Johnson County Community College

Financial Report
June 30, 2024

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RubinBrown

1200 Main Street
Suite 1000
Kansas City, MO 64105

T: 816.472.1122
E: info@rubinbrown.com
www.RubinBrown.com

CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS CONSULTANTS

Independent Auditors' Report

Board of Trustees
Johnson County Community College
Overland Park, Kansas

Report On The Audit Of The Financial Statements

Opinions

We have audited the financial statements of the business-type activities, fiduciary activities, and the discretely presented component unit of Johnson County Community College (the College) as of and for the years then ended 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 accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, fiduciary activities, and the discretely presented component unit of the College, as of and for the years ended 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 (GAAP).

Basis For Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' 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 ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of the discretely presented component unit, Johnson County Community College Foundation, were not audited in accordance with *Government Auditing Standards*.

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Responsibilities Of Management For The Financial Statements

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

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.

Auditors' Responsibilities For The Audit Of The Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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, Schedule of College's Proportionate Share of the Net Pension Liability, Schedule of the College's Contributions to Defined Benefit Pension Plan, Schedule of College's Net OPEB Liability – Medical and Prescription Drug Plan, and Schedule of College's Net OPEB Liability – KPERS Long-term Disability and Life Insurance Benefit Plans, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the supplemental schedule of budgetary expenditures with appropriations, as listed in the table of contents, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required By *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 13, 2024, on our consideration of Johnson County Community College's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Johnson County Community College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Johnson County Community College's internal control over financial reporting and compliance.

RubinBrown LLP

November 13, 2024

Johnson County Community College

Management's Discussion and Analysis
Years Ended June 30, 2024 and 2023

Introduction

This section of Johnson County Community College's (the College) annual financial report presents management's discussion and analysis (MD&A) of the College's financial activity for the fiscal years ended June 30, 2024 and 2023. It should be read in conjunction with the financial statements and footnote disclosures that follow. A comparative analysis to financial activity for the fiscal years ended June 30, 2023 and 2022 is also presented.

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 that the financial statements be presented to focus on the College as a whole.

As defined by generally accepted accounting principles established by GASB, the financial reporting entity consists of the College, as well as its discretely presented component unit, the Johnson County Community College Foundation, and its fiduciary fund, the Johnson County Community College Retiree Benefit Trust.

Using This Annual Report

The financial statements focus on the College as a whole and are designed to emulate corporate presentation models whereby all College activities are consolidated into one total. The financial statements consist of four primary parts: (1) the statements of net position, (2) statements of revenues, expenses, and changes in net position, (3) statements of cash flow and (4) notes to the financial statements. The financial statements are prepared on the accrual basis of accounting and economic resources measurement focus. Under the accrual basis of accounting, expenses are recorded when incurred, and all revenues are recognized when earned in accordance with generally accepted accounting principles.

The Statement of Net Position is presented in the format where assets plus deferred outflows of resources equal liabilities plus deferred inflows of resources plus net position. Assets and liabilities are presented in order of liquidity and are classified as current (convertible into cash or payable within one year) and non-current. This statement combines and consolidates current financial resources (short-term spendable resources) with long-term capital assets and deferred inflows and outflows of resources. The focus of this statement is to show the overall liquidity and health of the College as of the end of the fiscal year. The change in net position indicates whether the financial condition has improved or worsened during the year.

The Statement of Revenues, Expenses, and Changes in Net Position focuses on both the gross and net costs of College activities, which are supported substantially by property taxes, state and federal grants and contracts, student tuition and fees, and auxiliary enterprises revenues. This approach is intended to summarize and simplify the user's analysis of the financial results of the various College services to students and the public.

The Statements of Cash Flows disclose net cash provided by or used for operating, non-capital financing, capital and related financing, and investing activities. This statement provides information about the cash receipts and cash payments during the fiscal year and shows that the College's cash flows are sufficient to pay current liabilities.

The Notes to the Financial Statements are an integral part of the basic statements and describe the College's significant accounting policies. The reader is encouraged to review the notes in conjunction with management's discussion and analysis of the financial statements.

Financial Highlights

Statements of Net Position

The major components of the College's assets, deferred outflows, liabilities, deferred inflows and net position as of June 30, 2024, 2023 and 2022 are as follows (in millions of dollars):

	2024	2023	2022	Change 2024-23	Change 2023-22
ASSETS					
Current assets	$ 149.2	$ 172.5	$ 120.3	$ (23.3)	$ 52.2
Capital assets, net	254.7	248.0	228.4	6.7	19.6
Other noncurrent assets	57.2	16.4	77.4	40.8	(61.0)
Total Assets	$ 461.1	$ 436.9	$ 426.1	$ 24.2	$ 10.8
DEFERRED OUTFLOWS OF RESOURCES	$ 2.0	$ 1.7	$ 0.9	$ 0.3	$ 0.8
LIABILITIES					
Current liabilities	$ 21.6	$ 21.3	$ 22.8	$ 0.3	$ (1.5)
Noncurrent liabilities	58.8	61.4	62.8	(2.6)	(1.4)
Total Liabilities	$ 80.4	$ 82.7	$ 85.6	$ (2.3)	$ (2.9)
DEFERRED INFLOWS OF RESOURCES	$ 2.3	$ 2.8	$ 2.4	$ (0.5)	$ 0.4
NET POSITION					
Net investment in capital assets	$ 194.3	$ 185.8	$ 167.4	$ 8.5	$ 18.4
Restricted	18.6	16.4	21.1	2.2	(4.7)
Unrestricted	167.5	150.9	150.5	16.6	0.4
Total Net Position	$ 380.4	$ 353.1	$ 339.0	$ 27.3	$ 14.1

Fiscal Year 2024 Compared to Fiscal Year 2023

Assets
Total current assets decreased from $172.5 million as of June 30, 2023 to $149.2 million as of June 30, 2024. The net decrease was due to decreases in cash and short-term investments, offset by purchases of noncurrent investments.

Capital assets, net of accumulated depreciation and amortization, increased by $6.7 million during the fiscal year ending June 30, 2024 due to various capital improvement projects, including construction of a training facility for the Commercial Driver's License program.

Other noncurrent assets increased to $57.2 million as of June 30, 2024 from $16.4 million as of June 30, 2023. The increase was primarily related to an increase in investments.

Total deferred outflows of resources increased by $0.3 million in the current year.

The College records deferred contributions to the Kansas Public Employees Retirement System (KPERS) pension plan associated with certain KPERS retirees employed by the College. The College makes contributions directly to KPERS for the KPERS retirees filling these positions. The balances for these deferred charges increased by $0.6 million in the current year and will be recognized as pension expense in future years.

Deferred outflows related to OPEB were $1.4 million and $1.6 million as of June 30, 2024 and 2023, respectively. The balances for these deferred charges will be recognized as benefits expense in future years.

Liabilities
Total current liabilities remained $21.6 million as of June 30, 2024.

Noncurrent liabilities decreased by $2.6 million in fiscal year 2024. This was primarily the result of scheduled maturities of long-term obligations.

Net Position
Total net position increased by $27.3 million in fiscal year 2024, primarily due to non-operating revenues from county property taxes and investment income. State grants increased $3.3 million during fiscal year 2024. Net Position includes three primary categories: Net Investment in Capital Assets, Restricted, and Unrestricted. The first category, Net Investment in Capital Assets, provides the College's equity in capital assets – the property, plant and equipment owned by the College. The next category is Restricted, which is available for expenditure by the College but must be spent for purposes as specified by donors and/or external entities that have placed purpose restrictions on the use of the assets. The final category, Unrestricted, is not subject to externally imposed stipulations and is available for use by the College for any legal purpose.

Fiscal Year 2023 Compared to Fiscal Year 2022

Assets
Total current assets increased from $120.3 million as of June 30, 2022 to $172.5 million as of June 30, 2023. The net increase was primarily due to purchases of short-term investments.

Capital assets, net of accumulated depreciation and amortization, increased by $19.6 million during the fiscal year ending June 30, 2023 due to various capital improvement projects, including renovation of science laboratory and classroom spaces on campus. In May 2023, the College purchased 10 acres of land in Edgerton, Kansas to construct a training facility for the Commercial Driver's License program.

Other noncurrent assets decreased to $16.4 million as of June 30, 2023 from $77.4 million as of June 30, 2022. The decrease was primarily related to sales of investments.

Total deferred outflows of resources increased by $0.8 million in the current year.

The College records deferred contributions to the Kansas Public Employees Retirement System (KPERS) pension plan associated with certain KPERS retirees employed by the College. The College makes contributions directly to KPERS for the KPERS retirees filling these positions. The balances for these deferred charges will be recognized as pension expense in future years.

Deferred outflows related to OPEB were $1.6 million and $0.8 million as of June 30, 2023 and 2022, respectively. The balances for these deferred charges will be recognized as benefits expense in future years.

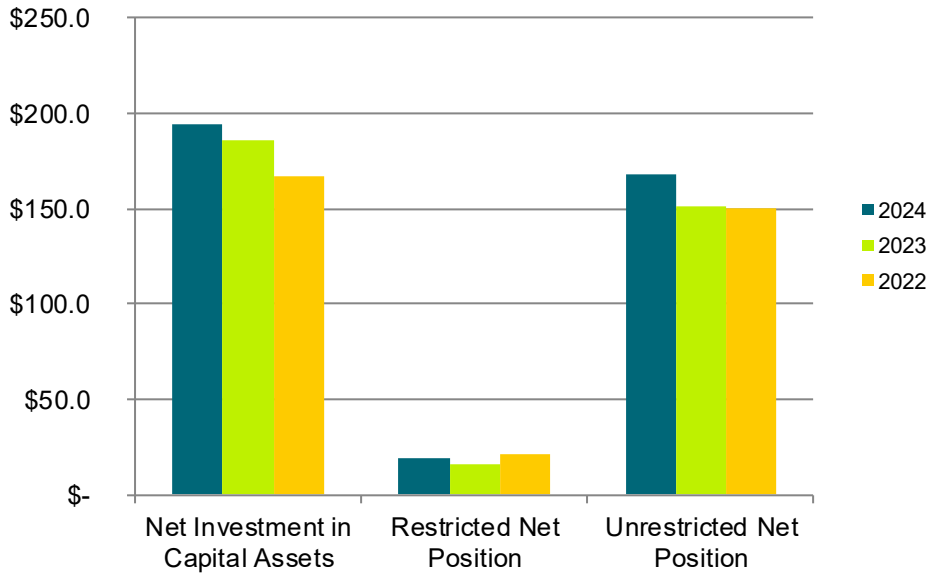
Liabilities
Total current liabilities decreased to $21.3 million as of June 30, 2023 from $22.8 million as of June 30, 2022. This was due to timing of accounts payable and a reduction in accrued compensated absences related to the sunset of a benefit that provided payments based on accrued sick leave and years of service upon retirement. Partially offsetting those reductions was the recording of subscription liability related to the implementation of GASB 96 – Subscription -Based Information Technology Arrangements and an increase in unearned revenue.

Noncurrent liabilities decreased by $1.4 million in fiscal year 2023 as a result of scheduled maturities of long-term obligations.

Net Position
Total net position increased by $14.1 million in fiscal year 2023, primarily due to non-operating revenues from county property taxes and state appropriations. Net Position includes three primary categories: Net Investment in Capital Assets, Restricted, and Unrestricted. The first category, Net Investment in Capital Assets, provides the College's equity in capital assets – the property, plant and equipment owned by the College. The next category is Restricted, which is available for expenditure by the College but must be spent for purposes as specified by donors and/or external entities that have placed purpose restrictions on the use of the assets. The final category, Unrestricted, is not subject to externally imposed stipulations and is available for use by the College for any legal purpose.

Comparison of Net Position

The following table presents the comparisons of net investment in capital assets, restricted net position and unrestricted net position for the College for fiscal years 2024, 2023 and 2022 (in millions of dollars):



A bar chart depicts a comparision of net position for fiscal years 2024, 2023, and 2022 for three categories: net investment in capital assets, restricted net position, and unrestricted net position. The balances for Net Investment in Capital Assets were approximately $194.2 million for 2024, $185.8 million for 2023, and $167.4 million for 2022. The balances for Restricted Net Position were approximately $18.7 million for 2024, $16.4 million for 2023, and $21.1 million for 2022. The balances for Unrestricted Net Position were approximately $167.5 million for 2024, $150.9 million for 2023, and $150.5 million for 2022.

