FLINT HILLS TECHNICAL COLLEGE

Emporia, Kansas

Independent Auditor's Report and
Financial Statements with
Supplementary Information
For the Year Ended June 30, 2023

FLINT HILLS TECHNICAL COLLEGE

Emporia, Kansas

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Management's Discussion and Analysis

Introduction:

The following discussion and analysis of the financial performance and activity of Flint Hills Technical College (the College) is to provide an explanation of the basic financial statements of the College for the year ended June 30, 2023 with selected comparative information from prior fiscal years. This discussion should be read in conjunction with the College's basic financial statements and the footnotes to those financial statements. The College is solely responsible for the completeness of this information. A separate audit is issued for the Flint Hills Technical College Foundation and is available for review at 3301 W. 18th Ave, Emporia, KS 66801.

Using the Annual Report:

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

Basic financial statements are comprised of two parts:

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

Required Supplementary Information:

Management's Discussion and Analysis - This is information that is required by standards to be presented but is not part of the basic financial statements.

Financial Highlights

The College's financial position at June 30, 2023, shows assets at $10.4 million, liabilities at $1.2 million, and a net position at $9 million. The College's net position increased by a little more than $748,000 during Fiscal Year 2023. The most significant changes during Fiscal Year 2023 occurred due to increased funding from the State. The College was awarded an American Rescue Plan Act (ARPA) grant from the Kansas Department of Commerce. Donations were receipted in Fiscal Year 2023 as a required match for the ARPA Grant which will be expensed over two fiscal years.

Statement of Net Position

The Statement of Net Position presents the summary of each fund's assets, liabilities, and net position at June 30, 2023. This statement is one of the indicators of the current financial condition of the College. Total net position represents the balance in the College's assets after liabilities are deducted. The assets and liabilities are categorized between current and noncurrent based on a projected

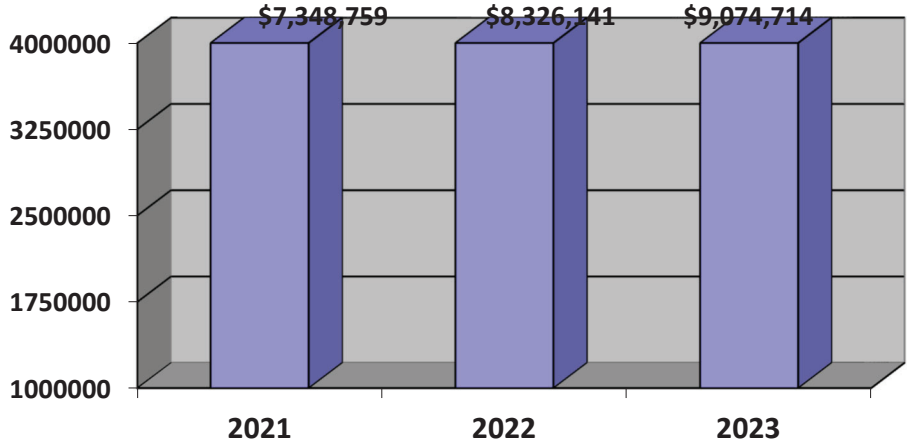
period of time. Current assets and liabilities are typically short-term and become payable within the normal 12-month accounting cycle. Noncurrent assets and liabilities are considered to be long-term and will become payable after 12 months.

Comparison of Net Position – Fiscal Year 2021 to 2023

The College's current assets consist primarily of cash, investments, accounts receivables, and inventories. Noncurrent assets consist of capital assets and lease assets. Capital assets are the property, plant, and equipment owned by the College, net of any related accumulated depreciation.

The College's total assets showed an increase in Fiscal Year 2023. The total Liabilities also showed a slight decrease during Fiscal Year 2023. With the increase to assets and the decrease to liabilities, the total Net Position for the College reflected an increase as well.

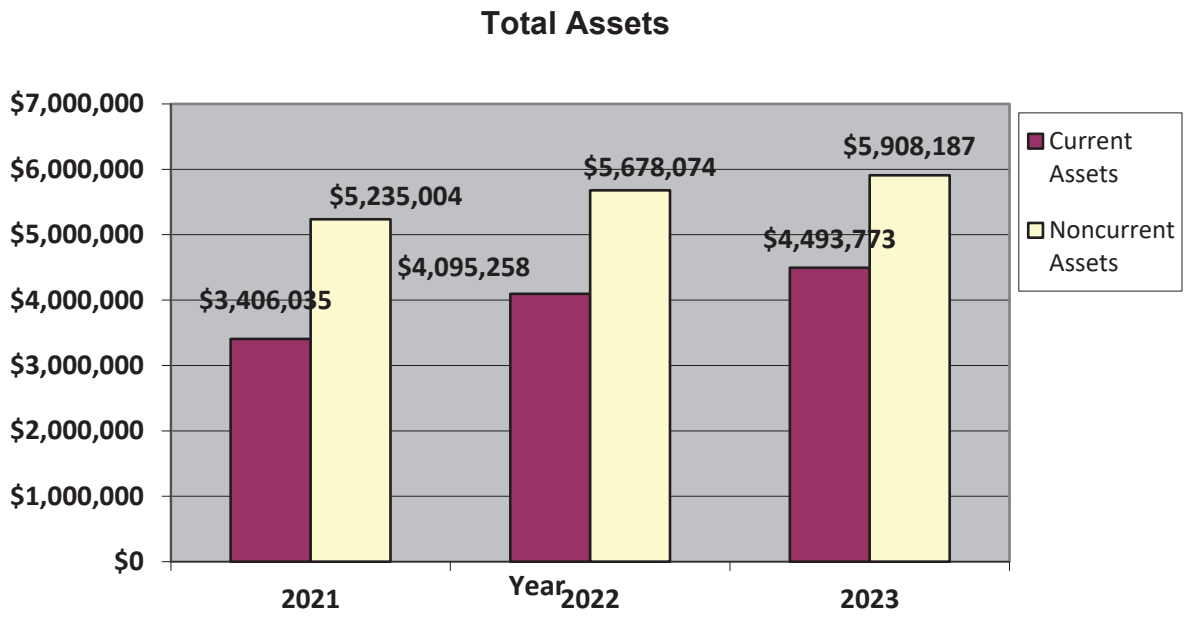
Total Net Position for 2023 compared to 2021 and 2022:



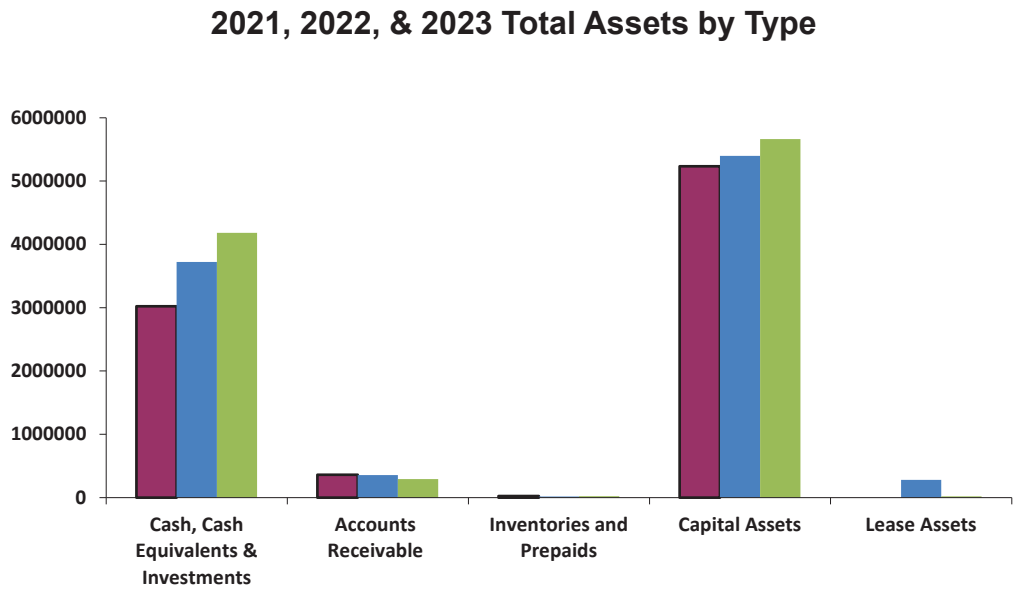
Total breakdown of assets between current and noncurrent classification is as follows:

Comparison of Assets – Fiscal Year 2022 to 2023

	2022	% Total 2022	2023	% Total 2023
Current Assets	$ 4,095,258	41.90%	$ 4,493,773	43.20%
Non-Current Assets	$ 5,678,074	58.10%	$ 5,908,187	56.80%
Total Assets	$ 9,773,331	100.00%	$ 10,401,960	100.00%
Deferred Outflows	$ 41,366		$ 45,554	



The College's Current Assets total reflects a significant increase for Fiscal Year 2023. The College received several large donations in Spring 2023 to be used for matching funds for a grant for the Welding Technology Program. These funds are to be expensed out over two fiscal periods. The College's Non-Current Assets total reflects an increase for Fiscal Year 2023. Capital Assets was significantly increased during Fiscal Year 2023.



While the College did not receive funding from several sources in Fiscal Year 2023, CARES Act Grant and State Maintenance of Effort, the College was able to increase Cash, Cash Equivalents & Investments slightly. This increase was largely due the College received increased funding from the State for Tiered and Non-tiered courses, Excel in CTE funds, and Capital Outlay allocation Also included in the increase, donations from donors to be used for expanding the Welding Technology Program and a slight increase to student tuition and fees revenue.

Comparison of Liabilities – Fiscal Year 2022 to 2023

The College's current liabilities consist primarily of accounts payable, accrued wages and payroll tax liabilities, compensated absences and deferred revenue.

	2022	% Total 2022	2023	% Total 2023
Current Liabilities	$ 756,261	59.25%	$ 800,117	67.65%
Non-Current Liabilities	$ 520,210	40.75%	$ 382,637	32.35%
Total Liabilities	$ 1,276,470	100.00%	$ 1,182,754	100.00%

As shown in the table above, the College's total liabilities reflects a decrease of over $93,000. This is largely due to the decrease in recording Compensated Absences.

Combined Statements of Revenues, Expenses and Changes in Net Position

The combined statements of revenues, expenses, and changes in net position present the College's financial results for the fiscal year ending June 30, 2023 broken out by fund. The statements include the College's revenue and expenses, both operating and non-operating.

Operating revenues and expenses are those for which the College directly exchanges goods and services. Non-operating revenues and expenses are those that exclude specific goods and services. Examples of non-operating revenues would be appropriations from the State, Federal Pell Grants, County Mil Levy, and gifts and contributions.

