terminate this lease; (4) the payment by the College of all base rental payments and additional rental payments due or to become due and the payment of the purchase price balance set forth in the lease; or (5) the effective date of cancellation of this lease by an act of the Kansas Legislature.

The College pays base rental payments to First Security Finance, Inc. Such payments are required to be budgeted by the College and are subject to any such limitations. The College is responsible for maintaining and operating the equipment. The lease agreement also requires certain insurance requirements which the College has met.

2. Clayton Holdings, LLC
The College entered into a lease purchase agreement for student housing with Clayton Holdings, LLC dated April 28, 2016.

The lease purchase agreement commenced April 28, 2016, and expires October 1, 2026. The lease may be terminated upon any of the following events: (1) expiration of the original term including any renewals; (2) the exercise by the College of the option to purchase the facilities granted under the lease; (3) a default by the College and Lessor's election to terminate this lease; (4) the payment by the College of all base rental payments and additional rental payments due or to become due and the payment of the purchase price balance set forth in the lease; or (5) the effective date of cancellation of this lease by an act of the Kansas Legislature.

The College pays base rental payments to Clayton Holdings, LLC. Such payments are required to be budgeted by the College and are subject to any such limitations. The College is responsible for maintaining and operating the housing. The lease agreement also requires certain insurance requirements which the College has met.

3. Detailed notes on all activities and funds (continued)

I. Lease obligations (continued)

Financing leases (continued)

3. Government Capital Corporation
The College entered into a lease purchase agreement for a digital scoreboard with Government Capital Corporation dated January 14, 2020.

The lease purchase agreement commenced January 14, 2020, and expires April 23, 2025. The lease may be terminated upon any of the following events: (1) expiration of the original term including any renewals; (2) the exercise by the College of the option to purchase the equipment granted under the lease; (3) a default by the College and Lessor's election to terminate this lease; (4) the payment by the College of all base rental payments and additional rental payments due or to become due and the payment of the purchase price balance set forth in the lease; or (5) the effective date of cancellation of this lease by an act of the Kansas Legislature.

The College pays base rental payments to Government Capital Corporation. Such payments are required to be budgeted by the College and are subject to any such limitations. The College is responsible for maintaining and operating the equipment. The lease agreement also requires certain insurance requirements which the College has met.

4. Kansas State Bank
The College entered into a lease purchase agreement for super circuit equipment with Kansas State Bank dated October 20, 2020.

The lease purchase agreement commenced October 20, 2020, and expires October 20, 2024. The lease may be terminated upon any of the following events: (1) expiration of the original term including any renewals; (2) the exercise by the College of the option to purchase the equipment granted under the lease; (3) a default by the College and Lessor's election to terminate this lease; (4) the payment by the College of all base rental payments and additional rental payments due or to become due and the payment of the purchase price balance set forth in the lease; or (5) the effective date of cancellation of this lease by an act of the Kansas Legislature.

The College pays base rental payments to Kansas State Bank. Such payments are required to be budgeted by the College and are subject to any such limitations. The College is responsible for maintaining and operating the equipment. The lease agreement also requires certain insurance requirements which the College has met.

3. Detailed notes on all activities and funds (continued)

I. Lease obligations (continued)

Financing leases (continued)

5. Security Bank of Kansas City

The College entered into a lease purchase agreement for student housing and parking lot with Security Bank of Kansas City dated May 4, 2021, under a refinancing arrangement involving the issuance of lease purchase agreement certificates of participation in the amount of $4,440,000. Proceeds from the lease purchase agreement were used to terminate the 2017 lease purchase agreement with Clayton Holdings, LLC and the revenue bonds series 2014 for a net savings of $441,727 in total minimum commitments.

The lease purchase agreement commenced May 4, 2021, and expires May 1, 2027. The lease may be terminated upon any of the following events: (1) expiration of the original term including any renewals; (2) the exercise by the College of the option to purchase the equipment granted under the lease; (3) a default by the College and Lessor's election to terminate this lease; (4) the payment by the College of all base rental payments and additional rental payments due or to become due and the payment of the purchase price balance set forth in the lease; or (5) the effective date of cancellation of this lease by an act of the Kansas Legislature.

The College pays base rental payments to Security Bank of Kansas City. Such payments are required to be budgeted by the College and are subject to any such limitations. The College is responsible for maintaining and operating the housing. The lease agreement also requires certain insurance requirements which the College has met.

6. Security Bank of Kansas City

The College entered into a lease purchase agreement for building improvements and equipment with Security Bank of Kansas City dated June 30, 2021, involving the issuance of lease purchase agreement certificates of participation in the amount of $4,000,000.

The lease purchase agreement commenced June 30, 2021, and expires May 1, 2036. The lease may be terminated upon any of the following events: (1) expiration of the original term including any renewals; (2) the exercise by the College of the option to purchase the equipment granted under the lease; (3) a default by the College and Lessor's election to terminate this lease; (4) the payment by the College of all base rental payments and additional rental payments due or to become due and the payment of the purchase price balance set forth in the lease; or (5) the effective date of cancellation of this lease by an act of the Kansas Legislature.

The College pays base rental payments to Security Bank of Kansas City. Such payments are required to be budgeted by the College and are subject to any such limitations. The College is responsible for maintaining and operating the building and equipment. The lease agreement also requires certain insurance requirements which the College has met.

3. Detailed notes on all activities and funds (continued)

I. Lease obligations (continued)

Financing leases (continued)

7. Clayton Holdings, LLC

The College entered into a lease purchase agreement for sports field lighting with Clayton Holdings, LLC dated August 17, 2021.

The lease purchase agreement commenced August 17, 2021, and expires August 27, 2026. The lease may be terminated upon any of the following events: (1) expiration of the original term including any renewals; (2) the exercise by the College of the option to purchase the facilities granted under the lease; (3) a default by the College and Lessor's election to terminate this lease; (4) the payment by the College of all base rental payments and additional rental payments due or to become due and the payment of the purchase price balance set forth in the lease; or (5) the effective date of cancellation of this lease by an act of the Kansas Legislature.

The College pays base rental payments to Clayton Holdings, LLC. Such payments are required to be budgeted by the College and are subject to any such limitations. The College is responsible for maintaining and operating the sports field lighting. The lease agreement also requires certain insurance requirements which the College has met.

8. Security Bank of Kansas City

The College entered into a lease purchase agreement for building improvements with Security Bank of Kansas City dated June 1, 2022, involving the issuance of lease purchase agreement certificates of participation in the amount of $5,100,000.

The lease purchase agreement commenced June 1, 2022, and expires May 1, 2035. The lease may be terminated upon any of the following events: (1) expiration of the original term including any renewals; (2) the exercise by the College of the option to purchase the equipment granted under the lease; (3) a default by the College and Lessor's election to terminate this lease; (4) the payment by the College of all base rental payments and additional rental payments due or to become due and the payment of the purchase price balance set forth in the lease; or (5) the effective date of cancellation of this lease by an act of the Kansas Legislature.

The College pays base rental payments to Security Bank of Kansas City. Such payments are required to be budgeted by the College and are subject to any such limitations. The College is responsible for maintaining and operating the buildings. The lease agreement also requires certain insurance requirements which the College has met.

3. Detailed notes on all activities and funds (continued)

I. Lease obligations (continued)

Financing leases (continued)

The total amount of the capital assets and construction in progress included on the College's fixed asset records under these lease agreements are as follows for the fiscal year ended June 30, 2022:

Cost:	
Construction in progress	$ 1,254,076
Improvements other than buildings	4,102,758
Buildings	3,195,699
Equipment	121,670
Total cost	8,674,203
Less accumulated depreciation:	
Improvements other than buildings	1,285,424
Buildings	910,635
Equipment	4,345
Total accumulated depreciation	2,200,404
Total fixed assets and construction in progress under lease agreements, net	$ 6,473,799

In addition, $3,845,924 remains from the June 1, 2022, lease purchase agreement proceeds for additional improvement projects authorized in the agreement.

The College's future minimum lease obligations and the net present value of those minimum lease payments are as follows for the fiscal years ended June 30:

Fiscal Year	Amount
2023	$ 2,232,853
2024	1,922,114
2025	1,914,753
2026	1,839,013
2027	1,837,814
2028-2032	4,005,750
2033-2036	2,698,890
Total minimum lease payments	16,451,187
Amount representing interest	(2,124,941)
Present value of minimum lease payments	$ 14,326,246

The above payments are reduced by interest earnings on any reserve funds held by the trustee banks.

3. Detailed notes on all activities and funds (continued)

J. Long-term liabilities

Changes in long-term liabilities

The following is a summary of changes in long-term liabilities of the College for the year ended June 30, 2022:

	Beginning Balance	Additions	Retirements	Ending Balance	Current Portion
Leases payable:					
Lease obligation - improvements and equipment	$ 576,200	$ -	$ 284,251	$ 291,949	$ 291,949
Lease obligation - student housing	818,140	-	136,363	681,777	136,364
Lease obligation - digital scoreboard	95,268	-	22,660	72,608	23,414
Lease obligation - super circuit equipment	103,048	-	24,617	78,431	25,365
Lease obligation - student housing and parking lot	4,440,000	-	535,000	3,905,000	755,000
Lease obligation - building improvements and equipment	4,000,000	-	245,000	3,755,000	240,000
Lease obligation - sports field lighting	-	441,481	-	441,481	85,790
Lease obligation - improvements	-	5,100,000	-	5,100,000	325,000
Total leases payable	10,032,656	5,541,481	1,247,891	14,326,246	1,882,882
Other liabilities:					
Compensated absences, net	306,401	8,214	-	314,615	-
COP discount premium	336,429	94,097	33,080	397,446	49,352
Net pension liability	110,435	-	65,307	45,128	-
Net OPEB liability - healthcare	521,417	37,954	119,926	439,445	-
Net OPEB liability - KPERS death and disability	128,790	31,357	32,632	127,515	-
Total other liabilities	1,403,472	171,622	250,945	1,324,149	49,352
Total long-term liabilities	$ 11,436,128	$ 5,713,103	$ 1,498,836	$ 15,650,395	$ 1,932,234

In addition to the $1,247,891 in principal retired during the year, the College paid $183,728 in interest on the bonds and leases payable during the year ended June 30, 2022.

