

GARDEN CITY COMMUNITY COLLEGE

**OPEID No.: 00191900
EIN: 48-0698107**

June 30, 2018

GARDEN CITY COMMUNITY COLLEGE
Basic Financial Statements
For the Year Ended June 30, 2018

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and discretely presented component units of Garden City Community College, Garden City, Kansas, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Kansas Municipal Audit and Accounting Guide*, issued by the State of Kansas. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Garden City Community College Endowment Association and the Broncbuster Athletic Association were not audited in accordance with *Government Auditing Standards* or the *Kansas Municipal Audit and Accounting Guide*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component units of Garden City Community College, as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages vii through xv, the schedules of net pension liability and contributions attributable to the College on page 40, and the schedule of funding progress – other postemployment benefits on page 41 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with evidence sufficient to express an opinion or provide any assurance.

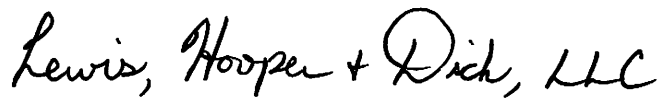
Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Garden City Community College's basic financial statements. The supplementary information and additional information as listed in the table of contents (pages 43 through 63); and the Schedule of Expenditures of Federal Awards (pages 77 and 78), required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information, additional information, and Schedule of Expenditures of Federal Awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The Graphs presented in Schedules 13, 14 and 15 (pages 63 through 66), and on page 84 have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2018, on our consideration of Garden City Community College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Garden City Community College's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Lewis, Hooper & Dick, LLC". The script is cursive and fluid, with the company name written in a single line.

LEWIS, HOOPER & DICK, LLC

December 20, 2018

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Management's Discussion and Analysis

As management of Garden City Community College, Garden City, Kansas, we offer readers of Garden City Community College's financial statements this narrative overview and analysis of the financial activity of Garden City Community College for the fiscal year ended June 30, 2018.

Financial Highlights

- The assets and deferred outflows of resources of Garden City Community College exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$27,804,661 (net position). Of this amount, \$6,366,742 (unrestricted net position) may be used to meet the College's ongoing obligations to citizens and creditors.
- The College's total net position decreased by \$126,058. This decrease was attributable to increases in instruction costs.
- Capital assets decreased a total of \$561,167 from 2017, as a result of depreciation. Major projects during fiscal year 2018 include the dorm parking lot replacement, DPAC Gym remodel and various roof replacements.
- Garden City Community College's total long-term liabilities decreased by \$1,610,389 (14.19%) during the current fiscal year. The key factor in this decrease was the payments on numerous lease obligations and no new debt issued during the year.
- Operating revenues increased by \$622,005, or 10.50% from 2017. This was due primarily to an increase in student tuition and fees resulting from both fee and hour increases.
- Operating expenses increased by \$644,904, or 2.67% from 2017. This was primarily due to overall increases in instruction costs.
- Actual expenditures, including transfers out, for the General Fund were under budget \$3,422,480 or 15.88%. The comparison of actual to published budget reflects that the College operated within its legal budget authority as required by the State of Kansas.

Overview of the Financial Statements

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

Government-wide Financial Statements

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

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

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

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

Notes to the Financial Statements

The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 7 through 38 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning Garden City Community College's net pension liability and contributions attributable to the College and the College's progress in funding its obligation to provide other postemployment benefits (OPEB) to its employees. Required supplementary information can be found on pages 39 through 41 of this report.

Supplementary information comparing actual and budget results is presented immediately following the required supplementary information on OPEB. Additional information containing schedules of management information are also presented. The supplementary and additional information can be found on pages 43 through 66 of this report.

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Government-wide Financial Analysis

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of Garden City Community College, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$27,804,661 at the close of the most recent fiscal year.

Net position June 30, 2018 and 2017

	2018	2017	Increase (Decrease)
Assets			
Current assets	\$ 13,279,981	\$ 13,736,874	\$ (456,893)
Non-current assets	31,467,283	32,028,450	(561,167)
Total assets	\$ 44,747,264	\$ 45,765,324	\$ (1,018,060)
Total deferred outflows of resources	\$ 94,637	\$ 28,089	\$ 66,548
Liabilities			
Current liabilities	\$ 2,774,110	\$ 2,622,956	\$ 151,154
Non-current liabilities	9,741,582	11,351,971	(1,610,389)
Total liabilities	\$ 12,515,692	\$ 13,974,927	\$ (1,459,235)
Total deferred inflows of resources	\$ 4,521,548	\$ 3,887,767	\$ 633,781
Net position			
Investment in capital assets	\$ 20,882,282	\$ 19,921,648	\$ 960,634
Restricted	555,637	516,075	39,562
Unrestricted	6,366,742	7,492,996	(1,126,254)
Total net position	\$ 27,804,661	\$ 27,930,719	\$ (126,058)

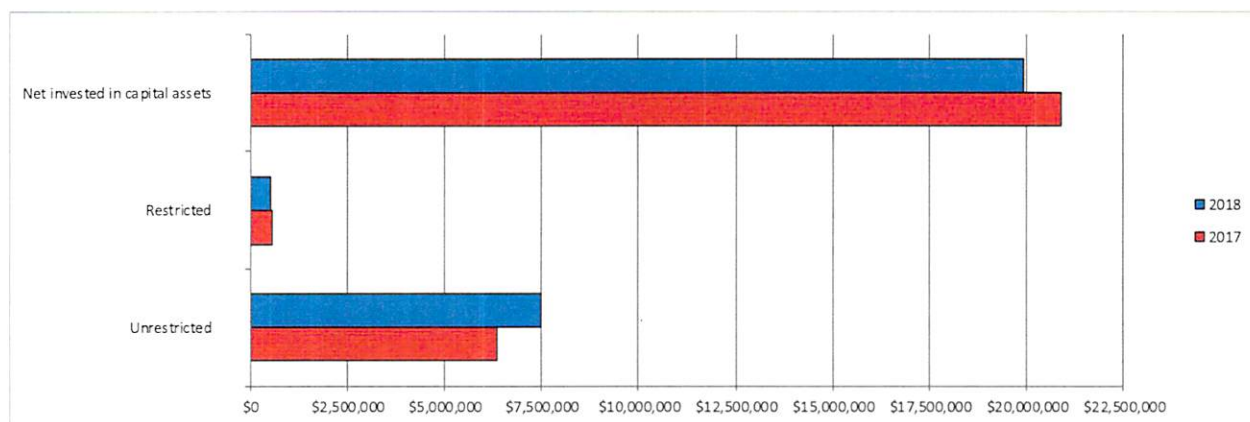
By far the largest portion of Garden City Community College's net position (75.10%) reflects its investment in capital assets (e.g., land, property, plant and equipment); less any related debt used to acquire those assets that is still outstanding. The College uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the College's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other resources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of Garden City Community College's net position (2.00%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (22.90%) may be used to meet the College's ongoing obligations to citizens and creditors.

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

Net Position

June 30, 2018 and 2017



The College's net position decreased by \$126,058 during the current fiscal year. This decrease was attributable to increases in operating expenses.

Statement of Revenues, Expenses and Changes in Net Position As of June 30, 2018 and 2017

	2018	2017	Increase (Decrease)
Operating revenues:			
Student tuition and fees (net of scholarship allowances)	\$ 3,076,696	\$ 2,560,398	\$ 516,298
Federal grants and contracts	1,333,463	1,044,097	289,366
Auxiliary enterprises	1,535,166	1,485,328	49,838
Other	600,550	834,047	(233,497)
Total operating revenues	6,545,875	5,923,870	622,005
Operating expenses	24,839,661	24,194,757	644,904
Operating loss	(18,293,786)	(18,270,887)	(22,899)
Non-operating revenues (expenses)			
State appropriations	4,331,436	4,111,777	219,659
Property taxes	10,245,735	10,525,221	(279,486)
Pell and SEOG Grants	3,755,433	3,256,034	499,399
Other	(174,876)	(199,467)	24,591
Net nonoperating revenues (expenses)	18,157,728	17,693,565	464,163
Increase (decrease) in net position	(126,058)	(577,322)	451,264
Net position, beginning of year, as restated for July 1, 2017	27,930,719	28,508,041	(577,322)
Net position, end of year	\$ 27,804,661	\$ 27,930,719	\$ (126,058)

Note: The July 1, 2017, amount for net position has been restated to reflect a \$721,007 adjustment as a result of the change in accounting principle for the implementation of Governmental Standards Board

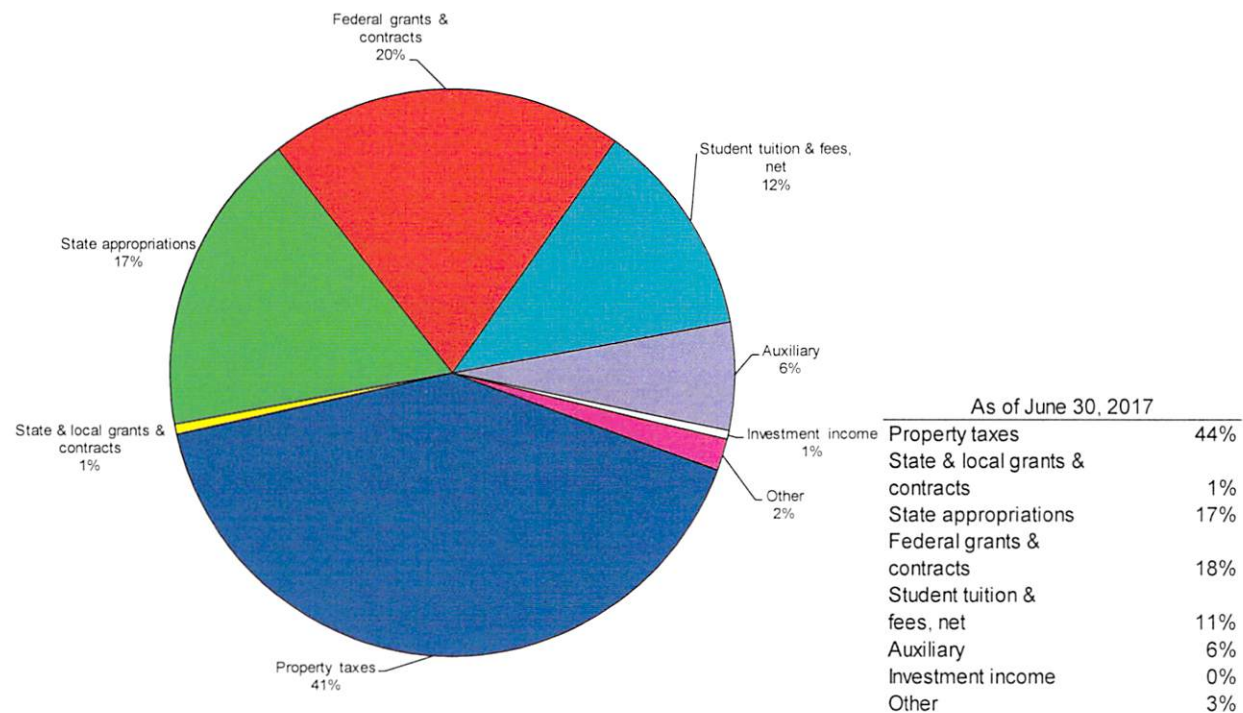
(GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

Operating revenues increased by \$622,005. This reflects an increase in student tuition and fees of \$516,298 after the allowance for scholarships. Federal grants and contracts increased \$289,366 primarily as a result of increased revenues from the TAACCCT grants.

Total non-operating revenues (expenses) increased by \$464,163. This was primarily due to increases in property taxes, and Pell and SEOG grants.

The following is a graphic illustration of revenues by source.

Revenues by Source



As shown in the revenues by source graph, the two primary sources of revenue for the College are property taxes at 41%, and Federal grants and contracts at 20%.

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

Mill Analysis

Year Taxes Levied	Abstract Assessed Valuation	Total Mills Assessed	Total Taxes Levied	% Taxes Increase/ Decrease
2009	\$497,714,282	20.183	\$ 10,024,377	5.20%
2010	451,133,347	20.238	9,130,037	-8.92%
2011	485,847,279	20.242	9,834,521	7.72%
2012	497,204,462	21.196	10,538,746	7.16%
2013	498,479,163	21.130	10,532,865	-0.06%
2014	532,306,790	20.985	11,170,132	6.05%
2015	466,634,740	21.003	10,030,594	-10.20%
2016	455,924,303	20.996	9,570,596	-4.59%
2017	473,010,858	20.997	9,929,483	3.75%
2018	491,376,833	20.992	10,314,982	3.88%

The average increase over the 10 year period is 1.00%. Since 41% of the College's funding comes from local sources, the local tax levy has a significant impact on the College's finances.