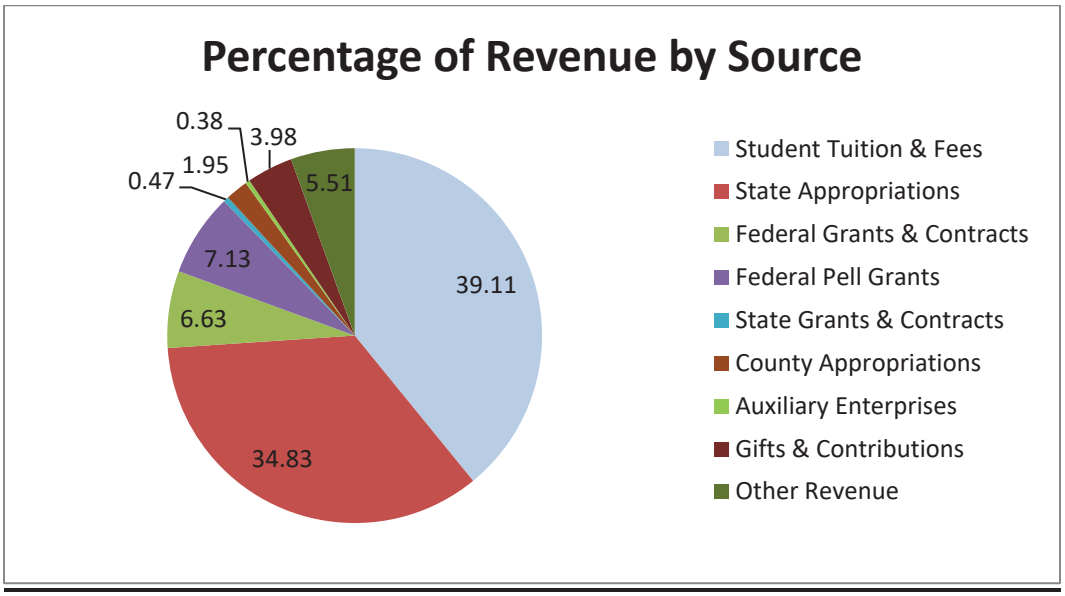
Results of Operations Fiscal Year 2023

Revenue

Flint Hills Technical College receives revenue from several sources. The major sources of the College's revenue are the State of Kansas, in the form of Tiered and Non-tiered funding and Capital Outlay; students, in the form of tuition and fees;

Federal Government; and Auxiliary Enterprises, in the form of payments for the College Store and program production revenue.

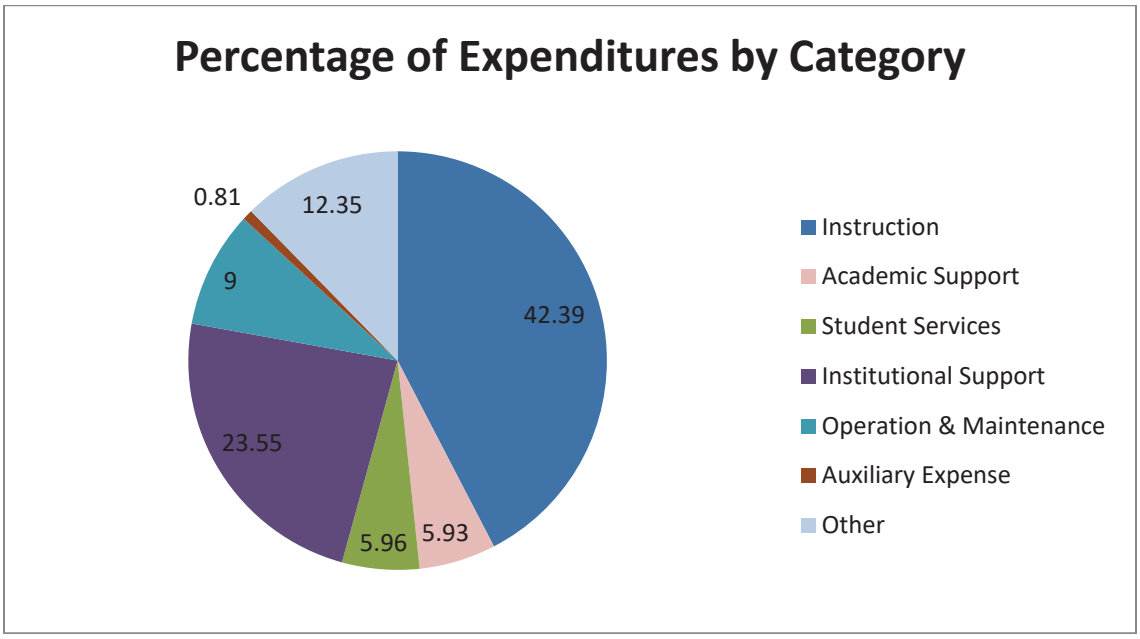
Revenue	2022	% Total 2022	2023	% Total 2023
Student Tuition & Fees	$4,020,866	32.85%	$4,113,964	39.11%
State Appropriations	$3,696,751	30.20%	$3,663,808	34.83%
Federal Grants & Contracts	$2,270,794	18.55%	$697,545	6.63%
Federal Pell Grants	$703,237	5.75%	$750,158	7.13%
State Grants & Contracts	$215,097	1.76%	$49,707	.47%
County Appropriations	$179,808	1.47%	$204,976	1.95%
Auxiliary Enterprises	$50,625	.41%	$39,994	.38%
Gifts & Contributions	$248,609	2.03%	$418,227	3.98%
Other Revenue	$853,674	6.97%	$579,367	5.51%
Total Revenue	$12,239,461		$10,517,746	



Expenditures

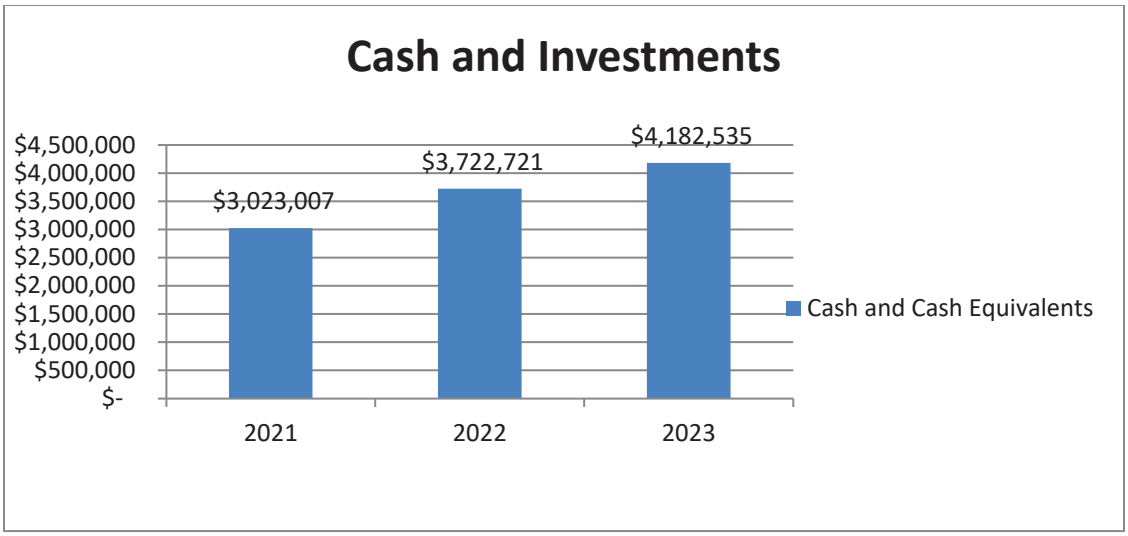
Flint Hills Technical College incurs expenses of seven types. They are: Instruction, Academic Support, Student Services, Institutional Support, Operations and Maintenance, Auxiliary Expense, and Other Expense (includes Scholarships and awards, Capital Outlay and Depreciation).

Detail of Education & General Expenditures	**2022**	**% Total 2022**	**2023**	**% Total 2023**
Instruction	$3,700,591	32.84%	$4,141,446	42.39%
Academic Support	$705,420	6.26%	$578,847	5.93%
Student Services	$843,896	7.49%	$582,518	5.96%
Institutional Support	$2,167,483	19.23%	$2,300,579	23.55%
Operation and Maintenance	$1,400.967	12.43%	$879,516	9.00%
Auxiliary Expense	$101,877	.90%	$79,572	.81%
Other Expense	$2,348,873	20.84%	$1,206,696	12.35%
Total Expenditures	$11,269,107		$9,769,174	



Statement of Cash Flows

The statement of cash flow presents information about cash receipts and cash payments during the year. It helps assess the College's ability to generate net cash flows and to meet its obligations as they come due. The largest sources of cash from operating activities were student tuition and fees and State Appropriations. Major uses of cash were payments made to employees and vendors. The table shown below shows the increase to Cash and Investments.



Summary of Overall Performance

In order to remain competitive, the College chose to keep tuition and college fee rates for students at the FY22 rates for Fiscal Year 2023. Program fees were increased slightly. As per guidance from the State Legislature and Kansas Board of Regents, the College did not charge high school students a College Fee or Program Fee for any CTE courses. The College showed a slight increase in student tuition and fees revenue during the fiscal year.

The College received additional Capital Outlay funding from the State. These funds were used to purchase equipment in several program and department areas.

The College was able to hire two new positions in order to promote new programming and add new revenue streams. These positions are Early Childhood Education Faculty and an Executive Director of Economic Partnerships. The College received grant funding from the City of Emporia to offset the expenses for the two areas as the programs become established.

Economic Outlook

There are a few factors that could affect the College's financial situation for the upcoming fiscal year:

- The College's enrollment continues to recover from the reduction to enrollment in Fiscal Year 2020 due to the COVID-19 Pandemic. As the College continues to work on increasing enrollment numbers, lack of space for growth is a problem for several programs.
- The College had a committee to develop a Vision Plan. This plan includes moving programs from the Downtown Campus to the Main Campus. The plan will require a phased approach in order to fully implement. General operating funds will be allocated to help fund the plan.
- The College will begin discussion around the need for an Advanced Manufacturing facility to respond to the needs of industry partners to support technical programs. Some programs are at capacity with lab space which inhibits the potential for growth.
- The State is proposing increased funding: $1.5 million dollars for the College for general operating expenses; Cybersecurity funding; and funding for apprenticeships.

The College continues to seek ways to increase existing revenue sources while being efficient with budget spending. The College continues to improve fiscal communication throughout the College by having annual budget updates during college-wide meetings.

The College's management is not aware of any other currently known facts, decisions, or conditions that would have a significant effect on the College's financial position.