Legal debt margin

The College is subject to a debt limit that is 3% of the assessed valuation of taxable real property. For the year ended June 30, 2022, that amount was $14,498,197. As of June 30, 2022, the College has no outstanding debt subject to the debt limit.

3. Detailed notes on all activities and funds (continued)

K. Related party transactions

The College purchases goods and services from businesses owned and operated by a board member. The College paid this business $117,593 during the year ended June 30, 2022.

L. Discretely presented component units

1. Garden City Community College Endowment Association

At June 30, 2022, the Endowment Association's investment balances consisted of $6,300,965 in marketable securities with a fair value of $5,998,348, and $600,612 of certificates of deposit.

The carrying amount of deposits for the Endowment Association was $741,973 and the bank balance was $743,720. All of the bank balance was covered by a combination of federal depository insurance, national credit union share insurance and securities investor protection insurance.

Property and equipment at June 30, 2022, for the Endowment Association consisted of the following:

Land	$	56,000
Buildings and improvements		9,500
Equipment		26,184
Total, cost		91,684
Less accumulated depreciaton		(25,885)
Property and equipment, net	$	65,799

2. Broncbuster Athletic Association

At June 30, 2022, the carrying amount of deposits for the Broncbuster Athletic Association was $75,566 and the bank balance was $75,220. All of the bank balance was covered by federal depository insurance.

Property and equipment at June 30, 2022, for the Broncbuster Athletic Association consisted of the following:

Property and equipment	$	3,174
Less accumulated depreciation		(1,718)
Property and equipment, net	$	1,456

3. Detailed notes on all activities and funds (continued)

M. Contingencies

Grant audits

The College receives significant financial assistance from numerous federal and state governmental agencies in the form of grants and state pass through aid. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit. Any disallowed claims resulting from such audits could become a liability of the applicable funds. The amount of expenditures that may be disallowed by the grantor cannot be determined at this time, although the College expects such amounts, if any, to be immaterial.

Student financial aid programs

The College participates in federally funded Pell Grants, SEOG Grants, Federal Work-Study, and Federal Family Education Loans programs. Federal programs are audited in accordance with Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the *Compliance Supplement.*

Litigation

The College is named as a party in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of management, the ultimate outcome of these lawsuits will not have a material adverse effect on the financial condition of the College.

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3. Detailed notes on all activities and funds (continued)

N. Tax abatements

The City of Garden City entered into property tax abatement agreements with local developers under Kansas statutes 12-5241 et seq., which authorizes a city to designate rural housing incentive districts. Under the statues, the City is authorized to reimburse the developer for all or a portion of the costs of implementing the development through the use of property tax increments allocated to the City under the provisions of the statute. The City then entered into an interlocal agreement to allocate these abatements among the local taxing entities.

For the year ended June 30, 2022, the College's share of abated property taxes totaled $201,009 under the rural housing incentive districts program.

The City of Garden City entered into property tax abatement agreements with local developers under Kansas statutes 12-1770 and 12-1771(a), which govern the creation of redevelopment districts and tax increment financing. Kansas statutes governing the tax increment financing allows the financing to be used for property acquisition, site preparation, utilities, drainage, street improvements, landscape amenities, public outdoor spaces, streetscape amenities, and parking facilities in a redevelopment district. The City uses tax increment revenues to reimburse redevelopment in the district. The City then entered into an interlocal agreement to allocate these abatements among the local taxing entities.

For the year ended June 30, 2022, the College's share of abated property taxes totaled $319,779 under the tax increment financing project.

Finney County entered into property tax settlement agreements with various local entities to refund property tax payments paid by the entities. The County then entered into an interlocal agreement to allocate these abatements among the local taxing entities.

For the year ended June 30, 2022, the College's share of property taxes abated totaled $255,361 under the property tax settlement agreements.

O. CARES Act Funding

The CARES Act included Higher Education Emergency Relief Funds (HEERF) to institutions. The HEERF grants will provide institutions with emergency relief funds to address the impact COVID-19 has had on students and institutions. It is being allocated to the College in three phases, HEERF I, II and III. The HEERF I under the CARES Act began in March 2020, the HEERF II under the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act began in December 2020, and the HEERF III under the American Rescue Plan (ARP) Act began in March 2021. The College was allocated $1,364,344 for HEERF I, $2,644,340 for HEERF II, and $4,490,027 for HEERF III. As of June 30, 2022, the College has spent all of HEERF I and HEERF III, and $2,640,101 of HEERF II.

3. Detailed notes on all activities and funds (continued)

P. Subsequent events

Subsequent to year end, the Board of Trustees accepted bids for the John Deere technology building expansion totaling $1,423,400 and construction of an IT office complex for the John Deere technology building expansion totaling $415,700. The John Deere technology building expansion will be funded with proceeds received from the American Rescue Plan Act grant secured through the Kansas Department of Commerce. The construction of the IT office complex for the John Deere expansion will be funded from capital outlay funds.

Subsequent to year end, the Board of Trustees approved an energy services agreement to save money currently being spent on energy so it can be moved to other needs of the College; the total project fee for this agreement is $1,109,232.

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REQUIRED SUPPLEMENTARY INFORMATION

GARDEN CITY COMMUNITY COLLEGE
Schedules of Net Pension Liability and
Contributions Attributable to the College
June 30, 2022

Schedule of the College's Proportionate Share of the Net Pension Liability
Kansas Public Employees Retirement System (KPERS)
Last Eight Fiscal Years *

	As of measurement date June 30,		
	2014	2015	2016
College's proportion of the net pension liability (asset)	0.000000%	0.951969%	0.138473%
College's proportionate share of the net pension liability (asset)	$ -	$ 150,122	$ 20,997
State's proportionate share of the net pension liability (asset) associated with the College	14,184,047	15,769,626	15,163,292
Total	$ 14,184,047	$ 15,919,748	$ 15,184,289
College's covered-employee payroll	$ 9,709,725	$ 10,047,263	$ 9,741,859
College's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.00%	1.49%	0.22%
Plan fiduciary net position as a percentage of the total pension liability	66.60%	64.95%	65.10%

Schedule of College Contributions
Kansas Public Employees Retirement System (KPERS)
Last Nine Fiscal Years *

	As of College's fiscal year ended June 30,		
	2014	2015	2016
Contractually required contribution	$ -	$ 9,418	$ 1,460
Contributions in relation to the contractually required contribution	-	(9,418)	(1,460)
Contribution deficiency (excess)	$ -	$ -	$ -
College's covered-employee payroll	$ 9,709,725	$ 10,047,263	$ 9,741,859
Contributions as a percentage of covered-employee payroll	0.000000%	0.093737%	0.014987%

* Until a full 10-year trend is compiled, the College will present information for those years for which information is available.

Note 1 – Changes of assumptions
The actuarially determined contribution rates in the Schedule of the State Contributions Attributable to the College are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.

As of measurement date June 30,				
2017	2018	2019	2020	2021
0.663741%	0.581759%	0.324512%	0.668581%	0.355970%
$ 101,725	$ 85,131	$ 45,209	$ 110,435	$ 45,128
15,326,000	14,633,372	13,931,401	16,517,828	12,677,479
$ 15,427,725	$ 14,718,503	$ 13,976,610	$ 16,628,263	$ 12,722,607
$ 10,153,047	$ 10,416,480	$ 10,230,556	$ 11,000,083	$ 11,336,345
1.00%	0.82%	0.44%	1.00%	0.40%
67.12%	68.88%	69.88%	66.30%	76.40%

As of College's fiscal year ended June 30,					
2017	2018	2019	2020	2021	2022
$ 7,505	$ 7,452	$ 6,491	$ 10,534	$ 5,650	$ 9,773
(7,505)	(7,452)	(6,491)	(10,534)	(5,650)	(9,773)
$ -	$ -	$ -	$ -	$ -	$ -
$ 10,153,047	$ 10,416,480	$ 10,230,556	$ 11,000,083	$ 11,336,345	$ 12,394,066
0.073919%	0.071540%	0.063447%	0.095763%	0.049840%	0.078852%

GARDEN CITY COMMUNITY COLLEGE
Schedule of Changes in the College's Share of
OPEB Liability and Related Ratios - Healthcare
June 30, 2022
Last Five Fiscal Years *

	2018	2019	2020	2021	2022
Total net OPEB liability - healthcare - beginning of year	$ 873,954	$ 733,832	$ 600,679	$ 508,900	$ 521,417
Service cost	26,777	25,925	27,586	27,883	27,447
Interest cost	28,619	23,273	17,138	13,163	10,507
Differences between actual and expected experience	(81,077)	(111,812)	-	(19,116)	-
Changes in assumptions and inputs	3,559	38,461	(22,503)	51,587	(72,926)
Employer contributions (benefit payments)	(118,000)	(109,000)	(114,000)	(61,000)	(47,000)
Net changes	(140,122)	(133,153)	(91,779)	12,517	(81,972)
Total net OPEB liability - healthcare - end of year	$ 733,832	$ 600,679	$ 508,900	$ 521,417	$ 439,445
Covered employee payroll	$ 8,591,100	$ 8,680,643	$ 8,680,643	$ 9,632,983	$ 9,632,983
Total net OPEB liability as a percentage of covered employee payroll	8.50%	6.90%	5.90%	5.40%	4.60%

* Data became available with the inception of GASB 75 during fiscal year 2018; therefore, 10 years of data is unavailable.

Note 1 – Changes of benefit terms
There are no changes of benefit terms.

Note 2 – Changes of assumptions
The actuarial assumptions changes per the June 30, 2022, valuation relative to the June 30, 2021, valuation are shown below.