Statements of Revenues, Expenses and Changes in Net Position

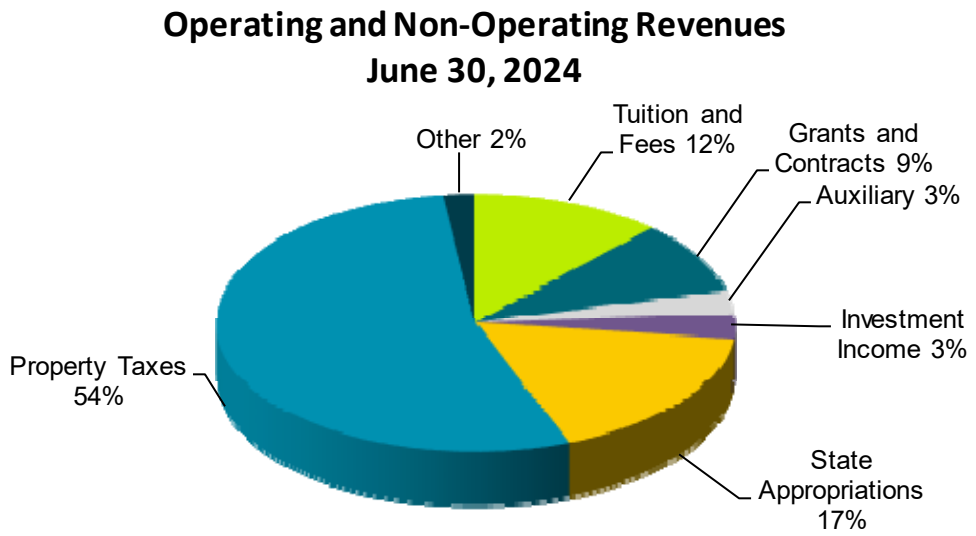
The following table presents the statements of revenues, expenses and changes in net position for the College for fiscal years 2024, 2023 and 2022 (in millions of dollars):

	2024	2023	2022	Change 2024-23	Change 2023-22
Operating Revenues					
Student tuition and fees, net	$ 28.8	$ 29.7	$ 29.2	$ (0.9)	$ 0.5
Gifts, grants and contracts	5.1	1.5	3.4	3.6	(1.9)
Auxiliary enterprises	6.9	7.7	6.3	(0.8)	1.4
Other operating revenues	4.6	5.7	5.5	(1.1)	0.2
Total Operating Revenues	$ 45.4	$ 44.6	$ 44.4	$ 0.8	$ 0.2
Less Operating Expenses	216.0	210.9	210.3	5.1	0.6
Operating Income (Loss)	$(170.6)	$(166.3)	$(165.9)	$ (4.3)	$ (0.4)
Non-Operating Revenues (Expenses)					
County property taxes	$ 129.3	$ 121.7	$ 119.9	$ 7.6	$ 1.8
State appropriations	40.9	39.8	36.8	1.1	3.0
Federal grants and contracts	18.0	15.6	28.9	2.4	(13.3)
Investment & other income (loss)	7.9	3.8	(1.7)	4.1	5.5
Interest on capital asset debt	(1.5)	(1.6)	(1.7)	0.1	0.1
Total Nonoperating revenues, net	$ 194.6	$ 179.3	$ 182.2	$ 15.3	$ (2.9)
Capital gifts	$ 3.4	$ 1.1	$ 0.5	$ 2.3	$ 0.6
Change in Net Position	$ 27.4	$ 14.1	$ 16.8	$ 13.3	$ (2.7)
Net Position, Beginning of Year	$ 353.1	$ 339.0	$ 322.2	$ 14.1	$ 16.8
Net Position, End of Year	$ 380.5	$ 353.1	$ 339.0	$ 27.4	$ 14.1

Revenues

Fiscal Year 2024 Compared to Fiscal Year 2023

The College's operating and non-operating revenues were $240 million for fiscal 2024, an increase of $16.1 million from fiscal 2023. Three primary revenue sources accounted for 83% of total revenues in fiscal 2024. County property taxes were $129.3 million, or 54%, of total revenues. State appropriations were $40.9 million, or 17%, of total revenues, and student tuition and fees were $28.8 million and accounted for 12% of total revenues.



A pie charts depicts the sources of Operating and Non-Operating Revenues for the year ending June 30, 2024 as percentages of the total. The sources of Operating and Non-Operating Revenues for fiscal year 2024 are as follows: Tuition and Fees, 12%; Grants and Contracts, 9%; Auxiliary, 3%; Investment Income, 3%; State Appropriations, 17%; Property Taxes, 54%; and Other, 2%.

Operating revenues from student tuition and fees decreased by $0.9 million in fiscal 2024 due to a new method of calculating tuition discounting. The new method calculates financial aid expense and the scholarship allowance by student. The previous method looked at total expense and scholarship allowance. Student credit hour enrollment increased by 4.6% in fiscal 2024. Tuition and fee rates did not change in fiscal 2024 compared to fiscal 2023.

Net Auxiliary revenues decreased by $0.8 million in fiscal 2024, also due to the new method of calculating tuition discounting.

Non-operating revenues were $194.6 million in fiscal 2024, an increase of $15.3 million from fiscal 2023. Revenue from county property taxes grew by $7.6 million due to increases in assessed valuation in Johnson County for the 2023 tax year. The College's tax levy rate decreased slightly to 8.131 mills per thousand in 2024 from 8.617 mills per thousand in 2023. Investment income increased by $4.1 million in fiscal year 2024.

Revenue from the state of Kansas was $40.9 million in fiscal 2024 compared to $39.8 million in fiscal 2023, an increase of approximately $1.1 million. Contributions made by the state of Kansas on behalf of the College to KPERS were $11.7 million in fiscal 2024 compared to $12.5 million in fiscal 2023, a decrease of $0.8 million. The College records offsetting revenue and expense for the payments made by the State to KPERS on its behalf. State funding for the College's credit hour operating grant and Excel in Career and Technical Education (CTE) initiatives increased to $25.7 million in 2024 from $24.7 million in 2023 due to increases in enrollment and state appropriations.

Federal grants and contracts revenues were $18 million in fiscal 2024, an increase of $2.4 million from the prior year.

Non-operating revenues are presented net of non-operating expenses (interest on capital asset debt), which decreased slightly to $1.5 million in 2024 from $1.6 million in 2023.

Capital gifts from the Johnson County Community College Foundation and in grant revenue for improvements to campus facilities were $3.4 million in fiscal 2024 compared to $1.1 million in fiscal 2023. Most of the increase was from a private grant of $2.0 million for the college's new training facility for the Commercial Driver's License program.

Fiscal Year 2023 Compared to Fiscal Year 2022

The College's operating and non-operating revenues were $223.9 million for fiscal 2023, a decrease of $2.7 million from fiscal 2022. The decrease was primarily due to a reduction in federal Higher Education Emergency Relief Fund grant funding. Three primary revenue sources accounted for 85% of total revenues in fiscal 2023. County property taxes were $121.7 million, or 54%, of total revenues. State appropriations were $39.8 million, or 18%, of total revenues, and student tuition and fees were $29.7 million and accounted for 13% of total revenues.

Operating revenues from student tuition and fees increased by $0.5 million in fiscal 2023 primarily due an increase in tuition and fee rates. In fiscal 2023 tuition and fees increased by $3 per credit hour for Johnson County residents, $4 per credit hour for Kansas residents and $5 per credit hour for metro rate, out of state and international students.

Auxiliary enterprise revenues increased by $1.4 million in fiscal 2023 as the campus continued to resume in-person operations following the pandemic, specifically in the bookstore and dining services.

Non-operating revenues were $179.3 million in fiscal 2023, a decrease of $2.9 million from fiscal 2022. Revenue from county property taxes grew by $1.8 million due to increases in assessed valuation in Johnson County for the 2022 tax year. The College's tax levy rate decreased slightly to 8.617 mills per thousand in 2023 from 9.110 mills per thousand in 2022.

Revenue from the state of Kansas was $39.8 million in fiscal 2023 compared to $36.8 million in fiscal 2022, an increase of approximately $3 million. Contributions made by the state of Kansas on behalf of the College to KPERS were $12.5 million in fiscal 2023 compared to $12.1 million in fiscal 2022, an increase of $0.4 million. The College records offsetting revenue and expense for the payments made by the State to KPERS on its behalf. State funding for the College's credit hour operating grant and Excel in Career and Technical Education (CTE) initiatives increased to $27.5 million in 2023 from $24.7 million in 2022 due to increases in state appropriations.

Federal grants and contracts revenues were $15.6 million in fiscal 2023, a decrease of $13.3 million from the prior year. The decrease was primarily related to revenue received through the Higher Education Emergency Relief Fund (HEERF), found in Section 18004 of the Coronavirus Aid, Relief, and Economic Security (CARES) Act, which provided funding to institutions of higher education in response to the COVID-19 global pandemic. HEERF revenues were $1.1 million in Fiscal 2023 and $15.9 million in Fiscal 2022.

Non-operating revenues are presented net of non-operating expenses (interest on capital asset debt), which decreased slightly to $1.6 million in 2023 from $1.7 million in 2022.

Expenses

The following table presents the College's operating expenses by function for fiscal years 2024, 2023 and 2022 (in millions of dollars):

	2024	2023	2022	Change 2024-23	Change 2023-22
Operating Expenses					
Instruction	$ 78.7	$ 75.1	$ 73.1	$ 3.6	$ 2.0
Community services	1.1	1.1	1.0	-	0.1
Academic support	30.1	28.6	29.4	1.5	(0.8)
Student services	20.0	18.9	17.9	1.1	1.0
Institutional support	32.2	34.4	43.0	(2.2)	(8.6)
Student financial aid	7.2	9.0	6.6	(1.8)	2.4
Plant and maintenance	12.7	11.8	12.3	0.9	(0.5)
Auxiliary	12.5	13.1	11.2	(0.6)	1.9
Depreciation and amortization	21.5	18.9	15.8	2.6	3.1
Total Operating Expenses	$ 216.0	$ 210.9	$ 210.3	$ 5.1	$ 0.6

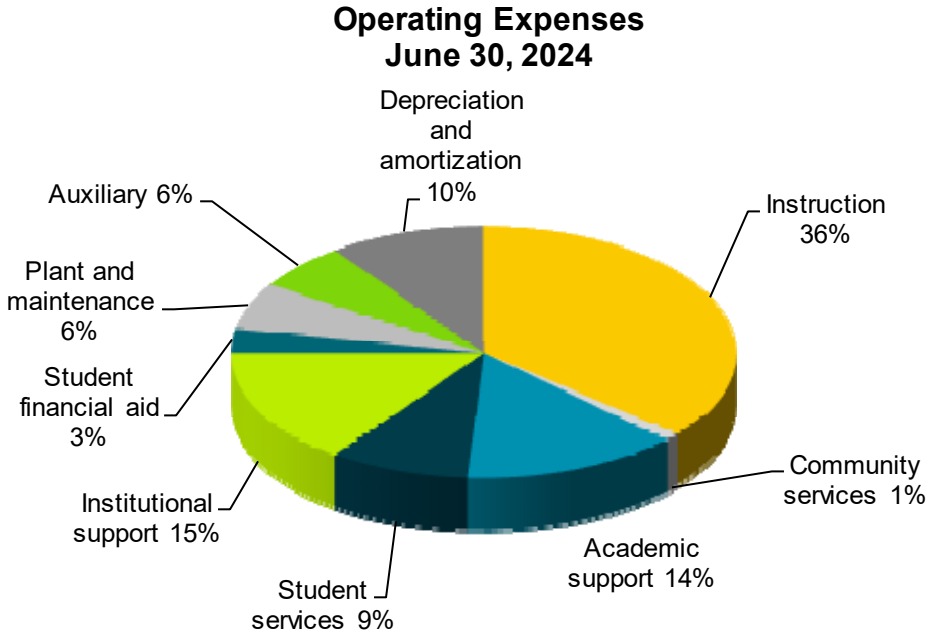
Fiscal Year 2024 Compared to Fiscal Year 2023

Total operating expenses for fiscal 2024 were $216 million, an increase of $5.1 million compared to fiscal 2023.

The increase in instruction costs is primarily related to increases in salaries and benefits for faculty members.

Institutional Support expenses decreased to $32.2 million in fiscal year 2024 from $34.4 million in fiscal year 2023, primarily due to additional employee benefits paid out in fiscal year 2023.

The increase in depreciation expense is consistent with the increase in cost of depreciable capital assets in fiscal 2024 compared to fiscal 2023.



A pie charts depicts the sources of Operating Expenses for the year ending June 30, 2024 as percentages of the total. The sources of Operating Expenses for fiscal year 2024 are as follows: Instruction, 36%; Community services, 1%; Academic support, 14%; Student services, 9%; Institutional support, 15%; Student financial aid, 3%; Plant and maintenance, 6%; Auxiliary, 6%; and Depreciation and amortization, 10%.

Fiscal Year 2023 Compared to Fiscal Year 2022

Total operating expenses for fiscal 2023 were $210.9 million, an increase of $0.6 million compared to fiscal 2022.

The increase in instruction costs is primarily related to increases in salaries and benefits for faculty members.

Institutional Support expenses decreased to $34.4 million in fiscal year 2023 from $43.0 million in fiscal year 2022, primarily due to a decrease in HEERF funded student support.

Auxiliary expenses increased consistent with increases in auxiliary revenues, specifically in the bookstore and dining services.

The increase in depreciation expense is consistent with the increase in cost of depreciable capital assets in fiscal 2023 compared to fiscal 2022 as well as the impact of the implementation of GASB 96 – Subscription - Based Information Technology Arrangements.

Statement of Capital Assets and Long-Term Debt

The College's Capital Assets and Long-Term Debt as of June 30, 2024, 2023 and 2022 were as follows (in millions of dollars):

	2024	2023	2022	Change 2024-23	Change 2023-22
Capital Assets					
Land	$ 2.0	$ 2.0	$ 1.0	$ -	$ 1.0
Construction in progress	14.8	43.6	23.9	(28.8)	19.7
Works of art	3.8	3.8	3.8	-	-
Land improvements	55.0	54.5	53.9	0.5	0.6
Buildings and improvements	356.6	309.1	303.2	47.5	5.9
Equipment	34.6	33.1	30.9	1.5	2.2
Leased buildings and improvements	1.4	1.3	1.5	0.1	(0.2)
Leased equipment	0.5	0.3	0.3	0.2	-
Subscriptions	11.3	7.2	5.9	4.1	1.3
Total Capital Assets	480.0	454.9	424.4	25.1	30.5
Less accumulated depreciation	219.9	204.0	189.6	15.9	14.4
Less accumulated amortization	5.4	2.9	0.5	2.5	2.4
Net Capital Assets	$ 254.7	$ 248.0	$ 234.3	$ 9.2	$ 16.1

	2024	2023	2022	Change 2024-23	Change 2023-22
Long-Term Debt					
Revenue bonds	$ 6.9	$ 8.5	$ 10.0	$ (1.6)	$ (1.5)
Certificates of participation	44.0	46.3	48.6	(2.3)	(2.3)
Total Long-Term Debt	$ 50.9	$ 54.8	$ 58.6	$ (3.9)	$ (3.8)

Fiscal Year 2024 Compared to Fiscal Year 2023

As of June 30, 2024, the College had $480 million invested in capital assets and $225.3 million in accumulated depreciation and amortization, for total net capital assets of $254.7 million. The decrease in construction in progress during fiscal 2024 was primarily the result of the renovation of science laboratory and classroom spaces on campus being placed in service. Total net capital assets increased by $9 million in fiscal 2024.

Detailed information about the College's capital assets is presented in Note 3 to the financial statements.

The College's long-term debt decreased by $3.9 million in fiscal 2024 due to scheduled maturities. No new debt was issued during fiscal 2024.