Request for Information

This discussion and analysis letter is designed to provide a general overview of Flint Hills Technical College's finances. Questions concerning any of the information provided in this audit report should be addressed to the Vice President of Administrative Services, Flint Hills Technical College, 3301 W 18th St., Emporia, KS 66801.

JARRED, GILMORE & PHILLIPS, PA
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Flint Hills Technical College
Emporia, Kansas

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Flint Hills Technical College, as of June 30, 2023, and the changes in financial position, and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Flint Hills Technical 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
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 Flint Hills Technical College's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Flint Hills Technical 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 Flint Hills Technical College's ability to continue as a going concern for a reasonable period of time.

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and schedule of funding progress on pages i-viii and 28 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Flint Hills Technical College's basic financial statements. The supplementary information, as listed in the table of contents as pages 29 to 37, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of Flint Hills Technical College as of and for the year ended June 30, 2022 (not presented herein), and have issued our report thereon dated October 25, 2022, which contained an unmodified opinion on the basic financial statement. The 2022 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link https://admin.ks.gov/offices/accounts-reports/local-government/municipal-services. The 2022 actual column (2022 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures—actual and budget for the year ended June 30, 2023 (Schedules 4 to 6 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2022 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2022 basic financial statement. The 2022 comparative information was subjected to the auditing procedures applied in the audit of the 2022 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2022 basic financial statement or to the 2022 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2022 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended June 30, 2022, on the basis of accounting described in Note 2.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 3, 2024, on our consideration of the Flint Hills Technical College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Flint Hills Technical College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Flint Hills Technical College's internal control over financial reporting and compliance.

Jarred, Gilmore & Phillips, PA

JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants

Chanute, Kansas
February 3, 2024

FLINT HILLS TECHNICAL COLLEGE
Emporia, Kansas
Statement of Net Position
June 30, 2023

	Primary Institution	Component Unit - Foundation
ASSETS		
Current Assets		
Cash and Cash Equivalents	$ 2,579,441.86	$ 233,460.10
Investments	1,603,093.37	4,169,279.40
Accounts Receivable, Net	290,891.35	17,226.04
Promises to Give, Net	-	105,000.00
Inventories	20,346.18	-
Total Current Assets	4,493,772.76	4,524,965.54
Noncurrent Assets		
Promises to Give, Net	-	10,000.00
Capital Assets, Net	5,664,525.06	-
Lease Assets, Net	226,083.29	-
Subscription Assets, Net	17,578.60	-
Total Noncurrent Assets	5,908,186.95	10,000.00
TOTAL ASSETS	10,401,959.71	4,534,965.54
DEFERRED OUTFLOWS OF RESOURCES		
Pension Related Deferred Outflows	45,554.00	-
LIABILITIES		
Current Liabilities		
Accounts Payable	423,442.01	2,000.00
Accrued Wages	190,008.89	-
Prepaid Enrollment	26,475.95	-
Deposits Held in Custody for Others	30,995.79	-
Accrued Interest Lease Liabilities	255.90	-
Compensated Absences, Due Within One Year	54,149.82	-
Lease Liabilities, Due Within One Year	72,667.77	-
Subscription Liabilities, Due Within One Year	2,121.33	-
Total Current Liabilities	800,117.46	2,000.00
Noncurrent Liabilities		
Compensated Absences	98,740.75	-
Net OPEB Obligation	163,699.00	-
Lease Liabilities	113,301.60	
Subscription Liabilities	6,895.38	
Total Noncurrent Liabilities	382,636.73	-
TOTAL LIABILITIES	1,182,754.19	2,000.00
DEFERRED INFLOWS OF RESOURCES		
Pension Related Deferred Inflows	190,046.00	-
NET POSITION		
Investment in Capital Assets, Net of Related Debt	5,712,944.97	-
Restricted Net Position - Expendable	-	554,197.82
Restricted Net Position - Nonexpendable	-	2,512,462.23
Unrestricted	3,361,768.55	1,466,305.49
TOTAL NET POSITION	$ 9,074,713.52	$ 4,532,965.54

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

FLINT HILLS TECHNICAL COLLEGE
Emporia, Kansas
Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended June 30, 2023

	Primary Institution	Component Unit - Foundation
REVENUES		
Operating Revenues		
Student Tuition and Fees,		
(net of scholarship discounts and allowances of $703,251.77)	$ 4,113,964.20	$ -
Federal Grants and Contracts	697,545.70	-
State Grants and Contracts	49,707.00	-
Charges for Services	193,920.62	-
Sales and Services of Auxiliary Enterprises		
(net of scholarship discounts and allowances of $43,794.04)	39,994.48	-
Miscellaneous Operating Income	291,817.23	13,090.74
Total Operating Revenues	5,386,949.23	13,090.74
EXPENSES		
Operating Expenses		
Educational and General		
Instruction	4,141,445.73	368,829.60
Academic Support	578,847.33	-
Student Services	582,517.62	-
Institutional Support	2,300,579.25	389,517.75
Operation and Maintenance	879,516.47	-
Auxiliary Expense	79,571.65	-
Scholarships, Grants and Awards	399,746.69	186,456.13
Capital Outlay	182,987.95	-
Lease Expense	59,531.71	-
Subscription Expense	2,361.60	-
Depreciation Expense	562,067.97	-
Total Operating Expenses	9,769,173.97	944,803.48
Operating Income (Loss)	(4,382,224.74)	(931,712.74)
Nonoperating Revenues (Expenses)		
State Appropriations	3,663,807.55	-
County Appropriations	204,976.30	-
Federal Pell Grants	750,158.00	-
Gifts and Contributions	418,227.11	944,400.55
Investment Income	87,907.41	221,367.45
Unrealized Gain (Loss) on Investments	-	139,074.81
Realized Gain (Loss) on Investments	-	(589.76)
Gain (Loss) on Sale of Assets	5,720.83	-
Net Operating Revenues (Expenses)	5,130,797.20	1,304,253.05
Increase (Decrease) in Net Position	748,572.46	372,540.31
Net Position - Beginning of Year	8,326,141.06	4,160,425.23
Net Position - End of Year	$ 9,074,713.52	$ 4,532,965.54

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

FLINT HILLS TECHNICAL COLLEGE
Emporia, Kansas
Statement of Cash Flows
For the Year Ended June 30, 2023

	Primary Institution	Component Unit - Foundation
CASH FLOWS FROM OPERATING ACTIVITIES		
Student Tuition and Fees	$ 4,186,202.73	$ -
Federal Grants and Contracts	697,545.70	-
State Grants and Contracts	49,707.00	-
Sales and Services of Auxiliary Enterprises	233,915.10	-
Miscellaneous Income	291,817.23	13,090.74
Payments on Behalf of Employees	(5,468,413.71)	-
Payments for Supplies and Materials	(776,648.71)	-
Payments for Lease Expense	(76,915.68)	
Payments for Subscription Expense	(10,923.49)	
Payments for Other Expenses	(2,969,275.20)	(903,792.94)
Net cash provided by (used in) operating activities	(3,842,989.03)	(890,702.20)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State Appropriations	3,663,807.55	-
County Appropriations	204,976.30	-
Federal Pell Grants	750,158.00	-
Federal Direct Loans	1,042,960.00	-
Federal Direct Loans Paid	(1,042,960.00)	-
Gifts and Contributions	418,227.11	802,131.25
Net cash provided by (used in) noncapital financing activities	5,037,168.96	802,131.25
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
Payments for Purchase of Capital Assets	(828,312.11)	-
Proceeds from the Sale of Assets	6,038.75	-
Net cash provided by (used in) capital financing activities	(822,273.36)	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Earned on Investments	87,907.41	221,367.45
Proceeds from the Sales and Maturities of Investments	8,170,532.95	60,237.76
Purchase of Investments	(8,973,606.37)	(104,294.25)
Net cash provided by (used in) investing activities	(715,166.01)	177,310.96
Net Increase (Decrease) in Cash and Cash Equivalents	(343,259.44)	88,740.01
Cash and Cash Equivalents, Beginning of Year	2,922,701.30	144,720.09
Cash and Cash Equivalents, End of Year	$ 2,579,441.86	$ 233,460.10

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

FLINT HILLS TECHNICAL COLLEGE
Emporia, Kansas
Statement of Cash Flows
For the Year Ended June 30, 2023

	Primary Institution	Component Unit - Foundation
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH USED BY OPERATING ACTIVITIES		
Operating Income (Loss)	$ (4,382,224.74)	$ (931,712.74)
Adjustments to Reconcile Change in Net Position to Net Cash Used in Operating Activities:		
Depreciation Expense	562,067.97	-
Amortization of Lease Assets	53,391.48	-
Amortization of Subscription Assets	2,356.80	-
Non cash In-Kind Expense	-	57,269.30
(Increase) Decrease in Receivables	64,604.42	(17,226.04)
(Increase) Decrease in Inventory	(3,305.43)	
(Increase) Decrease in Subscription Asset	(19,935.40)	
(Increase) Decrease in Pension Related Deferred Outflows	(4,188.00)	-
Increase (Decrease) in Accounts Payable	(16,842.61)	967.28
Increase (Decrease) in Accrued Wages	313.61	-
Increase (Decrease) in Compensated Absences	(37,288.85)	-
Increase (Decrease) in Prepaid Tuition	7,634.11	-
Increase (Decrease) in OPEB Obligations	19,638.00	-
Increase (Decrease) in Deposits Held for Others	(5,411.65)	-
Increase (Decrease) in Lease Liabilities	(70,775.45)	
Increase (Decrease) in Subscription Liabilities	9,016.71	
Increase (Decrease) in Pension Related Deferred Inflows	(22,040.00)	-
Net cash provided by (used in) operating activities	$ (3,842,989.03)	$ (890,702.20)

Supplementary Information:		
Non Cash Contributions	$ -	$ 57,269.30

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

1. NATURE OF ACTIVITIES

Flint Hills Technical College (the College) is an institution of higher education under the authority of the Kansas Board of Regents. The College is governed by seven members consisting of designees from each of the following entities: Emporia Unified School District #253 Board of Education, Emporia Chamber of Commerce, Emporia State University, Emporia City Commission, Lyon County Commission, Regional Development Association of East Central Kansas, and an at-large member from the Flint Hills Technical College's territory appointed by the Governing Body.

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

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

Accounts Receivable
Accounts receivable consist of unsecured credit for tuition and fee charges to students and auxiliary enterprise services provided to students, faculty and staff, the majority of each residing in the State of Kansas. Accounts receivable also includes amounts due from the Federal government, state and local governments, or private sources, in connection with reimbursement of allowable expenditures made pursuant to the College's grant and contracts. The College uses the allowance method to account for uncollectible accounts receivable.