- The discount rate changed from 2.0% to 3.9%.
- The assumed salary scale was updated from 2.0% to 3.0%.
- The turnover rates were updated based on the latest available KPERS pension valuation data.
- The per capita costs, retiree contribution premiums and trend assumptions were updated as part of the actuarial evaluation.

GARDEN CITY COMMUNITY COLLEGE
Schedule of Changes in the College's Share of
OPEB Liability and Related Ratios – KPERS Death and Disability
June 30, 2022
Last Five Fiscal Years *

	2017	2018	2019	2020	2021
Total net OPEB liability - KPERS death and disability - beginning of year	$ 167,669	$ 172,284	$ 154,687	$ 142,589	$ 128,790
Service cost	23,972	22,278	22,471	22,637	27,723
Interest cost	5,170	6,601	6,462	5,426	3,440
Effect of plan changes	-	-	-	-	-
Effect of economic/demographic gains or losses	-	(24,357)	(22,459)	(27,040)	(30,917)
Effect of assumptions changes or inputs	(3,948)	(1,540)	2,007	5,757	194
Benefit payments	(20,579)	(20,579)	(20,579)	(20,579)	(1,715)
Net changes	4,615	(17,597)	(12,098)	(13,799)	(1,275)
Total net OPEB liability - KPERS death and disability - end of year	$ 172,284	$ 154,687	$ 142,589	$ 128,790	$ 127,515
Nonemployer contributing entity total proportionate share of the total OPEB liability:	100%	100%	100%	100%	100%
College's total proprotionate share of the total OPEB liability	0%	0%	0%	0%	0%
Covered-employee payroll	$10,175,579	$10,193,219	$ 9,937,304	$10,772,828	$11,259,035
Total net OPEB liability as a percentage of covered payroll	1.69%	1.52%	1.43%	1.20%	1.13%

* Data became available with the inception of GASB 75 during fiscal year 2018; therefore, 10 years of data is unavailable.

Note 1 – Changes of benefit terms
There are no changes of benefit terms.

Note 2 – Changes of assumptions
The demographic assumptions have been updated based upon the most recent KPERS experience study. The discount rate was updated in accordance with the requirements of GASB 75. The mortality projection scale was updated to the most recent table published by the Society of Actuaries. The overall impact of the new assumptions is an increase in the benefit obligations.

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SUPPLEMENTARY INFORMATION

GARDEN CITY COMMUNITY COLLEGE
Combining Schedule of Revenue, Expenditures,
Encumbrances and Changes in Unencumbered Cash - Actual and Budget -
Current Funds - Unrestricted (Legal Basis)
For the Year Ended June 30, 2022

	General		
	Actual	Budget	Variance Over (Under)
REVENUE			
Local	$ 13,041,239	$ 13,051,260	$ (10,021)
State	1,731,655	1,731,655	-
Student tuition and fees	3,842,521	1,740,000	2,102,521
Other:			
Private gifts and grants	-	-	-
Miscellaneous	163,553	-	163,553
Interest	13,322	20,000	(6,678)
Total revenue	18,792,290	16,542,915	2,249,375
EXPENDITURES AND ENCUMBRANCES			
Education and general:			
Instruction	3,797,746	3,079,488	718,258
Academic support	1,424,308	2,392,585	(968,277)
Student services	3,867,955	4,340,096	(472,141)
Community service	-	-	-
Operation and maintenance	3,669,443	3,528,907	140,536
Institutional support	3,249,411	4,217,424	(968,013)
Scholarships	94,662	141,500	(46,838)
Total expenditures and encumbrances	16,103,525	17,700,000	(1,596,475)
Revenue over expenditures and encumbrances	2,688,765	(1,157,085)	3,845,850
OTHER FINANCING SOURCES (USES)			
Transfers out	(2,040,584)	(300,000)	1,740,584
REVENUE OVER EXPENDITURES AND ENCUMBRANCES AND OTHER FINANCING SOURCES (USES)	648,181	(1,457,085)	2,105,266
Unencumbered cash, beginning of year	8,054,398	8,492,911	(438,513)
Unencumbered cash, end of year	$ 8,702,579	$ 7,035,826	$ 1,666,753
From fiscal year 2023 budget	$ 11,571,867		
Adjustment	(2,869,288)		
Total	$ 8,702,579		

Adult Supplementary Education			Auxiliary Enterprise Funds		
Actual	Budget	Variance Over (Under)	Actual	Budget	Variance Over (Under)
$ -	$ -	$ -	$ -	$ -	$ -
3,010	-	3,010	-	-	-
548,539	400,000	148,539	2,940,739	3,975,000	(1,034,261)
250	-	250	3,995	-	3,995
93,781	20,000	73,781	7,793	-	7,793
-	-	-	-	-	-
645,580	420,000	225,580	2,952,527	3,975,000	(1,022,473)
389,903	400,000	(10,097)	1,059	-	1,059
8,000	-	8,000	-	-	-
60,516	50,000	10,516	2,316,411	2,950,000	(633,589)
48,217	50,000	(1,783)	29,908	-	29,908
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
506,636	500,000	6,636	2,347,378	2,950,000	(602,622)
138,944	(80,000)	218,944	605,149	1,025,000	(419,851)
(27,749)	-	27,749	(488,265)	(780,000)	(291,735)
111,195	(80,000)	191,195	116,884	245,000	(128,116)
405,002	364,990	40,012	1,002,281	808,019	194,262
$ 516,197	$ 284,990	$ 231,207	$ 1,119,165	$ 1,053,019	$ 66,146
$ 510,626			$ 1,119,165		
5,571			-		
$ 516,197			$ 1,119,165		

GARDEN CITY COMMUNITY COLLEGE
Combining Schedule of Revenue, Expenditures,
Encumbrances and Changes in Unencumbered Cash - Actual and Budget -
Current Funds - Unrestricted (Legal Basis)
For the Year Ended June 30, 2022

(continued)	Total (Memorandum Only)		
	Actual	Budget	Variance Over (Under)
REVENUE			
Local	$ 13,041,239	$ 13,051,260	$ (10,021)
State	1,734,665	1,731,655	3,010
Student tuition and fees	7,331,799	6,115,000	1,216,799
Other:			
Private gifts and grants	4,245	-	4,245
Miscellaneous	265,127	20,000	245,127
Interest	13,322	20,000	(6,678)
Total revenue	22,390,397	20,937,915	1,452,482
EXPENDITURES AND ENCUMBRANCES			
Education and general:			
Instruction	4,188,708	3,479,488	709,220
Academic support	1,432,308	2,392,585	(960,277)
Student services	6,244,882	7,340,096	(1,095,214)
Community service	78,125	50,000	28,125
Operation and maintenance	3,669,443	3,528,907	140,536
Institutional support	3,249,411	4,217,424	(968,013)
Scholarships	94,662	141,500	(46,838)
Total expenditures and encumbrances	18,957,539	21,150,000	(2,192,461)
Revenue over expenditures and encumbrances	3,432,858	(212,085)	3,644,943
OTHER FINANCING SOURCES (USES)			
Transfers out	(2,556,598)	(1,080,000)	1,476,598
REVENUE OVER EXPENDITURES AND ENCUMBRANCES AND OTHER FINANCING SOURCES (USES)	876,260	(1,292,085)	2,168,345
Unencumbered cash, beginning of year	9,461,681	9,665,920	(204,239)
Unencumbered cash, end of year	$ 10,337,941	$ 8,373,835	$ 1,964,106

GARDEN CITY COMMUNITY COLLEGE
Schedule of Revenue - Actual and Budget -
General Fund - Unrestricted (Legal Basis)
For the Year Ended June 30, 2022

	General		
	Actual	Budget	Variance Over (Under)
Local:			
Prior year ad valorem property tax	$ -	$ 12,054	$ (12,054)
Current year ad valorem property tax	11,465,951	11,800,104	(334,153)
Motor vehicle tax	954,584	1,033,552	(78,968)
Recreational vehicle tax	13,514	13,420	94
Delinquent tax	408,382	192,130	216,252
In lieu of tax	198,808	-	198,808
Total local	13,041,239	13,051,260	(10,021)
State:			
State operating grant	1,731,655	1,731,655	-
Student tuition and fees:			
Tuition	2,796,721	700,000	2,096,721
Fees	1,045,800	1,040,000	5,800
Total student tuition and fees	3,842,521	1,740,000	2,102,521
Other:			
Miscellaneous	163,553	-	163,553
Interest	13,322	20,000	(6,678)
Total other	176,875	20,000	156,875
Total revenue	$ 18,792,290	$ 16,542,915	$ 2,249,375

GARDEN CITY COMMUNITY COLLEGE
Schedule of Revenue, Expenditures,
Encumbrances and Changes in Unencumbered Cash - Actual and Budget -
Adult Basic Education Fund (Legal Basis)
For the Year Ended June 30, 2022

	Adult Basic Education		
	Actual	Budget	Variance Over (Under)
REVENUE			
Local	$ 54	$ 50,220	$ (50,166)
State	104,268	129,638	(25,370)
Federal	221,919	202,669	19,250
Total revenue	326,241	382,527	(56,286)
EXPENDITURES AND ENCUMBRANCES			
Education and general:			
Instruction	428,480	382,461	46,019
Community service	8,364	-	(8,364)
Total expenditures and encumbrances	436,844	382,461	37,655
Revenue over (under) expenditures and encumbrances	(110,603)	66	(93,941)
OTHER FINANCING SOURCES (USES)			
Mandatory transfers in	104,053	-	104,053
REVENUE OVER EXPENDITURES AND ENCUMBRANCES AND OTHER FINANCING SOURCES (USES)	(6,550)	66	10,112
Unencumbered cash, beginning of year	10,000	-	10,000
Unencumbered cash, end of year	$ 3,450	$ 66	$ 20,112
From fiscal year 2023 budget	$ 9,021		
Adjustment	(5,571)		
Total	$ 3,450		