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

State Operating Grant Analysis

Year	Grant Amount	% Increase/ Decrease
2009	\$ 2,711,153	0.59%
2010	2,621,285	-3.31%
2011	2,559,826	-2.34%
2012	2,530,535	-1.14%
2013	2,669,553	5.49%
2014	2,704,307	1.30%
2015	2,650,220	-2.00%
2016	2,704,307	2.04%
2017	2,596,135	-4.00%
2018	2,596,135	0.00%

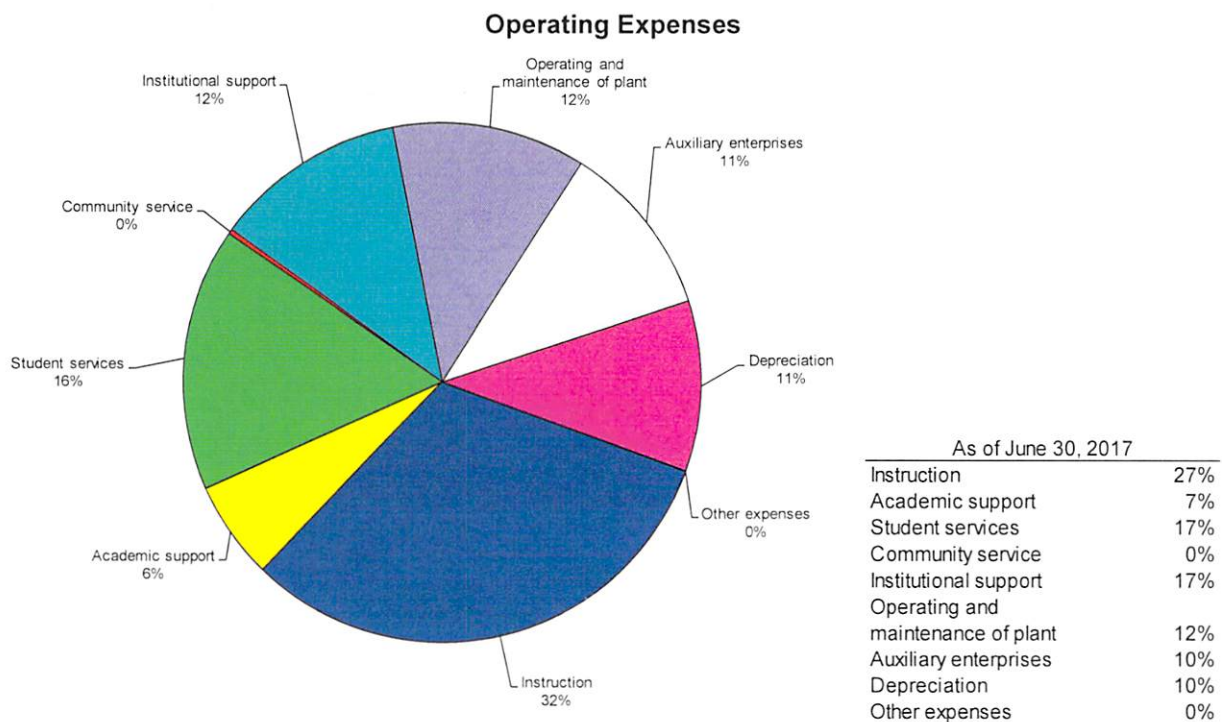
As shown, the State operating grant had no change in the current year. The reason there was no change is due to the State funding formula based on State budget appropriations.

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

Credit Hour Analysis					Cost Per Credit Hour		
Year	In State	Out of State	Total	% Increase/ Decrease	Year	In State	Out of State
2009	37,118	4,590	41,708	2.13%	2009	\$ 41	\$ 65
2010	39,990	5,165	45,155	8.26%	2010	43	65
2011	40,077	5,104	45,181	0.06%	2011	45	65
2012	36,201	5,176	41,377	-8.42%	2012	45	65
2013	36,715	7,365	44,080	6.53%	2013	50	\$70 and \$65
2014	37,825	7,785	45,610	3.47%	2014	53	\$73 and \$68
2015	39,210	9,256	48,466	6.26%	2015	55	\$74 and \$69
2016	38,060	10,140	48,200	-0.55%	2016	57	\$76 and \$71
2017	37,392	11,301	48,693	1.02%	2017	57	\$76 and \$71
2018	43,442	9,875	53,317	9.50%	2018	61	\$80 and \$75

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

The following is a graphic illustration of operating expenses.



As shown, the four largest areas of operating expenses are instruction at 27%, student services at 17%, institutional support at 17%, and operating and maintenance of plant at 12%. Total operating expenses increased \$644,904, or 2.67% from 2017. This was primarily due to increases in instruction costs.

Capital Asset and Debt Administration

Capital Assets

Garden City Community College's investment in capital assets as of June 30, 2018, amounts to \$31,054,283 (net of accumulated depreciation). This investment in capital assets includes land, improvements, buildings and equipment. The total decrease in capital assets for the current fiscal year was approximately 1.8% over the 2017 total.

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

Changes in Capital Assets

	Beginning Balance	Additions	Retirements	Ending Balance
Cost:				
Land	\$ 1,580,064	\$ -	\$ -	\$ 1,580,064
Construction in progress	472,658	-	399,703	72,955
Improvements other than buildings	9,980,735	1,350,145	-	11,330,880
Buildings	42,016,290	830,633	15,000	42,831,923
Equipment	9,179,391	300,720	293,358	9,186,753
Total cost	63,229,138	2,481,498	708,061	65,002,575
Less accumulated depreciation:				
Improvements other than buildings	3,911,072	579,999	-	4,491,071
Buildings	20,641,715	1,424,926	6,937	22,059,704
Equipment	7,060,901	626,984	290,368	7,397,517
Total accumulated depreciation	31,613,688	2,631,909	297,305	33,948,292
Property, plant and equipment, net	\$ 31,615,450	\$ (150,411)	\$ 410,756	\$ 31,054,283

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

MAJOR CAPITAL ASSET EVENTS

Dorm parking lot replacement	\$ 1,251,289
DPAC Gym remodel	300,758
Roof replacements - Saffell Library	
Penka, JVCT	376,600

Additional information on Garden City Community College's capital assets can be found in Note 3, item C on page 18, and Note 3, item F on page 28 of this report.

Long-term Debt

At the end of the current fiscal year, Garden City Community College had total debt outstanding of \$10,172,001, which was backed by the full faith and credit of the College.

The College's total debt decreased by \$1,521,801 (13.01%) during the current fiscal year. The key factor in this decrease was the payments on numerous lease obligations and no new debt issued during the year.

State statutes limit the amount of general obligation debt the College may issue to 3% of its total assessed valuation. The current debt limitation for Garden City Community College is \$14,190,326. The College had no outstanding debt subject to the debt limit.

Additional information about the College's long-term debt can be found in Note 3, item H on pages 29 through 32; and Note 3, item I on page 33 of this report.

Budgetary Highlights

The legally adopted budget for the College was not amended by the Board of Trustees during fiscal year 2018. However, departments within the College are allowed to transfer budget authority between line items and between cost centers within a department. As a result of these budget transfers, the original budget and the final budget may not be the same in some cost centers.

The comparison of actual to published budget, as shown on pages 44 through 51 of this report, reflects that the College operated within its legal budget authority as required by the State of Kansas.

Other Economic Factors

The economics in the State of Kansas and Garden City continue to be a challenge. A large portion of the College's resources come from state and local sources. The State's budget impacts the amount of State operating grant received. Valuation at the local level impacts local tax funds available. Enrollment increases help offset declines experienced in other revenue sources.

Requests for Information

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

Debra Nicholson
Interim Chief Financial Officer
Garden City Community College
801 Campus Drive
Garden City, KS 67846
debra.nicholson@gcccks.edu

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BASIC FINANCIAL STATEMENTS

GARDEN CITY COMMUNITY COLLEGE
Statement of Net Position
June 30, 2018

	Community College	Endowment Association	Broncbuster Athletic Association
<u>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u>			
Current assets:			
Cash and cash equivalents	\$ 3,838,524	\$ -	\$ 25,766
Short-term investments	7,020,582	-	-
Receivables (net of allowance for uncollectibles):			
Taxes	576,751	-	-
Miscellaneous	1,844,124	-	33,385
Total current assets	<u>13,279,981</u>	<u>-</u>	<u>59,151</u>
Noncurrent assets:			
Restricted cash and cash equivalents	413,000	220,726	-
Endowment investments	-	5,712,827	-
Capital assets, net of accumulated depreciation:			
Land and construction in process	1,653,019	-	-
Other capital assets, net of accumulated depreciation	29,401,264	68,333	-
Total noncurrent assets	<u>31,467,283</u>	<u>6,001,886</u>	<u>-</u>
Total assets	<u>44,747,264</u>	<u>6,001,886</u>	<u>59,151</u>
Deferred outflows of resources:			
Deferred outflows of resources related to OPEB	3,123	-	-
Deferred outflows of resources related to pensions	91,514	-	-
Total deferred outflows of resources	<u>94,637</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 44,841,901</u>	<u>\$ 6,001,886</u>	<u>\$ 59,151</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</u>			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 752,064	\$ 18	\$ 20,050
Accrued interest	36,042	-	-
Deposits held in custody for others	427,285	-	-
Unearned revenue - dues / fees	-	-	25,300
Long-term liabilities, current portion	1,558,719	-	-
Total current liabilities	<u>2,774,110</u>	<u>18</u>	<u>45,350</u>
Noncurrent liabilities:			
Long-term liabilities	9,741,582	-	-
Total liabilities	<u>12,515,692</u>	<u>18</u>	<u>45,350</u>
Deferred inflows of resources:			
Deferred inflows of resources related to OPEB	71,153	-	-
Deferred inflows of resources related to pensions	102,340	-	-
Deferred revenue - current property taxes	4,348,055	-	-
Total deferred inflows of resources	<u>4,521,548</u>	<u>-</u>	<u>-</u>
Net position:			
Investment in capital assets, net of related debt	20,882,282	-	-
Restricted, expendable for:			
Scholarships	-	232,989	-
Loans	-	12,844	-
Capital projects, net of related debt	-	61,529	-
Other	555,637	176,442	-
Unrestricted	6,366,742	5,518,064	13,801
Total net position	<u>27,804,661</u>	<u>6,001,868</u>	<u>13,801</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 44,841,901</u>	<u>\$ 6,001,886</u>	<u>\$ 59,151</u>

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

GARDEN CITY COMMUNITY COLLEGE
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2018

	Community College	Endowment Association	Broncbuster Athletic Association
REVENUES			
Operating revenues:			
Student tuition and fees (net of scholarship allowances of \$2,116,354)	\$ 3,076,696	\$ -	\$ -
Federal grants and contracts	1,333,463	-	-
State and local grants and contracts	148,000	-	-
Nongovernmental grants and contracts	178,463	808,531	80,728
Auxiliary enterprises (net of scholarship allowances of \$2,292,717)	1,535,166	-	-
Other operating revenues	<u>274,087</u>	<u>8,992</u>	<u>107,964</u>
Total operating revenues	<u>6,545,875</u>	<u>817,523</u>	<u>188,692</u>
EXPENSES			
Operating expenses:			
Instruction	7,853,488	-	-
Academic support	1,512,239	-	-
Student services	4,067,601	-	-
Community service	76,099	-	86,112
Operating and maintenance of plant	2,996,653	-	6,964
Institutional support	2,979,810	360,859	-
Auxiliary enterprises	2,719,486	-	-
Depreciation	2,631,909	980	-
Other expenses	<u>2,376</u>	<u>358</u>	<u>-</u>
Total operating expenses	<u>24,839,661</u>	<u>362,197</u>	<u>93,076</u>
Operating income (loss)	<u>(18,293,786)</u>	<u>455,326</u>	<u>95,616</u>
NONOPERATING REVENUES (EXPENSES)			
Property taxes	10,245,735	-	-
State appropriations	4,331,436	-	-
Pell and SEOG Grants	3,755,433	-	-
Investment income	123,852	137,687	-
Payments to GCCC	-	(575,475)	(76,882)
Gain from disposal of assets	3,947	-	-
Interest on capital asset related debt	<u>(302,675)</u>	<u>-</u>	<u>-</u>
Net nonoperating revenues (expenses)	<u>18,157,728</u>	<u>(437,788)</u>	<u>(76,882)</u>
Income (loss) before other revenues, expenses, gains or losses	(136,058)	17,538	18,734
Capital grants and gifts	<u>10,000</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net position	(126,058)	17,538	18,734
NET POSITION			
Net position, beginning of year, as restated	<u>27,930,719</u>	<u>5,984,330</u>	<u>(4,933)</u>
Net position, end of year	<u>\$ 27,804,661</u>	<u>\$ 6,001,868</u>	<u>\$ 13,801</u>

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

GARDEN CITY COMMUNITY COLLEGE
Statement of Cash Flows
For the Year Ended June 30, 2018

	Community College
CASH FLOWS FROM OPERATING ACTIVITIES	
Student tuition and fees	\$ 2,799,898
Federal grants and contracts	1,333,463
State and local grants and contracts	148,000
Nongovernmental grants and contracts	178,463
Payment to suppliers	(22,263,684)
Payment to employees	1,613,055
Auxiliary enterprise charges	1,535,166
Other	274,087
Net cash used by operating activities	<u>(14,381,552)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Property taxes	10,694,647
State appropriations	2,745,567
Pell and SEOG grants	3,755,433
Net cash provided by noncapital financing activities	<u>17,195,647</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds from capital assets	15,000
Purchases of capital assets	(2,071,795)
Principal paid on capital debt and leases	(1,521,801)
Interest paid on capital debt and leases	(309,964)
Net cash used by capital and related financing activities	<u>(3,888,560)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from sales and maturities of investments	6,222,802
Interest on investments	123,852
Purchase of investments	(6,001,833)
Net cash provided by investing activities	<u>344,821</u>
Net increase (decrease) in cash	(729,644)
Cash, beginning of year	<u>4,981,168</u>
Cash, end of year	<u><u>\$ 4,251,524</u></u>
Statement of net position classification:	
Current assets	\$ 3,838,524
Restricted assets	413,000
Total cash, end of year	<u><u>\$ 4,251,524</u></u>

(continued)

GARDEN CITY COMMUNITY COLLEGE
Statement of Cash Flows
For the Year Ended June 30, 2018

	<u>Community College</u>
RECONCILIATION OF NET OPERATING REVENUES (EXPENSES) TO NET CASH USED BY OPERATING ACTIVITIES	
Operating loss	\$ (18,293,786)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation	2,631,909
KPERS pension income (expense)	1,585,869
Changes in net assets:	
Miscellaneous receivables	(354,086)
Deferred outflows related to OPEB	(3,123)
Deferred outflows related to pensions	(63,425)
Accounts payable and accrued liabilities	44,237
Deposits held in custody for others	78,950
Unearned revenues	(1,662)
Deferred inflows related to OPEB	71,153
Deferred inflows related to pensions	(25,918)
Accrued compensated absences	7,724
Net pension liability	80,728
Net OPEB liability	<u>(140,122)</u>
Net cash used by operating activities	<u>\$ (14,381,552)</u>
Schedule of non-cash operating activities:	
Contribution of State aid for KPERS pension expense	\$ 1,585,869
Contribution of capital assets received	10,000

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

GARDEN CITY COMMUNITY COLLEGE
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2018

	<u>Agency Accounts</u>
<u>ASSETS</u>	
Cash and investments	<u>\$ 427,570</u>
Total assets	<u><u>\$ 427,570</u></u>
 <u>LIABILITIES</u>	
Accounts payable	\$ 285
Due to agency funds	<u>427,285</u>
Total liabilities	<u><u>\$ 427,570</u></u>

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

NOTES TO FINANCIAL STATEMENTS

GARDEN CITY COMMUNITY COLLEGE
Notes to Financial Statements
June 30, 2018

1. Summary of significant accounting policies

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

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

A. Description of government-wide financial statement

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

B. Financial reporting entity

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

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

The Garden City Community College Endowment Association is a not-for-profit corporation organized to raise funds to support educational undertakings at Garden City Community College, and to receive and hold in trust any property transferred to the Association for the benefit of the College, or any student or employee of the College, managing all property received according to the uses specified by the donors or, in case the gift is a general one, to such uses as may be agreed upon by the Board of Directors. Scholarships totaling \$575,475 were provided to the College during the year.

