KANSAS CITY KANSAS COMMUNITY COLLEGE

INDEPENDENT AUDITOR'S REPORT
AND
FINANCIAL STATEMENTS WITH
SUPPLEMENTARY INFORMATION

June 30, 2024 and 2023

KANSAS CITY KANSAS COMMUNITY COLLEGE

TABLE OF CONTENTS

	Page
Independent Auditor's Report	1-3
Management's Discussion and Analysis	4-10
Financial Section:	
Statements of Net Position	11-12
Statements of Financial Position – Kansas City Kansas Community College Foundation	13
Statements of Revenues, Expenses and Changes in Net Position	14
Statements of Activities – Kansas City Kansas Community College Foundation	15-16
Statements of Cash Flows	17-18
Notes to Financial Statements	19-38
Supplemental Schedule of Comparison of Budgetary Expenditures with Appropriations	39

BE POSITIVE.

novak birks p.c.
certified public accountants

4435 Main Street, Suite 500
Kansas City, MO 64111
P 816.931.6111 F 816.931.8499

10901 W. 84th Terrace, Suite 240
Lenexa, KS 66214
P 913.631.5626 F 913.631.5965

www.novakbirkspc.com

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Kansas City Kansas Community College

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Kansas City, Kansas Community College (the "College"), as of and for the years ending June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the College, as of June 30, 2024 and 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 the College, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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 the College's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted 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, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (page 9-10) and budgetary comparison information (page 39) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express and opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the College's basic financial statements. The accompanying supplemental schedule of comparison of budgetary expenditures, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied by us in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

BE POSITIVE.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards,* we have also issued our compliance reports, for the years ended June 30, 2024 and 2023 on our consideration of the Kansas City Kansas Community College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters; compliance for each major federal program and on internal control over compliance required by uniform guidance and report on expenditures of federal awards required by uniform guidance; and the schedule of expenditures of federal awards. The purpose of those reports is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. Those reports are integral parts of an audit performed in accordance with Government Auditing Standards in considering the Kansas City Kansas Community College's internal control over financial reporting and compliance.

Lenexa, KS
December 6, 2024

BE POSITIVE.

KANSAS CITY KANSAS COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
Years Ended June 30, 2024 and 2023

Introduction

Management's discussion and analysis is an overview of the financial position and financial activities of Kansas City Kansas Community College (the College) for the fiscal years ended June 30, 2024 and June 30, 2023. The College's management prepared this discussion. It should be read in conjunction with the College's combined financial statements and notes that follow. Management is responsible for the objectivity and integrity of the accompanying financial statements and notes, and this discussion and analysis as reported.

The College prepared the financial statements in accordance with Governmental Accounting Standards Board (GASB) Statement No. 35, *Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities.* GASB Statement No. 35 establishes standards for external financial reporting for public colleges and universities and requires the financial statements be presented on a consolidated basis to focus on the College as a whole.

There are three comparative financial statements presented: The Statements of Net Position; the Statements of Revenues, Expenses, and Changes in Net Position; the Statements of Cash Flows. In addition, the report also includes supplemental schedules as noted in the table of contents. The emphasis of the discussion about the financial statements, and supplementary information is designed to focus on current activities, resulting changes and currently known facts.

The financial reporting entity as defined by Generally Accepted Accounting Principles consists of the College, as well as its discretely presented component unit: the Kansas City Kansas Community College Foundation (the Foundation).

Statements of Net Position

The Statements of Net Position present the assets, liabilities, and net position of the College at June 30, 2024 and 2023. The purpose of the Statements of Net Position is to present a snapshot of the financial condition of the College. Total net position, which is the difference between total assets and total liabilities, is one of the indicators of the current financial condition of the College.

The assets and liabilities are categorized between current and noncurrent. Current assets and current liabilities mature or become payable within the normal 12-month accounting cycle versus noncurrent assets and liabilities which mature or become payable after 12 months. For example, at June 30, 2024 and 2023, the College's current assets consist primarily of cash, short-term investments, property tax receivables and other revenue related receivables, while noncurrent assets consist primarily of capital assets. Capital assets are the property, plant, and equipment owned by the College.

Net position is presented in three major categories. The first is invested in Capital Assets, net of related debt, which represents the College's equity in its property, plant, and equipment. The second is Restricted, and the third is Unrestricted.

Restricted net position are funds that are limited in terms of the purpose and time for which the funds can be spent. Restricted net position is further categorized between expendable and nonexpendable. Restricted expendable net position, are net assets available to be spent by the College after externally imposed stipulations have been fulfilled or after the passage of time. Restricted nonexpendable net assets are endowments for which only the interest portion can be spent. The College had no restricted nonexpendable net assets at June 30, 2024 and 2023.

BE POSITIVE.

Statements of Net Position (Continued)

Unrestricted net position includes net assets which are available to the College for any lawful purpose. The following schedule is prepared from the College's Statements of Net Position (pages 11-12), which are presented on an accrual basis of accounting, whereby assets are capitalized and depreciated.

Total net position at June 30, 2024 increased to $141.8 million from $116.1 million at June 30, 2023. Net Position, Invested in capital assets, net of related debt, increased by $17.0 million. This is largely due to upfront receipt of grant funds (but not yet spent) for the Downtown KCK Community Education, Health, and Wellness Center. Restricted, expendable net position decreased $4.6 million as funds were used for the student housing project. Unrestricted net assets had a net increase of $22.9 million. Total net position increased by $25.7 million during the period.

Current assets increased primarily due to an increase of $19.4M in cash and temporary investments from net operating results. Non-current assets (capital items) increased $3.1M as capital assets purchased in 2024 (largely the student housing construction project) were more than accumulated depreciation on assets previously placed into service.

Condensed Statement of Net Position
As of June 30
(Dollars in Millions)

	2024	2023	Increase (Decrease)	Percent Change
Assets:				
Current Assets	$ 106.7	$ 83.6	$ 23.1	27.6%
Noncurrent Assets	$ 81.6	$ 78.5	$ 3.1	3.9%
Total Assets	$ 188.3	$ 162.1	$ 26.2	16.2%
Liabilities:				
Current Liabilities	$ 14.8	$ 13.2	$ 1.6	12.1%
Noncurrent Liabilities	$ 31.7	$ 32.9	$ (1.2)	-3.6%
Total Liabilities	$ 46.5	$ 46.1	$ 0.4	0.9%
Net Position:				
Invested in capital assets, net of related debt	$ 48.8	$ 41.4	$ 7.4	17.9%
Restricted - expendable				
Capital Projects	$ 13.1	$ 17.7	$ (4.6)	-26.0%
Debt Service	$ -	$ -	$ -	0.0%
Unrestricted	$ 79.9	$ 57.0	$ 22.9	40.2%
Total Net Position	$ 141.8	$ 116.1	$ 25.7	22.1%

BE POSITIVE.

Statements of Net Position (Continued)

Current assets increased primarily due to cash as noted above. Non-current assets (capital items) increased $5.5 million as capital assets purchased in 2024 (largely the student housing construction project) were more than accumulated depreciation on assets previously placed into service.

Statements of Revenues, Expenses, and Changes in Net Position

The Statements of Revenues, Expenses, and Changes in Net Position present the College's financial results for the fiscal years ended June 30, 2024 and 2023. The statements include the College's revenues 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, direct exchanges of goods and services. County property tax revenue and state aid are two examples of non-operating revenues where the local taxpayers and state legislature, respectively, do not directly receive goods and services for the revenue.

The following summary is prepared from the College's Statements of Revenues, Expenses, and Changes in Net Position (page 13).

BE POSITIVE.

Statements of Revenues, Expenses, and Changes in Net Position (Continued)

Summary of Revenues, Expenses, and Changes in Net Position
For the Years ended June 30
(Dollars in Millions)

	2024	2023	Increase (Decrease)	Percent Change
Operating Revenues	$ 35.0	$ 30.2	$ 4.8	15.9%
Operating Expenses	$ 77.6	$ 75.0	$ 2.6	3.5%
Operating gain(loss)	$ (42.6)	$ (44.8)	$ 7.4	-16.5%
Non-Operating Revenues, net	$ 68.3	$ 65.9	$ 2.4	3.6%
Increase in net position	$ 25.7	$ 21.0	$ 4.7	22.4%
Net Position, beginning of year	$ 116.1	$ 95.1	$ 21.0	22.1%
Net position, end of year	$ 141.8	$ 116.1	$ 25.7	22.1%

One of the financial strengths of the College is the diverse stream of revenues that supplement its student tuition and fees. The following summary is prepared from the College's Statements of Revenues, Expenses, and Changes in Net Position (page 13).

BE POSITIVE.