GARDEN CITY COMMUNITY COLLEGE
Schedule of Revenue, Expenditures,
Encumbrances and Changes in Unencumbered Cash - Actual and Budget -
Postsecondary Technical Education Fund (Legal Basis)
For the Year Ended June 30, 2022

	Postsecondary Technical Education		
	Actual	Budget	Variance Over (Under)
REVENUE			
State	$ 1,526,470	$ 1,058,862	$ 467,608
Student tuition and fees:			
Fees	171,860	170,000	1,860
Other:			
Miscellaneous	36,950	50,000	(13,050)
Total revenue	1,735,280	1,278,862	456,418
EXPENDITURES AND ENCUMBRANCES			
Education and general:			
Instruction	2,783,630	3,000,000	(216,370)
Academic support	171,589	200,000	(28,411)
Public service	-	400	(400)
Total expenditures and encumbrances	2,955,219	3,200,400	(245,181)
Revenue under expenditures and encumbrances	(1,219,939)	(1,921,538)	701,599
OTHER FINANCING SOURCES (USES)			
Transfers in	1,347,745	-	1,347,745
REVENUE OVER (UNDER) EXPENDITURES AND ENCUMBRANCES AND OTHER FINANCING SOURCES (USES)	127,806	(1,921,538)	2,049,344
Unencumbered cash, beginning of year	-	-	-
Unencumbered cash, end of year	$ 127,806	$ (1,921,538)	$ 2,049,344
From fiscal year 2023 budget	$ -		
Adjustment	127,806		
Total	$ 127,806		

GARDEN CITY COMMUNITY COLLEGE
Schedule of Revenue, Expenditures,
Encumbrances and Changes in Unencumbered Cash - Actual and Budget -
Plant Funds - Unexpended (Legal Basis)
For the Year Ended June 30, 2022

	Capital Outlay		
	Actual	Budget	Variance Over (Under)
REVENUE			
Local:			
Current year ad valorem property tax	$ 487,882	$ 500,882	$ (13,000)
Motor vehicle tax	45,461	45,670	(209)
Recreational vehicle tax	646	593	53
Delinquent tax	19,050	8,490	10,560
In lieu of tax	8,466	-	8,466
Total revenue	561,505	555,635	5,870
EXPENDITURES AND ENCUMBRANCES			
Plant facilities and equipment	1,017,004	966,000	51,004
REVENUE OVER (UNDER) EXPENDITURES AND ENCUMBRANCES AND OTHER FINANCING USES	(455,499)	(410,365)	(45,134)
Unencumbered cash, beginning of year	947,900	883,023	64,877
Unencumbered cash, end of year	$ 492,401	$ 472,658	$ 19,743
From fiscal year 2023 budget	$ 1,171,473		
Adjustment	(679,072)		
Total	$ 492,401		

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GARDEN CITY COMMUNITY COLLEGE
Notes to Supplementary Information
For the Year Ended June 30, 2022

Reconciliation of Revenue, Expenditures, and Other Financing Sources (Uses) for budgetary funds on a budgetary basis to GAAP basis.

	Current Funds - Unrestricted		
	General	Adult Supplementary Education	Auxiliary Enterprise Funds
REVENUE			
Actual amounts (budgetary basis) revenues from combining schedules (Schedules 1, 2, 3 and 4)	$ 18,792,290	$ 645,580	$ 2,952,527
Adjustments:			
Ad valorem property tax receipts from May, but not available revenue until following fiscal year for GAAP reporting -			
Plus prior year tax receipts	4,149,084	-	-
Less current year tax receipts	(4,368,028)	-	-
State appropriations for KPERS reported for GAAP reporting purposes only	968,059	-	-
Total revenue as reported under the GAAP basis	$ 19,541,405	$ 645,580	$ 2,952,527
EXPENDITURES			
Actual amounts (budgetary basis) expenditures from combining schedules (Schedules 1, 2, 3 and 4)	$ 16,103,525	$ 506,636	$ 2,347,378
Adjustments:			
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the items are received for GAAP reporting -			
Less current year encumbrances	(274,520)	(57,714)	(36,890)
Plus prior year encumbrances	370,107	34,021	178,725
KPERS pension expense reported for GAAP reporting purposes only	953,641	-	-
Reclassifications:			
Budgetary expenditures for plant facilities are reclassified to other financing sources (uses) for GAAP reporting	-	-	-
Total expenditures as reported under the GAAP basis	$ 17,152,753	$ 482,943	$ 2,489,213
OTHER FINANCING SOURCES (USES)			
Actual amounts (budgetary basis) other financing sources (uses) from combining schedules (Schedules 1, 2, 3 and 4)	$ (2,040,584)	$ (27,749)	$ (488,265)
Reclassifications:			
Budgetary expenditures for plant facilities are reclassified to other financing sources (uses) for GAAP reporting	-	-	-
Total other financing sources (uses) as reported under the GAAP basis	$ (2,040,584)	$ (27,749)	$ (488,265)

Total	Current Funds - Restricted			Plant Funds - Unexpended
	Adult Basic Education	Postsecondary Technical Education	Total	Capital Outlay
$ 22,390,397	$ 326,241	$ 1,735,280	$ 2,061,521	$ 561,505
4,149,084	-	-	-	184,309
(4,368,028)	(7)	-	(7)	(186,516)
968,059	-	-	-	-
$ 23,139,512	$ 326,234	$ 1,735,280	$ 2,061,514	$ 559,298
$ 18,957,539	$ 436,844	$ 2,955,219	$ 3,392,063	$ 1,017,004
(369,124)	(43,817)	(60,277)	(104,094)	(294,082)
582,853	26,627	42,712	69,339	64,780
953,641	-	-	-	-
-	-	-	-	(787,702)
$ 20,124,909	$ 419,654	$ 2,937,654	$ 3,357,308	$ -
$ (2,556,598)	$ 104,053	$ 1,347,745	$ 1,451,798	$ -
-	-	-	-	(787,702)
$ (2,556,598)	$ 104,053	$ 1,347,745	$ 1,451,798	$ (787,702)

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ADDITIONAL INFORMATION –
Schedules of Management Information

GARDEN CITY COMMUNITY COLLEGE
Additional Information –
Schedules of Management Information
June 30, 2022

The following schedules are additional financial information maintained for management purposes only.

GARDEN CITY COMMUNITY COLLEGE
Schedule of Management Information
Combining Statement of Revenue, Expenditures and Other Changes - Current Funds
For the Year Ended June 30, 2022

	Current Funds		
	Unrestricted	Restricted	Total (Memorandum Only)
REVENUE			
Local	$ 12,822,295	$ 47	$ 12,822,342
State	2,702,724	1,887,684	4,590,408
Federal	-	9,366,145	9,366,145
Student tuition and fees	4,643,577	171,860	4,815,437
Other:			
Private gifts and grants	4,245	790,576	794,821
Miscellaneous	265,127	64,868	329,995
Interest	13,322	-	13,322
Sales and services of auxiliary's enterprises	2,688,222	-	2,688,222
Institutional support	-	1,455	1,455
Total revenue	23,139,512	12,282,635	35,422,147
EXPENDITURES			
Education and general:			
Instruction	5,119,969	3,546,315	8,666,284
Academic support	1,416,681	903,225	2,319,906
Student services	3,937,212	7,067,269	11,004,481
Community service	48,116	13,014	61,130
Operating and maintenance of plant	3,805,945	271,698	4,077,643
Institutional support	3,213,111	1,434,036	4,647,147
Other expenses	-	10,474	10,474
Scholarships	94,662	-	94,662
Total education and general	17,635,696	13,246,031	30,881,727
Auxiliary enterprise expenditures	2,489,213	-	2,489,213
Total expenditures	20,124,909	13,246,031	33,370,940
OTHER FINANCING SOURCES (USES)			
Transfers in	3,383,079	4,875,200	8,258,279
Transfers out	(5,939,677)	(3,383,079)	(9,322,756)
Total other financing sources (uses)	(2,556,598)	1,492,121	(1,064,477)
NET INCREASE (DECREASE) IN NET POSITION	$ 458,005	$ 528,725	$ 986,730

GARDEN CITY COMMUNITY COLLEGE
Schedule of Management Information
Combining Statement of Net Position -
All Current Funds - Unrestricted
June 30, 2022

	General	Adult Supplemental Education	Auxiliary Enterprise Funds	Total (Memorandum Only)
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
Cash and investments	$ 7,621,706	$ 575,123	$ 1,203,953	$ 9,400,782
Receivables (net of allowance for uncollectibles):				
Taxes	541,793	-	-	541,793
Miscellaneous	5,512,402	-	-	5,512,402
Total assets	13,675,901	575,123	1,203,953	15,454,977
Deferred outflows of resources:				
Deferred outflows of resources related to OPEB - healthcare	61,877	-	-	61,877
Deferred outflows of resources related to OPEB - KPERS Death and Disability	6,157	-	-	6,157
Deferred outflows of resources related to pensions	52,846	-	-	52,846
Total deferred outflows of resources	120,880	-	-	120,880
Total assets and deferred outflows of resources	$ 13,796,781	$ 575,123	$ 1,203,953	$ 15,575,857

(continued)

GARDEN CITY COMMUNITY COLLEGE
Schedule of Management Information
Combining Statement of Net Position -
All Current Funds - Unrestricted
June 30, 2022