The Broncbuster Athletic Association is a not-for-profit organization created to promote activities and events to raise funds to provide scholarships, education, equipment and opportunities for student athletes at Garden City Community College. Scholarships totaling \$76,882 were provided to the College during the year.

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

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

Broncbuster Athletic Association
801 Campus Drive
Garden City, Kansas 67846

GARDEN CITY COMMUNITY COLLEGE
Notes to Financial Statements
June 30, 2018

1. Summary of significant accounting policies (continued)

C. Basis of presentation – government-wide financial statements

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

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

D. Basis of presentation – fund financial statements

The College reports all operating activity under one major enterprise fund.

Additionally, the College reports the following fund type:

Fiduciary funds are used to report activities whereby the College acts as a trustee or fiduciary to hold resources for the benefit of parties outside the College. The accrual basis of accounting is used for fiduciary funds and is similar to the accounting for business-type activities. The basic financial statements exclude fiduciary fund activities and balances, because these assets are restricted in purpose and cannot be used by the College to finance its operations. The College must ensure that assets reported in fiduciary funds are used for their intended purpose. The College's fiduciary funds are classified as agency funds.

E. Measurement focus and basis of accounting

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

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

The agency fund has no measurement focus but utilizes the accrual basis of accounting for reporting its assets and liabilities.

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

GARDEN CITY COMMUNITY COLLEGE
Notes to Financial Statements
June 30, 2018

1. Summary of significant accounting policies (continued)

F. Budgetary information

Although the College's financial statements consist of only one enterprise-type activity, budgets are adopted for the departments classified as Current Unrestricted Funds (including Auxiliary Enterprises), Adult Basic Education Fund, Postsecondary Technical Education Fund, Unexpended Plant Funds, and Revenue Bonds Fund. All budgets are prepared using the modified accrual basis further modified by the encumbrance method of accounting – that is, commitments such as purchase orders and contracts, in addition to disbursements and accounts payable, are recorded as expenditures. Unused appropriations for all of the above annually budgeted funds lapse at the end of the year. The Schedules of Revenue, Expenditures, Encumbrances and Changes in Unencumbered Cash – Actual and Budget; Schedules 1, 1-A, 2, 3, 4 and 5 in the SUPPLEMENTARY INFORMATION section; present the comparisons by funds of the legally adopted budget with actual data on the budgetary basis.

Although directory rather than mandatory, Kansas statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

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

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. There were no budget amendments to the adopted annual operating budget for fiscal year 2018.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

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

Excess of expenditures over appropriations

Under Kansas statutes, expenditures are mandated to be controlled, so that no indebtedness is created in excess of budgeted limits. Management is not aware of any statutory violations.

Budgetary compliance – non-GAAP financial statements

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

GARDEN CITY COMMUNITY COLLEGE
Notes to Financial Statements
June 30, 2018

1. Summary of significant accounting policies (continued)

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

Cash and cash equivalents

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

Deposits and investments

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

State statutes authorize the College to invest idle funds in U.S. government securities, temporary notes, no-fund warrants, repurchase agreements and the Kansas Municipal Investment Pool. The Kansas Municipal Investment Pool operates in accordance with appropriate State laws and regulations. The reported value of the investment in the Kansas Municipal Investment Pool is the same as the fair value of its pool shares. Other investments of the College and its component units are stated at fair value, which equals cost. The aggregate value of the investments at June 30, 2018, is \$20,583.

Allowance for uncollectible accounts

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

Inventories and prepaid items

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

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

Restricted assets

Certain resources set aside for the repayment of the College's revenue bonds are classified as restricted assets on the statement of net position because their use is limited by applicable bond covenants.

GARDEN CITY COMMUNITY COLLEGE
Notes to Financial Statements
June 30, 2018

1. Summary of significant accounting policies (continued)

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

Capital assets

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

Interest incurred during the construction phase of capital assets of enterprise funds is included as part of the capitalized value of the assets constructed. The amount of interest capitalized depends on the specific circumstances.

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

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

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

Pensions

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

Deferred outflows/inflows of resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The College reports amounts related to pensions on the statement of net position as a deferred outflow of resources.

GARDEN CITY COMMUNITY COLLEGE
Notes to Financial Statements
June 30, 2018

1. Summary of significant accounting policies (continued)

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

Deferred outflows/inflows of resources (continued)

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The College has two items that qualify for reporting in this category. (1) The College reports amounts related to pensions on the statement of net position as a deferred inflow of resources. (2) Under a modified accrual basis of accounting, the College reports unearned revenues from property taxes as deferred and recognized as an inflow of resources in the period that the amounts become available and earned.

Net position flow assumption

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

Net position

Net position of the College is classified in four components. *Net position invested in capital assets net of related debt* consists of property and equipment net of accumulated depreciation and reduced by the current balances of any outstanding borrowings used to finance the purchase or construction of those assets. *Restricted expendable net position* is noncapital net position that must be used for a particular purpose, as specified by creditors, grantors or contributors external to the College. *Restricted nonexpendable net position* equals the principal portion of permanent endowments. *Unrestricted net position* is remaining net position that does not meet the definition of *invested in capital assets net of related debt* or *restricted in expendable or nonexpendable net position*.

H. Revenues and expenses

Proprietary funds operating and nonoperating revenues and expenses

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

Tuition and fee revenues collected during the fiscal year which relate to the period after June 30, 2018, have been deferred.

Property taxes

Property taxes are levied each calendar year on all taxable real property located in the taxing district. Property taxes are recorded on an accrual basis of accounting. Pursuant to the Board of Trustees, property tax levies approved in August 2017, were allocated forty-four percent to fiscal year 2019.

GARDEN CITY COMMUNITY COLLEGE
Notes to Financial Statements
June 30, 2018

1. Summary of significant accounting policies (continued)

H. Revenues and expenses (continued)

Property taxes (continued)

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

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

Grants and contributions

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

Compensated absences

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

The College's policy regarding vacation leave permits employees to accumulate vacation leave to a maximum of up to 20 days. Personnel leaving the employment of the College will be paid for unused vacation days at the daily rate of the employee's last contract. The estimated dollar amount of accumulated vacation leave pay at June 30, 2018, totals \$292,743. The current portion of accrued vacation leave, which would be liquidated with expendable available resources, is not material.

I. Pensions

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

GARDEN CITY COMMUNITY COLLEGE
Notes to Financial Statements
June 30, 2018

1. Summary of significant accounting policies (continued)

J. New pronouncements

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

- GASB Statement No. 83, *Certain Asset Retirement Obligations*, issued November 2016, will be effective for the College beginning with its year ending June 30, 2019. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement.
- GASB Statement No. 84, *Fiduciary Activities*, issued January 2017, will be effective for the College beginning with its year ending June 30, 2020. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.
- GASB Statement No. 87, *Leases*, issued June 2017, will be effective for the College beginning with its year ending June 30, 2021. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments.
- GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, issued April 2018, will be effective for the College beginning with its year ending June 30, 2020. The objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt.
- GASB Statement No. 89, *Accounting for Interest Cost Incurred before the end of a Construction Period*, issued June 2018, will be effective for the College beginning with its year ending June 30, 2021. The objectives of this Statement are to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for interest cost incurred before the end of a construction period.
- GASB Statement No. 90, *Majority Equity Interests*, issued August 2018, will be effective for the College beginning with its year ending June 30, 2020. The primary objectives of this Statement are to improve the consistency and comparability of reporting government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units.

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

GARDEN CITY COMMUNITY COLLEGE
Notes to Financial Statements
June 30, 2018

2. Stewardship, compliance and accountability

A. Compliance with Kansas statutes

References made herein to the statutes are not intended as interpretation of law, but are offered for consideration of the Kansas Department of Administration's Chief Financial Officer and interpretation by the County Attorney and the legal representative of the College. There were no material violations noted for the year ended June 30, 2018.

3. Detailed notes on all activities and funds

A. Cash and investments

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

Cash and cash equivalents	\$ 3,838,524
Short-term investments	7,020,582
Restricted assets:	
Cash and cash equivalents	<u>413,000</u>
Total cash and investments	<u>\$ 11,272,106</u>
Carrying amount of deposits	\$ 11,245,638
Carrying amount of investments	20,583
Cash on hand	<u>5,885</u>
Total cash and investments	<u>\$ 11,272,106</u>

Cash deposits with financial institutions

Custodial credit risk – deposits

In the case of deposits, custodial credit risk is the risk that in the event of a bank failure, the College's deposits may not be returned to it. State statutes require the College's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City or the Federal Home Loan Bank of Topeka and held by a third party bank that is independent of the pledging bank. The pledged securities are held under a tri-party custodial agreement signed by all three parties: the College, the pledging bank and the independent third-party bank holding the pledged securities. All deposits were secured at June 30, 2018.

At June 30, 2018, the College's carrying amount of deposits was \$11,245,638 and the bank balance was \$11,524,585. Of the bank balance, 83% was held by three banks resulting in a concentration of credit risk. Of the bank balance, \$2,257,714 was covered by federal depository insurance and \$9,266,871 was collateralized with securities held by the pledging financial institutions' agents in the College's name. The College's cash deposits by financial institution at year end are as follows:

	Commerce Bank	Landmark National Bank	First National Bank	American State Bank	Valley State Bank
Bank balance covered by:					
FDIC coverage	\$ 500,000	\$ 250,000	\$ 1,007,714	\$ 250,000	\$ 250,000
Pledged securities at market value	<u>2,471,675</u>	<u>3,287,843</u>	<u>-</u>	<u>2,757,353</u>	<u>750,000</u>
Total bank balance	<u>\$ 2,971,675</u>	<u>\$ 3,537,843</u>	<u>\$ 1,007,714</u>	<u>\$ 3,007,353</u>	<u>\$ 1,000,000</u>

GARDEN CITY COMMUNITY COLLEGE
Notes to Financial Statements
June 30, 2018

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

A. Cash and investments (continued)

Investments

Credit and interest rate risks

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

K.S.A. 12-1675 limits the College's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. All investments must be insured, registered, or held by the College or its agent in the College's name. The College has no investment policy that would further limit its investment choices. The rating of the Government's investments is noted below.

As of June 30, 2018, the College had the following investments and maturities:

Investment type	Fair Value	Investment Maturities (in Years)	Rating
		Less Than 1	
Municipal Investment Pool	\$ 20,583	\$ 20,583	S&P AAAs/S1+
Total fair value	\$ 20,583	\$ 20,583	

Concentration of credit risk

State statutes place no limit on the amount the College may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. The College's allocation of investments as of June 30, 2018, is as follows:

Investment Type	Percentage of Investments
Municipal Investment Pool	100.00%

Custodial credit risk – investments

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

GARDEN CITY COMMUNITY COLLEGE
Notes to Financial Statements
June 30, 2018

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

B. Receivables

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

Taxes	\$ 576,751
Miscellaneous	<u>1,844,124</u>
Gross receivables	2,420,875
Less allowance for uncollectibles	<u>-</u>
Total net receivables	<u><u>\$ 2,420,875</u></u>

Revenues of the enterprise funds are reduced by uncollectible amounts when written off.

Proprietary funds report unearned revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At the end of the current fiscal year, the various components of unearned revenue attributable to receivables reported in the proprietary funds were as follows:

Current property taxes receivable:	
General	\$ 479,083
Plant Funds - Unexpended	<u>97,668</u>
Total	<u><u>\$ 576,751</u></u>

C. Capital assets

The following is a summary of changes in the various capital asset categories for the year ended June 30, 2018:

	Beginning Balance	Additions	Retirements	Ending Balance
Cost:				
Land	\$ 1,580,064	\$ -	\$ -	\$ 1,580,064
Construction in progress	472,658	-	399,703	72,955
Improvements other than buildings	9,980,735	1,350,145	-	11,330,880
Buildings	42,016,290	830,633	15,000	42,831,923
Equipment	9,179,391	300,720	293,358	9,186,753
Total cost	<u>63,229,138</u>	<u>2,481,498</u>	<u>708,061</u>	<u>65,002,575</u>
Less accumulated depreciation:				
Improvements other than buildings	3,911,072	579,999	-	4,491,071
Buildings	20,641,715	1,424,926	6,937	22,059,704
Equipment	7,060,901	626,984	290,368	7,397,517
Total accumulated depreciation	<u>31,613,688</u>	<u>2,631,909</u>	<u>297,305</u>	<u>33,948,292</u>
Property, plant and equipment, net	<u><u>\$ 31,615,450</u></u>	<u><u>\$ (150,411)</u></u>	<u><u>\$ 410,756</u></u>	<u><u>\$ 31,054,283</u></u>

Depreciation expense for the year ended June 30, 2018, was \$2,631,909.