Statements of Revenues, Expenses, and Changes in Net Position (Continued)

Summary of Revenues
For the Years ended June 30
(Dollars in Millions)

	2024	2023	Increase (Decrease)	Percent Change
Operating Revenues				
Student tuiton and fees	$ 9.6	$ 9.5	$ 0.1	1.1%
Grants and Contracts	$ 10.0	$ 16.7	$ (6.7)	-40.1%
Auxiliary enterprise revenues	$ 3.4	$ 3.2	$ 0.2	6.2%
Other Operaing revenues	$ 12.0	$ 0.8	$ 11.2	1400.0%
Total Operating Revenues	$ 35.0	$ 30.2	$ 4.8	15.9%
Non-Operating Revenues (Expenses)				
County property taxes	$ 54.0	$ 52.4	$ 1.6	3.1%
State Aid	$ 13.6	$ 13.5	$ 0.1	0.7%
Investment income	$ 2.0	$ 1.2	$ 0.8	66.7%
Interest on Capial Asset Debt	$ (1.3)	$ (1.2)	$ (0.1)	8.3%
Total Non-operating Revenues (Expenses)	$ 68.3	$ 65.9	$ 2.4	3.6%

The College has seen a slight decrease of $0.1 million in tuition and fees revenue, as enrollment starts to trend back up.

The total operating expenses for the College for the years ended June 30, 2024 and 2023 were as follows:

Summary of Operating Expenses
For the Years ended June 30
(Dollars in Millions)

	2024	2023	Increase (Decrease)	Percent Change
Operating Expenses:				
Salaries and Benefits	$ 45.4	$ 45.3	$ 0.1	0.2%
Supplies and services	$ 12.8	$ 12.3	$ 0.5	4.1%
Depreciation and Amortization	$ 6.6	$ 6.0	$ 0.6	10.0%
Scholarship and Financial Aid	$ 8.6	$ 7.7	$ 0.9	11.7%
Other Operating Expense	$ 4.2	$ 3.8	$ 0.4	10.5%
Total Operating Expenses	$ 77.6	$ 75.1	$ 2.5	3.3%

BE POSITIVE.

Functional Expenditures

Summary of Operating Expenses by
Functional Expenditure Classification
For the Years ended June 30
(Dollars in Millions)

	2024	2023	Increase (Decrease)	Percent Change
Operating Expenses:				
Instruction	$ 24.5	$ 25.7	$ (1.2)	-4.7%
Research	$ 0.3	$ 0.3	$ -	0.0%
Academic Support	$ 6.7	$ 6.5	$ 0.2	3.1%
Student Services	$ 7.7	$ 7.1	$ 0.6	8.5%
Institutional Support	$ 12.4	$ 12.2	$ 0.2	1.6%
Student Financial Aid	$ 8.6	$ 7.7	$ 0.9	11.7%
Plant and Maintenances	$ 8.0	$ 7.1	$ 0.9	12.7%
Auxiliary	$ 2.8	$ 2.5	$ 0.3	12.0%
Depreciation	$ 6.6	$ 6.0	$ 0.6	10.0%
Total Operating Expense	$ 77.6	$ 75.1	$ 2.5	3.3%

BE POSITIVE.

Combined Statements of Cash Flows

The Combined Statements of Cash Flows present information about the cash activity of the College. The statements show the major sources and uses of cash. The following summary is prepared from the College's Combined Statements of Cash Flows (page 18).

Summary of Cash Flows
For the Years ended June 30
(Dollars in Millions)

	2024	2023	Increase (Decrease)	Percent Change
Cash provied by (used in):				
Operating activities	$ (34.9)	$ (38.8)	$ 3.9	-10.1%
Noncapital Financing Activities	$ 68.4	$ 65.4	$ 3.0	4.6%
Capital and related financing activities	$ (15.2)	$ (15.2)	$ -	0.0%
Investment Activities	$ 1.1	$ (5.4)	$ 6.5	-120.4%
Net Change in Cash	$ 19.4	$ 6.0	$ 13.4	223.3%
Cash, Beginning of Year	$ 64.1	$ 58.1	$ 6.0	10.3%
Cash, End of Year	$ 83.5	$ 64.1	$ 19.4	30.3%

Economic Outlook

The economic outlook for institutions of higher education remains challenging based on national trends due to fewer high school students, changing student demographics, the digitization of classrooms and distance learning, and increased costs associated with providing accredited higher education to students. During times of economic growth, student enrollment generally declines for community colleges due to additional jobs in the workforce. This has been the case for the Kansas City metropolitan area which has a relatively low unemployment rate. During times of economic decline, community colleges traditionally experience growth as individuals look to enhance their job skills and education to be more competitive in the workforce.

Additionally, the College faces funding challenges in state aid provided by the State of Kansas. State aid currently represents approximately 14% of revenues to the College. The valuation of real property continues to trend upward in Wyandotte County, resulting in increased property tax revenues which was up by 8.4%. Revenue provided by students was essentially flat for 2023.

The College measures student enrollment by enrolled credit hours which decreased by .4% fall 2022 compared to fall 2023; and decreased by .4% for fall 2021 compared to fall 2023.

BE POSITIVE.

KANSAS CITY KANSAS COMMUNITY COLLEGE
STATEMENTS OF NET POSITION
June 30, 2024 and 2023

	2024	2023
Assets:		
Current assets -		
Cash and temporary investments	$ 83,549,298	$ 64,153,189
Investments - CD's	11,212,106	7,010,866
Student, tuition and grants receivable, net of allowance for uncollectible amount of $6,382,479 and $5,762,529, respectively	5,710,049	5,302,441
Federal Student Loan Receivable	32,572	-
Other receivable	172,368	172,368
Taxes receivables	5,406,766	6,291,824
Inventory	614,575	694,335
Total Current Assets	106,697,734	83,625,023
Noncurrent Assets -		
Restricted investments - CD's	-	3,261,336
Refinancing expenses, net of accumulated amortization of $750,161 for 2024 and $720,000 for 2023.	105,564	135,725
Capital assets not being depreciated	5,445,653	2,284,596
Capital assets, being depreciated	155,925,085	149,541,962
Less accumulated depreciation	(83,805,589)	(78,477,858)
Right of Use Asset, net of accumulated depreciation	1,032,864	1,190,607
IT Subscriptions, net of accumulated amortization	2,935,512	596,389
Total noncurrent assets	81,639,089	78,532,757
Total assets	$ 188,336,823	$ 162,157,780

The accompanying notes are an integral part of these statements.

BE POSITIVE.

KANSAS CITY KANSAS COMMUNITY COLLEGE
STATEMENTS OF NET POSITION
June 30, 2024 and 2023

	2024	2023
Liabilities:		
Current Liabilities		
Accounts payable -	$ 1,651,601	$ 1,379,012
Accrued compensated absences	3,440,138	3,414,659
Accrued interest	301,420	327,400
Accrued payroll	1,173,994	1,024,621
Funds held for others	1,080,073	415,397
Unearned revenue	3,816,175	3,413,339
Current portion of early retirement payable	48,839	76,792
Current portion of certificates of participation/ bonds payable	640,000	610,000
Current portion of certification - capital lease obligations	2,435,000	2,355,000
Current portion of special revenue bond payable	165,000	145,000
Total Current Liabilities	14,752,240	13,161,220
Noncurrent Liabilities -		
Early retirement payable	193,608	242,447
COP Issuance Premium	2,196,679	2,296,960
Certificates of Participation/Bonds payable	2,960,000	3,600,000
Certification of participation-capital lease obligation	3,040,000	5,475,000
Special Revenue Bond	19,530,000	19,695,000
Lease Liability	837,261	981,539
IT Subscriptions Liability	3,018,222	607,145
Total Noncurrent Liabilities	31,775,770	32,898,091
Total Liabilities	46,528,010	46,059,311
Net Position		
Invested In Capital Assets, net of related debt:	48,795,149	41,468,700
Restricted, expendable for -		
Capital projects	13,173,648	17,662,231
Debt service	-	-
Unrestricted	79,840,016	56,967,538
Total Net Position	141,808,813	116,098,469
Total Liabilities and Net Position	$ 188,336,823	$ 162,157,780

The accompanying notes are an integral part of these statements.

BE POSITIVE.

KANSAS CITY KANSAS COMMUNITY
COLLEGE FOUNDATION
(A COMPONENT UNIT OF KANSAS CITY KANSAS COMMUNITY COLLEGE)
STATEMENTS OF FINANCIAL POSITION
JUNE 30 2024 AND 2023

ASSETS

	2024	2023
Cash and Cash Equivalents	$ 2,877,471	$ 2,823,796
Investments	1,475,620	1,021,179
Accounts Receivable	1,621,658	957,442
Total Assets	$ 5,974,749	$ 4,802,417

NET ASSETS

Deposits held for others	(4,528)	512
Total Liabilities	(4,528)	512
Net Assets:		
Net assets without donor restrictions	411,164	479,455
Net assets with donor restrictions	5,568,113	4,322,450
Total Net Assets	5,979,277	4,801,905
Total Liabilities and Net Assets	$ 5,974,749	$ 4,802,417

The accompanying notes are an integral part of these statements.

BE POSITIVE.