As of June 30, 2024, the College's outstanding Series 2017 Certificates of Participation were rated Aa1 by Moody's Investors Services with a 'stable' outlook. The College's outstanding revenue bonds were rated AAA by Standard and Poor's Global Ratings with a 'stable' outlook.

Detailed information about the College's long-term debt obligations is presented in Note 4 to the financial statements.

Fiscal Year 2023 Compared to Fiscal Year 2022

As of June 30, 2023, the College had $454.9 million invested in capital assets and $206.9 million in accumulated depreciation and amortization, for total net capital assets of $248 million. The increase in construction in progress of $19.7 million during fiscal 2023 was primarily the result of renovation of science laboratory and classroom spaces on campus. In total, net capital assets increased by $16.5 million in fiscal 2023.

Detailed information about the College's capital assets is presented in Note 3 to the financial statements.

The College's long-term debt decreased by $3.8 million in fiscal 2023 due to scheduled maturities. No new debt was issued during fiscal 2023.

As of June 30, 2023, the College's outstanding Series 2017 Certificates of Participation were rated Aa2 by Moody's Investors Services with a 'stable' outlook. The College's outstanding revenue bonds were rated AA+ by Standard and Poor's Global Ratings with a 'stable' outlook.

Detailed information about the College's long-term debt obligations is presented in Note 4 to the financial statements.

Current Issues

The College's Board of Trustees passed a $190.4 million general fund operating budget for fiscal year 2025. The Board of Trustees voted to reduce the College's tax levy rate to 8.111 mills per thousand. However, property tax revenue is expected to increase year over year due to continued growth in assessed valuation in Johnson County, Kansas.

After keeping student tuition rates flat per credit hour in fiscal 2024, tuition rates were increased by 4% across the board for fiscal year 2025.

Management is not aware of any other currently known facts, decisions, or conditions that would have a significant impact on the College's financial position (net position) or results of operations (revenues, expenses, and other changes in net position).

Economic Factors That Will Affect the Future

Revenues from county property taxes represent 54% of the College's operating and non-operating revenues. The College administration continues to monitor residential and commercial property values and economic activity in Johnson County, Kansas to estimate the future funding impact on the College.

The unemployment rate of Johnson County, Kansas generally impacts the College's student credit hour enrollment. The College administration continues to monitor the local economy and employment trends to estimate the future funding impact on the College.

The College administration continues to monitor the State of Kansas budget and legislative actions to estimate the future funding impact on the College's budget.

Contacting Financial Management

This financial report is designed to provide a general overview of Johnson County Community College's finances for all those with an interest and to demonstrate the College's accountability for the resources it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Financial Services Department, Johnson County Community College, 12345 College Boulevard, Overland Park, Kansas 66210, (913) 469-8500.

Johnson County Community College

Statements of Net Position
June 30, 2024 and 2023

	2024	2023
ASSETS		
Current Assets		
Cash and cash equivalents	**$ 14,238,147**	$ 19,879,381
Investments	**124,556,096**	145,434,030
Accounts receivable, net of uncollectible accounts 2024 $2,068,717; 2023 $2,004,512	**9,364,486**	6,414,233
Inventories	**807,687**	597,721
Other assets	**272,756**	184,218
Total Current Assets	**149,239,172**	172,509,583
Noncurrent Assets		
Investments	**38,351,887**	-
Restricted investments	**18,804,546**	16,423,719
Capital assets not being depreciated	**20,576,207**	49,352,300
Capital assets being depreciated, net	**226,210,277**	192,729,567
Right to use leased assets, net	**769,553**	817,688
Right to use subscription assets, net	**7,136,892**	5,049,186
Total Noncurrent Assets	**311,849,362**	264,372,460
Total Assets	**461,088,534**	436,882,043
Deferred Outflows of Resources	**2,038,355**	1,746,932

Statements of Net Position
(Continued)
June 30, 2024 and 2023

	2024	2023
LIABILITIES		
Current Liabilities		
Accounts payable	**4,059,259**	3,925,187
Accrued salaries	**3,897,204**	3,880,766
Current portion of accrued compensated absences	**1,669,817**	1,874,263
Other accrued liabilities	**588,058**	639,304
Unearned student tuition and fee revenue	**3,174,079**	2,756,510
Unearned revenue	**-**	1,160,554
Deposits held in custody for others	**1,034,924**	997,333
Current portion of lease liability	**353,820**	310,764
Current portion of subscription liability	**2,732,204**	2,144,386
Current portion of revenue bonds payable	**1,530,000**	1,465,000
Current portion of certificates of participation	**2,290,000**	2,180,000
Current portion of OPEB liability	**279,000**	279,000
Total Current Liabilities	**21,608,365**	21,613,067
Noncurrent Liabilities		
Accrued compensated absences	**2,897,868**	2,971,998
Lease liability	**453,146**	553,045
Subscription liability	**3,699,624**	2,560,100
Revenue bonds payable	**5,382,337**	7,039,641
Certificates of participation	**41,667,361**	44,132,158
Net pension liability	**1,051,312**	352,126
OPEB liability	**3,624,434**	3,572,485
Total Noncurrent Liabilities	**58,776,082**	61,181,553
Total Liabilities	**80,384,447**	82,794,620
Deferred Inflows of Resources	**2,270,708**	2,774,082
NET POSITION		
Net investment in capital assets	**194,321,631**	185,760,885
Restricted, expendable for:		
Capital projects	**13,403,065**	12,282,346
Loan funds and other	**5,294,116**	4,139,572
Unrestricted	**167,452,922**	150,877,470
Total Net Position	**$ 380,471,734**	$ 353,060,273

Johnson County Community College

Johnson County Community College Foundation - Component Unit

Statements of Financial Position
June 30, 2024 and 2023

ASSETS	**2024**	2023
Cash and cash equivalents	**$ 3,318,782**	$ 1,402,048
Promises to give, net	**-**	5,900
Other receivable	**59,022**	-
Accrued interest receivable	**142,403**	92,356
Investments	**40,592,087**	37,621,567
Inventory	**13,982**	8,755
Campus artwork	**7,775,798**	6,829,982
Prepaid expenses	**5,600**	
Other assets	**43,353**	58,654
Cash surrender value of life insurance	**12,798**	11,565
Intangible assets	**19,098**	22,917
Total Assets	**51,982,923**	46,053,744
LIABILITIES		
Accounts payable	**78,709**	98,106
Total Liabilities	**78,709**	98,106
NET ASSETS		
Without donor restrictions	**9,207,302**	7,240,274
With donor restrictions	**42,696,912**	38,715,364
Total Net Assets	**51,904,214**	45,955,638
Total Liabilities and Net Assets	**$ 51,982,923**	$ 46,053,744

See Notes to Financial Statements.

Johnson County Community College

Statements of Revenues, Expenses and Changes in Net Position
Years Ended June 30, 2024 and 2023

	2024	2023
REVENUES		
Operating Revenues		
Student tuition and fees, net of scholarship allowances and uncollectible accounts 2024 $8,646,191; 2023 $5,151,910	**$ 28,792,900**	$ 29,731,871
State grants and contracts	**4,140,160**	828,041
Private gifts, grants and contracts	**874,019**	673,188
Local grants and contracts	**62,682**	38,919
Auxiliary enterprises	**6,930,890**	7,682,052
Other operating revenue	**4,609,635**	5,694,720
Total Operating Revenues	**45,410,286**	44,648,791
EXPENSES		
Operating Expenses		
Salaries	**100,401,624**	99,669,255
Benefits	**45,945,960**	46,097,337
Contractual services	**10,650,612**	8,811,423
Supplies and other operating expenses	**18,132,461**	17,008,698
Auxiliary enterprises	**3,276,235**	4,885,090
Utilities	**3,413,533**	3,413,618
Repairs and maintenance to plant	**3,281,232**	2,804,992
Scholarships and financial aid	**9,349,011**	9,914,153
Depreciation and amortization	**21,510,109**	18,341,931
Total Operating Expenses	**215,960,777**	210,946,497
Operating Loss	**(170,550,491)**	(166,297,706)
NON-OPERATING REVENUES (EXPENSES)		
County property taxes	**129,320,504**	121,733,771
State appropriations	**40,852,233**	39,836,748
Federal grants and contracts	**17,988,157**	15,604,333
Investment income	**7,878,307**	3,795,285
Interest on capital asset debt	**(1,514,899)**	(1,656,852)
Total Nonoperating Revenues, Net	**194,524,302**	179,313,285
Income Before Capital Appropriations and Gifts	**23,973,811**	13,015,579
CAPITAL APPROPRIATIONS AND GIFTS		
Capital gifts and grants	**3,437,650**	1,089,282
Total Capital Appropriations and Gifts	**3,437,650**	1,089,282
Increase in Net Position	**27,411,461**	14,104,861
Net Position at Beginning of Year	**353,060,273**	338,955,412
Net Position at End of Year	**$ 380,471,734**	$ 353,060,273

See Notes to Financial Statements.

Johnson County Community College

Johnson County Community College Foundation - Component Unit
Statement of Activities
Year Ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Contributions of cash and other financial assets	$ -	$ 3,793,847	$ 3,793,847
Special events	-	805,112	805,112
Contributed services	887,313	-	887,313
Gifts in kind and donated facilities	711,450	191,402	902,852
Dividend and interest income	313,260	681,116	994,376
Net realized and unrealized gains on investments	1,006,220	3,260,883	4,267,103
Net assets released from restrictions	4,750,812	(4,750,812)	-
Total Support and Revenue	7,669,055	3,981,548	11,650,603
EXPENSES			
Program expenses			
Scholarship programs	1,862,453	-	1,862,453
Foundation programming	173,423	-	173,423
Performing arts programs	489,421	-	489,421
Visual arts programs	262,406	-	262,406
Capital projects	1,019,415	-	1,019,415
Educational program support	449,450	-	449,450
Other project support	18,925	-	18,925
Total Program Expenses	4,275,493	-	4,275,493
Supporting Services			
Fundraising	559,012	-	559,012
Cost of direct benefit to donors	272,132		272,132
Management and general	595,390	-	595,390
Total Supporting Services	1,426,534	-	1,426,534
Total Expenses	5,702,027	-	5,702,027
Change in Net Assets	1,967,028	3,981,548	5,948,576
Net Assets - Beginning of Year	7,240,274	38,715,364	45,955,638
Net Assets - End of Year	$ 9,207,302	$ 42,696,912	$ 51,904,214

See Notes to Financial Statements.

Johnson County Community College

Johnson County Community College Foundation - Component Unit
Statement of Activities
Year Ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Contributions of cash and other financial assets	$ -	$ 4,063,827	$ 4,063,827
Special events	-	545,774	545,774
Contributed services	803,905	-	803,905
Gifts in kind and donated facilities	612,480	508,039	1,120,519
Dividend and interest income	251,276	657,486	908,762
Net realized and unrealized gains on investments	661,507	2,396,620	3,058,127
Net assets released from restrictions	4,541,498	(4,541,498)	-
Total Support and Revenue	6,870,666	3,630,248	10,500,914
EXPENSES			
Program expenses			
Scholarship programs	1,536,231	-	1,536,231
Foundation programming	12,850	-	12,850
Performing arts programs	478,114	-	478,114
Visual arts programs	576,621	-	576,621
Capital projects	999,937	-	999,937
Educational program support	677,932	-	677,932
Other project support	15,211	-	15,211
Total Program Expenses	4,296,896	-	4,296,896
Supporting Services			
Fundraising	520,385	-	520,385
Cost of direct benefit to donors	267,395		267,395
Management and general	489,465	-	489,465
Total Supporting Services	1,277,245	-	1,277,245
Total Expenses	5,574,141	-	5,574,141
Change in Net Assets	1,296,525	3,630,248	4,926,773
Net Assets - Beginning of Year	5,943,749	35,085,116	41,028,865
Net Assets - End of Year	$ 7,240,274	$ 38,715,364	$ 45,955,638

See Notes to Financial Statements.

Johnson County Community College

Statements of Cash Flows
Years Ended June 30, 2024 and 2023

	2024	2023
CASH FLOWS (USED IN) OPERATING ACTIVITIES		
Student tuition and fees	**$ 28,435,502**	$ 28,843,895
Payments to suppliers	**(32,414,290)**	(29,226,839)
Payments to employees	**(100,385,186)**	(99,991,681)
Payments for scholarships and financial aid	**(9,349,011)**	(9,914,153)
Payments for employee benefits	**(46,268,198)**	(49,109,873)
Payments for utilities	**(3,589,809)**	(3,257,982)
Auxiliary enterprises	**3,517,625**	3,177,161
Grants and contracts	**4,697,941**	1,602,722
Other receipts, net	**4,183,886**	5,436,222
Net Cash (Used in) Operating Activities	**(151,171,540)**	(152,440,528)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
County property taxes	**128,671,452**	123,046,808
State appropriations	**40,852,233**	39,836,748
Grants and contracts	**19,178,141**	15,536,853
Funds held for others	**37,591**	636,137
Net Cash From Non-Capital Financing Activities	**188,739,417**	179,056,546
CASH FLOWS (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchases of capital assets	**(22,794,354)**	(32,509,083)
Proceeds from the sale of capital assets	**-**	29,206
Proceeds from capital gifts and grants	**1,019,415**	2,249,836
Interest paid on leases	**(37,334)**	(40,085)
Payments made for leases	**(367,476)**	(495,657)
Interest paid on subscriptions	**(74,562)**	(43,098)
Payments made for subscriptions	**(2,854,561)**	(2,451,889)
Principal paid on bonds payable	**(1,465,000)**	(1,410,000)
Principal paid on certificates of participation	**(2,180,000)**	(2,070,000)
Interest paid on bonds payable	**(179,096)**	(204,114)
Interest paid on certificates of participation	**(1,560,248)**	(1,704,253)
Net Cash (Used in) Capital and Related Financing Activities	**(30,493,216)**	(38,649,137)
CASH FLOWS (USED IN) INVESTING ACTIVITIES		
Purchase of investments	**(183,477,675)**	(121,417,242)
Proceeds from sale of investments	**164,480,186**	135,299,216
Interest on investments	**6,281,594**	2,749,035
Net Cash (Used In) Investing Activities	**(12,715,895)**	16,631,009
Increase in Cash and Cash Equivalents	**(5,641,234)**	4,597,890
Cash and Cash Equivalents - Beginning of Year	**19,879,381**	15,281,491
Cash and Cash Equivalents - Ending of Year	**$ 14,238,147**	$ 19,879,381

(Continued)

Johnson County Community College

Statements of Cash Flows (Continued)
Years Ended June 30, 2024 and 2023

	2024	2023
RECONCILIATION OF OPERATING (LOSS) TO NET CASH (USED IN) OPERATING ACTIVITIES		
Operating (loss)	**$ (170,550,491)**	**$ (166,297,706)**
Adjustments to reconcile operating (loss) to net cash (used in) operating activities:		
Depreciation and amortization expense	**21,510,109**	18,341,931
Changes in assets and liabilities:		
Accounts receivable, net	**(1,494,081)**	(1,237,376)
Other assets	**(88,538)**	57,633
Inventories	**(209,966)**	471,635
Accounts payable	**(433,335)**	(513,459)
Accrued salaries	**16,438**	(322,426)
Accrued compensated absences	**(278,576)**	(2,698,733)
Other accrued liabilities	**(17,007)**	20,497
Net pension liability	**699,186**	76,848
Unearned student tuition and fee revenue	**417,569**	51,279
OPEB liability	**51,949**	85,437
Deferred outflows of resources	**(291,423)**	(799,788)
Deferred inflows of resources	**(503,374)**	323,700
Net Cash (Used in) Operating Activities	**$ (151,171,540)**	$ (152,440,528)
Schedule of Noncash Capital and Related Items,		
Accounts payable and other liabilities related to capital asset acquisitions	**$ 2,370,171**	**$ 1,802,763**
Additions of right to use assets and lease liabilities	**$ 310,633**	**$ 112,497**
Additions of right to use assets and subscription liabilities	**$ 4,581,903**	**$ 1,257,283**

See Notes to Financial Statements.