GARDEN CITY COMMUNITY COLLEGE
Notes to Financial Statements
June 30, 2018

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

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

General information about the pension plan

Plan description

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

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

Substantially all public employees in Kansas are covered by the Pension Plan. The State of Kansas and Kansas schools are required to participate, while participation by local political subdivisions is optional but irrevocable once elected.

Those employees participating in the Pension Plan for the College are included in the State/School employee group.

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

Benefits provided

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's General Assembly. Members with ten or more years of credited service may retire as early as age 55 with an actuarially reduced monthly benefit. Normal retirement is at age 65, age 62 with ten years of credited service, or whenever a member's combined age and years of service equal 85 "points".

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

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

GARDEN CITY COMMUNITY COLLEGE
Notes to Financial Statements
June 30, 2018

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

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

General information about the pension plan (continued)

Benefits provided (continued)

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

For all pension coverage groups, the retirement benefits are disbursed from the retirement benefit payment reserve fund as established by K.S.A. 74-4922.

Contributions

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

For fiscal years beginning in 1995, Kansas legislation established statutory limits on increases in contribution rates for KPERS employers. Annual increases in the employer contribution rates related to subsequent benefit enhancements are not subject to these limitations. The statutory cap increase over the prior year contribution rate is 1.2% of total payroll for the fiscal year ended June 30, 2017.

The actuarially determined employer contribution rate and the statutory contribution rate for College employees are 14.89% and 10.81%, respectively. Member contribution rates as a percentage of eligible compensation for the fiscal year ended June 30, 2017, are 6.00% for state/school employees.

Special funding situation

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

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

GARDEN CITY COMMUNITY COLLEGE
Notes to Financial Statements
June 30, 2018

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

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

General information about the pension plan (continued)

Employer allocations

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

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

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

The allocation percentages for the College's share of the collective pension amounts as of June 30, 2017 and 2016, were based on the ratio of its contributions to the total of the employer and nonemployer contributions of the group for the fiscal years ended June 30, 2017 and 2016, respectively.

The contributions used exclude contributions made for prior service, excess benefits and irregular payments. At June 30, 2017, the College's proportion was 0.230%, which was an increase of 0.207% from its proportion measured at June 30, 2016.

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

Net pension liability

At June 30, 2018, the College reported a liability of for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the College. The amount recognized by the College as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the College were as follows:

College's proportionate share of the net pension liability	\$ 101,725
State's proportionate share of the net pension liability associated with the College	<u>15,326,000</u>
Total	<u><u>\$ 15,427,725</u></u>

GARDEN CITY COMMUNITY COLLEGE
Notes to Financial Statements
June 30, 2018

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

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

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

Actuarial assumptions

The total pension liability was determined by an actuarial valuation as of December 31, 2016, which was rolled forward to June 30, 2017. The actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial cost method	Entry age normal
Inflation	2.75%
Salary increase	3.50% to 12.00%, including price inflation
Investment rate of return	7.75% 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 assumptions used in the December 31, 2016, valuation were based on the results of an actuarial experience study conducted for the period January 1, 2013, through December 31, 2015. The experience study is dated November 18, 2016.

The actuarial assumptions changes adopted by the pension plan for all groups based on the experience study:

- Price inflation assumption lowered from 3.00% to 2.75%
- Investment return assumption was lowered from 8.00% to 7.75%
- General wage growth assumption was lowered from 4.00% to 3.50%
- Payroll growth assumption was lowered from 4.00% to 3.00%

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GARDEN CITY COMMUNITY COLLEGE
Notes to Financial Statements
June 30, 2018

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

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

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

Actuarial assumptions (continued)

The long-term expected rate of return of pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class as of the most recent experience study, dated November 18, 2016, as provided by KPERS' investment consultant, are summarized in the following table:

Asset Class	Long-Term Target Allocation	Long-Term Expected Real Rate of Return
Global equity	47.00%	6.80%
Fixed income	13.00%	1.25%
Yield driven	8.00%	6.55%
Real return	11.00%	1.71%
Real estate	11.00%	5.05%
Alternatives	8.00%	9.85%
Short-term investments	2.00%	-0.25%
Total	100.00%	

Discount rate

The discount rate used to measure the total pension liability was 7.75%. The projection of cash flows used to determine the discount rate was based on member and employer contributions as outlined below. In KPERS, the State/School and Local groups do not necessarily contribute the full actuarial determined rate. Based on legislation passed in 1993 and subsequent legislation, the employer contribution rates certified by the Board may not increase by more than the statutory cap. The statutory cap for fiscal year 2017 was 1.20%.

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

GARDEN CITY COMMUNITY COLLEGE
Notes to Financial Statements
June 30, 2018

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

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

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

Discount rate (continued)

In addition, 2017 S Sub. For Sub. HB 2052 delayed \$64 million in fiscal year State/School contributions, to be repaid over 20 years in level dollar installments. The first year payment of \$6.4 million was received in July 2017 and appropriations for fiscal year 2018 are intended to fully fund the State/School group statutory contribution rate of 12.01% for that year. Additional legislation in the 2017 Session (S Sub for HB 2002) provided for a reduction of \$194 million from the previously certified contribution rate of 13.21% in the State/School contributions for fiscal year 2019. Like the fiscal year 2017 reduction, it is to be paid back over a 20 year period, beginning in fiscal year 2020. Therefore, both reductions will be accounted for as long term receivables by the pension plan.

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

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

The following table presents the College's proportionate share of the net pension liability calculated using the discount rate of 7.75%, as well as what the College's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.75%) or one percentage point higher (8.75%) than the current rate:

1% Decrease (6.75%)	Discount rate (7.75%)	1% Increase (8.75%)
\$ 135,622	\$ 101,725	\$ 73,122

Deferred outflows of resources and deferred inflows of resources

At June 30, 2018, the College reported deferred outflows of resources and deferred inflows of resources related to pensions as shown in the following tables. Experience gains/losses and the impact of changes in actuarial assumptions or other inputs, if any, are recognized over the average expected remaining service life of the active and inactive plan members at the beginning of the measurement period. Investment gains and losses are recognized over a fixed five year period.

	College's Proportionate Share of Deferred Outflows of Resources	College's Proportionate Share of Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 5,059
Net differences between projected and actual earnings on Pension Plan investments	2,182	-
Changes of assumptions	4,803	135
Changes in proportion	77,077	97,146
Contributions subsequent to measurement date	7,452	-
Total	\$ 91,514	\$ 102,340

GARDEN CITY COMMUNITY COLLEGE
Notes to Financial Statements
June 30, 2018

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

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

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

Deferred outflows of resources and deferred inflows of resources (continued)

The net deferred outflows of resources and (deferred inflows) of resources as of June 30, 2017, that will be recognized in pension expense in future years are as follows:

Fiscal Year	Deferred Outflows (Inflows) of Resources
2018	\$ (11,514)
2019	(7,544)
2020	(5,342)
2021	(188)
2022	6,309
Thereafter	-

Pension expense

For the year ended June 30, 2018, the College recognized pension expense of \$1,584,706, which includes the changes in the collective net pension liability, projected earnings on pension plan investments, and the amortization of deferred outflows of resources and deferred inflows of resources for the current period.

E. Other postemployment benefit (OPEB) obligations

General information about the plan

Kansas statute provides that postemployment healthcare benefits be extended to retired employees who have met the age and/or service eligibility requirements. The health insurance benefit generally provides the same coverage for retirees and their dependents as for active employees and their dependents. The health insurance benefit plan is a single employer defined benefit plan administered by the College.

Benefits provided

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

Inactive employees or beneficiaries currently receiving benefits	26
Active employees	189
	<u>215</u>

Total OPEB liability

The College's total OPEB liability of \$733,832 was measured as of June 30, 2018, and was determined by an actuarial valuation as of that date.

GARDEN CITY COMMUNITY COLLEGE
Notes to Financial Statements
June 30, 2018

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

E. Other postemployment benefit (OPEB) obligations (continued)

Total OPEB liability (continued)

Actuarial assumptions and other inputs

The total OPEB liability in the June 30, 2018, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount rate	3.3% (measurement date) 3.4% (year preceding measurement date)
Medical/Rx trend rate	Actual for the first two years, decreasing 0.50% per year to an ultimate rate of 5.00% for 2026 and later years.
Dental costs	Actual for the first two years, 3.5% per year thereafter.
Age-based costs	Industry age-based cost relativities were applied to expected per member costs.
Participation in coverage for future retirees	One hundred percent (100%) of future employees are assumed to elect coverage upon retirement.
Enrollment Duration	Coverage with the College is assumed to continue until the retiree reaches Medicare eligibility. When the spouse is > age 65 and the retiree is < age 65, the plan is assumed to be primary for both retiree and spouse
Retirement age	Assumed retirement rates are based on those utilized for the KPERS-School pension valuations.
Disability	None
Withdrawal	Assumed rates are based on those utilized for the KPERS-School pension valuations.
Spousal Participation	Ten percent (10%) of future eligible retirees are assumed to have a covered spouse for Medical. Twenty percent (20%) is assumed for Dental. This is based on an analysis of covered spouse experience of retirees. Actual spousal elections were valued for spouses of current retirees.
Spouse age difference	Male employees are assumed to be 3 years older than their female spouse for future retirees. Actual spousal age was valued for spouses of current retirees.
Medical Plan	Future plan elections are assumed to remain unchanged relative to current elections. Actives currently waiving coverage were valued based upon the plan distribution of the total covered group. However, no benefit is assumed for an employee currently waiving coverage that can't meet the group health plan participation minimum prior to reaching age 65.
Dental benefits	All future new retirees are assumed to elect Dental. Actual Dental elections were valued for current retirees.
Medicare Eligibility Age	Age 65
Timing of Claim Payments	Mid-Year
Salary scale (per employee)	2.0% per year
Excise "Cadillac" Tax On High Cost Plans	The tax is scheduled to take effect in 2022. The application and realization of the law remains subject to uncertainty. It is assumed any tax that may apply would be passed through to retiree participants.

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

Healthy life mortality rates were based on the Society of Actuaries RPH-2014 Adjusted to 2006 Total Dataset Headcount-weighted Mortality with MP-2016 Full Generational Improvement.

GARDEN CITY COMMUNITY COLLEGE
Notes to Financial Statements
June 30, 2018

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

E. Other postemployment benefit (OPEB) obligations (continued)

Changes to the total OPEB liability

Total OPEB liability - beginning of year	<u>\$ 873,954</u>
Service cost	26,777
Interest cost	28,619
Differences between actual and expected experience	(81,077)
Changes in assumptions and inputs	3,559
Employer contributions (benefit payments)	<u>(118,000)</u>
Net changes	<u>(140,122)</u>
Total OPEB liability - end of year	<u><u>\$ 733,832</u></u>

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

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

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

	1% Decrease (2.30%)	Discount Rate (3.30%)	1% Increase (4.30%)
Total OPEB Liability	<u>\$ 770,854</u>	<u>\$ 733,832</u>	<u>\$ 699,434</u>

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

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

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability	<u>\$ 691,448</u>	<u>\$ 733,832</u>	<u>\$ 781,360</u>

GARDEN CITY COMMUNITY COLLEGE
Notes to Financial Statements
June 30, 2018

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

E. Other postemployment benefit (OPEB) obligations (continued)

OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB

For the year ended June 30, 2018, the College recognized OPEB expense of \$45,908. At June 30, 2018, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Category	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual	\$ -	\$ 71,153
Changes in assumptions	3,123	-
Total	<u>\$ 3,123</u>	<u>\$ 71,153</u>

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

	Amount
2019	\$ 9,488
2020	9,488
2021	9,488
2022	9,488
2023	9,488
2024 & thereafter	<u>20,590</u>
	<u>\$ 68,030</u>

F. Construction and other significant commitments

Construction commitments

Capital projects in process at June 30, 2018, are as follows:

Project	Authorization	Expended	Committed
Roof Replacement - DPAC Practice Gym	\$ 97,750	\$ -	\$ 97,750

GARDEN CITY COMMUNITY COLLEGE
Notes to Financial Statements
June 30, 2018

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

F. Construction and other significant commitments (continued)

Operating leases

During the year ended June 30, 2005, the College entered into an agreement to purchase an additional facility to be used for another Adult Learning Center. The agreement contains a lease for the facility site for a period of five years, renewable on a year to year basis thereafter. As consideration for the purchase, the College has been granted the leasehold interest without obligation for payment of any basic cash rent for the facility site during the original, or any renewal term, of the agreement.

G. Risk management

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

H. Lease obligations

Capital leases

The College has entered into various capital lease agreements outstanding at June 30, 2018, as follows:

1. Country Club Bank

The College entered into a lease purchase agreement for equipment and a building with Country Club Bank dated July 5, 2012, under a refinancing arrangement involving the issuance of lease purchase agreement certificates of participation in the amount of \$3,610,000. Proceeds from the lease purchase agreement were used to terminate the 2004 lease purchase agreements with UMB National Bank of America and Security Bank of Kansas City, for a net savings of \$289,357 in total minimum lease commitments.