Inventories
Inventories consist of books and supplies held for resale in the bookstore, the cost of the annual construction house which is held for resale, and land inventory, and are valued at cost, using the first-in, first-out method (FIFO).

Capital Assets
Capital assets are stated at cost at the date of acquisition, or fair value at the date of donation in the case of gifts. For equipment, the College's capitalization policy includes all items with a unit cost of $5,000.00 or more, and an estimated useful life of greater than one year. Renovations to building, infrastructure, and land improvements that significantly increase the value or extend the useful life of the structure are capitalized. Routine repairs and maintenance are charged to operating expense in the year in which the expense was incurred.

Depreciation is provided on straight-line method over the estimated useful lives of the respective classes of property. Estimated useful lives are as follows:

Building Improvements	15 Years
Vehicles	5-10 Years
Equipment, including computers	2-30 Years
Library Collections	3-10 Years

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Net Position
The College's net position is classified as follows:

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

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

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

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Classification of Revenues

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

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

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

Scholarship Discounts and Allowances

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

Accounting Estimates

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

Pension Plan

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

3. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Compliance with Kansas Statutes

Supplementary Schedules 4 to 6 have been prepared in order to show compliance with the cash basis laws of Kansas. As shown in Schedules 4 to 6, the College was in apparent compliance with Kansas cash basis laws.

4. DEPOSITS AND INVESTMENTS

Deposits and Investments - Primary Institution
As of June 30, 2023, the College has the following investments and maturities.

		Investment Maturities (in Years)		
Investment Type	Fair Value	Less than 1	1 - 2	Rating
Kansas Municipal Investment Pool				
180 Day Fixed	$ 1,403,093.37	$ 1,403,093.37	$ - -	S&P AAAf/S1+
365 Day Fixed	200,000.00	- -	200,000.00	S&P AAAf/S1+
Total Investments	$ 1,603,093.37	$ 1,403,093.37	$ 200,000.00	

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

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

Concentration of credit risk. State statutes place no limit on the amount the Government may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. The College's allocation of investments as of June 30, 2023, is as follows:

Investment Type	Percentage of Investment
Kansas Municipal Investment Pool	100%

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

Deposits: At year-end, the College's carrying amount of deposits was $2,578,191.86 and the bank balance was $2,906,457.45. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, $511,774.22 was covered by FDIC insurance, and $2,394,683.23 was collateralized with pledged securities held by the pledging financial institutions' agents in the College's name.

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

4. DEPOSITS AND INVESTMENTS (Continued)

At June 30, 2023, the College had invested $1,603,093.37 in the State's municipal investment pool. The municipal investment pool is under the oversight of the Pooled Money Investment Board. The board is comprised of State Treasurer and four additional members appointed by the State Governor. The board reports annually to the Kansas legislature. State pooled monies may be invested in direct obligations of, or obligations that are insured as to principal and interest, by the U.S. government or any agency thereof, with maturities of up to four years. No more than ten percent of those funds may be invested in mortgage-backed securities. In addition, the State pool may invest in repurchase agreements with Kansas banks or with primary government securities dealers.

Deposits – Component Unit
At June 30, 2023, the carrying amount of the Foundation's deposits was $230,460.10 The balance was held by one bank and one investment company resulting in a concentration of credit risk. The bank balance was $218,259.49. Of the bank balance $117.65 was covered by FDIC insurance and the remaining $218,141.84 was covered SIPC insurance.

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

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

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

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

	FAIR VALUE
Mutual Funds	$ 4,169,279.40
Total Investments	$ 4,169,279.40

5. FAIR VALUE MEASUREMENTS

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

5. FAIR VALUE MEASUREMENTS (Continued)

Component Unit:

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

Level 2. Inputs to the valuation methodology include:

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

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

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

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

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

	June 30, 2023	
	Level 1	Total
Mutual Funds	$ 4,169,279.40	$ 4,169,279.40
Totals	$ 4,169,279.40	$ 4,169,279.40

6. ACCOUNTS RECEIVABLE, NET

Accounts receivable at June 30, 2023, consisted of the following:

Student Accounts	$	277,770.95
Federal Work-Study		6,494.40
Kansas Promise Scholarship		4,626.00
Reeble Childcare Reimbursement		2,000.00
Total Current Accounts Receivable	$	290,891.35

The College uses the allowance method to account for uncollectible accounts receivable. Accounts receivable are presented net of an allowance for uncollectible accounts of $261,913.68 at June 30, 2023.

Component Unit:
Accounts receivable at June 30, 2023, consisted of the following:

FHTC Overpayment of Wages	$	17,226.04
Total Current Accounts Receivable	$	17,226.04

All accounts receivable at June 30, 2023 are considered collectible; therefore the allowance for uncollectible accounts is zero.

7. UNCONDITIONAL PROMISES TO GIVE

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

Capital Campaign	$115,000.00
Total Unconditional Promises to Give	$115,000.00
Less than one year	$105,000.00
One to five years	10,000.00
Total Unconditional Promises to Give	$115,000.00

Uncollectible amounts for unconditional promises to give are expected to be insignificant. Accordingly, no provision is made for uncollectible amounts.

8. INVENTORIES

Inventories consisted of the following at June 30, 2023:

Book Store Inventory	$	20,346.18

9. CAPITAL ASSETS, NET

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

	Balance 06/30/2022	Additions	Retirements	Transfers	Balance 06/30/2023
Capital assets not being depreciated					
Construction in Progress	$ 72,247.00	$ 266,353.90	$ -	$ (72,247.00)	$ 266,353.90
Capital assets					
Leasehold Improvements	2,664,052.02	-	-	-	2,664,052.02
Equipment	5,689,651.01	184,261.26	(273,555.78)	-	5,600,356.49
Building	180,000.00	-	-	-	180,000.00
Building Improvements	2,163,952.29	377,696.95	-	72,247.00	2,613,896.24
Vehicles	134,244.60	-	-	-	134,244.60
Library Collection	85,821.00	-	-	-	85,821.00
Total Capital Assets	10,989,967.92	828,312.11	(273,555.78)	-	11,544,724.25
Accumulated Depreciation	(5,591,369.08)	(562,067.97)	273,237.86	-	(5,880,199.19)
Total Net Capital Assets	$ 5,398,598.84	$ 266,244.14	$ (317.92)	$ -	$ 5,664,525.06

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

	Balance 06/30/2022	Additions	Retirements	Balance 06/30/2023
Property and Equipment				
Equipment	$ 16,101.29	$ -	$ -	$ 16,101.29
Total Property and Equipment	16,101.29	-	-	16,101.29
Accumulated Depreciation				
Equipment	16,101.29	-	-	16,101.29
Total Accumulated Depreciation	16,101.29	-	-	16,101.29
Total Net Capital Assets	$ -	$ -	$ -	$ -

10. LEASES

The College implemented *Governmental Accounting Standards Board (GASB) Statement No. 87, Leases. GASB Statement No. 87* enhances the relevance and consistency of information of the government's leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A 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 College has entered into a number of operating leases for office equipment and a building. Copy machines were leased beginning January 21, 2021, for a term of 60 months at $2,634.64 per month, and were capitalized at an incremental borrowing rate of 2.75%. The postage machine was leased beginning April 12, 2021, for a term of 63 months at $75.00 per month, and is capitalized at an incremental borrowing rate of 2.80%. The building was leased beginning January 1, 2021 for a term of 60 months at $3,700.00 per month, and a renewal option of 36 months, and is capitalized at an incremental borrowing rate of 2.80%.

Lease Expense:

Amortization expense by class of underlying asset:	
Copy Machines	$ 29,506.92
Building	23,046.48
Postage Machine	838.08
Total Amortization Expense	53,391.48
Interest on Lease Liability	6,140.53
Total Lease Expense	$ 59,532.01

Lease Assets:

	Beginning	Additions	Subtractions	Ending
Copy Machine	$ 147,534.33	$ 0.00	$ 0.00	$ 147,534.33
Building	207,418.53	0.00	0.00	207,418.53
Postage Machine	4,399.61	0.00	0.00	4,399.61
	359,352.47	0.00	0.00	359,352.47
Less Accumulated Amortization				
Copy Machine	(44,260.38)	(29,506.92)	0.00	(73,767.30)
Building	(34,569.72)	(23,046.48)	0.00	(57,616.20)
Postage Machine	(1,047.60)	(838.08)	0.00	(1,885.68)
Net Lease Assets	$ 279,474.77	$ (53,391.48)	$ 0.00	$ 226,083.29

	Beginning	Additions	Principal	Ending
Lease Liabilities:	$ 256,647.46	$ 0.00	$ (70,678.09)	$ 185,969.37

Future Maturity Analysis:

	Principal	Interest	Total Payments
2024	$ 72,667.77	$ 4,247.91	$ 76,915.68
2025	74,713.44	2,202.24	76,915.68
2026	38,588.16	319.68	38,907.84
Totals	$ 185,969.37	$ 6,769.83	$ 192,739.20

Lease Liabilities Accrued Interest:

	Beginning	Adjustment	Ending
Building	$ 353.26	$ (97.36)	$ 255.90

11. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

The College implemented Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements*, in fiscal year 2023. The College has ten software arrangements that require recognition under GASBS No. 96. The software amortization expense is included on the Statement of Revenues, Expenses and Changes in Fund Net Position related to the College's intangible asset of ten software systems. The College now recognizes a subscription-based information technology arrangements (SBITA) liability and an intangible right-to-use asset for various software agreements ranging from 2 years to 5 years with imputed interest from 3.85% to 4.47%.

SBITA Expense:

Amortization expense by class of underlying asset:	
SBITA – GASB 96	$ 2,356.80
Interest on SBITA Liability	186.18
Total SBITA Expense	$ 2,542.98

SBITA Assets:

	Beginning	Additions	Subtractions	Ending
SBITA – GASB 96	$ 0.00	$ 19,935.40	$ 0.00	$ 19,935.40
Less Accumulated Amortization				
SBITA – GASB 96	0.00	(2,356.80)	0.00	(2,356.80)
Net SBITA Assets	$ 0.00	$ 17,578.60	$ 0.00	$ 17,578.60

	Beginning	Additions	Reductions	Ending
SBITA Liabilities:	$ 0.00	$ 10,511.91	$ (1,495.20)	$ 9,016.71

Future Maturity Analysis:

	Principal	Interest	Total Payments
2024	$ 2,121.33	$ 366.42	$ 2,487.75
2025	2,207.54	280.21	2,487.75
2026	2,297.24	190.51	2,487.75
2027	2,390.60	97.15	2,487.75
Totals	$ 9,016.71	$ 934.29	$ 9,951.00

12. LONG-TERM LIABILITY ACTIVITY

Primary Institution:
Following are the changes in long-term liability activity for the year ended June 30, 2023:

	Balance 06/30/2022	Additions	Reductions		Balance 06/30/2023	Amount Due within One Year
Compensated Absences	$ 190,179.42	$ -	$ (37,288.85)	*	$ 152,890.57	$ 54,149.82
Lease Liability	256,647.46	-	(70,678.09)		185,969.37	72,667.77
Subscription Liability	-	10,511.91	(1,495.20)		9,016.71	2,121.33
	$ 446,826.88	$ 10,511.91	$ (109,462.14)		$ 347,876.65	$ 128,938.92

* Change in the compensated absences liability is presented as a net change

13. OTHER POST EMPLOYMENT BENEFITS

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

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

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

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

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

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

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

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

13. OTHER POST EMPLOYMENT BENEFITS (Continued)

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

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

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

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

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

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

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

At June 30, 2022, the proportion recognized by the State of Kansas on behalf of the College was .070399%, which was an decrease of .004575% from the proportion measured at June 30, 2021.