Johnson County Community College
Retiree Benefit Trust
Statements of Fiduciary Net Position
June 30, 2024 and 2023

	2024	2023
ASSETS		
Cash restricted for employee health benefits	**$ 1,714,819**	$ 2,211,275
Total Assets	**1,714,819**	2,211,275
NET POSITION		
Held in trust for employee health benefits	**$ 1,714,819**	$ 2,211,275

See Notes to Financial Statements.

Johnson County Community College
Retiree Benefit Trust
Statements of Changes in Fiduciary Net Position
June 30, 2024 and 2023

	2024	2023
ADDITIONS		
Contributions		
Employer	**$ -**	$ 912,319
Total contributions	**-**	912,319
DEDUCTIONS:		
Benefit payments	**496,456**	454,600
Total deductions	**496,456**	454,600
Change in net position	**(496,456)**	457,719
Net Position, Beginning of Year	**2,211,275**	1,753,556
Net Position, End of Year	**$ 1,714,819**	$ 2,211,275

See Notes to Financial Statements.

Note 1. Organization and Summary of Significant Accounting Policies

The Johnson County Community College (the College) taxing district includes all of Johnson County, Kansas, which is located immediately west of Kansas City, Missouri, and immediately south of Kansas City, Kansas. The College was organized and established in 1967 under the provisions of then Section 72-6901 et seq. of Kansas Statutes Annotated (now K.S.A. 71-201 et seq.). The College is governed by a Board of Trustees of seven members, all being elected at large. The College is a public two-year community college offering a comprehensive curriculum with liberal arts and sciences, as well as vocational and technical programs for credit and noncredit students from Johnson County and surrounding communities.

The accounting policies of the College conform to accounting principles generally accepted in the United States of America as applicable to public colleges and universities. The following is a summary of the more significant policies.

Reporting entity:

As defined by accounting principles generally accepted in the United States of America established by GASB, the financial reporting entity consists of the College, as well as its discretely presented component unit, the Johnson County Community College Foundation (the Foundation) and its fiduciary fund, the Johnson County Community College Retiree Benefit Trust.

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 that acts primarily as a fundraising organization to supplement the resources that are available to the College in support of its programs. Two members of the College's Board of Trustees and the President of the College serve on the 35-member Board of Directors of the Foundation. The other five members of the College's Board of Trustees serve as members of the Foundation. In addition, the directors of the Foundation approve the election of the additional Foundation members, not to exceed 250 members. 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 restricted to the activities of the College by the donors. Because these restricted resources held by the Foundation can only be used by, or for the benefit of, the College, the College has determined it would be misleading to exclude the Foundation which is considered a component unit of the College and is discretely presented in the College's financial statements. During the years ended June 30, 2024 and 2023, the College received direct contributions from the Foundation of $4,273,822 and $4,292,952, respectively. Contributions are included in the statement of revenues, expenses and changes in net position in the private gifts, grants and contracts line, in the other operating revenue line in the operating revenues section, and in the capital gifts line in the capital appropriations and gifts section.

The Foundation is reported in separate financial statements because of the difference in its reporting model, as further described below:

The Foundation is a private not-for-profit organization that reports its financial results under FASB standards. Most significant to the Foundation's operations and reporting model are FASB Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*, 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 11) to the Foundation's financial statements have been incorporated into the College's notes to the financial statements.

Note 1. Organization and Summary of Significant Accounting Policies (Continued)

Financial statements for the Foundation can be obtained by calling the Foundation at 913-469-3835.

Measurement focus, basis of accounting and financial statement presentation:

The College's basic 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 material or services not received during the year. Encumbrances at June 30, 2024 and 2023 were $8,221,076 and $14,445,607, respectively, which represent 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 and 2023 do not constitute expenses or liabilities and are not reflected in these basic financial statements.

The financial statements of the College are prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. The Government Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards, which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units.

Property taxes:

The County Treasurer is the tax collection agent for all taxing entities within the county. Valuations are established and taxes are assessed on a calendar year basis. Taxes are levied and become a lien on the property on November 1st in the year of assessment and are revenue for the fiscal year ending on the following June 30.

Taxes levied on November 1 become due and payable, generally on the following December 20 and May 10, followed by major distributions to the taxing units on January 20 and June 5. Smaller distributions are made to taxing units in March, September and October each year. Substantially all tax revenues applicable to the preceding calendar year are received by the College by each June 30. Property taxes are recognized as revenue in the period for which the taxes are levied. The College received approximately 54% of its financial support (exclusive of investment activity) from property taxes during the years ended June 30, 2024 and 2023, respectively.

The tax rates for the fiscal years ended June 30, 2024 and 2023, expressed in mills per $1,000 of assessed valuation, are reflected in the following table:

	2024	2023
Fund		
General	7.610	8.096
Capital outlay	0.501	0.501
Special assessment	0.020	0.020
Total Mill Levy	8.131	8.617

Note 1. Organization and Summary of Significant Accounting Policies (Continued)

Federal grants and state appropriations:

Funds from federal grants are recognized as revenue when eligibility requirements are met. Funds from state appropriations consist primarily of state grants and payments made by the state to the Kansas Public Employees Retirement System (KPERS) on behalf of the College. For state grants, the funds are recognized when eligibility requirements are met. The College recognizes the contributions made to KPERS by the state on behalf of the College as revenues and expenses in the Statements of Revenue, Expenses and Changes in Net Position (See Notes 5 and 6).

Student tuition and fees, net of scholarship allowances:

Student tuition and fee revenue is earned over the length of the course. Unearned revenue represents student tuition and fees received before year-end which relate to subsequent periods. Student tuition and fees revenues are reported net of certain scholarship allowances in the Statements of Revenues, Expenses and Changes in Net Position.

Scholarship allowances and student aid:

Certain federal financial aid grants to students are reported as federal grants and contracts in non-operating revenue in the financial statements as prescribed by the National Association of College and University Business Officers (NACUBO) through its advisory reports, 2005-05 and 2023-01. Scholarship allowances are the difference between the stated charge for goods and services provided by the College and the amount that is paid by students and/or third parties making payments on the students' behalf. Since certain of these grants, including Pell and Supplement Educational Opportunity Grants (SEOG), are for the payment of students' tuition and fees, a like amount is reported as scholarship allowance or if the grant exceeds tuition, excess aid is distributed to students as student aid expense which is reported as an operating expense in the financial statements. Federal Work-Study grant expenses are reported as operating expenses as students work for compensation. Certain other student aid sources (loans, funds provided to students as awarded by third parties and Federal Direct Lending) are paid directly to the students or credited to the students' account and do not impact revenues or expenses reported in the financial statements.

Per NACUBO Advisory Report 2023-01, NACUBO no longer supports the calculation method prescribed in advisory report 2005-05 and as used by the College previously. New calculation methods were presented in advisory 2023-01 that allow for a more accurate calculation of scholarship allowance and student aid expense. For fiscal year ending June 30, 2024, the College has adopted one of the new methods presented in advisory report 2023-01. Per GASB Statement No. 100, Accounting Changes and Error Corrections, an amendment of GASB Statement No. 62, this change is to be applied prospectively.

Operating and nonoperating activities:

Operating activities, as reported in the statement of revenues, expenses and changes in net position, have the characteristics of exchange transactions, such as payments received for providing services and payments made for services or goods received. Operating revenues include student tuition and fees, net of scholarship discounts and allowances; sales and services of auxiliary enterprises, net of cost of goods sold; and certain federal, state and local grants and contracts. Nonoperating activities have the characteristics of non-exchange transactions, including certain Federal grants such as Pell grants and SEOG grants, state appropriations, property taxes and investment earnings.

Note 1. Organization and Summary of Significant Accounting Policies (Continued)

Cash and cash equivalents:

Cash and cash equivalents include deposits held at banks and all highly liquid instruments purchased with an original maturity of three months or less, plus small amounts of cash maintained for change funds.

Investments:

It is the College's policy to invest in obligations of the U.S. Treasury, repurchase agreements, bank certificates of deposit, the Kansas Municipal Investment Pool and other instruments authorized by Kansas statutes. Investments in bank certificates of deposit are carried at cost and investments in the Kansas Municipal Investment Pool are carried at net asset value, which approximates fair value. There are no restrictions on the redemption of the funds as the strategy of the funds is to provide liquidity with an investment return. Investments other than bank certificates of deposit, repurchase agreements, and the Kansas Municipal Investment Pool are reported at fair value. Fair value is determined using quoted market prices or other observable inputs. The College's investments are limited to an original maturity of two years or less. There were no unfunded commitments for the years ending June 30, 2024 or June 30, 2023.

Accounts receivable:

Accounts receivable consists primarily of property taxes receivable and enrollment receivables. Accounts receivable are carried at the unpaid balance of the original amount billed to students. Both property tax and enrollment receivables are net of an allowance for doubtful accounts. Management determines the allowance for doubtful accounts by calculating a specific percent reserve on accounts based on historical experience. Property tax and enrollment receivable are written off when deemed uncollectible. Recoveries of property tax and enrollment previously written off are recorded as revenue when received.

Inventories:

Inventories consist primarily of items held for resale by the bookstore and supply inventories which are stated at the lower of cost (determined on a first-in, first-out basis) or market. The costs are recorded as expenses as the inventories are consumed.

Capital assets:

Capital assets include property, plant, equipment, land improvements such as roads and sidewalks, and works of art. Capital assets are defined by the College as assets with an initial unit cost of $5,000 or more with an estimated useful life of two years or more. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition 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 improvements are capitalized as projects are constructed.

The College has elected not to capitalize its collection of library books. This collection adheres to the College's policy to (a) maintain them for public exhibition, education or research; (b) protect, keep unencumbered, care for, and preserve them; and (c) require proceeds from their sale to be used to acquire other collection items.

Works of art are stated at cost, or if donated, at acquisition value at the date of the donation. The College does not depreciate artwork, as management believes the value of such has not diminished.

Note 1. Organization and Summary of Significant Accounting Policies (Continued)

Capital assets of the College are depreciated using the straight-line method over the following useful lives (see Note 3 for further detail).

	Years
Buildings	40
Building improvements	15
Land improvements	10
Furniture	10
Equipment	5
Technology	4

Leasing arrangements:

For arrangements where the College is a lessee, a lease liability and a right to use (RTU) intangible asset are recognized at the commencement of the lease term. RTU assets represent the College's right to use an underlying asset for the lease term and lease liabilities represent the College's obligation to make lease payments arising from the lease. RTU assets and lease liabilities are recognized at the lease commencement date based on the estimated present value of lease payments over the lease term.

The College uses the average interest rate from the most recent bond issuance to calculate the present value of lease payments when the rate implicit in the lease is not known. For leases entered into after June 30, 2023, the College uses an incremental borrowing rate derived from an applicable market rate and a credit spread using its lowest credit rating and based on market data points as of the most recent quarter end as compared to the lease agreement's commencement date. The College includes lease extension and termination options in the lease term if, after considering relevant economic factors, it is reasonably certain the College will exercise the option. The College has elected to combine lease and nonlease components for all lease contracts and has not recognized RTU assets and lease liabilities for leases with terms for 12 months or less.

The College had no arrangements wherein it was the lessor during fiscal year 2024 or 2023.

Subscription-based information technology arrangements:

Effective July 1, 2022, the College implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)* (GASB 96), which requires retroactive application, if practicable. The implementation of GASB 96 required the College to record the addition of right to use intangible assets and SBITA liabilities in the amount of $5,899,092 for SBITAs entered into during the year ended June 30, 2022 and prior.

For arrangements where the College is a subscriber, a subscription liability and a right to use (RTU) intangible asset are recognized at the commencement of the subscription term. RTU assets represent the College's right to use an underlying asset for the subscription term and subscription liabilities represent the College's obligation to make subscription payments arising from the arrangement. RTU assets and subscription liabilities are recognized at the subscription commencement date based on the estimated present value of the subscription payments over the subscription term.

Note 1. Organization and Summary of Significant Accounting Policies (Continued)

The College uses an incremental borrowing rate derived from an applicable market rate and a credit spread using its lowest credit rating and based on market data points as of the most recent quarter end as compared to the subscription agreement's commencement date.