KANSAS CITY KANSAS COMMUNITY COLLEGE
STATEMENTS OF REVENUES,
EXPENSES AND CHANGES IN NET POSITION
June 30, 2024 and 2023

	2024	2023
Operating revenues:		
Student tuition and fees	$ 9,552,171	$ 9,487,264
Federal grants and contracts	7,772,365	9,634,859
State grants and contracts	1,970,722	6,947,763
Gifts, grants, and contracts	227,427	164,262
Auxilliary enterprise revenue	3,458,313	3,191,896
Other operating revenue	12,027,899	784,927
Total operating revenues	35,008,897	30,210,971
Operating expenses:		
Salaries	37,144,972	37,604,694
Benefits	8,239,032	7,699,281
Contractual services	2,122,402	1,666,689
Supplies and other operating expenses	12,219,949	11,337,250
Utilities	2,109,734	2,101,676
Repairs and maintenance to plant	627,969	926,711
Scholarships and financial aid	8,557,138	7,700,023
Depreciation and amortization	6,606,825	6,024,917
Total operating expenses	77,628,021	75,061,241
Operating loss	(42,619,124)	(44,850,270)
Nonoperating revenues (expenses):		
County property taxes	53,906,245	52,393,800
State aid	13,594,341	13,513,089
Investment income	2,085,977	1,210,727
Interest expense on capital asset debt	(1,257,095)	(1,244,305)
Total nonoperating revenues	68,329,468	65,873,311
Increase in net position	25,710,344	21,023,041
Net position, beginning of year	116,098,469	95,075,428
Net position, end of year	$ 141,808,813	$ 116,098,469

The accompanying notes are an integral part of these statements.

BE POSITIVE.

KANSAS CITY KANSAS COMMUNITY
COLLEGE FOUNDATION
(A COMPONENT UNIT OF KANSAS CITY KANSAS COMMUNITY COLLEGE)
STATEMENT OF ACTIVITIES
For The Year Ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue:			
Contributions	$ 567,057	$ 12,512,324	$ 13,079,381
In-kind contributions	476,145	-	476,145
Unrealizedgain on investments	28,689	-	28,689
Realized gain on investments	11,645	-	11,645
Interest and dividend income	17,208	-	17,208
Other income	-	-	0
Net assets released from restrictions	11,266,661	(11,266,661)	-
Total Revenues and Other Support	12,367,405	1,245,663	13,613,068
Expenses:			
Program services	11,979,485	-	11,979,485
Management and general	251,362	-	251,362
Fundraising	204,849	-	204,849
Total Expenses	12,435,696	-	12,435,696
Change in Net Assets	(68,291)	1,245,663	1,177,372
Net Assets, beginning of year	479,455	4,322,450	4,801,905
Net Assets, end of year	$ 411,164	$ 5,568,113	$ 5,979,277

The accompanying notes are an integral part of these statements.

BE POSITIVE.

KANSAS CITY KANSAS COMMUNITY
COLLEGE FOUNDATION
(A COMPONENT UNIT OF KANSAS CITY KANSAS COMMUNITY COLLEGE)
STATEMENT OF ACTIVITIES
For The Year Ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue:			
Contributions	$ 12,451	$ 2,512,828	$ 2,525,279
In-kind contributions	350,316	-	350,316
Unrealized losses on investments	39,970	-	39,970
Realized loss on investments	2,078	-	2,078
Interest and dividend income	42,314	-	42,314
Other income	22,914	-	22,914
Net assets released from restrictions	785,041	(785,041)	-
Total Revenues and Other Support	1,255,084	1,727,787	2,982,871
Expenses:			
Program services	810,229	-	810,229
Management and general	197,283	-	197,283
Fundraising	180,144	-	180,144
Total Expenses	1,187,656	-	1,187,656
Change in Net Assets	67,428	1,727,787	1,795,215
Net Assets, beginning of year	412,027	2,594,663	3,006,690
Net Assets, end of year	$ 479,455	$ 4,322,450	$ 4,801,905

The accompanying notes are an integral part of these statements.

BE POSITIVE.

KANSAS CITY KANSAS COMMUNITY COLLEGE
STATEMENTS OF CASH FLOWS
June 30, 2024 and 2023

	2024	2023
Cash flows from operating activities:		
Student tuition & fees	$ 9,514,828	$ 9,713,144
Federal Grants and contracts	7,772,365	9,634,859
State Grants and contracts	1,970,721	6,947,763
Private Gifts, Grants and contracts	227,427	164,262
Cash received from customers	3,458,313	3,191,896
Other Receipts	12,027,899	776,347
Payments to employees	(36,995,599)	(37,491,632)
Payments to suppliers	(16,727,706)	(15,566,724)
Scholarships and financial aid	(8,557,138)	(7,700,023)
Employee benefits	(8,290,344)	(7,797,548)
Funds held for others	664,676	(641,064)
Net cash used in operating activities	(34,934,558)	(38,768,720)
Cash flows from noncapital financing activities:		
County property taxes	54,791,303	51,864,505
State aid	13,594,341	13,513,089
Net cash provided by noncapital financing activities	68,385,644	65,377,594
Cash flows from capital and related financing activities:		
Proceeds from Special Revenue Bonds	(100,281)	(100,281)
Purchase of capital assets & Construction in Progress	(9,544,176)	(9,768,935)
Leases	(315,032)	(556,433)
IT Subscriptions	(1,134,584)	(810,139)
Principal and interest paid on bonds payable	(610,000)	(570,000)
Principal on capital leases	(2,355,000)	(2,265,000)
Principal on special revenue bonds	(145,000)	-
Financing Expenses	30,161	30,161
Interest Payments	(1,027,139)	(1,136,137)
Net cash used in capital and related financing activities	(15,201,051)	(15,176,764)
Cash flows from investing activities:		
Interest on investments	2,085,978	1,210,729
Investments (purchased) redeemed	(939,904)	(6,577,679)
Net cash provided in investing activities	1,146,074	(5,366,950)
Net increase(decrease) in cash	19,396,109	6,065,160
Cash and cash equivalents, beginning of year	64,153,189	58,088,029
Cash and cash equivalents, end of year	$ 83,549,298	$ 64,153,189

The accompanying notes are an integral part of these statements.

BE POSITIVE.

KANSAS CITY KANSAS COMMUNITY COLLEGE
STATEMENTS OF CASH FLOWS
June 30, 2024 and 2023

Reconciliation of cash flows from operating activities -	2023	2023
Direct method - continued from page 17:		
Excess revenues over expenses from operating activities	$ (42,576,589)	$ (44,850,270)
Tuition receivable	(407,608)	34,783
Federal Student Loan Receivable	(32,572)	300
Taxes receivable	885,058	(529,295)
Other receivable	-	(8,580)
Inventory	79,760	(115,266)
Accounts payable	272,589	580,869
Accrued compensated absences	25,479	3,156
Accrued payroll	149,372	113,062
Funds held for others	664,676	(641,064)
Unearned revenue	402,837	190,796
Early retirement payable	(76,792)	(101,423)
Depreciation and amortization	6,564,290	6,024,917
Taxes receivable	(885,058)	529,295
Net Cash From Operating Activities	$ (34,934,558)	$ (38,768,720)

SUPPLEMENTAL DISCLOSURES

No items were recorded as donated property to the College during the fiscal year ended June 30, 2024 and 2023

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

BE POSITIVE.

NOTE A – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Kansas City Kansas Community College (the "College"), a municipal corporation, was organized in 1923 and is governed pursuant to provisions of the Kansas State Statutes by a seven-member board of trustees. The College's service area is located in Wyandotte and Leavenworth Counties, including the Kansas City, Kansas metropolitan area.

The College is a public two-year community college and was established to provide associate degree programs in various professional and technical fields. In July 2009 the College assumed operational control of the Kansas City Area Technical School (ATS) from USD 500, Kansas City, Kansas. The merger of the technical programs at the ATS was a result of legislation passed by the Kansas legislature. The College renamed ATS the KCKCC Technical Education Center (TEC) and now controls all curriculum, administration, and fiscal processes. The College is fully accredited by the Higher Learning Commission.

Reporting Entity - As defined by Generally Accepted Accounting Principles (GAAP) in the United States of America established by the Government Accounting Standards Board (GASB), the financial reporting entity consists of the College, which includes a blended component unit, BD23 Holdings, as well as its discretely presented component unit, the Kansas City Kansas Community College Foundation (the Foundation).

Blended Component Unit – The College Board of Trustees has formed a related entity to the College. The related entity is a legally separate, tax-exempt organization formed in 2021 that acts as a real estate holding company for the College. The related entity will hold purchased and donated property of the College. The related entity's sole member is the College. It is represented by the Board of Trustees and acts solely on behalf of the College and derives its governing authority from the College. The related entity is reliant on the College for its financial support. Management has determined that based on a review of the guidelines promulgated by the GASB, the related entity is included in the College's financial report and statements as a blended component unit. Two land parcels in downtown Kansas City, Kansas previously held by the related entity were transferred to the College on March 10, 2024. At June 30, 2024, the related entity had assets comprising of land and Net Position in the amount of $60,000, which represents six residential parcels adjacent to the main campus that provided a sewer easement for the new campus student housing.