13. OTHER POST EMPLOYMENT BENEFITS (Continued)

Net Pension Liability
At June 30, 2022 and 2021, the proportionate share of the net pension liability recognized by the State of Kansas that was attributable to the College was $5,030,295.00 and $4,224,042.00, respectively.

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

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

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

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

Asset Class	Long-Term Target Allocation	Long-Term Expected Real Rate of Return
US Equities	23.50%	5.20%
Non-US Equities	23.50	6.50
Private Equities	8.00	9.50
Private Real Estate	11.00	4.45
Yield Driven	8.00	4.70
Real Return	11.00	3.25
Fixed Income	11.00	1.55
Short-term investments	4.00	0.25
Total	100.00%	

Discount Rate: The discount rate used to measure the total pension liability was 7.05%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from school districts will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

13. OTHER POST EMPLOYMENT BENEFITS (Continued)

Revenue and Pension Expense Recorded by the College: For the year ended June 30, 2023, the College recognized revenue and pension expense in an equal amount of $614,506.55.

Early Retirement Benefits: The College has adopted a policy providing early retirement health care benefit options. Eligible employees are defined as:

- currently a full-time employee (contracted six hours or more per day),
- a minimum of 60 years of age prior to September 1 of the calendar year in which early retirement is requested, or who are eligible for KPERS early retirement without the reduction in benefits,
- not older than 64 years of age as of September 1 of the calendar year in which early retirement is requested, and
- at the time of request has 15 years of service with the College.

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

Paid or Payable	Year Ended June 30th	Amount
Paid	2023	$ 20,854.69
Payable	2024	36,483.86
Payable	2025	30,353.00
Payable	2026	17,565.50

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

Plan Description: The College sponsors Medical and Dental insurance to qualifying retirees and their dependents. Coverage is provided through fully-insured contracts that collectively operate as a single-employer defined benefit plan. Qualifying retirees are those employees who are eligible for immediate retirement benefits under the Kansas Public Employees Retirement System and retire prior to age 65. Retirees and spouses may continue coverage with the College until their Medicare eligibility (i.e. age 65). Participants are required to contribute 100% of group insurance premiums to maintain coverage. Age-adjusted costs may exceed group insurance premiums thus creating an age-subsidy or benefit that forms the basis for the valuation. The plan is identifiable as a single-employer plan. There are 79 total active employees and 0 retirees who are participating in the plan as of July 1, 2021, the census date used for the actuarial valuation.

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

Total OPEB Liability: The College's total OPEB liability of $163,699.00 was measured as of June 30, 2023, and was determined by an actuarial valuation as of that date.

13. OTHER POST EMPLOYMENT BENEFITS (Continued)

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

Valuation Date	July 1, 2022
Measurement Date (End of Year)	June 30, 2023
Reporting Date	June 30, 2023
Discount Rate	4.0% (Measurement Date) 2.0% (Year Preceding Measurement Date)
Salary Scale	2.0%
Actuarial Cost Method	Entry Age – Level Percent-of-Pay
Health Care Cost Trend Rates	7.0% decreasing 0.25% per year until 2034 until reaching an ultimate trend rate of 4.5%

The average of the S&P Municipal Bond 20 Year High Grade and Fidelity GO AA-20 Year published yields was evaluated to determine the discount rate. The selected rates are 2.0% (beginning-of-year measurement) and 4.0% (end-of-year measurement).

The mortality assumption was changed from Society of Actuaries Scale MP-2020 Full Generational Improvement to the Society of Actuaries Scale MP-2021 Full Generational Improvement.

Annual OPEB cost and net OPEB obligation:

Net OPEB Liability	
I. Total OPEB Liability	$ 163,699
II. Plan Fiduciary Net Position (Trust Assets)	0
III. Net OPEB Liability at June 30, 2023 (I minus II)	$ 163,699
OPEB Liability Changes	
Total OPEB Liability – Beginning of Year	$ 144,061
1. Service Cost	10,026
2. Interest Cost	5,931
3. Changes in Benefit Terms	0
4. Differences between actual and expected experience	9,065
5. Changes in assumptions and inputs	(1,384)
6. Employer Contributions (Benefit Payments)	4,000
Net Changes (1 + 2 + 3 + 4 + 5 – 6)	19,638
Total OPEB Liability – End of Year	$ 163,699
OPEB Expense – Fiscal Year 2022-23	
1. Service Cost	$ 10,026
2. Interest on Total OPEB Liability	5931
3. Changes in Benefit Terms	0
4. Differences between expected and actual experience	(7,218)
5. Changes of assumptions and inputs	(11,329)
6. Projected earnings on OPEB plan investments	0
7. Differences between projected & actual earnings on OPEB investments	0
OPEB Expense (1 + 2 + 3 + 4 + 5 - 6+7)	$ (2,590)

13. OTHER POST EMPLOYMENT BENEFITS (Continued)

OPEB Liability as a percentage of payroll

Total OPEB Liability	$ 163,699
Payroll	**3,423,037
Percent of Payroll	4.8%

** Annualized pay as of July 1, 2022 of active employees included in the valuation

Sensitivity of Total OPEB Liability to changes in the Discount Rate

	1% Decrease 3.0%	Current Single Discount Rate Assumption 4.0%	1% Increase 5.0%
Total OPEB Liability	178,123	163,699	150,559
Increase/(Decrease) from Baseline	14,424		(13,140)

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

	1% Decrease	Current Trend Assumption	1% Increase
Total OPEB Liability	145,245	163,699	185,578
Increase/(Decrease) from Baseline	(18,454)		21,879

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

Category	Deferred Outflows of Resources	Deferred Inflow of Resources
Differences between expected and actual experience (1)	37,037	115,587
Changes in Assumptions (2)	8,517	74,459
Contributions Subsequent to Measurement Date (3)		

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

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

Fiscal Year Ending	Amount
2024	$ (18,547)
2025	(18,547)
2026	(18,547)
2027	(18,547)
2028	(18,547)
2029 & Thereafter	(51,757)

Average Expected Remaining Service Life: 7.79 years

14. COMPENSATED ABSENCES

Chargeable Leave

The College's policies regarding professional leave and absences permit employees to accumulate a maximum of 9 to 108 days of chargeable leave depending on the number of days worked per year. Personnel retiring or resigning from the College with ten years or more of service in the College will be compensated for unused accumulated chargeable leave at the rate of .4 times the current substitute rate per day up to a maximum of 90 days.

Vacation

Unclassified twelve-month employees after two months of service shall accrue two workdays per month to a maximum of 20 days for year-to-year accumulation. Administrators may accumulate a maximum of 40 days of vacation leave. Classified employees after two months of service shall accrue vacation time equal to 10 days per year, after 10 years of service, vacation will accrue equal to 15 days per year with a maximum of 30 days of vacation leave depending upon the years of service. Policies permit payment of vacation pay upon termination of employment if sufficient notice of termination is given.

Compensatory Time

The College will pay overtime or allow compensatory time off for hourly and classified employees according to the Fair Labor Standards Act. The maximum compensatory time which may be accrued by and affected employee may accumulate a maximum of 3 days, and faculty members may accumulate a maximum of 6 days. Payment for accrued compensatory time upon termination of employment shall be the calculated at the employee's final regular rate received by the employee.

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

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

In accordance with the above criteria, the College has accrued a liability for all vacation, and compensatory time. However, chargeable time was accrued for those employees with more than 10 years of services and all others with chargeable time were not recorded, inasmuch as the amount cannot be reasonably estimated because the rights do not vest until after 10 years of service.

15. CONTINGENT LIABILITIES

In the normal course of operations, the College receives grant funds from various Federal and State agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

16. RISK MANAGEMENT

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

17. CONCENTRATION OF RISK

Component Unit:
For the year ended June 30, 2023, 94.31% of the Foundation's monies are invested in mutual funds in the stock market. Of this amount, 1.84% are invested in aggressive income investments, 84.63% are invested in growth and income investments, 0.12% are invested in growth investments, and 7.72% are invested in income investments. The effect in the future on the Foundation's portfolio is unknown and is subject to market economic conditions.

18. RESTRICTED NET POSITION - EXPENDABLE

Component Unit:
Restricted net position – expendable includes contributions restricted for specific use by the donor. Gifts held and restricted as to specific use at June 30, 2023 are $554,197.82.

19. RESTRICTED NET POSITION - NONEXPENDABLE

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

	Permanently Restricted
Endowment Funds, June 30, 2022	$ 2,454,118.31
Donations	58,343.92
Endowment Funds, June 30, 2023	$ 2,512,462.23

20. INTERFUND TRANSFERS

Operating transfers were as follows:

From Fund:	To Fund:	Amount
General Fund	Federal Financial Aid Fund	$ 12,132.00

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

21. RELATED PARTY TRANSACTIONS

The Foundation was formed to promote and foster the educational purposes of the Flint Hills Technical College, and to create a fund to be used for any program, project, or enterprise undertaken in the interest of the College. The Foundation acts largely as a fundraising organization, soliciting, receiving, managing and disbursing contributions on behalf of the College. Most of the contributions received are designated by the donors to be used for specific purposes or by specific departments. In these instances, the Foundation serves essentially as a conduit. Contributions that are not designated are used where the need is considered greatest, as determined by the Foundation's board of directors. The Foundation disbursed to the College for the year ended June 30, 2023, $186,456.13 for scholarships and reimbursed the College for $221,106.41 in administrative support. The Foundation disbursed on behalf of the College through its activity funds for the year ended June 30, 2023, $389,517.75.

22. SUBSEQUENT EVENTS

The College evaluated events and transactions occurring subsequent year end, and there were no subsequent events requiring recognition in the financial statements. Additionally, there were no nonrecognized subsequent events requiring disclosure.