	General	Adult Supplemental Education	Auxiliary Enterprise Funds	Total (Memorandum Only)
(continued)				
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION				
Liabilities:				
Accounts payable	$ 804,398	$ 1,212	$ 47,898	$ 853,508
Compensated absences	314,615	-	-	314,615
Deferred revenue - general	2,194,398	-	-	2,194,398
Net pension liability	45,128	-	-	45,128
Net OPEB liability - healthcare	439,445	-	-	439,445
Net OPEB liability - KPERS Death and Disability	127,515	-	-	127,515
Total liabilities	3,925,499	1,212	47,898	3,974,609
Deferred inflows of resources:				
Deferred inflows of resources related to OPEB - healthcare	262,608	-	-	262,608
Deferred inflows of resources related to OPEB - KPERS Death and Disability	82,064	-	-	82,064
Deferred inflows of resources related to pensions	65,692	-	-	65,692
Deferred revenue - current property taxes	4,909,821	-	-	4,909,821
Total deferred inflows of resources	5,320,185	-	-	5,320,185
Net position:				
Reserved for encumbrances	274,520	57,714	36,890	369,124
Unreserved:				
Designated for subsequent year's expenditures	4,276,577	516,197	1,119,165	5,911,939
Total net position	4,551,097	573,911	1,156,055	6,281,063
Total liabilities, deferred inflows of resources and net position	$ 13,796,781	$ 575,123	$ 1,203,953	$ 15,575,857

GARDEN CITY COMMUNITY COLLEGE
Schedule of Management Information
Combining Statement of Revenue and Expenditures -
All Current Funds - Unrestricted
For the Year Ended June 30, 2022

	General	Adult Supplemental Education	Auxiliary Enterprise Funds	Total (Memorandum Only)
REVENUE				
Local	$ 12,822,295	$ -	$ -	$ 12,822,295
State	2,699,714	3,010	-	2,702,724
Student tuition and fees, net of scholarship allowances	3,842,521	548,539	252,517	4,643,577
Other:				
Private gifts and grants	-	250	3,995	4,245
Miscellaneous	163,553	93,781	7,793	265,127
Interest	13,322	-	-	13,322
Sales and services of auxiliary enterprises, net of scholarship allowances	-	-	2,688,222	2,688,222
Total revenue	19,541,405	645,580	2,952,527	23,139,512
EXPENDITURES				
Education and general:				
Instruction	4,746,758	373,211	-	5,119,969
Academic support	1,416,681	-	-	1,416,681
Student services	3,875,596	61,616	-	3,937,212
Community service	-	48,116	-	48,116
Operation and maintenance of plant	3,805,945	-	-	3,805,945
Institutional support	3,213,111	-	-	3,213,111
Scholarships	94,662	-	-	94,662
Total education and general expenditures	17,152,753	482,943	-	17,635,696
Auxiliary enterprise expenditures	-	-	2,489,213	2,489,213
Total expenditures	17,152,753	482,943	2,489,213	20,124,909
Revenue over expenditures	2,388,652	162,637	463,314	3,014,603
OTHER FINANCING SOURCES (USES)				
Transfers in	3,383,079	-	-	3,383,079
Transfers out	(5,423,663)	(27,749)	(488,265)	(5,939,677)
REVENUE OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES)	$ 348,068	$ 134,888	$ (24,951)	$ 458,005

GARDEN CITY COMMUNITY COLLEGE
Schedule of Management Information
Combining Statement of Changes in Net Position -
All Current Funds - Unrestricted
For the Year Ended June 30, 2022

	General	Adult Supple-mental Education	Other Auxiliary Enterprise Funds	Total (Memorandum Only)
NET POSITION, beginning of year				
Unencumbered cash	$ 8,054,398	$ 405,002	$ 1,002,281	$ 9,461,681
Add:				
Reserve for encumbrances	370,107	34,021	178,725	582,853
Subtract:				
Deferred resources related to pensions, 7/1/21	(72,392)	-	-	(72,392)
Deferred property tax receipts, 7/1/21	(4,149,084)	-	-	(4,149,084)
NET POSITION, beginning of year,	4,203,029	439,023	1,181,006	5,823,058
REVENUE OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES)	348,068	134,888	(24,951)	458,005
NET POSITION, end of year	$ 4,551,097	$ 573,911	$ 1,156,055	$ 6,281,063
NET POSITION, end of year				
Reserve for encumbrances	$ 274,520	$ 57,714	$ 36,890	$ 369,124
Unreserved:				
Designated for subsequent year's expenditures	4,276,577	516,197	1,119,165	5,911,939
NET POSITION, end of year	$ 4,551,097	$ 573,911	$ 1,156,055	$ 6,281,063

GARDEN CITY COMMUNITY COLLEGE
Schedule of Management Information
Combining Statement of Changes in Net Position - Various Funds
For the Year Ended June 30, 2022

	Balance (Deficit) July 1, 2021	Additions	Deletions	Balance (Deficit) June 30, 2022
AUXILIARY ENTERPRISE FUNDS:				
Adult Ed Orientation	$ 12,709	$ 17,199	$ 29,872	$ 36
Student Union	824,566	2,473,620	2,399,677	898,509
Cosmetology	94,008	138,119	144,989	87,138
Bookstore	250,592	323,589	402,940	171,241
Arena	(869)	-	-	(869)
Total auxiliary enterprise funds	$ 1,181,006	$ 2,952,527	$ 2,977,478	$ 1,156,055
FEDERAL STUDENT AID:				
College Work Study	$ -	$ 46,958	$ 46,958	$ -
Guaranteed Student Loans	-	993,200	993,200	-
SEOG Grants	-	115,359	115,359	-
PELL Grants	-	2,734,086	2,734,086	-
Total federal student aid	$ -	$ 3,889,603	$ 3,889,603	$ -
RESTRICTED GRANTS:				
Adult Education Professional Development	$ 1,302	$ -	$ 1,525	$ (223)
Carl Perkins Program Improvement Grant	-	134,468	128,239	6,229
Drug Prevention Program Income	10,072	-	400	9,672
Federal Funds Administration	19,883	1,455	1,406	19,932
IME Becas Grant	758	-	-	758
Innovative Technology Grant	51,287	513,463	230,284	334,466
Kansas ARPA Grant	-	24,000	-	24,000
Kansas Bridges Grant	-	18,831	18,831	-
Kansas Maintenance of Effort	-	140,043	140,043	-
Kansas Meth Prevention Grant	10,446	-	4,050	6,396
Kansas Promise Act	-	27,033	27,033	-
Kansas Technology Instruction Grant	-	16,824	16,824	-
KEDI - Workforce Aid Grant	29,257	-	-	29,257
KU Alzheimer Grant	-	92	-	92
Noyce Grant	3,730	-	2,478	1,252
Pathways to STEM	-	15,772	15,772	-
Perkins Reserve Fund Grant	-	71,000	71,000	-
Perkins Performance Incentive	-	8,000	-	8,000
Perkins V	-	6,000	6,000	-
Project KANCO Grant	-	79,562	73,759	5,803
Title V - HSI	-	248,852	248,852	-
TRIO - Student Support Services	10,463	324,785	332,696	2,552
Total restricted grants	$ 137,198	$ 1,630,180	$ 1,319,192	$ 448,186
OTHER RESTRICTED FUNDS:				
BCBS Grow Well Grant	$ -	$ 160,000	$ 121,158	$ 38,842
BCBS Outdoor Fitness Grant	-	90,000	90,000	-
Cox Communications Grant	5,801	20,000	-	25,801
GED Testing Fund	870	-	600	270
HEERF Institution	-	2,148,959	2,148,959	-
HEERF Minority Serving Institution	-	225,787	225,787	-
HEERF Student	-	2,047,533	2,047,533	-
Pepsi Campus Support	20,000	10,000	-	30,000
Other Donations	323,090	12,079	6,077	329,092
Shriver Trust	4,298	-	4,298	-
Total other restricted funds	$ 354,059	$ 4,714,358	$ 4,644,412	$ 424,005

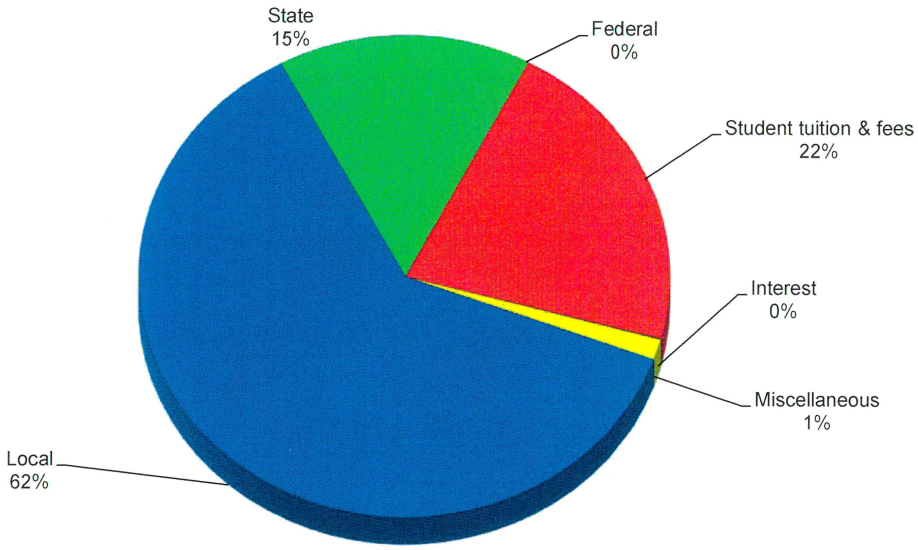
GARDEN CITY COMMUNITY COLLEGE
Schedule of Management Information
Combining Statement of Changes in Fiduciary Net Position
All Custodial Funds
For the Year Ended June 30, 2022