Discretely Presented Component Unit - The Foundation is considered to be a related organization to the College. The Foundation is a legally separate, tax-exempt organization formed in 1977 that acts primarily as a fund-raising organization to supplement the resources that are available to the College and its students. Although the College does not control the timing or amount of receipts from the Foundation, the majority of resources, or income thereon that the Foundation holds and invests, are directed to the activities of the College and its students by the donors. Management has determined that based on a review of guidelines promulgated by the GASB, the Foundation be included in the College's financial report and statements as a discretely presented component unit. In addition, the College has elected to present separate financial statements to provide the reader with detailed information regarding the Foundation.

BE POSITIVE.

NOTE A – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The financial statements of the Foundation are prepared in accordance with GAAP for the year ended June 30, 2024, and 2023. The Foundation is a not-for-profit organization that reports its financial results under Statements of Financial Accounting Standards issued by the Financial Accounting Standards Board (FASB). Most significant to the Foundation's operations and reporting model are FASB Codification ASC 958, *Not-for-Profit Entities*, and FASB Codification ASC 958-605, *Revenue Recognition – Contributions Received.* 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 Foundation's financial information in the College's financial reporting entity for these differences; however significant note disclosures (see Note F) to the Foundation's financial statements have been incorporated into the College's notes to the financial statements.

Financial statements for the Foundation may be obtained by contacting the Foundation.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation - The accounting policies of the College conform to GAAP in the United States as applicable to colleges and universities. The College reports are based on all applicable GASB pronouncements as well as applicable (FASB) Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Review Boards of the Committee on Accounting Procedure issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. The following is a summary of the more significant policies.

In December 1998, GASB released Statement No. 33, Accounting and Financial Reporting for Non-exchange Transactions, which revised reporting of property tax revenue. In November 1999, the GASB approved Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments, followed by Statement No. 35, Basic Financial Statements – and the Management's Discussion and Analysis – for Public Colleges and Universities. The College, as required, has implemented these changes in past years. The change in financial statement presentation provides a comprehensive single-column look at the total college and requires capitalization of assets and recording of depreciation. The significant changes made in order to comply with the new requirements were elimination of internal revenue and expense charges, recording scholarship credit to student accounts as tuition and fee allowances, removal of capital related items from revenues and expenses, recording of depreciation, reporting summer school revenue and expense between fiscal years rather than in one fiscal year, and the recording of property tax revenues on an accrual basis rather than on a modified accrual basis.

The College's combined financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

The College maintains an encumbrance system for tracking outstanding purchase orders and other commitments for materials, equipment or services not received during the year. Encumbrances at June 30, 2024 and 2023 were $678,265 and $1,397,859 respectively, which represents the estimated amount of expenses ultimately to result if unperformed contracts in process at fiscal year-end are completed. Encumbrances outstanding at June 30, 2024 do not constitute expenses or liabilities and are not reflected in these combined financial statements.

BE POSITIVE.

NOTE A – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates - The preparation of financial statements in conformity with GAAP in the United States 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. Significant estimates made by management include depreciation of fixed assets, allowances for collectability of accounts, compensated absences, and certain post-employment obligations. Actual results could differ from those estimates.

Property Taxes – The County Treasurer serves as the tax collection agent for the College. Taxes are levied based on assessed valuations as determined by the County Appraiser on a calendar year basis. Under Kansas Statute, taxes are levied and become a lien on the property on November 1st in the year of assessment and are recorded as revenue to the College in the current fiscal year of assessment.

Property taxes are levied November 1st and collected by the county treasurer, who remits to the College it's respective share of the collections. Taxes levied in one year become due to the county in two installments, generally on December 20 and May 20, followed by major distributions to the College on approximately January 20 and June 5th. Smaller distributions are made to taxing units in March, May, September, and October each year. Taxes distributed the following September and October of each year are recognized as revenue and recorded as property taxes receivable at June 30th. Accordingly, taxes receivable at June 30, 2024 and 2023 was $5,406,766 and $6,291,824 respectively.

The tax rates for the fiscal year ended June 30, 2024 and 2023, per $100 of assessed valuation, are reflected in the following table:

Fund	2024 Tax Levy Rate	2023 Tax Levy Rate
General	24.188	25.112
Capital outlay	2.187	2.270
Total Mill Levy	26.375	27.382

Cash and Cash Equivalents - The College considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. There were no cash equivalents as of June 30, 2024 and 2023.

Capital Assets - Capital assets are defined by the College as assets with initial, individual costs of more than $5,000 and an estimated useful life in excess of two years. These assets generally include land, works of art, buildings, improvements, equipment and vehicles. Purchases or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvement are capitalized as projects are constructed.

BE POSITIVE.

NOTE A – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital assets subject to depreciation by the College are depreciated using the straight-line method over the following useful lives (See Note F for further detail):

Assets	Years
Building	40
Building improvements	15
Land improvements	10
Furniture	5
Computer technology	4

Capital assets not subject to depreciation include certain land, construction in progress, and works of art.

Inventories - The College bookstore maintains an inventory of textbooks and supplies, which are sold to students, the general public, and other college bookstores. The inventory on hand at June 30, 2024 and 2023 was $614,575 and $694,335, respectively. This valuation is based on the lower of cost (determined on first-in, first-out basis) or market.

Unearned Tuition and Fee Revenue - Tuition and fee revenue received from open enrollment April 1 through June 30, and related to courses starting after July 1st, have been deferred as unearned revenue. The amount of unearned revenue at June 30, 2024 and 2023 was $3,816,176 and $3,413,339, respectively.

Net Position - Net position is presented in three major categories. The first is invested in Capital Assets, net of related debt, which represents the College's equity in its property, plant, and equipment. The second is Restricted while the third is Unrestricted.

Restricted net assets are funds that are limited in terms of the purpose and time for which the funds can be spent. Restricted net assets are further categorized between expendable and nonexpendable. Restricted expendable net assets are available to be spent by the College after externally imposed stipulations have been fulfilled or after the passage of time. Restricted nonexpendable net assets are endowments for which only the interest portion can be spent or a distribution made per an endowment policy. The College has no restricted nonexpendable net assets at June 30, 2024 and 2023.

Unrestricted net assets are available to the College for any lawful purpose. The College first applies restricted sources when an expense or outlay is incurred for purposes for which both restricted and unrestricted sources are available.

Compensated Absences - The College records a liability for employees' vacation and sick leave earned, but not taken. Employees are allowed to carry over a limited number of vacation and unlimited sick days from year to year. The College pays employees upon separation for up to 200 hours of unused vacation and unlimited sick hours over 720 hours for staff and limited to 1,456 hours for 182-day professional employees, and 1,484 for 212 day professional employees. At June 30, 2024 and 2023, the College had accrued compensated absences liability of $3,414,659 and $3,411,503, respectively.

Advertising - Advertising costs, which consist primarily of schedule and course offering advertising, are included in supplies and other operating expenses and are expensed in the period the costs are incurred. Advertising expenses for the years ended June 30, 2024 and 2023 were $552,052 and $479,538, respectively. Advertising, generally, does not benefit future years.

BE POSITIVE.

NOTE B - CASH DEPOSITS AND INVESTMENTS

Cash and cash equivalents include deposits held at banks plus small amounts of cash maintained for change funds. State statute, K.S.A. 12-1675, authorizes the College to invest in temporary notes, time deposits, open accounts, certificates of deposit, repurchase agreements, the State of Kansas Municipal Investment Pool (the Pool), or United States Treasury bills or notes. At June 30, 2024 and 2023, the carrying amount of the Colleges unrestricted and restricted deposits was $64,153,189 and $58,088,029, respectively. The bank balance at June 30, 2024 and 2023 was $71,670,867 and $58,844,450 respectively. The difference between carrying amounts and bank balances primarily represent checks which have not cleared the bank.

The College had unrestricted investments of $11,212,106 and $7,010,866, and restricted investments of $0 and $3,261,336 in certificates of deposits for the years ended June 30, 2024 and 2023, respectively. The College's current cash deposits and investments are not subject to credit risk, concentrations of credit risk, interest rate risk, or foreign currency risk.

Custodial Credit Risk - The College is subject to custodial credit risk, which is the risk that in the event of a bank failure, an entity's deposits may not be returned. The College's deposit policy for credit risk requires depository banks to pledge qualified securities with a market value exceeding deposits in excess of Federal Deposit Insurance Corporation (FDIC) coverage. The College's cash and temporary investments at June 30, 2024 and 2023 were secured by federal depository insurance and/or collateral held by the College's custodial financial institutions in the College's name.

NOTE C – TUITION RECEIVABLE

Tuition Receivable includes amounts that the college has billed for tuition and for which the College recognizes as having been earned, but not collected. The College had Tuition Receivable at June 30, 2024 and 2023, in the amounts of $5,710,049 and $5,302,441, respectively.

NOTE D – TAXES RECEIVABLE

Taxes Receivable includes real property, vehicle, and personal property taxes that have been levied which are uncollected at year end. The College had total Taxes Receivable at June 30, 2024 and 2023, in the amounts of $5,406,766 and $6,291,824, respectively.