REQUIRED
SUPPLEMENTARY INFORMATION

Schedule 1

FLINT HILLS TECHNICAL COLLEGE
Emporia, Kansas
Schedule of Funding Progress

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

	06/30/2018	06/30/2019	06/30/2020	06/30/2021	06/30/2022	06/30/2023
OPEB Liability Changes						
Total OPEB Liability - Beginning of Year	$ 153,297	$ 169,170	$ 168,030	$ 180,452	$ 170,591	$ 144,061
1. Service Cost	13,135	13,906	13,564	15,048	12,599	10,026
2. Interest Cost	5,557	5,910	5,448	5,083	3,644	5,931
3. Changes in Benefit Terms	-	-	-	(16,775)	-	-
4. Difference between actual and expected experience	-	(18,749)	(54,940)	194	(29,408)	9,065
5. Changes in assumptions and inputs	3,181	5,793	48,350	(13,411)	(11,365)	(1,384)
6. Employer Contributions (Benefit Payments)	6,000	8,000	-	-	2,000	4,000
Net Changes (1+2+3+4+5-6)	15,873	(1,140)	12,422	(9,861)	(26,530)	19,638
Total OPEB Liability - End of Year	$ 169,170	$ 168,030	$ 180,452	$ 170,591	$ 144,061	$ 163,699
OPEB Liability as a percentage of payroll						
Total OPEB Liability	$ 169,170	$ 168,030	$ 180,452	$ 170,591	$ 144,061	$ 163,699
Payroll	* 3,156,829	* 3,156,829	** 3,196,791	** 3,196,791	^ 3,423,037	^ 3,423,037
Percent of Payroll	5.4%	5.3%	5.6%	5.3%	4.2%	4.8%

*Annualized pay as of July 1, 2017 of active employees included in the valuation
**Annualized pay as of July 1, 2019 of active employees included in the valuation
^Annualized pay as of July 1, 2022 of active employees included in the valuation

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION:

Funding policy: Costs under the College's group insurance program are paid from general operating assets on a pay-as-you-go basis, net assets are accumulated to pay related benefits

Changes in Assumptions: Changes in assumptions or other inputs reflect a change in the discount rate from 3.9% (beginning-of-year measurement) to 4.0% (end-of-year measurement)

SUPPLEMENTARY INFORMATION

FLINT HILLS TECHNICAL COLLEGE
Emporia, Kansas
Combining Schedule of Net Position - Primary Institution
June 30, 2023

	GENERAL	ADULT EDUCATION	AUXILIARY ENTERPRISE BOOKSTORE	LITERACY PROGRAM	FEDERAL FINANCIAL AID	KAN-TRAIN GRANT	DEFERRED MAINTENANCE
ASSETS							
Current Assets							
Cash and Cash Equivalents	$ 1,906,538.46	$ 241,585.16	$ 203,245.47	$ 1,653.63	$ (7,322.49)	$ 223.01	$ 110,892.43
Investments	1,603,093.37	-	-	-	-	-	-
Receivables - Federal	-	-	-	-	6,494.40	-	-
Receivables - Other Receivables	277,770.95	-	-	-	2,000.00	-	-
Inventories	-	-	20,346.18	-	-	-	-
Total Current Assets	3,787,402.78	241,585.16	223,591.65	1,653.63	1,171.91	223.01	110,892.43
Noncurrent Assets							
Capital Assets, Net	-	-	-	-	-	-	-
Lease Assets, Net	-	-	-	-	-	-	-
Subscription Assets, Net	-	-	-	-	-	-	-
Total Noncurrent Assets	-	-	-	-	-	-	-
TOTAL ASSETS	3,787,402.78	241,585.16	223,591.65	1,653.63	1,171.91	223.01	110,892.43
DEFERRED OUTFLOWS OF RESOURCES							
Pension Related Deferred Outflows	45,554.00	-	-	-	-	-	-
LIABILITIES							
Current Liabilities							
Accounts Payable	422,812.01	-	-	-	630.00	-	-
Accrued Wages	190,008.89	-	-	-	-	-	-
Prepaid Tuition	26,475.95	-	-	-	-	-	-
Deposits Held in Custody for Others	-	-	-	-	-	-	-
Accrued Interest Lease Liabilities	-	-	-	-	-	-	-
Compensated Absences, Due Within One Year	54,149.82	-	-	-	-	-	-
Lease Liabilities, Due Within One Year	-	-	-	-	-	-	-
Subscription Liabilities, Due Within One Year	-	-	-	-	-	-	-
Total Current Liabilities	693,446.67	-	-	-	630.00	-	-
Noncurrent Liabilities							
Compensated Absences	98,740.75	-	-	-	-	-	-
Net OPEB Obligation	163,699.00	-	-	-	-	-	-
Lease Liabilities	-	-	-	-	-	-	-
Subscription Liabilities	-	-	-	-	-	-	-
Total Noncurrent Liabilities	262,439.75	-	-	-	-	-	-
TOTAL LIABILITIES	955,886.42	-	-	-	630.00	-	-
DEFERRED INFLOWS OF RESOURCES							
Pension Related Deferred Inflows	190,046.00	-	-	-	-	-	-
NET POSITION							
Investment in capital assets, net of related debt	-	-	-	-	-	-	-
Unrestricted	2,687,024.36	241,585.16	223,591.65	1,653.63	541.91	223.01	110,892.43
TOTAL NET POSITION	$ 2,687,024.36	$ 241,585.16	$ 223,591.65	$ 1,653.63	$ 541.91	$ 223.01	$ 110,892.43

FLINT HILLS TECHNICAL COLLEGE
Emporia, Kansas
Combining Schedule of Net Position - Primary Institution
June 30, 2023

	LYON COUNTY GRANT	WELDING BUILDING	KANSAS PROMISE SCHOLARSHIPS	FHTC AGENCY	INVESTMENT IN PLANT	TOTALS - PRIMARY INSTITUTION
ASSETS						
Current Assets						
Cash and Cash Equivalents	$ 4,083.85	$ 92,172.55	$ (4,626.00)	$ 30,995.79	$ -	$ 2,579,441.86
Investments	-	-	-	-	-	1,603,093.37
Receivables - Federal	-	-	-	-	-	6,494.40
Receivables - Other Receivables	-	-	4,626.00	-	-	284,396.95
Inventories	-	-	-	-	-	20,346.18
Total Current Assets	4,083.85	92,172.55	-	30,995.79	-	4,493,772.76
Noncurrent Assets						
Capital Assets, Net	-	-	-	-	5,664,525.06	5,664,525.06
Lease Assets, Net	-	-	-	-	226,083.29	226,083.29
Subscription Assets, Net	-	-	-	-	17,578.60	17,578.60
Total Noncurrent Assets	-	-	-	-	5,908,186.95	5,908,186.95
TOTAL ASSETS	4,083.85	92,172.55	-	30,995.79	5,908,186.95	10,401,959.71
DEFERRED OUTFLOWS OF RESOURCES						
Pension Related Deferred Outflows	-	-	-	-	-	45,554.00
LIABILITIES						
Current Liabilities						
Accounts Payable	-	-	-	-	-	423,442.01
Accrued Wages	-	-	-	-	-	190,008.89
Prepaid Tuition	-	-	-	-	-	26,475.95
Deposits Held in Custody for Others	-	-	-	30,995.79	-	30,995.79
Accrued Interest Lease Liabilities	-	-	-	-	255.90	255.90
Compensated Absences, Due Within One Year	-	-	-	-	-	54,149.82
Lease Liabilities, Due Within One Year	-	-	-	-	72,667.77	72,667.77
Subscription Liabilities, Due Within One Year	-	-	-	-	2,121.33	2,121.33
Total Current Liabilities	-	-	-	30,995.79	75,045.00	800,117.46
Noncurrent Liabilities						
Compensated Absences	-	-	-	-	-	98,740.75
Net OPEB Obligation	-	-	-	-	-	163,699.00
Lease Liabilities	-	-	-	-	113,301.60	113,301.60
Subscription Liabilities	-	-	-	-	6,895.38	6,895.38
Total Noncurrent Liabilities	-	-	-	-	120,196.98	382,636.73
TOTAL LIABILITIES	-	-	-	30,995.79	195,241.98	1,182,754.19
DEFERRED INFLOWS OF RESOURCES						
Pension Related Deferred Inflows	-	-	-	-	-	190,046.00
NET POSITION						
Investment in capital assets, net of related debt	-	-	-	-	5,712,944.97	5,712,944.97
Unrestricted	4,083.85	92,172.55	-	-	-	3,361,768.55
TOTAL NET POSITION	$ 4,083.85	$ 92,172.55	$ -	$ -	$ 5,712,944.97	$ 9,074,713.52

FLINT HILLS TECHNICAL COLLEGE

Emporia, Kansas

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

For the Year Ended June 30, 2023

	GENERAL	ADULT EDUCATION	AUXILIARY ENTERPRISE BOOKSTORE	LITERACY PROGRAM	FEDERAL FINANCIAL AID	KAN-TRAIN GRANT	DEFERRED MAINTENANCE
REVENUES							
Operating Revenues							
Student Tuition and Fees	$ 4,816,190.97	$ 1,025.00	$ -	$ -	$ -	$ -	$ -
Federal Grants and Contracts	147,480.20	93,720.00	-	-	1,245,362.50	-	-
State Grants and Contracts	-	47,707.00	-	-	2,000.00	-	-
Charges for Services	193,920.62	-	-	-	-	-	-
Sales and Services of Auxiliary Enterprises	-	-	83,788.52	-	-	-	-
Other Operating Revenues	291,817.23	-	-	-	-	-	-
Total Operating Revenues	5,449,409.02	142,452.00	83,788.52	-	1,247,362.50	-	-
EXPENSES							
Operating Expenses							
Instruction	3,972,626.22	246,917.18	-	-	2,000.00	-	-
Academic Support	609,323.98	-	-	-	-	-	-
Student Services	582,517.62	-	-	-	-	-	-
Institutional Support	2,223,742.66	-	-	-	76,836.59	-	-
Operation and Maintenance	916,103.47	-	-	-	-	-	-
Auxiliary Expense	-	-	79,571.65	-	-	-	-
Scholarships	361.00	-	-	-	1,935,448.50	-	-
Capital Outlay	396,678.00	-	-	-	-	-	115,325.57
Lease Expense	76,915.68	-	-	-	-	-	-
Subscription Expense	10,923.49	-	-	-	-	-	-
Depreciation Expense	-	-	-	-	-	-	-
Total Operating Expenses	8,789,192.12	246,917.18	79,571.65	-	2,014,285.09	-	115,325.57
Operating Income (Loss)	(3,339,783.10)	(104,465.18)	4,216.87	-	(766,922.59)	-	(115,325.57)
Nonoperating Revenues (Expenses)							
State Appropriations	3,663,807.55	-	-	-	-	-	-
County Appropriations	-	132,326.30	-	-	-	-	-
Federal Pell Grant	-	-	-	-	750,158.00	-	-
Interest Income	87,907.41	-	-	-	-	-	-
Gifts and Contributions	52,477.11	-	-	-	-	-	-
Gain (Loss) on Sale of Assets	6,038.75	-	-	-	-	-	-
Operating Transfers	(12,132.00)	-	-	-	12,132.00	-	-
Increase (Decrease) in Net Position	458,315.72	27,861.12	4,216.87	-	(4,632.59)	-	(115,325.57)
Net Position - Beginning of Year	2,228,708.64	213,724.04	219,374.78	1,653.63	5,174.50	223.01	226,218.00
Net Position - End of Year	$ 2,687,024.36	$ 241,585.16	$ 223,591.65	$ 1,653.63	$ 541.91	$ 223.01	$ 110,892.43