The lease purchase agreement commenced July 5, 2012, and expires May 1, 2020. The lease may be terminated upon any of the following events: (1) expiration of the original term including any renewals; (2) the exercise by the College of the option to purchase the equipment granted under the lease; (3) a default by the College and Lessor's election to terminate this lease; (4) the payment by the College of all base rental payments and additional rental payments due or to become due and the payment of the purchase price balance set forth in the lease; or (5) the effective date of cancellation of this lease by an act of the Kansas Legislature.

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

GARDEN CITY COMMUNITY COLLEGE
Notes to Financial Statements
June 30, 2018

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

H. Lease obligations (continued)

Capital leases (continued)

2. First Security Finance, Inc.

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

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

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

3. Clayton Holdings, LLC

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

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

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

GARDEN CITY COMMUNITY COLLEGE
Notes to Financial Statements
June 30, 2018

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

H. Lease obligations (continued)

Capital leases (continued)

4. Clayton Holdings, LLC

The College entered into a lease purchase agreement for student housing and parking lot with Clayton Holdings, LLC dated April 26, 2017.

The lease purchase agreement commenced April 26, 2017, and expires November 1, 2026. The lease may be terminated upon any of the following events: (1) expiration of the original term including any renewals; (2) the exercise by the College of the option to purchase the facilities granted under the lease; (3) a default by the College and Lessor's election to terminate this lease; (4) the payment by the College of all base rental payments and additional rental payments due or to become due and the payment of the purchase price balance set forth in the lease; or (5) the effective date of cancellation of this lease by an act of the Kansas Legislature.

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

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GARDEN CITY COMMUNITY COLLEGE
Notes to Financial Statements
June 30, 2018

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

H. Lease obligations (continued)

Capital leases (continued)

The total amount of the assets and construction in progress included on the College's fixed asset records under these lease agreements are as follows for the fiscal year ended June 30, 2018:

Improvements other than buildings	\$ 4,524,321
Buildings	8,784,308
Equipment	<u>1,157,241</u>
Total cost	<u>14,465,870</u>
Less accumulated depreciation:	
Improvements other than buildings	1,736,957
Buildings	2,070,883
Equipment	<u>1,154,251</u>
Total accumulated depreciation	<u>4,962,091</u>
Total, net	<u><u>\$ 9,503,779</u></u>

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

<u>Fiscal Year</u>	
2019	\$ 1,326,058
2020	1,315,954
2021	814,485
2022	802,136
2023	789,747
2024-2027	<u>1,844,245</u>
Total minimum lease commitments	6,892,625
Amount representing interest	<u>(630,624)</u>
Present value of minimum lease payments	<u><u>\$ 6,262,001</u></u>

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

GARDEN CITY COMMUNITY COLLEGE
Notes to Financial Statements
June 30, 2018

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

I. Long-term liabilities

Revenue bonds

The College issues revenue bonds where the College pledges income derived from the fees and charges to users of the related assets to pay the debt service. The original principal amount of revenue bonds issued in prior years was \$4,130,000. Revenue bonds currently outstanding are as follows:

	<u>Issue</u>	<u>Date</u>	<u>Interest Rates</u>	<u>6/30/2018</u>
Revenue bonds payable				
Series 2014 - student housing	9/1/2014	6/1/2027	2.00 - 3.125%	\$ 3,910,000

The annual debt service requirements to maturity for the revenue bonds outstanding at June 30, 2018, including interest payments, are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>
2019	\$ 390,000	\$ 112,987
2020	400,000	104,212
2021	405,000	94,213
2022	420,000	82,062
2023	430,000	69,463
2024-2027	<u>1,865,000</u>	<u>144,500</u>
Total	<u>\$ 3,910,000</u>	<u>\$ 607,437</u>

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GARDEN CITY COMMUNITY COLLEGE
Notes to Financial Statements
June 30, 2018

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

I. Long-term liabilities (continued)

Revenue bonds (continued)

Changes in long-term liabilities

The following is a summary of changes in long-term liabilities of the College for the year ended June 30, 2018:

	Beginning Balance	Additions	Retirements	Ending Balance	Current Portion
Revenue bonds payable:					
Series 2014 - student housing	\$ 3,960,000	\$ -	\$ 50,000	\$ 3,910,000	\$ 390,000
Leases payable:					
Lease obligation - building	325,000	-	325,000	-	-
Lease obligation - buildings, improvements and equipment - refinancing	1,405,000	-	455,000	950,000	470,000
Lease obligation - improvements and equipment	1,640,166	-	255,437	1,384,729	262,355
Lease obligation - student housing	1,363,636	-	136,364	1,227,272	136,364
Lease obligation - student housing	3,000,000	-	300,000	2,700,000	300,000
Total leases payable	7,733,802	-	1,471,801	6,262,001	1,168,719
Other liabilities:					
Compensated absences, net	285,019	7,724	-	292,743	-
Net pension liability	20,997	80,728	-	101,725	-
Net OPEB liability	873,954	-	140,122	733,832	-
Total other liabilities	1,179,970	88,452	140,122	1,128,300	-
Total long-term liabilities	\$ 12,873,772	\$ 88,452	\$ 1,661,923	\$ 11,300,301	\$ 1,558,719

In addition to the \$1,521,801 in principal retired during the year, the College paid \$302,675 in interest on the notes and leases payable during the year ended June 30, 2018.

Legal debt margin

The College is subject to a debt limit that is 3% of the assessed valuation of taxable real property. For the year ended June 30, 2018, that amount was \$14,190,326. As of June 30, 2018, the College has no outstanding debt subject to the debt limit.

GARDEN CITY COMMUNITY COLLEGE
Notes to Financial Statements
June 30, 2018

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

J. Segment information

The following financial information represents identifiable activities for which revenue-backed debt is outstanding.

The 2014 revenue bonds were obtained to provide dormitory and student union space to students at the College. The revenue bonds are payable from the gross revenues, including rents, charges and fees, derived by the College from the operation of facilities in its student union, bookstore and dormitory system.

	<u>Dorm, Student Union and Bookstore</u>
CONDENSED STATEMENT OF NET ASSETS	
Assets:	
Current assets	\$ 1,040,058
Capital assets	10,404,851
Total assets	<u>11,444,909</u>
Liabilities:	
Current liabilities	913,472
Long-term liabilities	7,010,908
Total liabilities	<u>7,924,380</u>
Net assets:	
Invested in capital assets, net of related debt	2,537,307
Unrestricted	983,221
Total net assets	<u>\$ 3,520,528</u>
CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS	
Operating revenues	\$ 3,773,519
Operating expenses	(2,538,146)
Depreciation	(628,174)
Net operating income	607,199
Nonoperating revenue	814,485
Nonoperating expenses	(1,747,104)
Change in net assets	(325,420)
Net assets, beginning of year	3,845,948
Net assets, end of year	<u>\$ 3,520,528</u>
CONDENSED STATEMENT OF CASH FLOWS	
Net cash flows provided by operating activities	\$ 1,162,431
Net cash flows used by noncapital financing activities	(1,056,658)
Net cash flows provided by capital and related financing activities	(1,221,888)
Net increase in cash	(1,116,115)
Cash, beginning of year	2,156,173
Cash, end of year	<u>\$ 1,040,058</u>

GARDEN CITY COMMUNITY COLLEGE
Notes to Financial Statements
June 30, 2018

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

K. Related party transactions

The College purchases goods and services from businesses owned and operated by a board member. The College paid this business \$417,692 during the year ended June 30, 2018.

L. Discretely presented component units

1. Garden City Community College Endowment Association

At June 30, 2018, the Endowment Association's investment balances consisted of \$4,890,920 in marketable securities with a fair value of \$4,407,218, and \$1,305,609 of certificates of deposit.

The carrying amount of deposits for the Endowment Association was \$1,526,335 and the bank balance was \$1,531,172. All of the bank balance was covered by a combination of federal depository insurance, national credit union share insurance and securities investor protection insurance.

Property and equipment at June 30, 2018, for the Endowment Association consisted of the following:

Land	\$ 56,000
Buildings and improvements	9,500
Equipment	<u>25,435</u>
Total, cost	90,935
Less accumulated depreciation	<u>(22,602)</u>
Property and equipment, net	<u><u>\$ 68,333</u></u>

2. Broncbuster Athletic Association

At June 30, 2018, the carrying amount of deposits for the Broncbuster Athletic Association was \$25,766 and the bank balance was \$25,875. All of the bank balance was covered by federal depository insurance.

Property and equipment at June 30, 2018, for the Broncbuster Athletic Association consisted of the following:

Property and equipment	\$ 875
Less accumulated depreciation	<u>(875)</u>
Property and equipment, net	<u><u>\$ -</u></u>

GARDEN CITY COMMUNITY COLLEGE
Notes to Financial Statements
June 30, 2018

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

M. Jointly governed organizations

The following organization is a jointly governed organization in which the College participates and is not included in the combined financial statements of the College's basic financial statements:

Western Kansas Community College Virtual Education Consortium is a jointly governed organization between six western Kansas community colleges. Western Kansas Community College Virtual Education Consortium is governed by a six member board of official institutional representatives appointed by the member educational institutions. The purpose of Western Kansas Community College Virtual Education Consortium is to serve as an instrument of cooperation among the member educational institutions on the design and delivery of distance education courses, programs and degrees. This is accomplished by expanding distance education programs and increasing effectiveness of individual institutions by combining forces, coordinating activities, and eliminating duplication of efforts by pooling and sharing the financial, physical, and intellectual resources and expenditures of the individual institutions to realize a broader base of support through affiliation. A primary source of funding for Western Kansas Community College Virtual Education Consortium is from the general funds of the participating parties, student fees and through procuring grants. Garden City Community College contributed \$302,630 to the operations of Western Kansas Community College Virtual Education Consortium during the year ended June 30, 2018. Garden City Community College has no equity interest nor does the College materially contribute to the continued existence of Western Kansas Community College Virtual Education Consortium. Western Kansas Community College Virtual Education Consortium has a June 30th year end.

N. Contingencies

Grant audits

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

Student financial aid programs

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

Litigation

The College is named as a party in various lawsuits. These lawsuits are in the discovery stages and the effect, if any, on the College is not determinable at this time. In the opinion of management, the ultimate outcome of these lawsuits will not have a material adverse effect on the financial condition of the College.

GARDEN CITY COMMUNITY COLLEGE
Notes to Financial Statements
June 30, 2018

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

O. Tax abatements

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

For the year ended June 30, 2018, the College's share of abated property taxes totaled \$80,992 under the rural housing incentive districts program.

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

For the year ended June 30, 2018, the College's share of abated property taxes totaled \$249,180 under the tax increment financing project.

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

For the year ended June 30, 2018, the College's share of property taxes abated totaled \$113,968 under the property tax settlement agreements.

P. Change in accounting principle

On July 1, 2017, the College implemented Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The implementation of this standard resulted in an increase in the Net OPEB liability of \$721,007 at June 30, 2017. This adjustment was also applied to the net position in the financial statements at June 30, 2017, as follows:

Beginning net position, as previously reported at June 30, 2017	\$ 28,651,726
GASB 75 implementation	<u>(721,007)</u>
Net position, June 30, 2017, as restated	<u>\$ 27,930,719</u>

In addition, beginning unencumbered cash and beginning net position of the General fund were restated to retroactively report this change.

REQUIRED SUPPLEMENTARY INFORMATION

GARDEN CITY COMMUNITY COLLEGE
Schedules of Net Pension Liability and
Contributions Attributable to the College
June 30, 2018

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

	2014	2015	2016	2017	2018
College's proportion of the net pension liability (asset)	0.000000%	0.000000%	0.990036%	1.856765%	9.059520%
College's proportionate share of the net pension liability (asset)	\$ -	\$ -	\$ 150,122	\$ 20,997	\$ 101,725
State's proportionate share of the net pension liability (asset) associated with the College	14,184,047	15,769,626	15,163,292	1,130,838	1,122,852
Total	<u>\$ 14,184,047</u>	<u>\$ 15,769,626</u>	<u>\$ 15,313,414</u>	<u>\$ 1,151,835</u>	<u>\$ 1,224,577</u>
College's covered-employee payroll	\$ 9,709,725	\$ 10,047,263	\$ 9,741,859	\$ 10,153,047	\$ 10,416,480
College's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	1.54%	0.21%	0.98%
Plan fiduciary net position as a percentage of the total pension liability	66.60%	64.95%	65.10%	67.12%	

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

	2014	2015	2016	2017	2018
Contractually required contribution	\$ -	\$ 9,418	\$ 1,460	\$ 7,505	\$ 7,452
Contributions in relation to the contractually required contribution	-	(9,418)	(1,460)	(7,505)	(7,452)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
College's covered-employee payroll	\$ 9,709,725	\$ 10,047,263	\$ 9,741,859	\$ 10,153,047	\$ 10,416,480
Contributions as a percentage of covered-employee payroll	0.000000%	0.093737%	0.014987%	0.073919%	0.071540%

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

Note 1 – Changes of assumptions

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

GARDEN CITY COMMUNITY COLLEGE
Schedule of Changes in the College's Total –
OPEB Liability and Related Ratios
June 30, 2018
Last Fiscal Year *

	2017
Total OPEB liability - beginning of year	<u>\$ 873,954</u>
Service cost	26,777
Interest cost	28,619
Differences between actual and expected experience	(81,077)
Changes in assumptions and inputs	3,559
Employer contributions (benefit payments)	<u>(118,000)</u>
Net changes	<u>(140,122)</u>
Total OPEB liability - end of year	<u><u>\$ 733,832</u></u>
Covered employee payroll	\$ 8,591,100
Total OPEB liability as a percentage of covered employee payroll	8.50%