NOTE E – CAPITALIZED REFINANCING EXPENSE

The College has capitalized refinancing expenses relevant to the refinancing activities of debt issues. Capitalized refinancing expense is amortized over the remaining lives for the refinanced debt issues. The unamortized Refinancing Expense at June 30, 2024 and 2023, was $105,564 and $135,725, respectively.

BE POSITIVE.

NOTE F – CAPITAL ASSETS

Capital assets consist of the following categories at June 30, 2024 and 2023:

	July 1, 2023 Beginning Balance	Additions	Retirements	June 30, 2024 Ending Balance
Capital Assets not being depreciated:				
Land	$ 1,542,182	$ -	$ -	$ 1,542,182
Construction in progress	500,273	3,296,249	(199,166)	3,597,356
Works of art	242,140	63,974	-	306,114
Total Capital assets not being depreciated	2,284,595	3,360,223	(199,166)	5,445,652
Capital Assets being depreciated:				
Buildings	81,814,836	33,500	-	81,848,336
Improvements	39,638,880	2,621,638	-	42,260,518
Equipment and vehicles	28,088,251	3,727,981	-	31,816,232
Total Capital Assets being depreciated	149,541,967	6,383,119	-	155,925,086
Less Accumulated Depreciation	(78,477,858)	(5,327,731)	-	(83,805,589)
Capital Assets, net	$73,348,704	$4,415,611	$ (199,166)	$77,565,150

	July 1, 2022 Beginning Balance	Additions	Retirements	June 30, 2023 Ending Balance
Capital Assets not being depreciated:				
Land	$ 1,182,951	$ 359,231	$ -	$ 1,542,182
Construction in progress	18,977,979	283,577	(18,761,283)	500,273
Works of art	92,808	149,332	-	242,140
Total Capital assets not being depreciated	20,253,738	792,140	(18,761,283)	2,284,595
Capital Assets being depreciated:				
Buildings	58,009,001	23,805,835	-	81,814,836
Improvements	36,689,711	2,949,170	-	39,638,880
Equipment and vehicles	27,105,174	983,076	-	28,088,251
Total Capital Assets being depreciated	121,803,886	3,399,445	-	149,541,967
Less Accumulated Depreciation	(73,474,079)	(4,426,775)	-	(78,477,858)
Capital Assets, net	$68,583,545	$24,215,995	$(18,761,283)	$ 73,348,704

BE POSITIVE.

NOTE G – REVENUE BONDS AND CERTIFICATES OF PARTICIPATION PAYABLE (Continued)

In FY 2013, the College entered into the following certificate of participation obligations outstanding at June 30, 2024 and June 30, 2023:

	Original Amount	2024	2023
TEC building improvements and equipment – Certificates of Participation, Series 2013 capital cost of $5,520,000, 2-4 % interest paid annually principal and interest payments vary at approximately. $352,000 to $518,000 through June, 2027. (Paid off in FY 2024)	$ 5,520,000	$ -	$415,000
Total Obligations – Series 2013	$ 5,520,000	$ -	$415,000

The College has accounted for the transactions as certificates of participation and recorded the cost of the improvements and equipment as assets and the corresponding obligations as liabilities.

In FY 2014, the College entered into the following Capital lease obligations outstanding at June 30, 2024 and 2023 consist of the following:

	Original Amount	2024	2023
Building improvements and equipment – Certificates of Participation, Series 2014 capital cost of $8,045,000, 3 - 4.00% interest paid semi-annually, principal payments vary at approximately $360,000 to $810,000 plus interest through May , 2029	$ 8,045,000	$1,320,000	$1,930,000
Total Capital Lease Obligations – Series 2014	$ 8,045,000	$1,320,000	$1,930,000

In January 2020, the College partially refinanced the Series 2013 and 2014 bond issues with Lease Agreement Refunding Certificates of Participation, Series 2020-B. The refinanced debt will retain the same maturity date as the Series 2014 bond issue with a final maturity of April 1, 2029, but with a lower interest rate resulting in a cash savings of $159,499

Capital lease obligations outstanding at June 30, 2024 and 2023 consist of the following:

	Original Amount	2024	2023
Series 2020-B capital cost of $4,270,000, 2.0-2.65% interest paid semi-annually, principal payments vary through April, 2029	$4,270,000	$3,740,000	$4,200,000
Total Capital Lease Obligations – Series 2020-B	$4,270,000	$3,740,000	$4,200,000

BE POSITIVE.

NOTE G – REVENUE BONDS AND CERTIFICATES OF PARTICIPATION PAYABLE (Continued)

The minimum lease commitments for all capital lease obligations at June 30, 2024 are as follows:

Fiscal Year	Principal	Interest	Total
2025	3,075,000	294,750	3,369,750
2026	3,210,000	184,776	3,394,775
2027	1,205,000	70,755	1,275,755
2028	770,000	41,233	811,233
2029	815,000	21,598	836,598
	$ 9,075,000	$ 613,112	$ 9,688,111

Special Revenue Bond – January 2021 the college issued $19,840,000 in Special Revenue Bonds to fund the construction of new Student Housing. Total proceeds from the issuance of the Special Revenue Bonds were $21,434,992 which includes an issuance premium in the amount of $1,594,992

Student Housing Project- Special Revenue Bond, Series 2021 Principal amount of $19,840,000, 3.0-4.0% interest Paid semi-annually, principal payments Vary by month through 2053.	Original Amount	2024	2023
	$19,840,000	$145,000	$0

The minimum lease commitments for all revenue bond obligations at June 30, 2024 are as follows:

Fiscal Year	Principal	Interest	Total
2025	165,000	693,581	858,581
2026	190,000	688,631	878,631
2027	210,000	682,931	892,931
2028-2053	19,130,000	11,681,644	30,811,644
	$19,695,000	$13,746,787	$33,441,787

NOTE H – COMMITMENTS AND CONTINGENCIES

Operating Leases – Property - The College maintains certain operating leases which are subject to an annual appropriation by the College. These operating leases are related to housing and certain educational facilities and equipment.

In April of 2017 the College entered into a lease agreement under which the College agreed to use a building owned by the School District for the College's technical education programs. In lieu of paying rent, the College agreed to grant admission to the technical education courses only to students who are enrolled in the Leavenworth School District without requiring the payment of any tuition or course

BE POSITIVE.

NOTE H – COMMITMENTS AND CONTINGENCIES (Continued)

fees. Management would note that such tuition will be covered by the State under KS Senate Bill 155. The Leavenworth facility previously used by the College was vacated in the summer of 2015 and the non-technical education courses held at that facility were transferred to another Leavenworth facility.

Operating Leases – Equipment - The College is the lessee for 65 photocopiers. All leases are for 60 months in duration.

Period	Cash	Interest Expense	Liability Reduction	Total Liability	Amortization Expense	Net Asset Balance	Accumulated Amortization
Beginning Balance				**$307,440**			
2024	$111,442	$15,372	$96,070	$211,370	$51,240	$256,200	$51,240
2025	79,136	10,569	68,567	142,803	51,240	204,960	102,480
2026	65,128	7,140	57,988	84,815	51,240	153,720	153,720
2027	50,186	4,241	45,945	38,870	51,240	102,480	204,960
2028	28,560	1,943	26,617	12,253	51,240	51,240	256,200
2029	12,866	613	12,253	0	51,240	0	307,440

The college entered into an agreement with Master Leasing on August 1, 2018 to lease 2 passenger buses. This lease will expire on July 31, 2024. Total monthly rent is $3,727. The Amortization Schedule is as follows:

Period	Cash	Interest Expense	Liability Reduction	Total Liability	Amortization Expense	Net Asset Balance	Accumulated Amortization
Beginning Balance				**$194,875**		**$243,320**	
2024	$96,880	$9,744	$87,136	$107,738	$48,664	$194,656	$97,328
2025	51,820	5,387	46,433	61,305	48,664	145,992	145,992
2026	39,088	3,065	36,023	25,282	48,664	97,328	194,656
2027	24,146	1,264	22,882	2,400	48,664	48,664	243,320
2028	2,520	120	2,400	0	48,664	0	291,984

The College is party to various legal proceedings arising principally in the normal course of operations. In the opinion of the administration, the outcome of these proceedings will not have a material adverse effect on the accompanying financial statements and accordingly, no provision for losses has been recorded.

Lease Purchase Agreement – The college entered into a lease purchase agreement with CISCO Capital Corporation for WiFi and Server hardware and software. The lease will expire and the college will obtain ownership on November 19, 2026.

The initial payment of $400,000 was made in the year ending June 30, 2023 and the Amortization Schedule is as follows:

BE POSITIVE.