FLINT HILLS TECHNICAL COLLEGE
Emporia, Kansas
Combining Schedule of Revenues, Expenses, and Changes in Net Position - Primary Institution
For the Year Ended June 30, 2023

	LYON COUNTY GRANT	WELDING BUILDING	KANSAS PROMISE SCHOLARSHIPS	SPARKS & FEMA CORONAVIRUS RELIEF	INVESTMENT IN PLANT	SUB-TOTAL PRIMARY INSTITUTION	ELIMINATING INTER-COMPANY SCHOLARSHIPS	TOTALS - PRIMARY INSTITUTION
REVENUES								
Operating Revenues								
Student Tuition and Fees	$ -	$ -	$ -	$ -	$ -	$ 4,817,215.97	$ (703,251.77)	$ 4,113,964.20
Federal Grants and Contracts	-	-	253,943.00	-	-	1,740,505.70	(1,042,960.00)	697,545.70
State Grants and Contracts	-	-	-	-	-	49,707.00	-	49,707.00
Charges for Services	-	-	-	-	-	193,920.62	-	193,920.62
Sales and Services of Auxiliary Enterprises	-	-	-	-	-	83,788.52	(43,794.04)	39,994.48
Other Operating Revenues	-	-	-	-	-	291,817.23	-	291,817.23
Total Operating Revenues	-	-	253,943.00	-	-	7,176,955.04	(1,790,005.81)	5,386,949.23
EXPENSES								
Operating Expenses								
Instruction	-	-	-	-	(80,097.67)	4,141,445.73	-	4,141,445.73
Academic Support	-	-	-	-	(30,476.65)	578,847.33	-	578,847.33
Student Services	-	-	-	-	-	582,517.62	-	582,517.62
Institutional Support	-	-	-	-	-	2,300,579.25	-	2,300,579.25
Operation and Maintenance	-	-	-	-	(36,587.00)	879,516.47	-	879,516.47
Auxiliary Expense	-	-	-	-	-	79,571.65	-	79,571.65
Scholarships	-	-	253,943.00	-	-	2,189,752.50	(1,790,005.81)	399,746.69
Capital Outlay	78,557.72	273,577.45	-	-	(681,150.79)	182,987.95	-	182,987.95
Lease Expense	-	-	-	-	(17,383.97)	59,531.71	-	59,531.71
Subscription Expense	-	-	-	-	(8,561.89)	2,361.60	-	2,361.60
Depreciation Expense	-	-	-	-	562,067.97	562,067.97	-	562,067.97
Total Operating Expenses	78,557.72	273,577.45	253,943.00	-	(292,190.00)	11,559,179.78	(1,790,005.81)	9,769,173.97
Operating Income (Loss)	(78,557.72)	(273,577.45)	-	-	292,190.00	(4,382,224.74)	-	(4,382,224.74)
Nonoperating Revenues (Expenses)								
State Appropriations	-	-	-	-	-	3,663,807.55	-	3,663,807.55
County Appropriations	72,650.00	-	-	-	-	204,976.30	-	204,976.30
Federal Pell Grant	-	-	-	-	-	750,158.00	-	750,158.00
Interest Income	-	-	-	-	-	87,907.41	-	87,907.41
Gifts and Contributions	-	365,750.00	-	-	-	418,227.11	-	418,227.11
Gain (Loss) on Sale of Assets	-	-	-	-	(317.92)	5,720.83	-	5,720.83
Operating Transfers	-	-	-	-	-	-	-	-
Increase (Decrease) in Net Position	(5,907.72)	92,172.55	-	-	291,872.08	748,572.46	-	748,572.46
Net Position - Beginning of Year	9,991.57	-	-	-	5,421,072.89	8,326,141.06	-	8,326,141.06
Net Position - End of Year	$ 4,083.85	$ 92,172.55	$ -	$ -	$ 5,712,944.97	$ 9,074,713.52	$ -	$ 9,074,713.52

FLINT HILLS TECHNICAL COLLEGE

Emporia, Kansas

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

For the Year Ended June 30, 2023

Schedules 4 to 6 are prepared in accordance with Kansas cash basis laws (Regulatory Basis), which differs from generally accepted accounting principles (GAAP Basis). Cash receipts are recognized when the cash balance of a fund in increased. For an interfund transaction, a cash receipt is recorded in the fund receiving the cash from another fund. Cash disbursements are recognized when the cash balance of a fund is decreased. For an interfund transaction, a cash disbursement is recorded in the fund in which the cash is transferred. Expenditures include cash disbursements, transfers, accounts payable and encumbrances – that is, commitments related to unperformed (executory) contracts for goods and services, and are usually evidenced by a purchase order or written contract.

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

	Prior Year	Current Year				
	Budget Basis	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Budget	Variance Over (Under)
REVENUES						
Student Tuition and Fees						
Postsecondary Tuition	$ 1,693,257.87	$ 1,581,606.20	$ 1,755.67	$ 1,583,361.87	$ 1,565,590.00	$ 17,771.87
Secondary Tuition	2,020,326.00	2,149,817.00	-	2,149,817.00	2,432,338.00	(282,521.00)
Student Fees	958,468.12	1,022,222.77	-	1,022,222.77	1,026,265.00	(4,042.23)
Continuing Education	41,957.50	60,245.00	-	60,245.00	-	60,245.00
Customized Training	3,080.00	2,300.00	-	2,300.00	182,500.00	(180,200.00)
Total Student Tuition and Fees	4,717,089.49	4,816,190.97	1,755.67	4,817,946.64	5,206,693.00	(388,746.36)
Federal Sources						
Federal Grants	248,370.55	147,480.20	-	147,480.20	147,036.00	444.20
Total Federal Sources	248,370.55	147,480.20	-	147,480.20	147,036.00	444.20
State Sources						
State Operating Grant	2,369,524.00	2,643,623.00	-	2,643,623.00	2,643,623.00	-
Maintenance of Effort	619,285.71	615,506.55	(615,506.55)	-	-	-
Other State Sources	132,531.00	404,678.00	-	404,678.00	396,678.00	8,000.00
Total State Sources	3,121,340.71	3,663,807.55	(615,506.55)	3,048,301.00	3,040,301.00	8,000.00
Charges for Services						
Tech Service Income	123,480.70	193,920.62	-	193,920.62	142,500.00	51,420.62
Total Charges for Services	123,480.70	193,920.62	-	193,920.62	142,500.00	51,420.62
Other Sources						
Interest Income	24,123.17	87,907.41	-	87,907.41	25,000.00	62,907.41
Sale of Assets	7,185.15	6,038.75	-	6,038.75	1,000.00	5,038.75
Gifts and Contributions	83,188.80	52,477.11	-	52,477.11	-	52,477.11
Reimbursed Expense	237,633.80	250,376.08	-	250,376.08	224,156.00	26,220.08
Miscellaneous	461,280.82	41,441.15	-	41,441.15	53,241.00	(11,799.85)
Total Other Sources	813,411.74	438,240.50	-	438,240.50	303,397.00	134,843.50
TOTAL REVENUES	9,023,693.19	9,259,639.84	(613,750.88)	8,645,888.96	$ 8,839,927.00	$ (194,038.04)

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

	Prior Year	Current Year				
	Budget Basis	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Budget	Variance Over (Under)
EXPENDITURES						
Education and General						
Instruction	$ 3,761,463.22	$ 3,972,626.22	$ -	$ 3,972,626.22	$ 4,135,150.00	$ (162,523.78)
Academic Support	554,101.43	609,323.98	-	609,323.98	686,708.00	(77,384.02)
Student Services	581,404.87	582,517.62	-	582,517.62	1,012,657.00	(430,139.38)
Institutional Support	1,460,225.35	2,223,742.66	(571,627.70)	1,652,114.96	1,390,935.00	261,179.96
Operation and Maintenance	905,516.00	916,103.47	-	916,103.47	1,071,763.00	(155,659.53)
Scholarships and Awards	-	361.00	-	361.00	-	361.00
Capital Outlay	751,816.71	396,678.00	-	396,678.00	396,678.00	-
Lease Expense	76,915.68	76,915.68	-	76,915.68	-	76,915.68
Subscription Expense	-	10,923.49	-	10,923.49	-	10,923.49
Operating Transfers to:						
Deferred Maintenance Fund	150,000.00	-	-	-	-	-
Federal Financial Aid Fund	11,248.00	12,132.00	-	12,132.00	146,036.00	(133,904.00)
Adjustments for Qualifying Budget Credits (Reimbursed Expense)					250,376.08	(250,376.08)
TOTAL EXPENDITURES	8,252,691.26	8,801,324.12	(571,627.70)	8,229,696.42	$ 9,090,303.08	$ (860,606.66)
Excess of Revenues Over (Under) Expenditures	771,001.93	458,315.72	(42,123.18)	416,192.54		
Unencumbered Cash Beginning of Year	1,709,616.46	2,228,708.64	251,909.75	2,480,618.39		
End of Year	2,480,618.39	$ 2,687,024.36	$ 209,786.57	$ 2,896,810.93		

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

	Prior Year	Current Year				
	Budget Basis	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Budget	Variance Over (Under)
REVENUES						
Student Tuition and Fees						
Student Fees	$ -	$ 1,025.00	$ -	$ 1,025.00	$ -	$ 1,025.00
Federal Sources						
Federal Grants	87,340.78	93,720.00	-	93,720.00	90,408.00	3,312.00
State Sources						
State Grants	50,097.00	47,707.00	-	47,707.00	47,707.00	-
Local Sources						
Local Tax	119,408.00	132,326.30	-	132,326.30	100,484.00	31,842.30
TOTAL REVENUES	256,845.78	274,778.30	-	274,778.30	$ 238,599.00	$ 36,179.30
EXPENDITURES						
Instruction	248,578.95	246,917.18	-	246,917.18	241,311.00	5,606.18
TOTAL EXPENDITURES	248,578.95	246,917.18	-	246,917.18	$ 241,311.00	$ 5,606.18
Excess of Revenues Over (Under) Expenditures	8,266.83	27,861.12	-	27,861.12		
Unencumbered Cash Beginning of Year	205,457.21	213,724.04	-	213,724.04		
End of Year	213,724.04	$ 241,585.16	$ -	$ 241,585.16		