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

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SUPPLEMENTARY INFORMATION

GARDEN CITY COMMUNITY COLLEGE
Combining Schedule of Revenue, Expenditures,
Encumbrances and Changes in Unencumbered Cash - Actual and Budget -
Current Funds - Unrestricted (Legal Basis)
For the Year Ended June 30, 2018

	General		Variance Over (Under)
	Actual	Budget	
REVENUE			
Local	\$ 10,175,967	\$ 10,887,146	\$ (711,179)
State	1,623,721	1,623,721	-
Student tuition and fees	4,136,172	5,750,000	(1,613,828)
Other:			
Private gifts and grants	-	1,000,000	(1,000,000)
Miscellaneous	190,264	1,000,000	(809,736)
Interest	121,144	100,000	21,144
Total revenue	<u>16,247,268</u>	<u>20,360,867</u>	<u>(4,113,599)</u>
EXPENDITURES AND ENCUMBRANCES			
Education and general:			
Instruction	3,253,518	4,200,000	(946,482)
Academic support	832,651	1,000,000	(167,349)
Student services	3,585,431	3,750,000	(164,569)
Community service	-	245,000	(245,000)
Operation and maintenance	2,943,839	3,500,000	(556,161)
Institutional support	2,856,307	4,100,000	(1,243,693)
Scholarships	640,376	610,000	30,376
Total expenditures and encumbrances	<u>14,112,122</u>	<u>17,405,000</u>	<u>(3,292,878)</u>
Revenue over (under) expenditures and encumbrances	2,135,146	2,955,867	(820,721)
OTHER FINANCING SOURCES (USES)			
Transfers in	2,491,441	-	2,491,441
Transfers out	<u>(3,952,368)</u>	<u>(4,150,000)</u>	<u>(197,632)</u>
REVENUE OVER (UNDER) EXPENDITURES AND ENCUMBRANCES AND OTHER FINANCING SOURCES (USES)	674,219	(1,194,133)	1,868,352
Unencumbered cash, beginning of year, as restated	<u>5,349,793</u>	<u>7,008,867</u>	<u>(1,659,074)</u>
Unencumbered cash, end of year	<u>\$ 6,024,012</u>	<u>\$ 5,814,734</u>	<u>\$ 209,278</u>
From fiscal year 2019 budget Adjustment	<u>\$ 6,180,796</u> <u>(156,784)</u>		
Total	<u>\$ 6,024,012</u>		

Adult Supplementary Education			Auxiliary Enterprise Funds		
Actual	Budget	Variance Over (Under)	Actual	Budget	Variance Over (Under)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6,406	-	6,406	-	-	-
60,748	1,850,000	(1,789,252)	3,880,595	8,750,000	(4,869,405)
83,281	100,000	(16,719)	4,000	-	4,000
60,021	200,000	(139,979)	8,720	-	8,720
-	-	-	-	-	-
<u>210,456</u>	<u>2,150,000</u>	<u>(1,939,544)</u>	<u>3,893,315</u>	<u>8,750,000</u>	<u>(4,856,685)</u>
-	2,250,000	(2,250,000)	-	-	-
-	50,000	(50,000)	-	-	-
45,297	100,000	(54,703)	2,568,312	7,000,000	(4,431,688)
35,960	50,000	(14,040)	240	-	240
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>81,257</u>	<u>2,450,000</u>	<u>(2,368,743)</u>	<u>2,568,552</u>	<u>7,000,000</u>	<u>(4,431,448)</u>
129,199	(300,000)	429,199	1,324,763	1,750,000	(425,237)
-	-	-	-	-	-
<u>(297,852)</u>	<u>-</u>	<u>297,852</u>	<u>(1,056,658)</u>	<u>(1,325,000)</u>	<u>(268,342)</u>
(168,653)	(300,000)	131,347	268,105	425,000	(156,895)
<u>721,494</u>	<u>886,148</u>	<u>(164,654)</u>	<u>952,320</u>	<u>1,452,788</u>	<u>(500,468)</u>
<u>\$ 552,841</u>	<u>\$ 586,148</u>	<u>\$ (33,307)</u>	<u>\$ 1,220,425</u>	<u>\$ 1,877,788</u>	<u>\$ (657,363)</u>
\$ 593,133			\$ 1,284,066		
<u>(40,292)</u>			<u>(63,641)</u>		
<u>\$ 552,841</u>			<u>\$ 1,220,425</u>		

(continued)

GARDEN CITY COMMUNITY COLLEGE
Combining Schedule of Revenue, Expenditures,
Encumbrances and Changes in Unencumbered Cash - Actual and Budget -
Current Funds - Unrestricted (Legal Basis)
For the Year Ended June 30, 2018

	Total (Memorandum Only)		Variance Over (Under)
	Actual	Budget	
REVENUE			
Local	\$ 10,175,967	\$ 10,887,146	\$ (711,179)
State	1,630,127	1,623,721	6,406
Student tuition and fees	8,077,515	16,350,000	(8,272,485)
Other:			
Private gifts and grants	87,281	1,100,000	(1,012,719)
Miscellaneous	259,005	1,200,000	(940,995)
Interest	121,144	100,000	21,144
Total revenue	<u>20,351,039</u>	<u>31,260,867</u>	<u>(10,909,828)</u>
EXPENDITURES AND ENCUMBRANCES			
Education and general:			
Instruction	3,253,518	6,450,000	(3,196,482)
Academic support	832,651	1,050,000	(217,349)
Student services	6,199,040	10,850,000	(4,650,960)
Community service	36,200	295,000	(258,800)
Operation and maintenance	2,943,839	3,500,000	(556,161)
Institutional support	2,856,307	4,100,000	(1,243,693)
Scholarships	640,376	610,000	30,376
Total expenditures and encumbrances	<u>16,761,931</u>	<u>26,855,000</u>	<u>(10,093,069)</u>
Revenue over expenditures and encumbrances	3,589,108	4,405,867	(816,759)
OTHER FINANCING SOURCES (USES)			
Transfers in	2,491,441	-	2,491,441
Transfers out	<u>(5,306,878)</u>	<u>(5,475,000)</u>	<u>(168,122)</u>
REVENUE UNDER EXPENDITURES AND ENCUMBRANCES AND OTHER FINANCING SOURCES (USES)	773,671	(1,069,133)	1,842,804
Unencumbered cash, beginning of year, as restated	<u>7,023,607</u>	<u>9,347,803</u>	<u>(2,324,196)</u>
Unencumbered cash, end of year	<u>\$ 7,797,278</u>	<u>\$ 8,278,670</u>	<u>\$ (481,392)</u>

GARDEN CITY COMMUNITY COLLEGE
Schedule of Revenue - Actual and Budget -
General Fund - Unrestricted (Legal Basis)
For the Year Ended June 30, 2018

	General		Variance
	Actual	Budget	Over (Under)
Local:			
Prior year ad valorem property tax	\$ -	\$ 416,066	\$ (416,066)
Current year ad valorem property tax	9,189,973	9,452,140	(262,167)
Motor vehicle tax	648,318	729,883	(81,565)
Recreational vehicle tax	8,268	8,138	130
Delinquent tax	185,108	136,633	48,475
In lieu of tax	144,300	144,286	14
Total local	10,175,967	10,887,146	(711,179)
State:			
State operating grant	1,623,721	1,623,721	-
Total state	1,623,721	1,623,721	-
Student tuition and fees:			
Tuition	3,139,156	4,500,000	(1,360,844)
Fees	997,016	1,250,000	(252,984)
Total student tuition and fees	4,136,172	5,750,000	(1,613,828)
Other:			
Private gifts and grants	-	1,000,000	(1,000,000)
Miscellaneous	190,264	1,000,000	(809,736)
Interest	121,144	100,000	21,144
Total other	311,408	2,100,000	(1,788,592)
Total revenue	\$ 16,247,268	\$ 20,360,867	\$ (4,113,599)

GARDEN CITY COMMUNITY COLLEGE
Schedule of Revenue, Expenditures,
Encumbrances and Changes in Unencumbered Cash - Actual and Budget -
Adult Basic Education Fund (Legal Basis)
For the Year Ended June 30, 2018

	Adult Basic Education		
	Actual	Budget	Variance Over (Under)
REVENUE			
State	\$ 69,938	\$ 200,000	\$ (130,062)
Federal	288,365	700,000	(411,635)
Other:			
Private gifts and grants	59,961	-	59,961
Miscellaneous	-	250,000	(250,000)
Total revenue	<u>418,264</u>	<u>1,150,000</u>	<u>(731,736)</u>
EXPENDITURES AND ENCUMBRANCES			
Education and general:			
Instruction	<u>454,446</u>	<u>1,235,559</u>	<u>(781,113)</u>
Total expenditures and encumbrances	<u>454,446</u>	<u>1,235,559</u>	<u>(781,113)</u>
Revenue under expenditures and encumbrances	(36,182)	(85,559)	49,377
OTHER FINANCING SOURCES			
Mandatory transfers in	<u>37,500</u>	<u>75,000</u>	<u>(37,500)</u>
REVENUE OVER (UNDER) EXPENDITURES AND ENCUMBRANCES AND OTHER FINANCING SOURCES	1,318	(10,559)	11,877
Unencumbered cash, beginning of year	<u>1,767</u>	<u>15,839</u>	<u>(14,072)</u>
Unencumbered cash, end of year	<u>\$ 3,085</u>	<u>\$ 5,280</u>	<u>\$ (2,195)</u>
From fiscal year 2019 budget Adjustment	\$ 9,178 <u>(6,093)</u>		
Total	<u>\$ 3,085</u>		

GARDEN CITY COMMUNITY COLLEGE
Schedule of Revenue, Expenditures,
Encumbrances and Changes in Unencumbered Cash - Actual and Budget -
Postsecondary Technical Education Fund (Legal Basis)
For the Year Ended June 30, 2018

	Postsecondary Technical Education		
	Actual	Budget	Variance Over (Under)
REVENUE			
State	\$ 1,121,846	\$ 972,414	\$ 149,432
Federal	-	-	-
Student tuition and fees:			
Tuition	-	2,000,000	(2,000,000)
Fees	640,938	1,000,000	(359,062)
Other:			
Miscellaneous	-	1,500,000	(1,500,000)
Total revenue	<u>1,762,784</u>	<u>5,472,414</u>	<u>(3,709,630)</u>
EXPENDITURES AND ENCUMBRANCES			
Education and general:			
Instruction	2,485,653	5,000,000	(2,514,347)
Academic support	183,128	1,500,000	(1,316,872)
Total expenditures and encumbrances	<u>2,668,781</u>	<u>6,500,000</u>	<u>(3,831,219)</u>
Revenue under expenditures and encumbrances	(905,997)	(1,027,586)	121,589
OTHER FINANCING SOURCES (USES)			
Transfers in	3,397,438	2,150,000	1,247,438
Transfers out	<u>(2,491,441)</u>	<u>(1,000,000)</u>	<u>(1,491,441)</u>
REVENUE OVER (UNDER) EXPENDITURES AND ENCUMBRANCES AND OTHER FINANCING SOURCES (USES)	-	122,414	(122,414)
Unencumbered cash, beginning of year	-	-	-
Unencumbered cash, end of year	<u>\$ -</u>	<u>\$ 122,414</u>	<u>\$ (122,414)</u>
From fiscal year 2019 budget	\$ -		
Adjustment	-		
Total	<u>\$ -</u>		

GARDEN CITY COMMUNITY COLLEGE
Schedule of Revenue, Expenditures,
Encumbrances and Changes in Unencumbered Cash - Actual and Budget -
Plant Funds - Unexpended (Legal Basis)
For the Year Ended June 30, 2018

	Capital Outlay		Variance Over (Under)
	Actual	Budget	
REVENUE			
Local:			
Prior year ad valorem property tax	\$ -	\$ 21,051	\$ (21,051)
Current year ad valorem property tax	468,737	477,343	(8,606)
Motor vehicle tax	32,848	36,923	(4,075)
Recreational vehicle tax	419	412	7
Delinquent tax	9,384	6,912	2,472
In lieu of tax	7,292	7,299	(7)
Total local	518,680	549,940	(31,260)
Other:			
Private gifts and grants	-	150,000	(150,000)
Total revenue	518,680	699,940	(181,260)
EXPENDITURES AND ENCUMBRANCES			
Plant facilities and equipment	271,348	1,023,000	(751,652)
REVENUE OVER (UNDER) EXPENDITURES AND ENCUMBRANCES AND OTHER FINANCING USES	247,332	(323,060)	570,392
Unencumbered cash, beginning of year	543,483	748,107	(204,624)
Unencumbered cash, end of year	\$ 790,815	\$ 425,047	\$ 365,768
From fiscal year 2019 budget Adjustment	\$ 796,043 (5,228)		
Total	\$ 790,815		

GARDEN CITY COMMUNITY COLLEGE
Schedule of Revenue, Expenditures,
Encumbrances and Changes in Unencumbered Cash - Actual and Budget -
Revenue Bonds Fund (Legal Basis)
For the Year Ended June 30, 2018

	Revenue Bonds		Variance Over (Under)
	Actual	Budget	
REVENUE			
Local:			
Other	\$ -	\$ -	\$ -
Total revenue	-	-	-
EXPENDITURES AND ENCUMBRANCES			
Principal on bonds	50,000	400,000	(350,000)
Interest and fees	104,248	150,000	(45,752)
Total expenditures and encumbrances	154,248	550,000	(395,752)
Revenue under expenditures and encumbrances	(154,248)	(550,000)	395,752
OTHER FINANCING USES			
Transfers in	154,248	550,000	(395,752)
REVENUE OVER (UNDER) EXPENDITURES AND ENCUMBRANCES AND OTHER FINANCING USES	-	-	-
Unencumbered cash, beginning of year	-	-	-
Unencumbered cash, end of year	\$ -	\$ -	\$ -
From fiscal year 2019 budget Adjustment	\$ -	-	-
Total	\$ -	-	-