Deferred inflows and outflows of resources:

In addition to assets, the Statements of Net Position include a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to a future period and will not be recognized as an expense until the future period.

The College reports deferred outflows of resources related to pensions as described in Note 5. The College reports deferred outflows of resources related to postemployment benefits as described in Note 6.

In addition to liabilities, the Statements of Net Position include a separate section for deferred inflows of resources. This separate financial element represents an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources until then. The College's deferred inflows of resources include deferred inflows of resources related to pensions and OPEB as described in Notes 5 and 6, respectively.

Compensated absences:

The College records a liability for employees' vacation leave earned but not taken. Employees are allowed to carry over a limited number of vacation days from year to year. At June 30, 2024 and 2023, the College had recorded a vacation liability of $4,567,684 and $4,603,518, respectively.

Sick leave benefits expected to be realized as paid time off are recognized as expense when the time off occurs, and no liability is accrued for such benefits that employees have earned but not yet realized as these benefits do not vest.

On July 1, 2019, the College implemented a new benefit for employees meeting certain criteria and who are eligible to retire under the Kansas Public Employees Retirement System. Payments are based on accrued sick leave and years of service. At June 30, 2024 and 2023, the College had recorded a retirement benefit liability of $0 and $242,743, respectively. This benefit ended on June 30, 2023.

Net position:

Net position is presented in three major categories. The first is net investment in capital assets, which represents the College's investment in its capital assets, net of debt used to acquire or construct the capital assets. The second is restricted, and the third is unrestricted.

Restricted net position represents funds that are subject to externally imposed stipulations 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 is available to be spent by the College after externally imposed stipulations have been fulfilled or after the passage of time. Restricted nonexpendable net position is endowments for which only the earnings can be spent. The College had no restricted nonexpendable net position at June 30, 2024 and 2023.

Note 1. Organization and Summary of Significant Accounting Policies (Continued)

Unrestricted net position is available to the College for any lawful purpose that is not subject to externally imposed stipulations. The College first applies restricted sources when an expense or outlay is incurred for purposes for which both restricted and unrestricted sources are available.

Use of estimates:

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

Note 2. Deposits, Investments and Risk

Deposits:

Deposits, depending on the source of receipts, are pooled, except when legal requirements dictate the use of separate accounts. The carrying amount of the College's deposits at June 30, 2024 and 2023 are reflected in the following table at cost. Actual bank statement balances for total deposits at June 30, 2024 and 2023 were $15,918,477 and $20,354,124, respectively. The difference between carrying amounts and bank balances primarily represents checks which had not cleared the bank and deposits in transit. The deposit balances and cash float from outstanding checks are deposited in interest-bearing accounts.

	2024	2023
Deposits with financial institutions:		
Cash and cash equivalents	$ 14,218,725	$ 16,587,593
Certificates of Deposit:		
Commerce Bank	5,123,038	26,093,833
Total deposits with financial institutions	19,341,763	42,681,426
Amounts that are not deposits but are classified as cash and cash equivalents:		
Kansas Municipal Investment Pool	19,422	291,788
Less deposits classified as investments:		
Certificates of Deposit	(5,123,038)	(23,093,833)
Total cash and cash equivalents	$ 14,238,147	$ 19,879,381

Custodial credit risk:

Custodial credit risk is the risk that, in the event of a bank failure, an entity's deposits may not be returned to it. The College's deposit policy for custodial credit risk exceeds the provisions of state law by requiring depository banks to pledge qualified securities with a market value equal to 105% of deposits in excess of FDIC coverage.

The College had no bank balances exposed to custodial credit risk at June 30, 2024 and 2023. State law requires collateralization of all deposits with federal depository insurance; bonds and other obligations of the U.S. Treasury, U.S. agencies or instrumentalities of the state of Kansas; bonds of any city, county, school district or special road district of the state of Kansas; bonds of any state; or a surety bond having an aggregate value at least equal to the amount of the deposits.

Note 2. Deposits, Investments and Risk (Continued)

The custodial credit risk for investments is the risk that in the event of the failure of the counterparty to the transaction the College will not be able to recover the value of its investments or collateral securities that are in the possession of another party. Of the investments subject to custodial credit risk, all are sufficiently collateralized. The College had no investments exposed to custodial credit risk at June 30, 2024 and 2023.

Investments:

Funds available for investment are pooled to maximize return and minimize administrative cost, except for funds authorized by the College administration to be separately invested or which are separately invested to meet legal requirements. It is the practice of the College that investments ordinarily be held to maturity at which time the par value of the investments will be realized. Current investments are securities with a remaining maturity of one year or less.

Kansas statute K.S.A. 12-1675 authorizes the College to invest in temporary notes, time deposits, open accounts, certificates of deposit, repurchase agreements, United States Treasury bills or notes, United States agency securities, and the Kansas Municipal Investment Pool (MIP).

The State of Kansas Pooled Money Investment Board operates the MIP, which is invested in accordance with state statutes. The MIP is available for investment of funds administered by any Kansas municipality. All funds deposited in the MIP are classified as investments even though some could be withdrawn on a day's notice.

Interest rate risk:

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. At June 30, 2024 and 2023, all investments classified as noncurrent on the College's Statement of Net Position had a maturity of between one and two years from the respective fiscal year end.

At June 30, 2024 and 2023, the College had investments in the Kansas Municipal Investment Pool – Overnight Pool, which mature in less than one year, of $19,422 and $291,788, respectively.

A summary of deposits and investments at June 30, 2024 and 2023 is as follows:

	2024	2023
Deposits:		
Cash and cash equivalents	$ 14,218,725	$ 19,587,593
Investments:		
Certificates of Deposit	5,123,038	23,093,833
Kansas Municipal Investment Pool	19,422	291,788
U.S. Treasury Bills	21,968,470	7,143,061
U.S. Treasury Notes	154,621,021	131,620,855
Total Deposits and Investments	$ 195,950,676	$ 181,737,130

Note 2. Deposits, Investments and Risk (Continued)

Credit risk:

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The investments in Treasury securities are not subject to credit risk and the Kansas Municipal Investment Pool is not rated.

Concentration of credit risk:

At June 30, 2024 and 2023, there were no investments that exceed 5% of total investments that were not explicitly guaranteed by the United States Government other than the certificates of deposit.

Fair Value Measurements:

The College categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. In accordance with GASB Statement No. 72, *Fair Value Measurement and Application*, the investments in the Kansas Municipal Investment Pool, certificates of deposit, and repurchase agreements are not required to be included in the fair value hierarchy. Level 2 investments noted below are valued at the closing price reported for similar assets on active markets.

Fair values of investments at June 30, 2024 are as follows:

	June 30, 2024			
	Level 1	Level 2	Level 3	Total
Investments:				
U.S. Treasury Bills	$ -	$ 21,968,470	$ -	$ 21,968,470
U.S. Treasury Notes	-	154,621,021	-	154,621,021
Total	$ -	$ 176,589,491	$ -	$ 176,589,491

Fair values of investments at June 30, 2023 are as follows:

	June 30, 2023			
	Level 1	Level 2	Level 3	Total
Investments:				
U.S. Treasury Bills	$ -	$ 7,143,061	$ -	$ 7,143,061
U.S. Treasury Notes	-	131,620,855	-	131,620,855
Total	$ -	$ 138,763,916	$ -	$ 138,763,916

Note 3. Capital Assets

The following tables present the changes in the various capital asset categories at June 30, 2024 and 2023:

	June 30, 2023 Ending Balance	Additions/ Transfers	Retirements	June 30, 2024 Ending Balance
Capital assets not being depreciated:				
Land	$ 2,008,850	$ -	$ -	$ 2,008,850
Construction in progress	43,550,698	12,713,949	(41,491,442)	14,773,205
Works of art	3,792,752	1,400	-	3,794,152
Total Assets not Being Depreciated	49,352,300	12,715,349	(41,491,442)	20,576,207
Capital assets being depreciated:				
Land improvements	54,548,962	418,939		54,967,901
Buildings and improvements	309,122,162	47,507,986		356,630,148
Equipment, furniture and technology	33,062,944	3,873,995	(2,301,736)	34,635,203
Total Assets Being Depreciated	396,734,068	51,800,920	(2,301,736)	446,233,252
Less accumulated depreciation:				
Land improvements	33,459,576	2,188,061		35,647,637
Buildings and improvements	145,522,938	12,833,371		158,356,309
Equipment, furniture and technology	25,021,987	3,272,747	(2,275,705)	26,019,029
Total Accumulated Depreciation	204,004,501	18,294,179	(2,275,705)	220,022,975
Right to use leased assets being amortized:				
Buildings and improvements	1,329,478	95,229	-	1,424,707
Equipment, furniture and technology	329,207	215,404	-	544,611
Total Assets Being Amortized	1,658,685	310,633	-	1,969,318
Less accumulated amortization:				
Buildings and improvements	648,959	254,801	-	903,760
Equipment, furniture and technology	192,038	103,967	-	296,005
Total Accumulated Amortization	840,997	358,768	-	1,199,765
Right to use subscription asset	7,156,375	4,797,999	(629,838)	11,324,536
Less accumulated amortization	2,107,189	2,710,293	(629,838)	4,187,644
Capital Assets, Net	$ 247,948,741	$ 48,261,661	$ (41,517,473)	$ 254,692,929

Note 3. Capital Assets (Continued)

	June 30, 2022 Ending Balance	Additions/ Transfers	Retirements	June 30, 2023 Ending Balance
Capital assets not being depreciated:				
Land	$ 1,028,265	$ 980,585	$ -	$ 2,008,850
Construction in progress	23,875,392	22,700,823	(3,025,517)	43,550,698
Works of art	3,792,752	-	-	3,792,752
Total Assets not Being Depreciated	28,696,409	23,681,408	(3,025,517)	49,352,300
Capital assets being depreciated:				
Land improvements	53,877,158	671,804	-	54,548,962
Buildings and improvements	303,286,897	5,835,265	-	309,122,162
Equipment, furniture and technology	30,867,571	3,545,259	(1,349,886)	33,062,944
Total Assets Being Depreciated	388,031,626	10,052,328	(1,349,886)	396,734,068
Less accumulated depreciation:				
Land improvements	31,238,744	2,220,832	-	33,459,576
Buildings and improvements	135,199,988	10,322,950	-	145,522,938
Equipment, furniture and technology	23,173,039	3,149,182	(1,300,234)	25,021,987
Total Accumulated Depreciation	189,611,771	15,692,964	(1,300,234)	204,004,501
Right to use leased assets being amortized:				
Buildings and improvements	1,277,889	51,589	-	1,329,478
Equipment, furniture and technology	268,299	60,908	-	329,207
Total Assets Being Amortized	1,546,188	112,497	-	1,658,685
Less accumulated amortization:				
Buildings and improvements	229,464	419,495	-	648,959
Equipment, furniture and technology	69,755	122,283	-	192,038
Total Accumulated Amortization	299,219	541,778	-	840,997
Right to use subscription asset	5,899,092	1,257,283	-	7,156,375
Less accumulated amortization	-	2,107,189	-	2,107,189
Capital Assets, Net	$ 234,262,325	$ 16,761,585	$ (3,075,169)	$ 247,948,741

Leases

The College has entered into lease agreements for space usage and equipment. The lease contracts expire at various dates through fiscal year ending June 30, 2029. The right to use assets are intangible assets and are recorded in capital assets as buildings and equipment as noted above. During the years ending June 30, 2024 and June 30, 2023, the College paid $404,810 and $535,742 in lease payments, respectively.

Subscription-based Information Technology Arrangements

The College has entered into subscription-based information technology arrangements (SBITAs) for certain software and other usage. These subscriptions expire with various dates through fiscal year ending June 30, 2029. The right to use assets are intangible assets and are recorded in capital assets as noted above. During the years ending June 30, 2024 and June 30, 2023, the College paid $3,145,219 and $2,494,987 in subscription payments, respectively.

Note 4. Long-Term Obligations

The following represents future minimum lease payments required under the lease arrangements as of June 30, 2024:

	Principal	Interest	Total
Fiscal Year:			
2025	$ 353,820	$ 22,512	$ 376,332
2026	300,241	10,180	310,421
2027	83,375	2,850	86,225
2028	65,740	1,221	66,961
2029	3,790	7	3,797
Total	$ 806,966	$ 36,770	$ 843,736

The following represents future minimum subscription payments required under the subscription arrangements as of June 30, 2024:

	Principal	Interest	Total
Fiscal Year:			
2025	$ 2,732,204	$ 102,841	$ 2,835,045
2026	2,186,711	86,393	2,273,104
2027	507,994	35,110	543,104
2028	496,717	23,234	519,951
2029	508,202	11,749	519,951
Total	$ 6,431,828	$ 259,327	$ 6,691,155

Long-term obligations consist of the following categories at June 30, 2024 and 2023:

Long-Term Obligations	July 1, 2023 Beginning Balance	Additions	Reductions	June 30, 2024 Ending Balance	Amounts Due Within One Year
Revenue Bonds:					
Series 2012	$ 995,000	$ -	$ (195,000)	$ 800,000	$ 200,000
Series 2019	6,930,000	-	(1,270,000)	5,660,000	1,330,000
Premium on Series 2012 Bonds	67,715	-	(13,544)	54,171	-
Premium on Series 2019 Bonds	511,926	-	(113,760)	398,166	-
Total Revenue Bonds	8,504,641	-	(1,592,304)	6,912,337	1,530,000
Certificates of Participation:					
Series 2017 COP	43,865,000	-	(2,180,000)	41,685,000	2,290,000
Premium on Series 2017 COP	2,447,158	-	(174,797)	2,272,361	-
Total Certificates of Participation	46,312,158	-	(2,354,797)	43,957,361	2,290,000
Other Long-term Liabilities:					
Lease Liability	863,809	310,632	(367,475)	806,966	353,820
Subscription Liability	4,704,486	4,581,903	(2,854,561)	6,431,828	2,732,204
Compensated Absences	4,846,261	1,259,280	(1,537,856)	4,567,685	1,669,817
Net Pension Liability	352,126	699,186	-	1,051,312	-
Net OPEB Obligation	3,851,485	367,487	(315,538)	3,903,434	279,000
Total Other Long-Term Liabilities	14,618,167	7,218,488	(5,075,430)	16,761,225	5,034,841
Total Long-Term Obligations	$ 69,434,966	$ 7,218,488	$ (9,022,531)	$ 67,630,923	$ 8,854,841