Period	Cash	Interest Expense	Liability Reduction	Total Liability	Amortization Expense	Net Asset Balance	Accumulated Amortization
Beginning Balance				**$384,024**		**$592,235**	
2024	$110,590	$22,684	$87,906	$296,118	$96,006	$288,018	$96,006
2025	110,590	17,492	93,098	203,019	96,006	192,012	192,012
2026	110,590	11,992	98,598	104,422	96,006	96,006	288,018
2027	110,590	6,168	104,422	0	96,006	0	384,024

IT Subscriptions – The College has entered into numerous subscription agreements for software utilized in conducting business. The agreements vary in length, but are typically no more than 5 years in length. The Amortization Schedules are as follows:

Adobe Creative Cloud Suite

Period	Cash	Interest Expense	Liability Reduction	Total Liability	Amortization Expense	Net Asset Balance	Accumulated Amortization
Beginning Balance				**$76,616**			
2024	$28,134	$3,831	$24,303	$52,313	$25,539	$51,077	$25,539
2025	28,134	2,616	25,518	26,794	25,539	25,539	51,077
2026	28,134	1,340	26,794	0	25,539	1,256	76,616

Foundation Donor and Finance Software

Period	Cash	Interest Expense	Liability Reduction	Total Liability	Amortization Expense	Net Asset Balance	Accumulated Amortization
Beginning Balance				**$80,389**		**$78,491**	
2024	$43,234	$4,019	$39,214	$41,175	$40,195	$40,195	$40,195
2025	43,234	2,059	41,175	0	40,195	0	80,389

Learning Management System

Period	Cash	Interest Expense	Liability Reduction	Total Liability	Amortization Expense	Net Asset Balance	Accumulated Amortization
Beginning Balance				**$133,912**		**$130,724**	
2024	$140,608	$6,696	$133,912	$0	$130,724	$0	$261,448

BE POSITIVE.

NOTE H – IT SUBSCRIPTIONS (Continued)

Finance Software

Period	Cash	Interest Expense	Liability Reduction	Total Liability	Amortization Expense	Net Asset Balance	Accumulated Amortization
Beginning Balance				**$3,213,199**			
2024	$742,168	$160,660	$581,508	$2,631,691	$642,640	$2,570,559	$642,640
2025	742,168	131,585	610,583	2,021,108	642,640	1,927,919	1,285,280
2026	742,168	101,055	641,113	1,379,995	642,640	1,285,280	1,927,919
2027	742,168	69,000	673,168	706,827	642,640	642,640	2,570,559
2028	742,168	35,341	706,827	0	642,640	0	3,213,199

Course Evaluation Software

Period	Cash	Interest Expense	Liability Reduction	Total Liability	Amortization Expense	Net Asset Balance	Accumulated Amortization
Beginning Balance				**$98,794**		**$100,026**	
2024	$26,120	$4,940	$21,180	$77,614	$25,007	$75,020	$50,014
2025	27,295	3,881	23,414	54,200	25,007	50,013	75,020
2026	28,523	2,710	25,813	28,387	25,007	25,007	100,026
2027	29,806	1,419	28,387	0	25,007	0	125,033

Telephone SIP Provider

Period	Cash	Interest Expense	Liability Reduction	Total Liability	Amortization Expense	Net Asset Balance	Accumulated Amortization
Beginning Balance				**$36,630**		**$35,758**	
2024	$38,462	$1,832	$36,631	$0	$35,758	$0	$71,516

Microsoft Server Licensing

Period	Cash	Interest Expense	Liability Reduction	Total Liability	Amortization Expense	Net Asset Balance	Accumulated Amortization
Beginning Balance				**$58,093**			
2024	$21,332	$2,905	$18,428	$39,665	$19,364	$38,729	$19,364
2025	21,332	1,983	19,349	20,316	19,364	19,364	38,729
2026	21,332	1,016	20,316	0	19,364	0	58,093

Internet Service Provider

Period	Cash	Interest Expense	Liability Reduction	Total Liability	Amortization Expense	Net Asset Balance	Accumulated Amortization
Beginning Balance				**$257,419**		**$251,390**	
2024	$94,527	$12,871	$81,656	$175,764	$83,797	$167,593	$167,593
2025	94,527	8,788	85,738	90,025	83,797	83,797	251,390
2026	94,527	4,501	90,025	0	83,797	0	335,187

BE POSITIVE.

NOTE I – RISK MANAGEMENT

The College is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; or acts of God.

The College pays an annual premium to The Accident Fund for workmen's compensation insurance coverage.

The College maintains commercial insurance for risks of loss not covered by The Accident Fund, including property, general and automobile liability, public officials, errors and omissions, and employee health and accident insurance. Settled claims have not exceeded commercial coverage in any of the past three fiscal years.

NOTE J – DEFINED BENEFIT PENSION PLAN

Plan Description - The College participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et seq; as defined in Governmental Accounting Standards Board Statement No. 67, *Financial reporting for Pension Plans.* KPERS provides benefit provisions to statewide pension groups for State/School Employees, Local Employees, Police and Firemen, and Judges under one plan. Those employees participating in the pension plan for the College are included in the State/School employee group.

KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Benefits are established by statute and may only be changed by the General Assembly. Member employees 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 an employee's combined age and years of credited service equal 85 "points" for KPERS 1; KPERS 2 and KPERS 3 employees may retire with full benefits at age 60 with 30 years of service (no points system) or 65 with 5 years of service.

Monthly retirement benefits are based on a statutory formula that includes final average salary and years of service. When ending employment, member employees may withdraw their contributions from their individual accounts, including interest. Member employees who withdraw their accumulated contributions lose all rights and privileges of membership. The accumulated contributions and interest are deposited into and disbursed from the membership accumulated reserve fund as established by K.S.A 74-4922. A full copy of the KPERS Plan and related information may be obtained at www.kpers.org or by contacting 1-785-296-6166.

Member employees choose one of seven payment options for their monthly retirement benefits. At retirement a member employee may receive a lump-sum payment of up to 50% if member is a KPERS 1 prior to July 1, 1993, the maximum lump sum payment for KPERS 2 & KPERS 3 is 30% of the actuarial present value of the member employee'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. The retirement benefits are disbursed from the retirement benefit payment reserve fund as established by K.S.A. 74-4922.

BE POSITIVE.

NOTE J – DEFINED BENEFIT PENSION PLAN (Continued)

Funding Policy - K.S.A. 74-4919, as amended, establishes a three-tier benefit structure. KPERS 1 members include active members hired before July 1, 2009. The member-employee contribution rate for KPERS 1 members increased from 4% to 6% on January 1, 2015. KPERS 2 members include active members hired between July 1, 2009 and December 31, 2014. The member-employee contribution rate for KPERS 2 members is 6%. KPERS 3 members include those first employed in a KPERS covered position after January 1, 2015. The member-employee contribution rate for KPERS 3 members is 6%. Member-employees' contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.
Although KPERS administers one cost-sharing multiple-employer defined benefit pension plan, separate actuarial valuations are prepared to determine the actuarial determined contribution rate by group. To facilitate the separate 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 non-employer allocations are applied to amounts presented in the schedules of pension amounts by employer and non-employer.

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

Special Funding Situation - The employer contributions for the College, as defined in K.S.A. 74-4931 (2) and (3), are funded 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 No. 68.

The Kansas City Kansas Community College employer rate, as contributed by the State of Kansas on behalf of the College, was 12.57% for the fiscal 2024 year and 13.11% for the 2023 fiscal year.

The state of Kansas is treated as a non-employer contributing entity to KPERS and is required to recognize its proportionate share of the net pension liability, deferred outflows of resources, deferred inflows of resources, and expenses for the pension plan attributable to the College. At June 30, 2023 and 2022, the proportionate share of the net pension liability recognized by the State of Kansas that was attributable to the College was $39,952,193 and $40,704,743, respectively.

The State of Kansas contributes directly to KPERS on behalf of the College for the years ended June 30, 2024 and 2023, respectively. The payments made by the State of Kansas on behalf of the College have been recorded as both revenues and expenses in the Statements of Revenues, Expenses and Changes in Net Position.

Since the College does not contribute directly to KPERS there is no net pension liability or deferred inflows or outflows to report in the College's Statements of Net Position or the College's Statements of Revenues, Expenses and Changes in Net Position.

The employees of the College contributed to the plan for the fiscal year ended June 30, 2024 and 2023 totaling $2,033,007 and $1,897,938, respectively. The contribution requirements and rates are established by KPERS and are periodically revised.

BE POSITIVE.

NOTE K – OTHER POSTEMPLOYMENT BENEFITS

The College had adopted a policy, which was discontinued effective July 1, 2015, which provided certain early retirement benefit options to eligible employees. The policy allowed applicable employees with at least 15 years of full-time service to the College, or 10 years of current and consecutive full-time service at the College and 30 years' service credit in KPERS, who were eligible to retire under KPERS with full or reduced benefits, the option to retire early.

Benefits were computed at a maximum of 125% of final contract salary, paid annually at the lesser of: 1) 25% of their last annual salary (without overload, overtime, extra duty, etc.), or 2) the difference between full social security benefits and the employee's current eligible social security benefits, until 125% is paid or the early retiree reaches the age of full social security benefits. The employee is limited to five installments of this benefit.

In addition, the College also adopted an associated policy which expired at June 30, 2015 which will fund certain continuing health insurance benefits to individuals meeting the above criteria. The College-sponsored plan was available to eligible early retired employees until 1) they become eligible for a federally funded health care plan, 2) the employee acquires employment where the health insurance is provided by the new employer, or 3) upon death of the early retired employee.