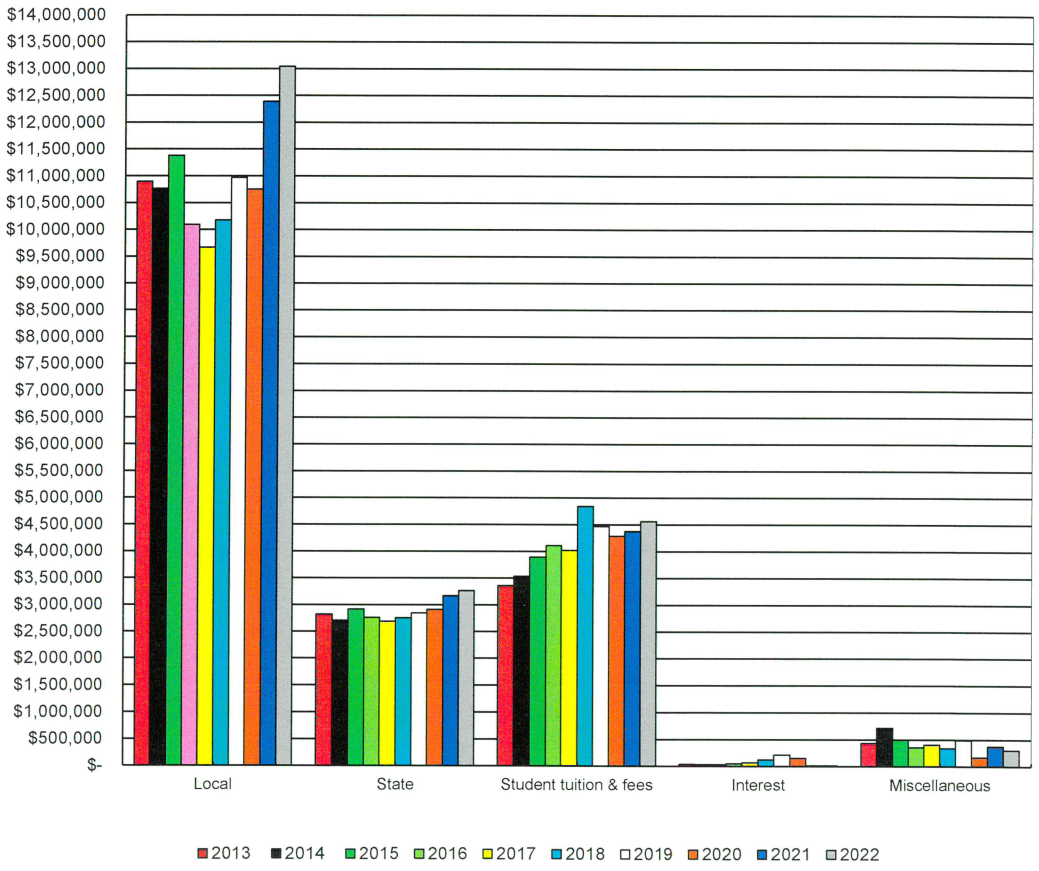
	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022
STUDENT ORGANIZATION ACCOUNTS				
Clubs and organizations:				
Academic Challenge	$ 1,823	$ 250	$ 2,160	$ (87)
ADN Students Club	17,883	4,538	4,347	18,074
Ag Tech Club	8,931	25	-	8,956
All Pro Auto Club	4,412	2,607	1,404	5,615
Art Club	3,625	3,944	8,770	(1,201)
Black Student Union	984	-	-	984
Block & Bridle Club	539	369,589	358,434	11,694
Bloodmobile	104	-	-	104
BSNT Voucher Program	540	-	-	540
Business Contest	669	-	-	669
Busternation	38	-	-	38
Christian Athletes	257	-	-	257
Collegiate Farm Bureau	2,411	1,218	1,461	2,168
College Players	365	3,621	-	3,986
DECA Club	1,330	-	-	1,330
Dormitory Club	105,522	33,259	8,704	130,077
Fine Arts Travel	5,317	2,200	4,133	3,384
Flag Team	1,391	-	-	1,391
Forensics	-	1,700	395	1,305
PRISM	991	1,300	687	1,604
GCCC Education Support Professionals	63	200	277	(14)
GC3 Media	370	-	-	370
HALO (Mecha Club)	26,251	9,487	9,793	25,945
International Club	772	-	-	772
Intramurals	76	-	-	76
Karate Club	905	-	-	905
Lecture Series	11,431	-	-	11,431
Math Club	5,342	161	-	5,503
National Student Travel	10,386	-	-	10,386
Newman Club	101	-	-	101
Phi Rho Pi Organization	46	-	-	46
Phi Theta Kappa	9,231	8,577	11,854	5,954
Potter's Guild	450	-	-	450
River & Gulf Coast Ecology	1,481	-	-	1,481
Rodeo Club	6,765	78,519	77,731	7,553
Science Club	4,201	250	82	4,369
SNEA	11,322	1,840	7,154	6,008
Sold Out	1,140	-	-	1,140
Student Government Association	256,840	197,665	181,920	272,585
Student Government Association Scholarships	24,300	1,121,168	1,108,943	36,525
Student Newspaper	11,990	848	6,818	6,020
Tau Epsilon Lambda	7,555	16,779	13,181	11,153
Trap Shooting Club	317	-	-	317
Vocal Music Council	579	-	-	579
Welding	1,451	1,348	-	2,799
Total - all custodial funds	$ 550,497	$ 1,861,093	$ 1,808,248	$ 603,342

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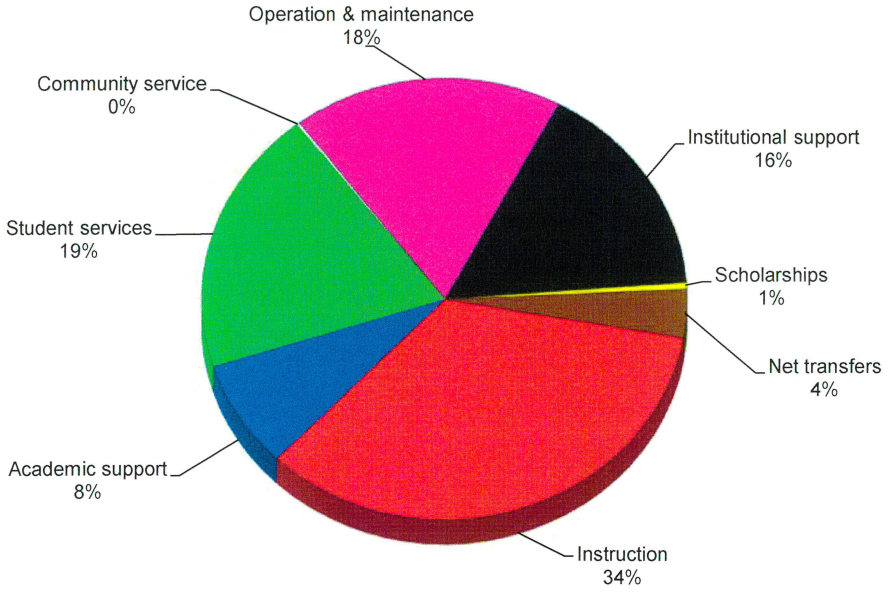
GRAPHS

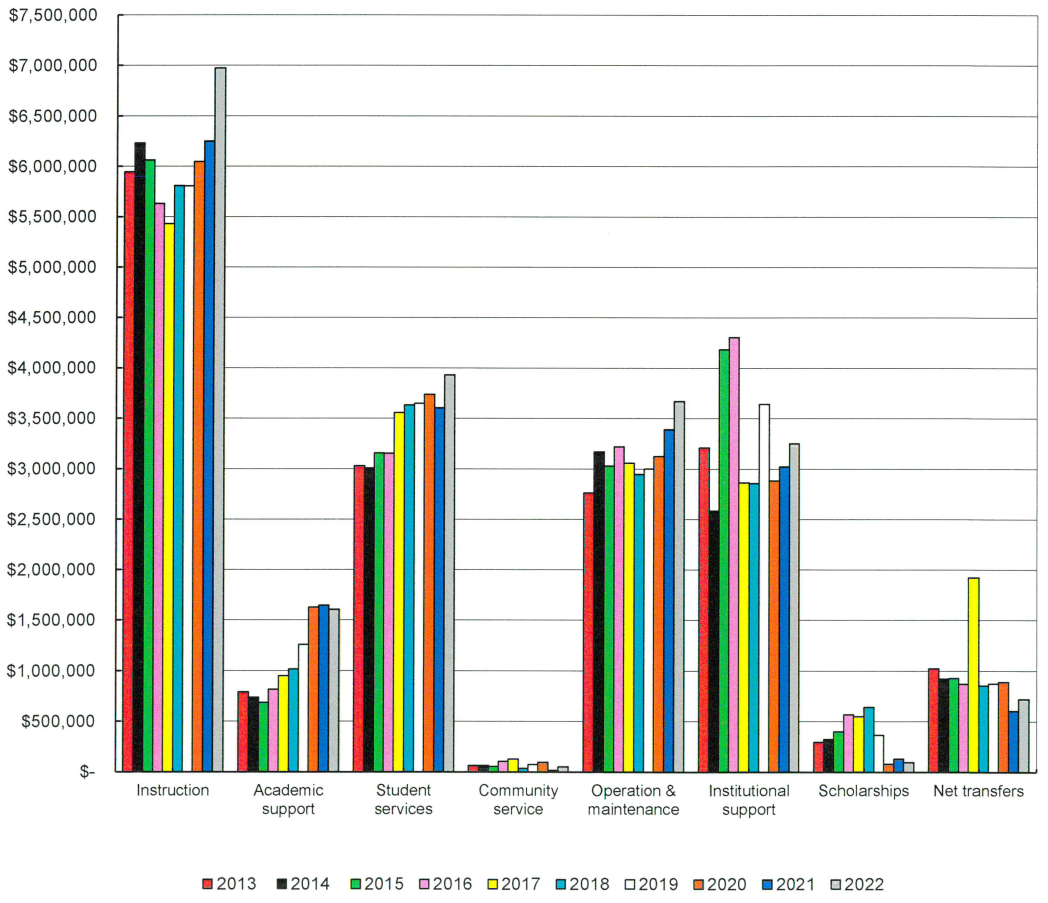
GARDEN CITY COMMUNITY COLLEGE
Graphs
Comparison of Revenues -
All Current Funds - Unrestricted (Legal Basis) excluding Auxiliary Enterprises
but including Restricted - Postsecondary Technical Education Fund
For the Years Ended June 30