Long-Term Obligations	July 1, 2022 Beginning Balance	Additions	Reductions	June 30, 2023 Ending Balance	Amounts Due Within One Year
Revenue Bonds:					
Series 2012	$ 1,185,000	$ -	$ (190,000)	$ 995,000	$ 195,000
Series 2019	8,150,000	-	(1,220,000)	6,930,000	1,270,000
Premium on Series 2012 Bonds	81,259	-	(13,544)	67,715	-
Premium on Series 2019 Bonds	625,687	-	(113,761)	511,926	-
Total Revenue Bonds	10,041,946	-	(1,537,305)	8,504,641	1,465,000
Certificates of Participation:					
Series 2017 COP	45,935,000	-	(2,070,000)	43,865,000	2,180,000
Premium on Series 2017 COP	2,621,955	-	(174,797)	2,447,158	-
Total Certificates of Participation	48,556,955	-	(2,244,797)	46,312,158	2,180,000
Other Long-Term Liabilities:					
Lease Liability	1,246,969	112,497	(495,657)	863,809	310,764
Subscription Liability	5,899,092	1,257,283	(2,451,889)	4,704,486	2,144,386
Compensated Absences	7,544,994	728,794	(3,427,527)	4,846,261	1,874,263
Net Pension Liability	275,278	76,848	-	352,126	-
Net OPEB Obligation	3,766,048	364,437	(279,000)	3,851,485	279,000
Total Other Long-term Liabilities	18,732,381	2,539,859	(6,654,073)	14,618,167	4,608,413
Total Long-Term Obligations	$ 77,331,282	$ 2,539,859	$ (10,436,175)	$ 69,434,966	$ 8,253,413

Note 4. Long-Term Obligations (Continued)

Revenue Bonds:

Revenue bonds payable as of June 30, 2024 and 2023, consist of the following:

	2024	2023
Student Commons and Parking System Refunding Revenue Bonds, Series 2012, $5,135,000, interest is paid semiannually on May 15 and November 15 at interest rates of 2%	$ 800,000	$ 995,000
Premium on Series 2012 Revenue Bonds	54,171	67,715
Student Commons and Parking System Refunding Revenue Bonds, Series 2019, $8,565,000, interest is paid semiannually on May 15 and November 15 at interest rates of 2% to 4%	5,660,000	6,930,000
Premium on Series 2019 Revenue Bonds	398,166	511,926
Total Revenue Bonds Payable	6,912,337	8,504,641
Less current portion of revenue bonds payable	1,530,000	1,465,000
Noncurrent Revenue Bonds Payable	$ 5,382,337	$ 7,039,641

Revenue bonds are secured by the net revenues derived from the operation and ownership of the Student Commons and Parking System. Revenue bond rate covenants require the College to operate and maintain the Student Commons and Parking System in a manner which will generate net revenues in an amount not less than 110% of the amount required to meet both principal and interest on all outstanding revenue bonds (see Note 11). The College was in compliance with this covenant at June 30, 2024 and June 30, 2023.

In an event of default, the owners of 25% of the principal amount of the outstanding bonds may provide written notice to the College declaring the principal of all outstanding bonds to be due and payable immediately. Events of default for the revenue bonds include default by the College in payment of principal or interest on the bonds, default in the performance or observance of certain covenants, or if the College becomes insolvent.

Note 4. Long-Term Obligations (Continued)

Future annual maturities of revenue bonds payable are as follows:

	Principal	Interest	Total Revenue Bonds
Fiscal Year:			
2025	1,530,000	183,700	1,713,700
2026	1,580,000	125,500	1,705,500
2027	1,640,000	65,050	1,705,050
2028	1,710,000	17,100	1,727,100
Total Revenue Bonds	$ 6,460,000	$ 391,350	$ 6,851,350

Certificates of Participation:

Certificates of participation payable at June 30, 2024 and 2023, consist of the following:

	2024	2023
Facilities Master Plan Projects Certificates of Participation, Series 2017, $50,000,000 in obligations for facilities (capital cost of $54,304,216 before accumulated depreciation of $12,271,463 and $9,480,703 as of June 30, 2024 and 2023, respectively, 3.00% to 5.00%, aggregate payments of $68,341,844,including interest of $18,446,844)	$ 41,685,000	$ 43,865,000
Premium on Series 2017 Certificates of Participation	2,272,361	2,447,158
Total Certificates of Participation	43,957,361	46,312,158
Less current portion of certificates of participation	2,290,000	2,180,000
Noncurrent Certificates of Participation	$ 41,667,361	$ 44,132,158

The College has recorded the cost of the equipment and facilities as assets and the corresponding obligations as liabilities.

In an event of default, the Trustee may declare all rent payable by the College under the lease to the end of the lease term to be due by providing written notice to the College and may take possession of the related capital assets constructed with such funding. Events of default for the certificates of participation include default by the College in payment of either the principal or interest portion of the rent payments when due, default in the performance or observance of certain covenants, or if the College becomes insolvent.

Note 4. Long-Term Obligations (Continued)

The minimum lease commitments for certificates of participation at June 30, 2024 are as follows:

	Principal	Interest	Total Certificates of Participation
Fiscal Year:			
2025	$ 2,290,000	$ 1,396,488	$ 3,686,488
2026	2,410,000	1,278,988	3,688,988
2027	2,530,000	1,155,488	3,685,488
2028	2,650,000	1,039,238	3,689,238
2029	2,755,000	931,138	3,686,138
2030-2034	15,170,000	3,269,888	18,439,888
2035-2038	13,880,000	864,428	14,744,428
Total Certificates of Participation	$ 41,685,000	$ 9,935,656	$ 51,620,656

Arbitrage rebate liability:

The Tax Reform Act of 1986 placed restrictions on the non-purpose investment earnings from the proceeds of qualified tax-exempt bonds issued after August 15, 1986. Specifically, the non-purpose investment earnings on these bonds are limited to the yield on each individual bond issue (based on the initial offering price to the public). Non-purpose investments earnings in excess of the bond yield limitations are subject to rebate to the federal government. The total arbitrage rebate liability was $0 as of June 30, 2024 and 2023.

Note 5. 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. 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 state 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".

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.

Note 5. Defined Benefit Pension Plan (Continued)

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% 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.

Funding policy:

K.S.A. 74-4919, as amended, establishes a three-tier benefit structure. Tier 1 members include active members hired before July 1, 2009. Tier 2 members include active members hired between July 1, 2009 and December 31, 2014. Tier 3 members include those first employed in a KPERS covered position after January 1, 2015. The member-employee contribution rate 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.

The State of Kansas is required to contribute the statutorily required employer's share. For fiscal year 2024, the State of Kansas contributed 12.57% for the period July 1, 2023 to March 31, 2024 and 11.54% for the period April 1, 2024 to June 30, 2024 of covered payroll. For fiscal year 2023, the State of Kansas contributed 13.11% for the period July 1, 2022 to March 31, 2023 and 12.57% for the period April 1, 2023 to June 30, 2023 of covered payroll.

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.

At June 30, 2023, the College's proportion of the net pension liability was 1.697%, which was an increase of .011% from the proportion measured of 1.682% at June 30, 2022. The proportion recognized by the State of Kansas on behalf of the College was 1.680% (special funding situation). The proportion recognized by the College for KPERS retirees was 0.015%.

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 Statement No. 68.

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, 2024 and 2023, the proportionate share of the net pension liability recognized by the State of Kansas that was attributable to the College was $118,056,491 and $120,438,345, respectively.

Note 5. Defined Benefit Pension Plan (Continued)

The State of Kansas contributed $11,433,703 and $12,212,473 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 (in state appropriations) and expenses (in benefits) in the Statements of Revenues, Expenses and Changes in Net Position.

Net Pension Liability:

The College makes contributions directly to KPERS for KPERS retirees filling KPERS covered positions per K.S.A. 74-4937. During the years ended June 30, 2024 and June 30, 2023, the contribution made to KPERS for these employees was $37,934 and $107,563, respectively. The College reported a liability for its proportionate share of the net pension liability related to these employees of $1,051,312 and $352,126 at June 30, 2024 and 2023, respectively.

The June 30, 2024 net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022, which was rolled forward to June 30, 2023. The June 30, 2023 net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019, which was rolled forward to June 30, 2022.

The College's proportion of the net pension liability was based on the ratio of the College's actual contribution to KPERS, relative to the total employer and nonemployer contributions of the State/School subgroup within KPERS for the fiscal years ended June 30, 2024 and 2023. The contributions used exclude contributions made for prior service, excess benefits and irregular payments. The College's proportion was 0.015% and 0.005% at June 30, 2024 and 2023, respectively.

The College recognized pension expense of $10,400 and income of $83,177 for the years ended June 30, 2024 and 2023, respectively, related to the College's net pension liability.

At June 30, 2024, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2024		2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 38,089	$ -	$ 7,805	$ (153)
Net difference between projected and actual earnings on pension plan investments	71,553	-	29,656	-
Change in proportion	116,172	(96,169)	26,822	(242,293)
Change in assumptions	450,212	-	54,128	-
Total	$ 676,026	$ (96,169)	$ 118,411	$ (242,446)

Note 5. Defined Benefit Pension Plan (Continued)

The net $579,857 of amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the Statement of Revenues, Expenses and Changes in Net Position as follows:

Fiscal Year:	
2025	106,779
2026	147,198
2027	205,796
2028	116,701
2029	3,383
Total	$ 579,857

Discount Rate:

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the contractually required rate. The State, School and Local employers do not necessarily contribute the full actuarially determined rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Actuarial Assumptions:

The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of December 31, 2022 which was rolled forward to June 30, 2023. The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of December 31, 2019 which was rolled forward to June 30, 2022. These actuarial valuations used the following actuarial assumptions, applied to all periods included in the measurement:

Price inflation	2.75 percent
Wage inflation	3.50 percent
Salary increase	3.50 to 12.00 percent, including price inflation
Investment rate of return	7.00 percent compounded annually, net of investment expense, including price inflation

Mortality rates were based on the RP 2014 Mortality Tables, with age setbacks and age set forwards as well as other adjustments based on different membership groups. Future mortality improvements are anticipated using Scale MP-2016. The actuarial cost method is entry age normal. The amortization method is level percentage of payroll, closed.

The actuarial assumptions used in the December 31, 2022 valuation were based on the results of an actuarial experience study conducted for the period January 1, 2016, through December 31, 2018 and resulted in wage inflation remaining unchanged at 3.5% and the long-term rate of return (net of investment expenses and including price inflation) at 7.00%. The experience study is dated January 7, 2020.

Note 5. Defined Benefit Pension Plan (Continued)

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

Best estimates of arithmetic real rates of return for each major asset class as of the most recent experience study, dated January 7, 2022, as provided by KPERS' investment consultant, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equities	23.5%	5.20%
Non-U.S. Equities	23.5%	6.40%
Private Equity	8.0%	9.50%
Private Real Estate	11.0%	4.45%
Yield Driven	8.0%	4.70%
Real Return	11.0%	3.25%
Fixed Income	11.0%	1.55%
Short-term investments	4.0%	0.25%
Total	100%	

Sensitivity to changes in the discount rate:

The following presents the College's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the College's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
College's proportionate share of the net pension liability allocated to the State of Kansas	$ 171,321,358	$ 118,056,491	$ 75,484,346
College's proportionate share of the net pension liability allocated to the College	$ 1,512,178	$ 1,051,312	$ 666,267
Total	$ 172,833,536	$ 119,107,803	$ 76,150,613

Note 5. Defined Benefit Pension Plan (Continued)

KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 S. Kansas Ave., Suite 100, Topeka, Kansas 66603-3803) or by calling (888) 275-5737. The report is also available online at www.kpers.org.

Note 6. Other Postemployment Benefit Plans

The College follows GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pensions,* for the accounting related to other postemployment benefit plans. The plan does not issue a separate standalone financial report. This Statement establishes the following measurement and recognition disclosures:

Medical and Prescription Drug Plan

Plan description:

The College sponsors a single-employer other postemployment benefit plan (OPEB) that provides medical and prescription drug benefits to qualifying retirees and their dependents. Employees who qualify for pension benefits under the Kansas Public Employee Retirement System (KPERS) and are enrolled in the College's insurance benefits during the benefit plan year prior to retirement and retired prior to June 1, 2013 are eligible for benefits. Under KPERS, a participant must be at least age 55 with at least 10 years of service or meet Rule of 85 (age + service >= 85) at any age to be eligible. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits provided:

All benefits are provided through fully insured arrangements. Three medical plan options (PPO, HMO and HSA) are available to qualifying retirees. Benefits are the same as those available to active employees. Coverage is available until the retiree qualifies for Medicare. Spouses may continue coverage upon retiree death or attainment of Medicare eligibility age (i.e. age 65) under COBRA for up to 36 months not to exceed the spouse's own age 65. All benefits renew annually starting June 1.

Funding policy:

Retirees who retired prior to June 1, 2013 and either met the Rule of 85 or were age 59 with 15 years of service upon retirement pay no premiums for medical coverage including dependent coverage for up to 10 years or until the retiree attains age 65. Otherwise, retirees and dependents must pay COBRA rates to maintain medical coverage with the College. For dental and vision benefits, retirees and dependents must pay COBRA rates to maintain coverage with the College.

Employees covered by benefit terms:

At June 30, 2024, the following employees were covered by benefit terms:

Retirees currently receiving benefit payments	25
Retirees' spouses receiving benefit payments	7
Active employees	905
Total	937

Note 6. Other Postemployment Benefit Plan (Continued)

Total OPEB liability:

The College's total OPEB liability of $3,903,434 and $3,851,485 was measured as of June 30, 2024 and 2023, respectively, and was determined by an actuarial valuation as of July 1, 2023 rolled forward to June 30, 2024 and as of July 1, 2022 rolled forward to June 30, 2023. There are no assets accumulated in a trust that meets the criteria of paragraph 4 of GASB 75.