FLINT HILLS TECHNICAL COLLEGE
Emporia, Kansas
Schedule of Revenues, Expenditures, and Changes
in Unencumbered Cash - Budget and Actual
Current Funds - Unrestricted
Auxiliary Enterprise Fund (Regulatory Basis)
For the Year Ended June 30, 2023
With Comparative Actual Amounts for the Year Ended June 30, 2022

	Prior Year	Current Year					
	Total Auxiliary Enterprise Fund Budget Basis	Bookstore GAAP	Total Auxiliary Enterprise Fund GAAP	Adjustments To Budget Basis	Total Auxiliary Enterprise Fund Budget Basis	Final Budget	Variance Under (Over)
REVENUES							
Sales and Services of Auxiliary Enterprises	$ 92,994.74	$ 83,788.52	$ 83,788.52	$ -	$ 83,788.52	$ 120,000.00	$ (36,211.48)
TOTAL REVENUES	92,994.74	83,788.52	83,788.52	-	83,788.52	$ 120,000.00	$ (36,211.48)
EXPENDITURES							
Auxiliary Enterprise							
Salaries and Benefits	5,635.53	5,551.91	5,551.91	-	5,551.91	7,119.00	(1,567.09)
General Operating Expense	89,137.05	74,019.74	74,019.74	3,305.43	77,325.17	112,881.00	(35,555.83)
TOTAL EXPENDITURES	94,772.58	79,571.65	79,571.65	3,305.43	82,877.08	$ 120,000.00	$ (37,122.92)
Excess of Revenues Over (Under) Expenditures and Other Additions (Deductions)	(1,777.84)	4,216.87	4,216.87	(3,305.43)	911.44		
Unencumbered Cash Beginning of Year	204,111.87	219,374.78	219,374.78	(17,040.75)	202,334.03		
End of Year	$ 202,334.03	$ 223,591.65	$ 223,591.65	$ (20,346.18)	$ 203,245.47		

FLINT HILLS TECHNICAL COLLEGE

Emporia, Kansas
Schedule of Changes in Assets and Liabilities
All Agency Funds - Primary Institution
For the Year Ended June 30, 2023

	Primary Institution			
ACCOUNT NAME	BALANCE JUNE 30, 2022	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2023
AGENCY FUND				
School Projects Accounts				
Flex Spending Account	$ -	$ 3,000.93	$ 743.34	2,257.59
Total School Projects	-	3,000.93	743.34	2,257.59
Student Organization Accounts				
Student Senate	-	7,101.75	5,915.50	1,186.25
Student Senate	2,517.91	4,092.43	3,392.47	3,217.87
Automotive Tech	5,623.64	542.35	-	6,165.99
Phi Beta Lamda	1,281.36	26.94	-	1,308.30
Machine Tool Technology	37.44	12.15	-	49.59
Industrial Main	758.84	846.17	1,204.80	400.21
Christian Connection	51.75	-	-	51.75
Culinary Arts	856.69	1,905.82	3,949.24	(1,186.73)
Dental Assistant	3,795.41	2,886.78	3,950.87	2,731.32
Graphic Arts	1,187.22	1,239.00	905.32	1,520.90
Nursing - HOSA	9,460.59	3,128.00	3,749.12	8,839.47
VICA General Fund	390.70	-	390.70	-
Paramedic/EMS	986.03	870.00	661.94	1,194.09
Hygiene	3,523.80	11,958.33	8,827.89	6,654.24
Welding	4,865.65	499.50	2,405.01	2,960.14
Disc Golf	-	714.34	-	714.34
HALO	790.81	529.00	972.32	347.49
SYOB	279.60	-	-	279.60
FOOD PANTRY	-	8,010.56	15,707.18	(7,696.62)
Total Student Organizations	36,407.44	44,363.12	52,032.36	28,738.20
TOTAL AGENCY FUNDS	$ 36,407.44	$ 47,364.05	$ 52,775.70	$ 30,995.79
Assets				
Cash and Investments	$ 36,407.44	$ 47,364.05	$ 52,775.70	$ 30,995.79
TOTAL ASSETS	$ 36,407.44	$ 47,364.05	$ 52,775.70	$ 30,995.79
Liabilities				
Deposits Held For Others	36,407.44	47,364.05	52,775.70	30,995.79
TOTAL LIABILITIES	$ 36,407.44	$ 47,364.05	$ 52,775.70	$ 30,995.79

FLINT HILLS TECHNICAL COLLEGE
EMPORIA, KANSAS

FEDERAL COMPLIANCE SECTION

For the Year Ended June 30, 2023

EIN NUMBER: 52-2441491
OPE ID NUMBER: 00526400
DUNS NUMBER: 791539708
UEI NUMBER: J1WTKHPS3623

COMPLIANCE ATTESTATION EXAMINATION
INCLUDING TITLE IV STUDENT FINANCIAL ASSISTANCE PROGRAMS

EMPORIA, KANSAS
TOPEKA, KANSAS

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

AUDITOR INFORMATION SHEET

FLINT HILLS TECHNICAL COLLEGE
3301 W. 18TH Ave.
Emporia, Kansas 66801

EIN NUMBER: 52-2441491
OPE ID NUMBER: 00526400
DUNS NUMBER: 791539708
UEI NUMBER: J1WTKHPS3623

TELEPHONE: (620) 343-4600
FAX: (620) 343-4610

PRESIDENT: Dr. Caron Daugherty
CONTACT PERSON & TITLE: Nancy Thompson, Vice President of Business Services

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

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

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

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

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

ALL LOCATIONS	> 50% OF PROGRAM OFFERED @ SITE	LOCATION ON ELIGIBILITY LETTER	NOTICE TO ED PRIOR TO OFFERING INSTRUCTION	DATE OPENED	DATE CLOSED	DATE OF CPA'S LAST VISIT	EXCLUSION REASON
Emporia, KS	Yes	Yes	Yes	1999	N/A	2023	N/A
Topeka, KS	No	Yes	Yes	2014	N/A	2023	N/A

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

The College does not use a servicer.

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

FLINT HILLS TECHNICAL COLLEGE
3301 W 18TH AVE
EMPORIA, KANSAS 66801

For Close-Out Examination only: N/A

FLINT HILLS TECHNICAL COLLEGE

Emporia, Kansas

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2023

FEDERAL GRANTOR/ PASS THROUGH GRANTOR/ PROGRAM TITLE	Pass-Through Entity Identifying Number	Federal CFDA Number	Passed Through to Subrecipients		Disbursements/ Expenditures
U.S. DEPARTMENT OF EDUCATION					
Direct Programs					
Student Financial Assistance Programs Cluster					
Federal Supplemental Education Opportunity	N/A	84.007	$ -		$ 36,396.00
Federal College Work-Study	N/A	84.033	-		9,188.55
Federal College Work-Study - Admin	N/A	84.033	-		3,039.00
		Total 84.033	-		12,227.55
Federal Pell Grant	N/A	84.063	-		750,158.00
Federal Pell Grant - Admin	N/A	84.063	-		915.00
		Total 84.063	-		751,073.00
Federal Direct Student Loans	N/A	84.268	-	(1)	1,042,960.00
Total Student Financial Assistance Programs Cluster			-		1,842,656.55
Higher Education Emergency Relief Fund - Institution Portion - COVID-19	N/A	84.425F	-		153,774.95
Passed through the Kansas Board of Regents					
Higher Education Emergency Relief Fund - Govenor's Emergency Fund - COVID-19	N/A	84.425C	-		7,010.56
		Total 84.425	-		160,785.51
Adult Basic Education Program	V002A220016	84.002A	-		90,408.00
Adult Basic Education Program - Disrectionary	V002A220016	84.002A	-		3,312.00
		Total 84.002A	-		93,720.00
Carl Perkins Vocational Education Grants:					
Program Improvement	V048A210016	84.048	-		143,036.00
Implementation	V048A200016	84.048	-		1,750.00
Incentive	V048A200016/210016	84.048	-		8,000.00
		Total 84.048	-		152,786.00
Total U.S. Department of Education			-		2,249,948.06
FEDERAL ASSISTANCE TOTALS			$ -		$ 2,249,948.06

FLINT HILLS TECHNICAL COLLEGE
Emporia, Kansas
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

FEDERAL GRANTOR/ PASS THROUGH GRANTOR/ PROGRAM TITLE	Pass-Through Entity Identifying Number	Federal CFDA Number	Passed Through to Subrecipients	Disbursements/ Expenditures

NOTE A -- BASIS OF PRESENTATION

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

NOTE B --INDIRECT COST RATE

Flint Hills Technical College did not elect to use the 10% de minimis cost rate.

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

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

Board of Trustees
Flint Hills Technical College
Emporia, Kansas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Flint Hills Technical College, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Flint Hills Technical College's basic financial statements and have issued our report thereon dated February 3, 2024.

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

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

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

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

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



JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants

Chanute, Kansas
February 3, 2024

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

Board of Trustees
Flint Hills Technical College
Emporia, Kansas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program
We have audited Flint Hills Technical College's compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of Flint Hills Technical College's major federal programs for the year ended June 30, 2023. Flint Hills Technical 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, Flint Hills Technical College complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

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

We are required to be independent of Flint Hills Technical 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 Flint Hills Technical 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 Flint Hills Technical College's federal programs.

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

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Flint Hills Technical 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 Flint Hills Technical 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 Flint Hills Technical College's internal control over compliance. Accordingly, no such opinion is expressed.

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

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

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

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

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

JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants

Chanute, Kansas
February 3, 2024

Schedule 9

FLINT HILLS TECHNICAL COLLEGE
Emporia, Kansas

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

I. SUMMARY OF AUDITOR'S RESULTS

Financial Statements:
The auditor's report expresses an unmodified opinion on the basic financial statements of Flint Hills Technical College.

Internal Control over Financial Reporting:

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

Federal Awards:

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

The auditor's report on compliance for the major federal award programs for Flint Hills Technical College expresses an unmodified opinion.

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

Identification of major programs:

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

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

Auditee qualified as a low risk auditee?	X	Yes	No

II. FINANCIAL STATEMENT FINDINGS
NONE

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS
NONE

Schedule 10

FLINT HILLS TECHNICAL COLLEGE
Emporia, Kansas

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

NONE