The College has elected to fund these benefits on a pay-as-you-go basis. In addition, the College has elected to record and report post-employment benefits related to certain employees of the College; which met certain criteria while employed by the Kansas City Kansas School District as a result of an agreement between the College and the Kansas City Kansas School District. These benefits aggregate to $80,251 for the year ended June 30, 2024.

The following is a summary of estimated benefits at present value payable for eligible employees that have taken early retirement as of June 30, 2024:

Payable on	Fiscal Year	Net Present Value
January 1, 2025	2025	48,839
January 1, 2026	2026	17,257
		$66,096

NOTE L – STUDENT LOANS

The College provides Student Financial Aid as provided by the United States Department of Education. Student financial aid includes certain loans to students who attend the College. For the period ending June 30, 2024 and 2023 loan proceeds were recorded as federal grants and contracts and subsequently expensed through scholarships and financial aid. For the period ending June 30, 2024, and 2023 these balances were recorded in the Student Loan Fund (Agency Fund).

Student loan activities for the respective periods are as follows:

	2024	2023
Direct Subsidized Loans	$ 764,212	$ 784,541
Direct Un-Subsidized Loans	$ 808,586	$ 831,528
Direct PLUS Loans	$ 46,652	$ 28,935

BE POSITIVE.

NOTE M – TAX ABATEMENTS

The Unified Government of Wyandotte County may provide certain property tax abatements to encourage capital investment, employment opportunities and quality services for the benefit of the community. Tax abatements are the result of an agreement between the Unified Government and an outside party in which the Unified Government promises to forgo tax revenues and the outside party promises to take specific actions that contributes to the economic development or benefits citizens of the Unified Government. The issuances of these abatements are pursuant to Section 13 of Article 11 of the Kansas Constitution and K.S.A. 12-1740 et seq. and 79-201a.

The Economic Development Program "EDX" has the following criteria:

- Existence of Economic Benefit – The project must add to the local economy according to: capital investment, producing value-added products and services, number of jobs created and associated payroll, and whether the project provides a positive fiscal and economic impact.
- Type of Business – The project shall be of a nature that is desirable and stimulates the local economy and improves the quality of life for its citizens.
- Compatibility with Adopted Plans – The project shall be consistent with the Unified Government Comprehensive Plan, any applicable corridor plans, and other plans of the Unified Government which may be relevant to the project.
- Excluded Business – The project may not be listed as prohibited by state law (K.S.A. 79-201a) or otherwise listed as ineligible under the Unified Government Tax Abatement Policy.
- Maintaining Existing Tax Base – The amount of property taxes or special assessments on the existing land and facilities shall under no circumstances be reduced for new development projects.
- Transfer of Ownership – The owner or lessee of any property that is all or partially exempt from ad valorem taxes as the result of the Unified Government having granted the exemption shall obtain the Unified Government written consent before transferring majority ownership of the property unless the transfer is to an affiliate or a related entity.

During the 2023 calendar year the Unified Government reported $2,951,956 in taxes abated relative to the College.

NOTE N – SUBSEQUENT EVENTS

Subsequent events have been evaluated through December 6, 2024, the date the financial statements were available to be issued.

NOTE O – KANSAS CITY KANSAS COMMUNITY COLLEGE FOUNDATION NOTES

Organization - Since 1977, the Kansas City Kansas Community College Foundation has proudly served as a partner and avid supporter for the enhancement of teaching, learning, and engaging the community to transform lives. As a charitable, non-profit 501(c)(3), it is led by committed community members. Foundation leadership raises funds for College programs, projects, and special initiatives. The Foundation administers scholarship programs designed to provide Kansas City Kansas Community College students with academic and professional growth opportunities. Foundation Leaders are committed to facilitating key partnerships between the college and the community.

BE POSITIVE.

NOTE O – KANSAS CITY KANSAS COMMUNITY COLLEGE FOUNDATION NOTES (Continued)

Basis of Presentation — Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Accounting Standards Codification (ASC) No. 958, Not-for-Profit Entities. Under ASC No. 958, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions.

Net assets without donor restrictions are those currently available at the discretion of the Board for use in the entity's operations and those resources invested in land, buildings and equipment and other property.

Net assets with donor restrictions are those which are stipulated by donors for specific operating purposes, special projects, or for the acquisition or construction of land, buildings, and equipment. The Foundation has chosen to show contributions whose restrictions are met in the same reporting period as unrestricted support. The Foundation's policy is to use restricted funds first, before any unrestricted funds would be used for the restricted purpose.

Property and Equipment – Property and equipment is recorded at fair value at the date of acquisition. There was no property and equipment held at June 30, 2024 or 2023.

Cash and Cash Equivalents – The Foundation considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. The Foundation maintains cash balances at five financial institutions. Accounts at these banks were insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. The Foundation had $64,260 and $2,092,348 in uninsured cash balances at June 30, 2024 and 2023, respectively.

Revenue Recognition – Contributions are generally available for unrestricted use in the current year unless specifically restricted by the donor. Unconditional promises to give are recorded as received. Other contributions are reported as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. Donated materials are reflected as contributions in the accompanying financial statements at their fair values at the date of receipt. The Foundation records donated services to the extent that they create or enhance non-financial assets or that they require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

Allocation of Functional Expenses - The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. Certain categories of expenses may be attributable to more than one program or supporting function. Therefore, these expenses would require allocation on a reasonable basis that is consistently applied. Salaries and benefits, and contractual services are allocated on the basis of estimates of time and effort. All other expenses are based on the type of activity or purpose of the expense.

Estimates – The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported amounts of revenues and expenses. Actual results could differ from those estimates.

Concentrations of Risk – During the years ended June 30, 2024 and 2023, two donors accounted for approximately 74% and 27% of the contributions received, respectively.

BE POSITIVE.

NOTE O – KANSAS CITY KANSAS COMMUNITY COLLEGE FOUNDATION NOTES (Continued)

Income Taxes – The Foundation qualifies as tax exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

The Foundation recognizes the financial statement benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax position meeting the more-likely-than-not threshold, the amount recognized in the financial statements is the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement with the relevant tax authority.

The Foundation is subject to income tax regulations in the U.S. federal jurisdiction and certain state jurisdictions. Tax regulations within each jurisdiction are subject to the interpretation of the related tax laws and regulations and require significant judgment to apply. With few exceptions, the Foundation is no longer subject to income tax examinations by the applicable tax authorities for the years before fiscal 2018. If any were to be incurred, the Foundation's policy is to record penalties and interest assessed by income tax authorities as operating expenses.

Date of Management's Review – In preparing the financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through December 6, 2024, the date that the financial statements were available to be issued.

Investments

FASB ASC 820, *Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. That framework 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 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 — Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan can 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.

B E P O S I + I V E.

NOTE O – KANSAS CITY KANSAS COMMUNITY COLLEGE FOUNDATION NOTES (Continued)

Investments - Continued

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, 2024 and 2023.

- Money Market accounts are valued based on quoted prices for the underlying assets or liabilities of the securities and are classified within Level 2 of the fair value hierarchy.
- Equity securities are valued based on quoted prices for the underlying assets or liabilities of the securities and are classified within Level 1 of the fair value hierarchy.
- Fixed income securities are valued based on quoted prices for the underlying assets or liabilities of the securities and are classified within Level 2 of the fair value hierarchy.

The following table sets forth by level, within the fair value hierarchy, the Foundation's Investment assets at fair value as of June 30, 2024 and 2023.

	Assets at Fair Value as of June 30, 2024			
	Total	Level 1	Level 2	Level 3
Money markets	$ 350,536	$350,536	$ -	$ -
Fixed income securities	505,768	-	505,768	-
Equity securities	619,316	619,316	-	-
	$1,475,620	$969,852	$505,768	$ -

	Assets at Fair Value as of June 30, 2023			
	Total	Level 1	Level 2	Level 3
Money markets	$ 134,112	$ -	$134,112	$ -
Fixed income securities	419,303	-	419,303	-
Equity securities	467,764	467,764	-	-
	$1,021,179	$467,764	$553,415	$ -

Net Assets With Donor Restrictions

Net assets with donor restrictions consisted of amounts contributed for specific scholarship programs and the capital initiative. These totaled $5,568,112 and $4,322,450 at June 30, 2024 and 2023, respectively.

Net assets released from donor restrictions, by incurring expenses satisfying the restricted purpose, or by occurrence of events specified by the donors, totaled $11,882,605 and $785,041 at June 30, 2024 and 2023, respectively.

BE POSITIVE.

NOTE O – KANSAS CITY KANSAS COMMUNITY COLLEGE FOUNDATION NOTES (Continued)

The Foundation had net assets which were restricted in perpetuity of $615,944 and $480,247 at June 30, 2024 and 2023, respectively. It is the policy of the Kansas City Kansas Community College Foundation to invest The Foundation scholarship funds in a wise and prudent manner. Funds will be invested to create the best return while maintaining the security and availability of the funds for students for many years to come. Investments will be reviewed annually by the Board of Directors.