GARDEN CITY COMMUNITY COLLEGE
Notes to Supplementary Information
For the Year Ended June 30, 2018

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

		Current Funds - Unrestricted	
	General	Adult Supplementary Education	Auxiliary Enterprise Funds
REVENUE			
Actual amounts (budgetary basis) revenues from combining schedules (Schedules 1, 2, 3 and 4)	\$ 16,247,268	\$ 210,456	\$ 3,893,315
Adjustments:			
Ad valorem property tax receipts from May, but not available revenue until following fiscal year for GAAP reporting -			
Plus prior year tax receipts	3,157,122	-	-
Less current year tax receipts	(3,589,887)	-	-
State appropriations for KPERS reported for GAAP reporting purposes only	1,585,869	-	-
Total revenue as reported under the GAAP basis	<u>\$ 17,400,372</u>	<u>\$ 210,456</u>	<u>\$ 3,893,315</u>
EXPENDITURES			
Actual amounts (budgetary basis) expenditures from combining schedules (Schedules 1, 2, 3 and 4)	\$ 14,112,122	\$ 81,257	\$ 2,568,552
Adjustments:			
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the items are received for GAAP reporting -			
Less current year encumbrances	(81,575)	-	(13,031)
Plus prior year encumbrances	226,465	40,566	163,965
KPERS pension expense reported for GAAP reporting purposes only	1,577,254	-	-
Reclassifications:			
Budgetary expenditures for plant facilities are reclassified to other financing sources (uses) for GAAP reporting	-	-	-
Total expenditures as reported under the GAAP basis	<u>\$ 15,834,266</u>	<u>\$ 121,823</u>	<u>\$ 2,719,486</u>
OTHER FINANCING SOURCES (USES)			
Actual amounts (budgetary basis) other financing sources (uses) from combining schedules (Schedules 1, 2, 3 and 4)	\$ (1,460,927)	\$ (297,852)	\$ (1,056,658)
Reclassifications:			
Budgetary expenditures for plant facilities are reclassified to other financing sources (uses) for GAAP reporting	-	-	-
Total other financing sources (uses) as reported under the GAAP basis	<u>\$ (1,460,927)</u>	<u>\$ (297,852)</u>	<u>\$ (1,056,658)</u>

<u>Total</u>	<u>Current Funds - Restricted</u>		<u>Total</u>	<u>Plant Funds - Unexpended</u>
	<u>Adult Basic Education</u>	<u>Postsecondary Technical Education</u>		<u>Capital Outlay</u>
\$ 20,351,039	\$ 418,264	\$ 1,762,784	\$ 2,181,048	\$ 518,680
3,157,122	-	-	-	165,270
(3,589,887)	-	-	-	(181,417)
<u>1,585,869</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 21,504,143</u>	<u>\$ 418,264</u>	<u>\$ 1,762,784</u>	<u>\$ 2,181,048</u>	<u>\$ 502,533</u>
 \$ 16,761,931	 \$ 454,446	 \$ 2,668,781	 \$ 3,123,227	 \$ 271,348
(94,606)	(22,184)	(33,265)	(55,449)	(104,768)
430,996	3,733	6,505	10,238	569,686
1,577,254	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(736,266)</u>
<u>\$ 18,675,575</u>	<u>\$ 435,995</u>	<u>\$ 2,642,021</u>	<u>\$ 3,078,016</u>	<u>\$ -</u>
 \$ (2,815,437)	 \$ 37,500	 \$ 905,997	 \$ 943,497	 \$ -
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(736,266)</u>
<u>\$ (2,815,437)</u>	<u>\$ 37,500</u>	<u>\$ 905,997</u>	<u>\$ 943,497</u>	<u>\$ (736,266)</u>

**ADDITIONAL INFORMATION –
Schedule of Management Information**

GARDEN CITY COMMUNITY COLLEGE
Additional Information –
Schedule of Management Information
June 30, 2018

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

GARDEN CITY COMMUNITY COLLEGE
Schedule of Management Information
Combining Statement of Revenue, Expenditures and Other Changes - Current Funds
For the Year Ended June 30, 2018

	Current Funds		Total (Memorandum Only)
	Unrestricted	Restricted	
REVENUE			
Local	\$ 9,743,202	\$ -	\$ 9,743,202
State	3,215,996	1,263,440	4,479,436
Federal	-	6,986,094	6,986,094
Student tuition and fees	4,249,632	943,418	5,193,050
Other:			
Private gifts and grants	87,281	91,182	178,463
Miscellaneous	259,005	4,571	263,576
Interest	121,144	-	121,144
Sales and services of auxiliary's enterprises	3,827,883	-	3,827,883
Institutional support	-	10,511	10,511
Total revenue	<u>21,504,143</u>	<u>9,299,216</u>	<u>30,803,359</u>
EXPENDITURES			
Education and general:			
Instruction	4,822,521	3,450,950	8,273,471
Academic support	833,071	679,168	1,512,239
Student services	3,629,600	6,103,894	9,733,494
Community service	76,099	-	76,099
Operating and maintenance of plant	2,996,653	22,041	3,018,694
Institutional support	2,957,769	-	2,957,769
Scholarships	640,376	-	640,376
Total education and general	<u>15,956,089</u>	<u>10,256,053</u>	<u>26,212,142</u>
Auxiliary enterprises:			
Expenditures	<u>2,719,486</u>	<u>-</u>	<u>2,719,486</u>
Total expenditures	<u>18,675,575</u>	<u>10,256,053</u>	<u>28,931,628</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	2,491,441	3,487,840	5,979,281
Transfers out	<u>(5,306,878)</u>	<u>(2,491,441)</u>	<u>(7,798,319)</u>
Total other financing sources (uses)	<u>(2,815,437)</u>	<u>996,399</u>	<u>(1,819,038)</u>
NET INCREASE (DECREASE) IN NET POSITION	<u>\$ 13,131</u>	<u>\$ 39,562</u>	<u>\$ 52,693</u>

GARDEN CITY COMMUNITY COLLEGE
Schedule of Management Information
Combining Statement of Net Position -
All Current Funds - Unrestricted
June 30, 2018

	<u>General</u>	<u>Adult Supple- mental Education</u>	<u>Auxiliary Enterprise Funds</u>	<u>Total (Memorandum Only)</u>
<u>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u>				
Cash and investments	\$ 5,913,253	\$ 570,723	\$ 1,292,174	\$ 7,776,150
Receivables (net of allowance for uncollectibles):				
Taxes	479,083	-	-	479,083
Miscellaneous	1,844,124	-	-	1,844,124
Total assets	<u>8,236,460</u>	<u>570,723</u>	<u>1,292,174</u>	<u>10,099,357</u>
Deferred outflows of resources:				
Deferred outflows of resources related to OPEB	3,123	-	-	3,123
Deferred outflows of resources related to pensions	91,514	-	-	91,514
Total deferred outflows of resources	<u>94,637</u>	<u>-</u>	<u>-</u>	<u>94,637</u>
Total assets and deferred outflows of resources	<u>\$ 8,331,097</u>	<u>\$ 570,723</u>	<u>\$ 1,292,174</u>	<u>\$ 10,193,994</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</u>				
Liabilities:				
Accounts payable	\$ 625,215	\$ 17,882	\$ 58,718	\$ 701,815
Compensated absences	292,743	-	-	292,743
Net pension liability	101,725	-	-	101,725
Net OPEB liability	665,802	-	-	665,802
Total liabilities	<u>1,685,485</u>	<u>17,882</u>	<u>58,718</u>	<u>1,762,085</u>
Deferred inflows of resources:				
Deferred inflows of resources related to OPEB	71,153	-	-	71,153
Deferred inflows of resources related to pensions	102,340	-	-	102,340
Deferred revenue - current property taxes	4,068,970	-	-	4,068,970
Total deferred inflows of resources	<u>4,242,463</u>	<u>-</u>	<u>-</u>	<u>4,242,463</u>
Net position:				
Reserved for encumbrances	81,575	-	13,031	94,606
Unreserved:				
Designated for subsequent year's expenditures	2,321,574	552,841	1,220,425	4,094,840
Total net position	<u>2,403,149</u>	<u>552,841</u>	<u>1,233,456</u>	<u>4,189,446</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 8,331,097</u>	<u>\$ 570,723</u>	<u>\$ 1,292,174</u>	<u>\$ 10,193,994</u>

GARDEN CITY COMMUNITY COLLEGE
Schedule of Management Information
Combining Statement of Revenue and Expenditures -
All Current Funds - Unrestricted
For the Year Ended June 30, 2018

	General	Adult Supple- mental Education	Auxiliary Enterprise Funds	Total (Memorandum Only)
REVENUE				
Local	\$ 9,743,202	\$ -	\$ -	\$ 9,743,202
State	3,209,590	6,406	-	3,215,996
Student tuition and fees, net of scholarship allowances	4,136,172	60,748	52,712	4,249,632
Other:				
Private gifts and grants	-	83,281	4,000	87,281
Miscellaneous	190,264	60,021	8,720	259,005
Interest	121,144	-	-	121,144
Sales and services of auxiliary enterprises, net of scholarship allowances	-	-	3,827,883	3,827,883
Total revenue	<u>17,400,372</u>	<u>210,456</u>	<u>3,893,315</u>	<u>21,504,143</u>
EXPENDITURES				
Education and general:				
Instruction	4,822,521	-	-	4,822,521
Academic support	833,071	-	-	833,071
Student services	3,583,876	45,724	-	3,629,600
Community service	-	76,099	-	76,099
Operation and maintenance of plant	2,996,653	-	-	2,996,653
Institutional support	2,957,769	-	-	2,957,769
Scholarships	640,376	-	-	640,376
Total education and general expenditures	<u>15,834,266</u>	<u>121,823</u>	<u>-</u>	<u>15,956,089</u>
Auxiliary enterprise expenditures	<u>-</u>	<u>-</u>	<u>2,719,486</u>	<u>2,719,486</u>
Total expenditures	<u>15,834,266</u>	<u>121,823</u>	<u>2,719,486</u>	<u>18,675,575</u>
Revenue over expenditures	1,566,106	88,633	1,173,829	2,828,568
OTHER FINANCING SOURCES (USES)				
Transfers in	2,491,441	-	-	2,491,441
Transfers out	(3,952,368)	(297,852)	(1,056,658)	(5,306,878)
REVENUE OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)				
	<u>\$ 105,179</u>	<u>\$ (209,219)</u>	<u>\$ 117,171</u>	<u>\$ 13,131</u>

GARDEN CITY COMMUNITY COLLEGE
Schedule of Management Information
Combining Statement of Changes in Net Position -
All Current Funds - Unrestricted
For the Year Ended June 30, 2018

	General	Adult Supple- mental Education	Other Auxiliary Enterprise Funds	Total (Memorandum Only)
NET POSITION, beginning of year as previously reported				
Unencumbered cash	\$ 6,070,800	\$ 721,494	\$ 952,320	\$ 7,744,614
Add:				
Reserve for encumbrances	226,465	40,566	163,965	430,996
Subtract:				
Deferred resources related to pensions, 7/1/17	(121,166)	-	-	(121,166)
Deferred property tax receipts, 7/1/17	(3,157,122)	-	-	(3,157,122)
Prior period adjustment	(721,007)			(721,007)
NET POSITION, beginning of year, as restated	2,297,970	762,060	1,116,285	4,176,315
REVENUE OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES)	105,179	(209,219)	117,171	13,131
NET POSITION, end of year	<u>\$ 2,403,149</u>	<u>\$ 552,841</u>	<u>\$ 1,233,456</u>	<u>\$ 4,189,446</u>
NET POSITION, end of year				
Reserve for encumbrances	\$ 81,575	\$ -	\$ 13,031	\$ 94,606
Unreserved:				
Designated for subsequent year's expenditures	2,321,574	552,841	1,220,425	4,094,840
NET POSITION, end of year	<u>\$ 2,403,149</u>	<u>\$ 552,841</u>	<u>\$ 1,233,456</u>	<u>\$ 4,189,446</u>

GARDEN CITY COMMUNITY COLLEGE
Schedule of Management Information
Combining Statement of Changes in Net Position -
Various Funds
For the Year Ended June 30, 2018