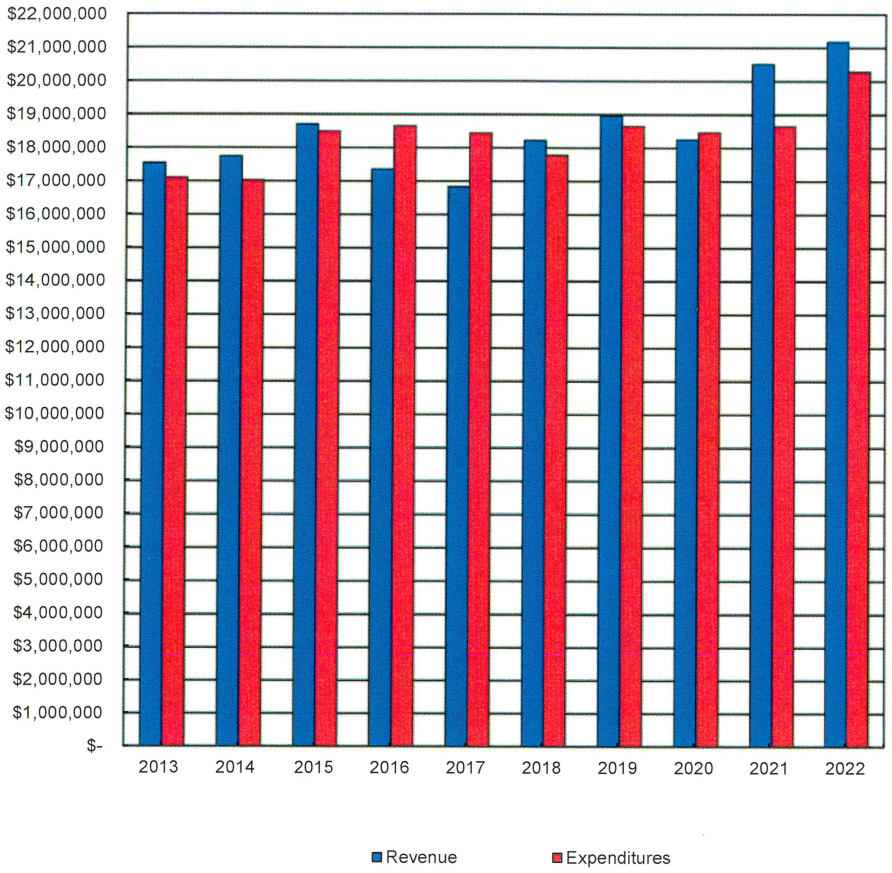


GARDEN CITY COMMUNITY COLLEGE
Graphs
Comparison of Expenditures, Encumbrances and Net Transfers -
All Current Funds - Unrestricted (Legal Basis) excluding Auxiliary Enterprises
but including Restricted - Postsecondary Technical Education Fund
For the Years Ended June 30





GARDEN CITY COMMUNITY COLLEGE
Graphs
Comparison of Revenues, and Expenditures, Encumbrances and Net Transfers -
All Current Funds - Unrestricted (Legal Basis) excluding Auxiliary Enterprises
but including Restricted - Postsecondary Technical Education Fund
For the Years Ended June 30



GARDEN CITY COMMUNITY COLLEGE

OPEID No.: 00191900
EIN: 48-0698107

FEDERAL AWARD PROGRAMS

June 30, 2022

LEWIS, HOOPER & DICK LLC
certified public accountants

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
Garden City Community College
801 Campus Drive
Garden City, Kansas 67846

We have audited 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 *Kansas Municipal Audit and Accounting Guide* (KMAAG), issued by the State of Kansas, the financial statements of the business-type activities and the discretely presented component units of Garden City Community College (the College) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated February 9, 2023. The financial statements of the Garden City Community College Endowment Association and the Broncbuster Athletic Association were not audited in accordance with *Government Auditing Standards* or the KMAAG.

Report on Internal Control over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses.

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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2022-001 to be a material weakness.

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.

Report on Compliance and Other Matters

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

We noted certain matters that we have reported to management of the College in a separate letter dated February 9, 2023.

The College's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the College's response to the findings identified in our engagement and described in the accompanying schedule of findings and questioned costs. The College's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.

Lewis, Hooper & Dick, LLC

LEWIS, HOOPER & DICK, LLC

February 9, 2023

LEWIS, HOOPER & DICK LLC
certified public accountants

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE

Board of Trustees
Garden City Community College
801 Campus Drive
Garden City, Kansas 67846

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Garden City Community College's (the College) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of the College's major federal programs for the year ended June 30, 2022. The 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, the College complied, in all material respects, with the 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, 2022.

The College's financial statements include the operations of the College's Endowment Association and the Broncbuster Athletic Association, which received no federal awards during the year ended June 30, 2022. Our compliance audit, described below, did not include the operations of the College's Endowment Association and the Broncbuster Athletic Association because they expended no federal awards.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with the auditing standards generally accepted in the United States of America (GAAS); the *Kansas Municipal Audit and Accounting Guide* (KMAAG); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). 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 the 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 the 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 the College's federal programs.

Auditor's Responsibility 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 the 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 GAAS, the KMAAG, 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 the College's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, the KMAAG, *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 the 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 the 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 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

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with a type of compliance requirement of a

federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our 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. *Government Auditing Standards* requires the auditor to perform limited procedures on the College's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The College's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

Lewis, Hooper & Dick, LLC

LEWIS, HOOPER & DICK, LLC

February 9, 2023

Garden City Community College
Schedule of Findings and Questioned Costs
Primary Government only
For the Year Ended June 30, 2022

I. SUMMARY OF AUDIT RESULTS

A. Financial Statements

- Type of auditor's report issued: Unmodified

- Internal control over financial reporting as reported in the 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*:

Are any material weaknesses identified?	Yes
Are any significant deficiencies identified?	None reported
Is any noncompliance material to financial statements noted?	No

B. Federal Awards

- Internal control over major programs as reported in the INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE:

Are any material weaknesses identified?	No
Are any significant deficiencies identified?	None reported

- Type of auditor's report issued on compliance for major programs: Unmodified

- Are there any audit findings that are required to be reported in accordance with 2 CFR 20.516(a)? None

- The programs tested as major programs include:

Federal Assistance Listing Number	Name of Federal Program and Cluster	Grant Number	Expenditures
	Student Financial Assistance Cluster:		
84.007	Federal Supplemental Educational Opportunity Grants	P007A211513	$ 86,519
84.033	Federal Work-Study Program	P033A211513	35,475
84.063	Federal PELL Grant Program	P063P201468	2,734,086
	Federal Direct Student Loans:		
84.268	Stafford Student Loan Program		516,161
84.268	Unsubsidized Stafford Student Loan Program		454,238
84.268	Parent Plus Loan Program		22,801
	Education Stabilization Fund (ESF):		
84.425E	COVID-19 Higher Education Emergency Relief Fund (HEERF) Student Aid Portion - HEERF III	P425E201554	2,047,533
84.425F	COVID-19 Higher Education Emergency Relief Fund (HEERF) Institutional Aid Portion - HEERF II	P425F200751	801,505
84.425F	COVID-19 Higher Education Emergency Relief Fund (HEERF) Institutional Portion - HEERF III	P425F200751	1,347,453
84.425L	COVID-19 Higher Education Emergency Relief Fund (HEERF) Minority Serving Institutions (MSIs) - HEERF III	P425L200132-20C	225,787

- Dollar threshold used to distinguish between type A and B programs: $750,000

(continued)

(continued)

I. SUMMARY OF AUDIT RESULTS (continued)

B. Federal Awards (continued)

- Auditee qualified as low-risk auditee: Yes

II. FINANCIAL STATEMENT FINDINGS

Finding 2022-001

Type of Finding: Material weakness in internal control over financial reporting.

Finding: Control procedures over the recording of journal entries and encumbrances were not functioning as intended.

Criteria: Control procedures over the recording of journal entries and encumbrances should be in place to prevent, or detect and correct potential misstatements of transactions. This includes obtaining proper approval for journal entries, maintaining appropriate supporting documentation, and reviewing the impact of the posted transactions to ensure they are accurate. In addition, control procedures over the year-end closing process should be in place to ensure all required year-end journal entries are posted.

Condition: Journal entries posted to reclassify expenditures for the Adult Education grants were creating credit balances in expense accounts, encumbrances recorded exceeded budget authority, and not all the necessary year-end journal entries were posted.

Cause: The finding results from a lack of oversight and adherence to the College's internal control process over journal entries and encumbrances.

Effect or Potential Effect: Inadequate control procedures over journal entries and encumbrances could result in material misstatements in the financial statements.

Context: Journal entries posted to reclassify expenditures for the Adult Education grants were creating credit balances in expense accounts. Upon further investigation, we found that these journal entries were not properly approved, did not contain appropriate supporting documentation, were not properly recorded and were not reviewed. In addition, not all necessary year-end journal entries were posted. Adjustments to record accounts receivable for grant funds totaling $1,027,653 were not posted. An audit entry was posted to record these. Year-end journal entries to balance Student Financial Aid funds to the Fiscal Operations Report and Application to Participate (FISAP) were not posted. As a result, the following audit entries were posted: $28,840 to record the Federal Supplemental Educational Opportunity Grant (FSEOG) local match; $11,483 to record the Federal Work Study (FWS) local match; $1,025 to record the FWS administrative allowance; $25,456 to record the FWS funds transferred to and spent in FSEOG; $5,708 to balance FWS to the

(continued)

II. FINANCIAL STATEMENT FINDINGS (continued)

Finding 2022-001 (continued)

FISAP; and $1,970 to balance FSEOG to the FISAP. The College also booked an encumbrance for the entire cost of all projects at year end, which resulted in a budget violation. An audit entry to reverse these encumbrances totaling $5,532,367 was posted.