Actuarial assumptions and other inputs:

The total OPEB liability in the July 1, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5 percent
Salary increases	3.5 percent, average, including inflation
Discount rate	4.1 percent
Healthcare cost trend rates	7.3 percent for 2023-24, 7.0 percent for 2024-25 decreasing 0.25 percent per year to an ultimate rate of 4.5 percent for 2034-35 and later years
Retirees' share of benefit-related costs	66 percent of projected health insurance premiums for retirees
Actuarial cost method	Entry age normal

The discount rate was based on the S&P Municipal Bond 20- year High Grade and the Fidelity GO AA-20 Years indexes.

Mortality rates were based on the Society of Actuaries Teachers Mortality with Scale MP-2021 Full Generational Improvement for the June 30, 2024 and for the June 30, 2023 valuations.

Note 6. Other Postemployment Benefit Plan (Continued)

Changes in the Total OPEB Liability:

	Total OPEB Liability
Balances at 7/1/2022	$ 3,766,048
Changes for the year:	
Service cost	149,578
Interest	147,269
Changes of benefit terms	-
Differences between expected and actual experience	(980,145)
Changes in assumptions or other inputs	1,047,735
Benefit payments	(279,000)
Net changes	85,437
Balances at 6/30/2023	3,851,485
Changes for the year:	
Service cost	210,584
Interest	156,903
Changes of benefit terms	-
Differences between expected and actual experience	(8,500)
Changes in assumptions or other inputs	(28,038)
Benefit payments	(279,000)
Net changes	51,949
Balances at 6/30/2024	$ 3,903,434

Changes of assumptions and other inputs reflect a change in the discount rate from 4.0% in fiscal year 2023 to 4.1% in 2024.

Sensitivity of the total OPEB liability to changes in the discount rate:

The following presents the total OPEB liability of the College, calculated using the discount rate of 4.1%, as well as what the College's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (3.1%) or 1-percentage-point higher (5.1%) than the current discount rate:

	1% Decrease (3.1%)	Current Discount Rate (4.1%)	1% Increase (5.1%)
Total OPEB Liability	$ 4,146,913	$ 3,903,434	$ 3,672,743

Note 6. Other Postemployment Benefit Plan (Continued)

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates:

The following presents the total OPEB liability of the College, as well as what the College's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (6.3% decreasing to 3.5%) or 1-percentage point higher (8.3% decreasing to 5.5%) than the current healthcare cost trend rates:

	1% Decrease (6.3% decreasing to 3.5%)	Healthcare Cost Trend Rates (7.3% decreasing to 4.5%)	1% Increase (8.3% decreasing to 5.5%)
Total OPEB Liability	$ 3,613,636	$ 3,903,434	$ 4,243,295

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2024 and 2023, the College recognized OPEB expense of $240,044 and $173,463, respectively.

At June 30, 2024 and 2023, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2024		2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,362,329	$ (577,890)	$ 1,628,521	$ (647,606)
Changes of assumptions or other inputs	$ -	(1,596,649)	$ -	(1,884,030)
Total	$ 1,362,329	$ (2,174,539)	$ 1,628,521	$ (2,531,636)

The net $812,210 of amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the Statement of Revenues, Expenses and Changes in Net Position as:

2025	$ (127,443)
2026	(127,443)
2027	(142,558)
2028	(111,067)
2029	(176,388)
Thereafter	(127,311)
Total	$ (812,210)

Note 6. Other Postemployment Benefit Plan (Continued)

KPERS long-term disability and life insurance benefit plans

Plan description:

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

Contributions:

Employer contributions are established and may be amended by state statute. Members are not required to contribute. There were no employer contributions paid for benefits during the fiscal years ended June 30, 2024 and 2023.

Special Funding Situation:

The employer contributions for the College, as defined by K.S.A. 74-4931 (2) and (3), are made by the State of Kansas on behalf of the College. Therefore, the College is considered to be in a special funding situation. Accordingly, the State of Kansas is required to recognize the total OPEB liability, deferred outflows of resources, deferred inflows of resources and expense for the OPEB plan attributable to the College. The College records revenue and OPEB expense in an amount equal to the expense recognized by the State on behalf of the College.

Benefits provided:

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

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

The death benefit paid to beneficiaries of disabled members is 150% of the greater of 1) the member's annual rate of compensation at the time of disability, or 2) the member's previous 12 months of compensation at the time of the last date on payroll. If the member has been disabled for five or more years, the annual compensation or salary rate at the time of death will be indexed using the consumer price index, less one

Note 6. Other Postemployment Benefit Plan (Continued)

percentage point, to compute the death benefit. If a member is diagnosed as terminally ill with a life expectancy of 12 months or less, the member may be eligible to receive up to 100% of the death benefit rather than having the benefit paid to the beneficiary. If a member retires or disability benefits end, the member may convert the group life insurance coverage to an individual insurance policy.

Covered employees:

The College has the following employees covered by the Plan as of December 31, 2022 (Measurement Date):

Inactive employees or beneficiaries currently receiving benefit payments	13
Active Employees	1,170
Total	1,183

Total OPEB Liability

At June 30, 2024 and 2023, the total OPEB liability recognized by the State of Kansas that was attributable to the College was $2,363,521 and $2,639,859, respectively.

Actuarial Assumptions:

The total OPEB liability was determined by an actuarial valuation as of December 31, 2022, which was rolled forward to June 30, 2023 (the measurement date) for the year ended June 30, 2024, using the following actuarial assumptions:

Price inflation	2.75 percent
Payroll Growth	3.00 percent
Wage Inflation	3.5 percent, average, including inflation
Discount rate (based on the Bond Buyer General Obligation 20-Bond Municipal Index)	3.65 percent

Mortality rates used for the death benefits were based on historical experience of the KPERS Death and Disability Plan for all participants.

The actuarial assumptions used in the December 31, 2022 valuation were based on the results of an actuarial experience study conducted during 2016-2018.

Revenue and OPEB Expense Recorded by the College

For the years ended June 30, 2024 and 2023, the College recognized revenue and OPEB expense in equal amounts of $279,094 and $271,316, respectively.

Note 7. Defined Contribution Plan

The College sponsors a defined contribution retirement plan under the provisions of Internal Revenue Code Section 403(b), the Johnson County Community College 403(b) Plan. Full-time regular employees are eligible to participate in the plan. The College currently makes employer contributions to the 403(b) plan of 8% of an employee's base salary for individuals with a benefit eligibility date after June 1, 2014, or 7% of an employee's base salary for individuals with a benefit eligibility date prior to June 1, 2014, unless the employee has irrevocably elected to not receive flex-credit funding for benefits, in which case the College contributes 8%. Employees are immediately vested in the employer contributions.

Employer contributions paid and recorded as benefits expense totaled $5,249,074 and $5,272,653 for the years ended June 30, 2024 and 2023, respectively.

Note 8. Risk Management

The College is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; and employee health and accidental benefits. Commercial insurance coverage is purchased for claims arising from such matters. Settled claims have not exceeded this commercial coverage in the years ended June 30, 2024 and 2023.

Note 9. Contingencies

The College is named as a defendant in various legal actions arising in the normal course of operations. The College's management believes the resolution of those actions will not have a material effect on the College's basic financial statements.

Note 10. New Pronouncements

The Governmental Accounting Standards Board (GASB) has issued Statements not yet implemented by the College. The Statements which might impact the College are as follows:

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. This Statement amends certain previously required disclosures, and its objective is to align the recognition and measurement guidance under a unified model. It requires that compensated absences be recognized for 1. leave that has not been used and 2. leave that has been used but not yet paid either by cash or by noncash means. This Statement is effective for the fiscal year ending June 30, 2025, and the College has not yet evaluated its effect on the financial statements.

In December 2023, the GASB issued Statement No. 102, Certain Risk Disclosures. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit vulnerable to the risk of a substantial impact. It also requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. This Statement is effective for the fiscal year ending June 30, 2025, and the College has not yet evaluated its effect on the financial statements.

In April 2024, the GASB issues Statement No. 103, *Financial Reporting Model Improvements.* This Statement clarifies requirements in the presentation of the MD&A section, Unusual and Infrequent Items, and Budgetary Comparison Information among other requirements. This Statement is effective for the fiscal year ending June 30, 2026, and the College has not yet evaluated its effect on the financial statements.

Note 11. Johnson County Community College Foundation – Accounting Policies and Other Disclosures

Basis of presentation:

The financial statements of the Foundation have been prepared on the accrual basis of accounting in accordance with the provisions of the FASB ASC. The FASB ASC requires the Foundation to distinguish between contributions that increase net assets with donor restrictions and net assets without donor restrictions. It also requires recognition of contributions, including contributed services meeting certain criteria, at fair values. The FASB ASC establishes standards for external financial statements of not-for-profit organizations and requires a statement of financial position, a statement of activities, and a statement of cash flows.

Tax status:

The Foundation is recognized as exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Foundation may be subject to federal and state income taxes on any net income from unrelated business activities. The Foundation files a Form 990 (Return of Organization Exempt from Income Tax) annually and unrelated business income (UBI) is reported on Form 990-T, as appropriate. Management has evaluated their material tax positions, which include such matters as the tax-exempt status of the Foundation and various positions relative to potential sources of UBI. As of June 30, 2024 and 2023, there were no income tax effects with respect to the financial statements. Forms 990 and 990-T filed by the Foundation for tax years 2021 and later remain subject to examination by taxing authorities.

Promises to give:

Unconditional promises to give are recognized as revenue at the present value of expected future payments when unconditional promises to give are received. As of June 30, 2024 and 2023, management believed that no allowance for doubtful collection was necessary based on the evaluation of the receivables and the related donors. Promises to give are scheduled to be received as follows:

	2024	2023
Due in less than one year	$ -	$ 5,900
Due after one year to five years	-	-
Promises to Give, net	$ -	$ 5,900

Note 11. Johnson County Community College Foundation – Accounting Policies and Other Disclosures (Continued)

There were no outstanding promises to give as of June 30, 2024. Promises to give of $5,900 as of June 30, 2023 were due from one donor. There were no conditional promises to give as of June 30, 2024 and 2023.

Investments:

The Foundation's investment portfolio as of June 30, 2024 and 2023 consisted of the following:

	2024	2023
U.S. government obligations	$ 6,037,044	$ 4,683,656
Equity funds	7,755,689	12,041,490
Corporate bonds	6,138,315	4,694,982
Common stock	17,807,919	15,213,679
Preferred stock	-	966,607
Exchange traded funds	2,853,120	21,153
	$ 40,592,087	$ 37,621,567

The investments of the Foundation are exposed to various risks, such as interest rate, market and credit risk. Due to the level of risk associated with such investments and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in risks in the near term would affect investment balances and the amounts reported in the financial statements.

Contributed services and related party transactions:

The College provides the Foundation with office space, furniture and equipment without charge. Certain College employees perform duties for the Foundation without compensation from the Foundation. Management of the Foundation has estimated the fair market value of these services, which are recorded as management and general and fundraising expenses and contributed services revenue, to be $887,313 and $803,905 for the years ended June 30, 2024 and 2023, respectively. No amounts have been reflected in the financial statements for donated services, which do not create or enhance nonfinancial assets; however, time and resources have been contributed by volunteers in furtherance of the Foundation's objectives.

During the years ended June 30, 2024 and 2023, the Foundation gifted $1,019,415 and $995,992, respectively, to the College for the purpose of constructing new facilities on the campus. This is included in capital appropriations and gifts in the Statements of Revenues, Expenses and Changes in Net Position.

At June 30, 2024 and 2023, the Foundation owed the College $49,008 and $48,239, respectively, which was included in accounts payable.

Note 11. Johnson County Community College Foundation – Accounting Policies and Other Disclosures (Continued)

Net assets with donor restrictions:

At June 30, 2024 and 2023, net assets with donor restrictions are available for the following purposes:

	2024	2023
Scholarships to students	$ 9,370,243	$ 7,840,313
Support of College programs, including visual and performing arts programs and capital projects	8,350,844	7,126,071
Support of capital projects	2,071,199	1,085,928
Amounts with perpetual restrictions		
Scholarships to students	11,755,480	11,489,176
Support of College programs, including visual and performing arts programs	11,149,146	11,173,876
	$ 42,696,912	$ 38,715,364

Net assets that have perpetual restrictions are restricted for investment in perpetuity, the income from which is generally expendable for student scholarships and programs support. Net assets with perpetual restrictions also include significant portions of the campus art, which can only be sold under specific restrictions, including that the proceeds be reinvested in new campus art. The total of campus art included in net assets with perpetual restrictions was $973,851 for both years ended June 30, 2024 and 2023 and is included in visual and performing art programs. Additionally, the Foundation has campus art that is restricted but not restricted in perpetuity. The total of campus art included in net assets with donor restrictions was $879,208 and $814,038 as of June 30, 2024 and 2023, respectively, and is included in support of college programs, including visual and performing arts programs and capital projects.

Assets released from restriction:

Net assets with donor restrictions were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors for the years ended June 30, 2024 and 2023 as follows:

	2024	2023
Scholarships to students	$ 1,662,071	$ 1,378,007
Support of College programs, including visual and performing arts programs and capital projects	3,088,741	3,163,491
	$ 4,750,812	$ 4,541,498

Note 11. Johnson County Community College Foundation – Accounting Policies and Other Disclosures (Continued)

Fair value measurements:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of the observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3: Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities.

A description of the valuation methodologies used for assets measured at fair value, on a recurring basis, as well as the general classification of such instruments pursuant to the valuation hierarchy, is set forth below:

Common, Preferred Stocks and Exchange Traded Funds – Valued at the closing price reported on the active market on which the individual securities are traded.

Equity Funds – Valued at the daily closing price as reported by the fund. Mutual Funds held by the Foundation are open-end investment companies that are registered with the Securities and Exchange Commission.

U.S. Government Obligations and Corporate Bonds – Valued by a pricing service based upon market transactions for comparable securities and various relationships between securities which are generally recognized by institutional traders.