In Kind Services

The Kansas City Kansas Community College provides office and management resources to the Foundation. For the year ended June 30, 2024 and 2023 the Foundation recorded and reported $476,145 and $350,316 in resources received as in-kind services by the College limited to personnel costs, supplies, and contractual services expended by the College.

Liquidity

The Foundation receives significant contributions which are restricted by donors. Management considers any contributions which are restricted for programs that are on-going, major, and central to its annual operations to be available to meet the majority of current cash needs, with the balance of funding coming from cash carry-overs of prior year amounts without restrictions. These funds are available to meet general expenditures for the current year. Management believes that these resources are sufficient to meet the general operating needs of the Foundation based on their review of the programming needs for the upcoming year and their review of historical costs.

Financial assets, at year-end:	2024	2023
Cash and cash equivalents	$2,877,471	$ 2,823,796
Investments	1,475,620	1,021,179
Receivables	1,621,658	957,442
Total financial assets, at year-end	$5,974,749	$ 4,802,417
Financial assets unavailable for general Expenditures:		
Amounts restricted by donor	$ 5,568,112	$ 4,322,450
Financial assets available to meet cash needs for general expenditures	$ 406,637	$ 479,967

Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02 (Topic 842) as it applies to accounting for leases. This is an update to the accounting and financial reporting standards for periods with year-ends of December 31, 2023, and future periods. The standard requires lessees to recognize the assets and liabilities that arise from leases on the balance sheet. The Association adopted ASU 2016-02 and its related amendments as of July 1, 2023.

The adoption of this ASU did not result in the recognition of any operating or finance "right of use" assets in the current period as the Association does not have any qualifying leasing transactions.

BE POSITIVE.

SUPPLEMENTAL INFORMATION

KANSAS CITY KANSAS COMMUNITY COLLEGE
SUPPLEMENTAL SCHEDULE OF COMPARISON OF
BUDGETARY EXPENDITURES WITH APPROPRIATIONS
Year Ended June 30, 2024

	Budgetary Expenditures	Legal Appropriations Budget	(Over) Under Budget
Operating Expenses			
Salaries & Benefits	$ 45,384,004	$ 47,281,200	$ 1,897,196
Contractual Services	2,122,402	3,239,640	1,117,238
Supplies & Other Operating Expenses	12,219,949	14,347,050	2,127,101
Utilities	2,109,734	2,105,143	(4,591)
Repairs & Maintenance to Plant	627,969	8,952,250	8,324,281
Scholarships & Financial Aid	8,557,138	8,621,000	63,862
Total Operating Expenses	71,021,196	84,546,283	13,525,087
Nonoperating Expenses			
Interest Expense	565,208	1,094,726	529,518
Total Expenses	$ 71,586,404	$ 85,641,009	$ 14,054,605

The college's legal appropriations budget is prepared on a cash basis. The budgetary expenditures in this schedule are also reported on a cash basis of accounting; therefore they differ from those reported on the Statement of Revenues, Expenses, and Change in Net Position which are reported on an accrual basis of accounting.

BE POSITIVE.

KANSAS CITY KANSAS COMMUNITY COLLEGE

COMPLIANCE REPORT

JUNE 30, 2024

KANSAS CITY KANSAS COMMUNITY COLLEGE

COMPLIANCE REPORT

Reports and Schedules	Page
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*	1-2
Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by the Uniform Guidance and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	3-4
Schedule of Expenditures of Federal Awards	5
Notes to the Schedule of Expenditures of Federal Awards	6
Schedule of Findings and Questioned Costs	7-8

BE POSITIVE.

novak birks p.c.
certified public accountants

4435 Main Street, Suite 500
Kansas City, MO 64111
P 816.931.6111 F 816.931.8499

10901 W. 84th Terrace, Suite 240
Lenexa, KS 66214
P 913.631.5626 F 913.631.5965

www.novakbirkspc.com

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*

To the Board of Trustees
Kansas City Kansas Community College

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities, the aggregate discretely presented component units, of the Kansas City Kansas Community College, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the College's basic financial statements and have issued our report thereon dated December 6, 2024. The financial statements of the Kansas City Kansas Community College Foundation (discretely presented component unit) were not audited in accordance with Government Auditing Standards and accordingly this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the Kansas City Kansas Community College Foundation.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the College's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the regulatory basis financial statement, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the College's internal control over financial reporting.

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

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

Report on Compliance and Other Matters

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

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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose

Novak Burk p.c.

December 6, 2024
Lenexa, KS

BE POSITIVE.

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

To the Board of Trustees
Kansas City Kansas Community College

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Kansas City Kansas Community College's (the "College") 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 College's major federal programs for the year ended June 30, 2024. The College's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Kansas City Kansas Community College complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

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

Responsibilities of Management for Compliance

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

Auditor's 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 the College's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists.

BE POSITIVE.

The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the College's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with 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 the College compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the College's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the 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.

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.

December 6, 2024
Lenexa, KS

BE POSITIVE.

KANSAS CITY KANSAS COMMUNITY COLLEGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

Federal Grantor/Pass-Through Grantor/ Program Title	Grant Number	Federal CFDA Number	Federal Expenditures
Department of Education			
Direct Programs - Student Financial Aid Cluster			
Federal Work-Study	P033A117523	84.033	$ 113,332
Federal Supplemental Education Opportunity Grant	P007A117523	84.007	172,207
Federal Pell Grant	P063P117471	84.063	6,137,433
Federal Direct Loans	P268K17471	84.268	1,586,878
Total Student Financial Aid Cluster			8,009,850
Title III Grant	P031A220134	84.031A	353,678
Trio - Upward Bound	P047A220763	84.047	211,522
			565,200
Passed Through Kansas Board of Regents			
Vocational Education - Program Improvement	9921 Program Improvement		
Regular		84.048	316,985
Leadership		84.048	9,228
KS Labor and Industry		84.048	16,542
Special Projects		84.048	1,500
			344,255
AEFLA Grant		84.002	349,886
Total Pass Through Kansas Board of Regents			694,141
Total Kansas Department of Education			9,269,191
National Science Foundation			
Arise			52,079
			52,079
Department of Agriculture			
Passed Through Kansas Department of Education			
SRS - Food			
Total Department of Agriculture		10.559	6,771
			6,771
Department of National Intelligence			
Passed through University of Kansas Cybersecurity			4,759
			4,759
Department of Defense			
Automation Engineering Technology Program			
Total Department of Defense		17.289	1,732,344
			1,732,344
Total Expenditures of Federal Awards			11,065,144

BE POSITIVE.

KANSAS CITY KANSAS COMMUNITY COLLEGE
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

NOTE A – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards has been prepared on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the College, it is not intended to and does not present position of the financial of the College.

NOTE B – COST RATE

For the year ended June 30, 2024, costs requested for reimbursement have been limited to direct reimbursement of costs.

Catalog of Federal Domestic Assistance (CFDA) numbers are presented for those programs for which such numbers were available.

NOTE C – MAJOR PROGRAMS

In accordance with Uniform Guidance, major programs for the College are individual programs or a cluster of programs determined using a risk-based analysis. The threshold for distinguishing Type A and Type B programs was $750,000. Student Financial Aid is designated as a cluster of programs and Automation Engineering Technology Program were determined to be a major programs.

NOTE D – FEDERAL STUDENT LOAN PROGRAMS

Federally guaranteed loans issued to students of the College by financial institutions under the Federal Direct Loan (FDL) programs were $1,646,160 during the year ended June 30, 2024. The amount presented represents the value of new loans awarded during the year.

Federal direct programs are presented by the applicable federal agency. Federal pass-through programs are presented by the entity through which the College received the federal grant.

NOTE E – ADDITIONAL AUDITS

Grantor and regulatory agencies reserve the right to conduct additional audits of the College's grant programs. Such audits may result in disallowed costs to the College. However, management does not believe such audits would result in any disallowed costs that would be material to the College's financial position at June 30, 2024.

BE POSITIVE.

KANSAS CITY KANSAS COMMUNITY COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statement Section

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
a. Material weakness identified?	No
b. Significant deficiencies identified?	None Reported
c. Noncompliance material to financial statements noted?	No

Federal Awards Section

Internal control over major programs:	
a. Material weakness(es) identified?	No
b. Significant deficiency identified?	None Reported
Type of auditor's report issued on compliance for major programs:	Unmodified

Identification of major programs:

CFDA Number(s)	Name of Federal program or Cluster
84.007, 84.033, 84.063, 84.268	Department of Education – Student Financial Assistance Cluster
17.289	Department of Defense - Automation Engineering Technology Program

Dollar threshold used to distinguish between Type A and Type B programs:	$750,000
Auditee qualified as low-risk auditee?	Yes

BE POSITIVE.

KANSAS CITY KANSAS COMMUNITY COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONS COSTS
FOR THE YEAR ENDED JUNE 30, 2024

SECTION II – FINANCIAL STATEMENT FINDINGS

No matters were reported.

SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

No matters were reported.

SECTION IV – SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters were reported.

BE POSI + IVE.