Recommendation: We recommend all journal entries be documented on a standard journal entry form that is reviewed and approved after being posted to the general ledger to ensure the effect of the journal entries posted is what was intended. In addition, we recommend the College monitor the year-end closing process to ensure all adjustments and encumbrances are appropriate and are properly recorded.

View of Responsible Official: The College's management will review journal entries to ensure proper processes are followed for recording of all transactions.

III. FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None

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GARDEN CITY
COMMUNITY COLLEGE

801 Campus Dr. • Garden City, KS 67846
www.gcccks.edu • 620-276-7611

Corrective Action Plan
and Comments on Audit Resolution Matters Relating
to the Student Financial Assistance and Federal Award Programs
June 30, 2022

February 9, 2023

Department of Education:

Garden City Community College, Garden City, Kansas, respectfully submits the following corrective action plan for the year ended June 30, 2022.

Name and address of independent accounting firm: Lewis, Hooper & Dick, LLC
PO Box 699
Garden City, KS 67846

Audit period: July 1, 2021 through June 30, 2022

The findings from the June 30, 2022, Schedule of Findings and Questioned Costs related to the federal award programs are discussed below. The findings are numbered consistently with the number assigned in the Schedule. Section I of the Schedule, Summary of Audit Results, does not include findings and is not addressed.

II. FINANCIAL STATEMENT FINDINGS

Finding 2022-001
Planned Corrective Action:
The College's management will review journal entries to ensure proper recording of all transactions, with a planned implementation date by the Vice President of Administrative Services / CFO of February 28, 2023.

III. FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None

IV. STATUS OF CORRECTIVE ACTIONS ON PRIOR FINDINGS

None

If the Department of Education, the oversight agency, has questions regarding this plan, please call Karla Armstrong at (620)276-9575.

Sincerely,

Karla Armstrong

Karla Armstrong
Vice President of Administrative Services / CFO

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GARDEN CITY COMMUNITY COLLEGE
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2022

Federal Agency / Program	Federal Assistance Listing Number	Federal Agency or Pass-Through Grant Number	Disbursements/Expenditures	
U.S. DEPARTMENT OF EDUCATION				
Direct Programs:				
Federal Supplemental Educational Opportunity Grants	84.007	P007A211513		$ 86,519
Federal Work-Study Program	84.033	P033A211513		35,475
Federal Pell Grant Program	84.063	P063P201468		2,734,086
Federal Direct Student Loans:				
Stafford Student Loan Program	84.268		$ 516,161	
Unsubsidized Stafford Student Loan Program	84.268		454,238	
Parent Plus Loan Program	84.268		22,801	993,200
Total Student Financial Assistance Cluster				3,849,280
Higher Education Institutional Aid:				
STEM Central	84.031	P031C210047		248,852
TRIO - Student Support Services:				
Student Support Services - 2022	84.042	P042A200124-22	226,773	
Student Support Services - 2021	84.042	P042A200124	89,041	315,814
Education Stabilization Fund:				
COVID-19 Higher Education Emergency Relief Fund (HEERF) Student Aid Portion - HEERF III	84.425E	P425E201554	2,047,533	
COVID-19 Higher Education Emergency Relief Fund (HEERF) Institutional Aid Portion - HEERF II	84.425F	P425F200751	801,505	
COVID-19 Higher Education Emergency Relief Fund (HEERF) Institutional Portion - HEERF III	84.425F	P425F200751	1,347,453	
COVID-19 Higher Education Emergency Relief Fund (HEERF) Minority Serving Institutions (MSIs) - HEERF III	84.425L	P425L200132-20C	225,787	4,422,278
Passed through the Kansas Board of Regents:				
Adult Education - Basic Grants to States:				
Adult Education - 2022	84.002	V002A200016	179,358	
Adult Education - 2021	84.002		1,438	
EL Civics - 2022	84.002	V002A200016	4,356	
EL Civics - 2021	84.002		3,356	
Star	84.002		1,500	190,008
Career and Technical Education - Basic Grants to States:				
2022 Perkins Reserve Fund	84.048	V048A210016	71,000	
Perkins Core Indicators Award	84.048	V048A200016	8,000	
Perkins V	84.048	V048A200016	6,000	
2022 Carl D Perkins Program Improvement	84.048	V048A210016	128,238	213,238
Passed through Kansas State University:				
Migrant Education College Assistance Migrant Program:				
Project KANCO - 2022	84.149A	S149A190019	69,213	
Project KANCO - 2021	84.149A	S149A190019	4,545	73,758
Total U.S. Department of Education				9,313,228

(continued)

GARDEN CITY COMMUNITY COLLEGE
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2022

Federal Agency / Program	Federal Assistance Listing Number	Federal Agency or Pass-Through Grant Number	Disbursements/Expenditures	
(continued)				
NATIONAL SCIENCE FOUNDATION				
Passed through Kansas State University:				
Education and Human Resources:				
Pathways to STEM: Kansas Louis Stokes Alliance for Minority Participation	47.076	HRD-1817537		$ 15,771
Passed through Fort Hays State University:				
Education and Human Resources:				
Recruiting, Preparing, and Retaining STEM Teachers in Western Kansas (Noyce Grant)	47.076	1758501		2,478
Total National Science Foundation				18,249
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed through Kansas State University:				
Biomedical Research and Research Training:				
2022 Biomedical Research - Kansas Bridges to the Future	93.859	1T34GM142609-01	$ 6,104	
2021 Biomedical Research - Kansas Bridges to the Future	93.859	5R25GM119968	12,405	
2020 Biomedical Research - Kansas Bridges to the Future	93.859	5R25GM119968	1,500	20,009
Total U.S. Department of Health and Human Services				20,009
Total Expenditures of Federal Awards				$ 9,351,486

The accompanying Notes to Schedule of Federal Financial Awards are an integral part of this schedule.

Garden City Community College
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2022

1. General
The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity programs of the College under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the College, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the College.

2. Basis of accounting
Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

3. De minimis cost rate
The College has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

4. Summary of programs from sponsoring agencies

A. U.S. Department of Education

1. Supplemental Educational Opportunity Grant Program
The Supplemental Educational Opportunity Grant (SEOG) Program was established by the College in 1973, pursuant to Title IV, Part A, of the Higher Education Act of 1965, as amended. During the academic year ended June 30, 2022, 277 students participated in the program, receiving awards that aggregated $115,359. Of these awards, $86,519 were paid from federal funds and $28,840 were paid from institutional contributions.

2. Federal Work Study Program
The Federal Work Study (FWS) Program was established by the College in 1967, pursuant to Title IV, Part C of the Higher Education Act of 1965, as amended. During the year ended June 30, 2022, 31 students participated in the program, earning $45,933 in wages. Of these wages, $34,450 were paid from federal funds and $11,483 were paid from institutional contributions.

3. Federal PELL Grant Program
The College entered into an agreement with the Department of Education to participate in the Federal PELL Grant Program. This program provides eligible students with a foundation of financial aid to help defray the costs of post-secondary education. During the 2022 academic year, $2,734,086 was expended for PELL awards to 656 full-time and part-time students.

Garden City Community College
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2022

4. Summary of programs from sponsoring agencies (continued)

A. U.S. Department of Education (continued)

4. Federal Direct Student Loans
The Stafford Student Loan (SSL) Program, formerly the Guaranteed Student Loan Program, was established to make low interest loans available to students to pay for their costs of attending post-secondary educational institutions. The SSL Program in Kansas is administered by the Higher Education Assistance Foundation (HEAF), a private, nonprofit corporation chartered to guarantee student loans. The loans are made through lending institutions, but post-secondary institutions, such as the College, are responsible for completing portions of the loan applications, verifying student eligibility, filing student confirmation reports, refunding money to lenders, when appropriate, and handling loan checks when they are sent to the education institution rather than to the borrower. The College handled 192 approved Stafford Student Loans for college students during the 2022 academic year. In addition, the College processed 166 approved loans under the related Unsubsidized Stafford Student Loan Program and four approved loans under the Parent Plus Loan Program.

5. Higher Education Institutional Aid
The objective of the Higher Education Institutional Aid is to help eligible colleges and universities to strengthen their management and fiscal operations to assist such institutions to plan, develop, or implement activities to strengthen the academic quality of their institutions.

6. TRIO – Student Support Services Program
The Title IV TRIO – Student Support Services Program objective at the College is to provide supportive services to disadvantaged college students to enhance their potential for successfully completing the postsecondary education program in which they are enrolled and increase their transfer rates from 2-year to 4-year institutions.

7. Education Stabilization Fund
The objective of the Education Stabilization Fund (ESF) program is to use Higher Education Emergency Relief Fund (HEERF) grant funds to "prevent, prepare for, and respond to coronavirus" through grants to eligible institutions.

8. Adult Education– Basic Grants to States
The objective of the Adult Education program is to provide, improve and expand post-secondary vocational services and activities to train and retrain adults. Funds are awarded annually based upon submission of an application and program plan.

9. Career and Technical Education - Basic Grants to States
Enacted as the Carl D. Perkins Career and Technical Education Act of 2006, the objective of the Career and Technical Education program is to develop more fully the academic, career, and technical skills of secondary and postsecondary students who elect to enroll in career and technical education programs.

10. College Assistance Migrant Program
Kansas State University entered into a subaward agreement with the College to deliver quality educational services to eligible migrant students.

Garden City Community College
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2022

4. Summary of programs from sponsoring agencies (continued)

B. National Science Foundation

1. Education and Human Resources
Kansas State University and Fort Hays State University are providing funds to the College to provide leadership and ensure the vitality of the Nation's science, technology, engineering and mathematics (STEM) education enterprise.

C. U.S. Department of Health and Human Services

1. Biomedical Research and Research Training Program
The College is a subrecipient of the Biomedical Research and Research Training program through a Kansas State University project, Kansas Bridges to the Future.

ADDITIONAL INFORMATION

GARDEN CITY COMMUNITY COLLEGE
Comparison of Expenditures of Federal Awards
For the Years Ended June 30