There have been no changes in valuation techniques used during the years ended June 30, 2024 and 2023.

Note 11. Johnson County Community College Foundation – Accounting Policies and Other Disclosures (Continued)

The following tables summarize, by level, the assets measured at fair value on a recurring basis, as of June 30, 2024 and 2023, segregated by the general classification of such instruments pursuant to the valuation hierarchy:

	June 30, 2024			
	Level 1	Level 2	Level 3	Total
Investments				
U.S. government obligations	$ -	$ 6,037,044	$ -	$ 6,037,044
Equity funds:				
Fixed income mutual funds	1,733,903	-	-	1,733,903
International mutual funds	2,333,253	-	-	2,333,253
Domestic mutual funds	2,497,976	-	-	2,497,976
Alternative mutual funds	1,190,557	-	-	1,190,557
Corporate bonds	-	6,138,315	-	6,138,315
Common stock:				
Energy	811,384	-	-	811,384
Materials	506,649	-	-	506,649
Industrials	2,077,128	-	-	2,077,128
Consumer discretionary	2,027,942	-	-	2,027,942
Consumer staples	1,239,624	-	-	1,239,624
Health care	1,772,991	-	-	1,772,991
Financials	2,164,019	-	-	2,164,019
Information technology	5,321,154	-	-	5,321,154
Real estate	156,924	-	-	156,924
Telecommunication services	1,577,393	-	-	1,577,393
Utilities	152,711	-	-	152,711
Exchange traded funds	2,853,120	-	-	2,853,120
Total	$ 28,416,728	$ 12,175,359	$ -	$ 40,592,087

Note 11. Johnson County Community College Foundation – Accounting Policies and Other Disclosures (Continued)

	June 30, 2023			
	Level 1	Level 2	Level 3	Total
Investments				
U.S. government obligations	$ -	$ 4,683,656	$ -	$ 4,683,656
Equity funds:				
Fixed income mutual funds	2,782,121	-	-	2,782,121
International mutual funds	3,298,414	-	-	3,298,414
Domestic mutual funds	4,491,267	-	-	4,491,267
Alternative mutual funds	1,469,688	-	-	1,469,688
Corporate bonds	-	4,694,982	-	4,694,982
Common stock:				
Energy	695,378	-	-	695,378
Materials	429,392	-	-	429,392
Industrials	1,769,007	-	-	1,769,007
Consumer discretionary	2,040,768	-	-	2,040,768
Consumer staples	1,130,850	-	-	1,130,850
Health care	1,523,953	-	-	1,523,953
Financials	1,763,782	-	-	1,763,782
Information technology	4,489,959	-	-	4,489,959
Real estate	120,566	-	-	120,566
Telecommunication services	1,125,601	-	-	1,125,601
Utilities	124,423	-	-	124,423
Preferred stock	966,607	-	-	966,607
Exchange traded funds	21,153	-	-	21,153
Total	$ 28,242,929	$ 9,378,638	$ -	$ 37,621,567

There were no transfers between Level 1, 2 or 3 for the fair value hierarchy for the fiscal years ended June 30, 2024 and 2023.

Note 12. Information on Activities with Revenue-Backed Debt

The College has issued revenue bonds to construct a student center and parking garages as described in Note 4 which are revenue backed debt instruments. Information related to the associated activities is as follows:

	2024	2023
Total Capital Assets, Net	$ 13,529,750	$ 14,256,505
Total Debt	$ 6,912,337	$ 8,504,641
Operating revenues, sales and service	$ 10,624,670	$ 11,226,017
Less operating expenses, salaries, utilities, depreciation and other expenses	8,173,217	11,140,926
Operating Income (Loss)	$ 2,451,453	$ 85,091

Note 13. Tax Abatement Disclosures

Property tax abatements are authorized under Kansas statutes KSA 12-1740 et. Seq. and KSA 79-201a. Abatements may not exceed a term of ten years by statute. Among other eligibility criteria, the developer must demonstrate a positive cost/benefit to the various taxing jurisdictions under Kansas law. Johnson County cities have used tax abatements for many years to spur industrial and office development. Kansas statues provide a process for cities to abate property tax on qualifying property.

GASB 77 requires disclosure information about tax abatements entered into by other governments affecting revenues of the College. The following cities within Johnson County, Kansas have entered into tax abatement agreements that reduce property tax revenues for the College: Edgerton, Gardner, Lenexa, Merriam, Mission, Olathe, Overland Park, Prairie Village, Roeland Park, Shawnee and Spring Hill. The gross dollar amount by which the College's property tax revenues were reduced as a result of these tax abatement agreements was approximately $3,504,000 and $3,113,000 during the years ending June 30, 2024 and June 30, 2023, respectively. There were no tax abatement agreements entered into by the College.

Johnson County Community College

Required Supplementary Information
Schedules of College's Proportionate Share
Year Ended June 30, 2024

KPERS Defined Benefit Pension Plan
Schedule of College's Proportionate Share of the Net Pension Liability

	As of Measurement Date: June 30,								
	2023	2022	2021	2020	2019	2018	2017	2016	2015*
Total proportion of the state/school group net pension liability allocated to the College	1.69711%	1.68553%	1.74608%	1.76221%	1.78835%	1.81410%	1.88268%	1.96949%	1.92353%
Less: proportion of the state/school group net pension liability allocated to the State of Kansas (special funding)	1.68200%	1.68008%	1.74063%	1.75746%	1.77618%	1.79760%	1.86020%	1.95760%	1.91227%
College's proportion of the state/school group net pension liability	0.01511%	0.00545%	0.00545%	0.00475%	0.01217%	0.01650%	0.02248%	0.01189%	0.01126%
Total proportionate share of the state/school group net pension liability allocated to the College	$ 119,107,803	$ 120,790,471	$ 98,649,305	$ 131,989,224	$ 116,368,766	$ 119,305,580	$ 127,846,444	$ 133,398,205	$ 133,194,199
Less: proportionate share of the state/school group net pension liability allocated to the State of Kansas (special funding)	$ 118,056,491	$ 120,438,345	$ 98,374,027	$ 131,671,144	$ 115,665,208	$ 118,342,322	$ 126,496,805	$ 132,370,340	$ 132,414,195
College's proportionate share of the state/school group net pension liability	$ 1,051,312	$ 352,126	$ 275,278	$ 318,080	$ 703,558	$ 963,258	$ 1,349,639	$ 1,027,865	$ 780,004
College's state/school group covered payroll	$ 290,242	$ 162,100	$ 151,303	$ 183,627	$ 311,055	$ 525,582	$ 710,293	$ 323,900	$ 242,814
College's state/school group proportionate share of net pension liability as a percentage of its covered payroll	362.22%	217.23%	181.94%	173.22%	226.18%	183.27%	190.01%	317.34%	321.24%
Plan fiduciary net position as a percentage of the total pension liability	70.70%	69.75%	76.40%	66.30%	69.88%	68.88%	67.12%	65.10%	64.95%

* GASB 68 requires presentation of ten years. The College's proportionate share of the net pension liability allocated to employer prior to the plan year ended 2015 is not available.

Changes of assumptions for 2023: The long-term rate of return (net of investment expenses including price inflation) remained the same at 7.00%. Wage inflation still ranged from 3.5% to 12.0%. Price inflation remained the same at 2.75%.

Changes of assumptions for 2022: A reduction in the long-term rate of return (net of investment expenses including price inflation) from 7.25% to 7.00%. Wage inflation is from 3.5% to 12.00%. Price inflation remained the same at 2.75%.

Johnson County Community College

Required Supplementary Information
Schedules of College's Contributions to Defined Benefit Pension Plan
Year Ended June 30, 2024

KPERS Defined Benefit Pension Plan
Schedule of College's Contributions

	As of the College's Fiscal Year Ended								
	2024	2023	2022	2021	2020	2019	2018	2017	2016*
Required state/school group contribution	$ 107,563	$ 34,630	$ 31,910	$ 38,164	$ 84,459	$ 82,321	$ 100,759	$ 72,003	$ 49,477
Contributions made in relation to the required contribution	107,563	34,630	31,910	38,164	84,459	82,321	100,759	72,003	49,477
Contribution deficiency	-	-	-	-	-	-	-	-	-
College's state/school group covered payroll	$ 290,242	$ 162,100	$ 151,303	$ 183,627	$ 311,055	$ 525,582	$ 710,293	$ 323,900	$ 242,814
Contributions as a percentage of state/school group covered payroll	14.15%	21.36%	21.09%	20.78%	27.15%	15.66%	14.19%	22.23%	20.38%

* GASB 68 requires presentation of ten years. The College's proportionate share of the net pension liability allocated to employer prior to the year ended 2016 is not available.

Johnson County Community College

Required Supplementary Information
Other Postemployment Benefit Plan – Medical and Prescription Drug Plan
Schedule of College's Net OPEB Liability
Year Ended June 30, 2024

Total OPEB Liability for fiscal year:	2024	2023	2022	2021	2020	2019	2018*
Service cost	$ 210,584	$ 149,578	$ 243,084	$ 275,414	$ 216,560	$ 219,211	$ 199,797
Interest	156,903	147,269	99,673	140,677	143,836	172,831	175,654
Changes of benefit terms	-	-	-	-	-	-	-
Differences between expected and actual experience	(8,500)	(980,145)	(453,352)	(313,451)	(430,989)	(476,498)	-
Changes in assumptions or other inputs	(28,038)	1,047,735	(717,923)	(133,831)	1,018,870	86,333	254,651
Benefit payments	(279,000)	(279,000)	(292,000)	(435,000)	(347,000)	(537,000)	(620,000)
Net change in total OPEB liability	51,949	85,437	(1,120,518)	(466,191)	601,277	(535,123)	10,102
Total OPEB liability-beginning	3,851,485	3,766,048	4,886,566	5,352,757	4,751,480	5,286,603	5,276,501
Total OPEB liability-ending	$ 3,903,434	$ 3,851,485	$ 3,766,048	$ 4,886,566	$ 5,352,757	$ 4,751,480	$ 5,286,603
Covered employee payroll	$ 67,379,168	$ 67,379,168	$ 59,956,158	$ 63,713,791	$ 63,713,791	$ 60,651,205	$ 60,651,205
Total OPEB liability as a percentage of covered employee payroll	5.8%	5.7%	6.3%	7.7%	8.4%	7.8%	8.7%

* GASB 75 requires presentation of ten years. The College's OPEB liability detail prior to the plan year ended 2018 is not available.

Notes to Schedule:

The measurement date is the same date as the College's fiscal year end.

Changes of assumptions

Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The discount rate was 4.1% for 2024.

Johnson County Community College

Required Supplementary Information
Other Postemployment Benefit Plan – KPERS long-term disability and life insurance benefit plans
Schedule of College's Net OPEB Liability
Year Ended June 30, 2024

Total OPEB Liability for fiscal year:	2024	2023	2022	2021	2020	2019	2018*
Service cost	$ 266,429	$ 252,750	$ 253,068	$ 229,657	$ 223,630	$ 220,557	$ 234,775
Interest	97,688	69,657	64,569	105,510	131,616	127,988	114,376
Changes of benefit terms	-	-	-	-	-	-	-
Differences between expected and actual experience	(337,585)	(505,212)	413,362	(194,025)	(416,577)	102,156	-
Changes in assumptions or other inputs	(6,818)	98,359	4,898	107,722	39,354	(38,057)	(109,824)
Benefit payments	(296,052)	(493,009)	(372,281)	(357,114)	(383,153)	(793,183)	(536,459)
Net change in total OPEB liability	(276,338)	(577,455)	363,616	(108,250)	(405,130)	(380,539)	(297,132)
Total OPEB liability-beginning	2,639,859	3,217,314	2,853,698	2,961,948	3,367,078	3,747,617	4,044,749
Total OPEB liability-ending	2,363,521	2,639,859	3,217,314	2,853,698	2,961,948	3,367,078	3,747,617
Nonemployer contributing entity total proportionate share of the total OPEB liability:	100%	100%	100%	100%	100%	100%	100%
Nonemployer contributing entity total proportionate share (amount) of the total OPEB liability:	$ 2,363,521	$ 2,639,859	$ 3,217,314	$ 2,853,698	$ 2,961,948	$ 3,367,078	$ 3,747,617
College's proportionate share of the total OPEB liability:	0%	0%	0%	0%	0%	0%	0%
College's proportionate share (amount) of the total OPEB liability:	$ -	$ -	$ -	$ -	$ -	$ -	$ -

* GASB 75 requires presentation of ten years. The College's OPEB liability detail prior to the fiscal year ended 2018 is not available.

Notes to Schedule:

The measurement date of the liability is 12 months earlier than the fiscal year end of the College in each year.

Changes of assumptions

There are no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB 75 to pay related benefits.

There have been no factors that significantly affect the trends in the amounts reported.

Budgetary Expenditures with Appropriations (Unaudited)
Year Ended June 30, 2024

	Budgetary Expenditures	Legal Appropriations Budget	Under Budget
Current Unrestricted Funds:			
General	$ 123,751,925	$ 171,525,412	$ 47,773,487
Postsecondary technical education (PTE)	50,231,704	57,363,043	7,131,339
Subtotal General and PTE	173,983,629	228,888,455	54,904,826
Adult supplementary education	5,337,772	8,695,761	3,357,989
Truck driver training	1,934,295	2,543,569	609,274
Motorcycle driver	104,535	159,900	55,365
Auxiliary enterprises	10,773,557	13,519,709	2,746,152
Total Current Unrestricted Funds	192,133,788	$ 253,807,394	$ 61,673,606
Current Restricted Funds:			
Special assessments	224,729	$ 1,260,000	$ 1,035,271
Other restricted	29,701,118		
Total Current Restricted Funds	29,925,847		
Total Current Funds	222,059,635		
Plant Funds:			
Unexpended, capital outlay	6,895,168	$ 13,360,150	$ 6,464,982
Repair and replacement reserve	11,188		
Bond proceeds, construction	2,503,640		
Debt retirement, revenue bonds	1,698,509		
Total Plant Funds	11,108,505		
Total Current and Plant Funds	$ 233,168,140		