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
AUXILIARY ENTERPRISE FUNDS:				
Adult Ed Orientation	\$ 41,244	\$ 16,703	\$ 586	\$ 57,361
Student Union	498,487	3,037,276	3,031,375	504,388
Cosmetology	136,757	101,733	100,852	137,638
Bookstore	435,794	736,243	636,367	535,670
Arena	4,003	1,360	6,964	(1,601)
Total auxiliary enterprise funds	<u>\$ 1,116,285</u>	<u>\$ 3,893,315</u>	<u>\$ 3,776,144</u>	<u>\$ 1,233,456</u>
FEDERAL STUDENT AID:				
College Work Study	\$ -	\$ 88,891	\$ 88,891	\$ -
Guaranteed Student Loans	-	1,897,198	1,897,198	-
SEOG Grants	-	70,813	70,813	-
PELL Grants	-	3,702,323	3,702,323	-
Total federal student aid	<u>\$ -</u>	<u>\$ 5,759,225</u>	<u>\$ 5,759,225</u>	<u>\$ -</u>
RESTRICTED GRANTS:				
AO-K Accelerated Opportunity Grant	\$ 2,998	\$ -	\$ 939	\$ 2,059
Carl Perkins Program Improvement Grant	-	113,122	113,122	-
Drug Prevention Program Income	11,286	-	-	11,286
Federal Funds Administration	28,294	10,511	12,122	26,683
IABE / CTE	-	4,485	4,485	-
IME Becas Grant	4,194	-	-	4,194
Kansas Bridges Grant	-	30,802	30,802	-
Kansas Meth Prevention Grant	10,446	-	-	10,446
Kansas Technology Instruction Grant	-	16,151	16,151	-
KanTrain	-	437,083	437,083	-
KEDI - Workforce Aid Grant	61,585	-	11,613	49,972
Pathways to STEM	-	24,705	24,705	-
Perkins Non-Traditional Grant	-	9,015	9,015	-
Perkins Reserve Fund Grant	-	25,300	25,300	-
Project KANCO Grant	-	77,752	77,752	-
TRIO - Student Support Services	-	324,647	324,647	-
Workwell Wellness Grant	1,000	-	-	1,000
Total restricted grants	<u>\$ 119,803</u>	<u>\$ 1,073,573</u>	<u>\$ 1,087,736</u>	<u>\$ 105,640</u>
OTHER RESTRICTED FUNDS:				
Cox Communications Grant	\$ 36,238	\$ -	\$ -	\$ 36,238
Pepsi Campus Support	8,605	-	-	8,605
GED Testing Fund	16,798	-	-	16,798
Other Donations	323,971	35,792	29,941	329,822
Total other restricted funds	<u>\$ 385,612</u>	<u>\$ 35,792</u>	<u>\$ 29,941</u>	<u>\$ 391,463</u>

GARDEN CITY COMMUNITY COLLEGE
Schedule of Management Information
Combining Statement of Changes in Assets and Liabilities -
All Agency Funds
For the Year Ended June 30, 2018

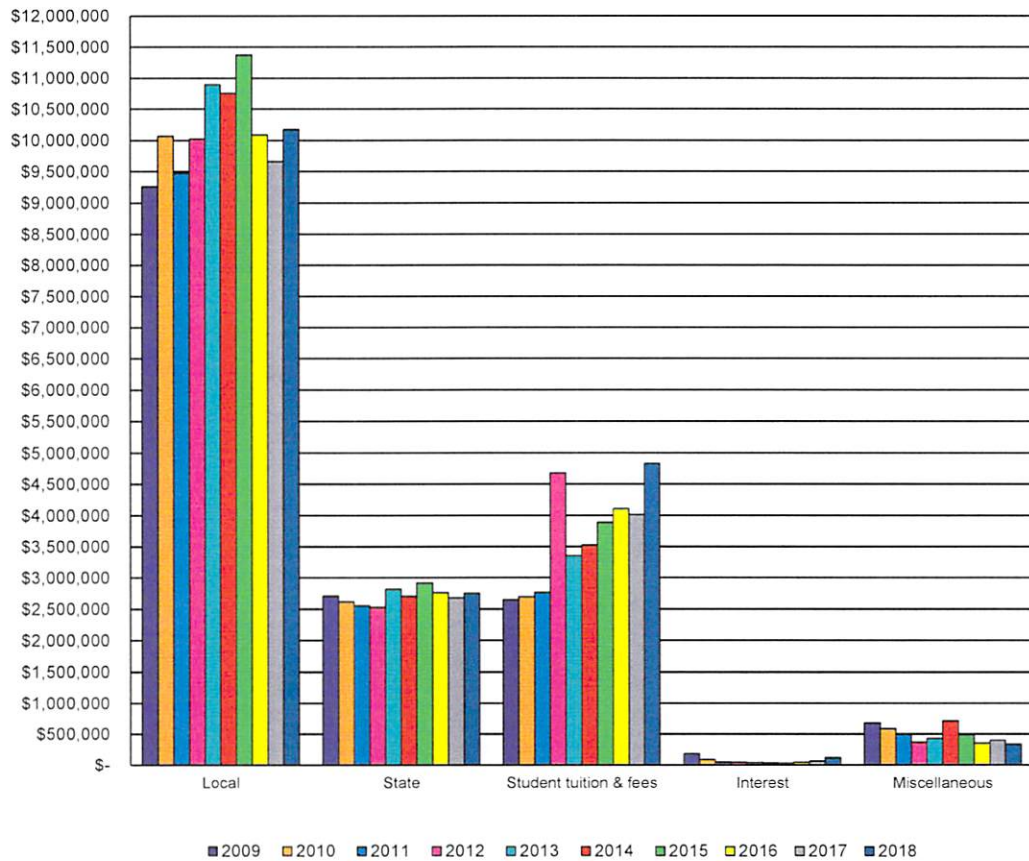
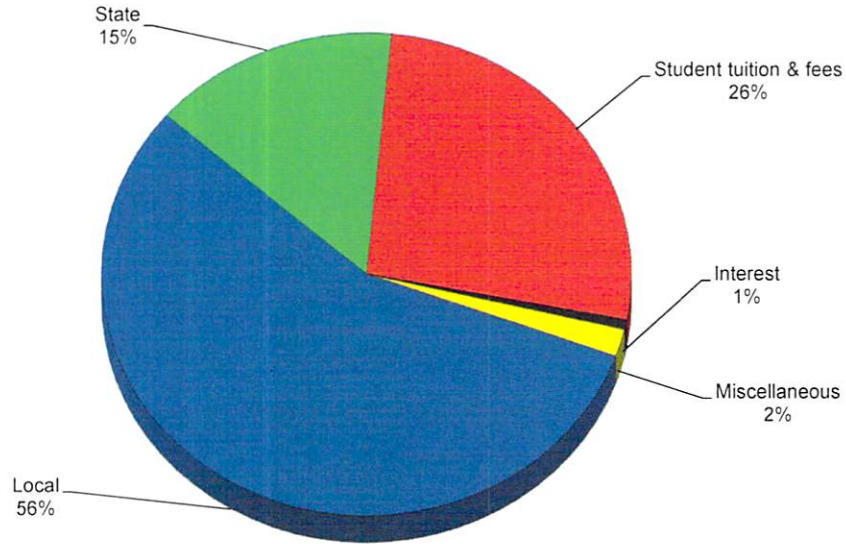
	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
<u>ASSETS</u>				
Cash and investments	\$ 349,440	\$ 1,298,118	\$ 1,219,988	\$ 427,570
Total assets	<u>\$ 349,440</u>	<u>\$ 1,298,118</u>	<u>\$ 1,219,988</u>	<u>\$ 427,570</u>
<u>LIABILITIES</u>				
Accounts payable	\$ 1,105	\$ 285	\$ 1,105	\$ 285
Due to agency funds	<u>348,335</u>	<u>1,297,833</u>	<u>1,218,883</u>	<u>427,285</u>
Total liabilities	<u>\$ 349,440</u>	<u>\$ 1,298,118</u>	<u>\$ 1,219,988</u>	<u>\$ 427,570</u>

GARDEN CITY COMMUNITY COLLEGE
Schedule of Management Information
Combining Statement of Changes in Assets and Liabilities
All Agency Funds - Due to Agency Funds
For the Year Ended June 30, 2018

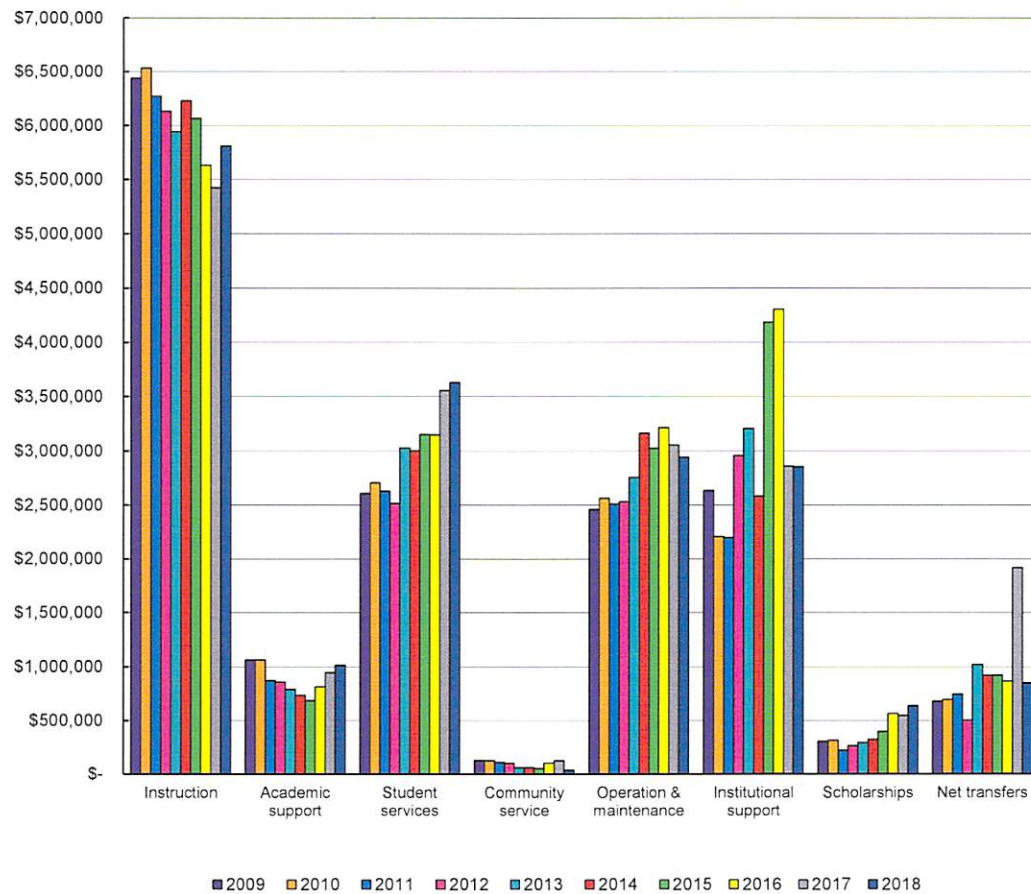
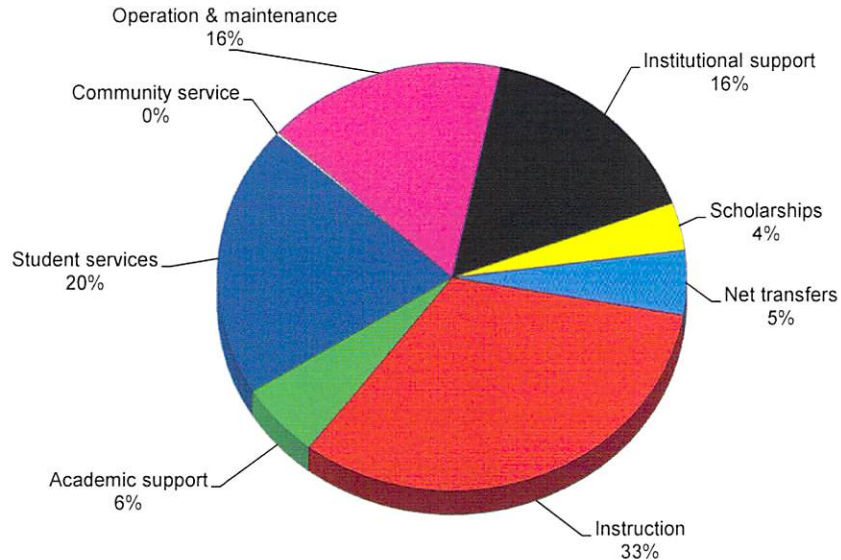
	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
STUDENT ORGANIZATION ACCOUNTS				
Clubs and organizations:				
Academic Challenge	\$ 2,251	\$ 1,900	\$ 3,382	\$ 769
ADN Students Club	8,532	5,110	2,849	10,793
Ag Tech Club	8,931	-	-	8,931
All Pro Auto Club	834	-	-	834
Art Club	1,006	3,603	4,425	184
Black Student Union	984	-	-	984
Block & Bridle Club	5,549	96,224	76,657	25,116
Bloodmobile	104	-	-	104
BSNT Voucher Program	540	-	-	540
Business Contest	669	-	-	669
Busternation	622	-	612	10
Christian Athletes	257	-	-	257
Collegiate Farm Bureau	887	1,200	527	1,560
College Players	8,685	6,659	9,656	5,688
DECA Club	1,330	-	-	1,330
Dormitory Club	70,537	28,553	16,926	82,164
Fine Arts Travel	2,869	1,900	2,740	2,029
Flag Team	2,500	-	1,109	1,391
Gamma Omega Gamma	79	-	-	79
GCCC Education Support Professionals	63	-	-	63
HALO (Mecha Club)	19,181	8,237	7,822	19,596
International Club	54	300	-	354
Intramurals	76	-	-	76
Karate Club	905	-	-	905
Lecture Series	4,431	3,500	-	7,931
Math Club	8,476	-	148	8,328
National Student Travel	7,713	10,000	6,237	11,476
Newman Club	101	-	-	101
Phi Rho Pi Organization	46	-	-	46
Phi Theta Kappa	677	6,912	5,654	1,935
Potter's Guild	791	-	-	791
River & Gulf Coast Ecology	1,482	-	-	1,482
Rodeo Club	4,491	61,279	58,870	6,900
Science Club	2,602	1,194	742	3,054
SNEA	4,571	143	154	4,560
Sold Out	1,140	-	-	1,140
Student Athletic Training	1,777	700	-	2,477
Student Government Association	140,755	332,793	295,150	178,398
Student Government Association Scholarships	-	704,155	704,155	-
Student Newspaper	29,718	6,402	6,106	30,014
Tau Epsilon Lambda	558	16,471	13,756	3,273
Trap Shooting Club	17	-	-	17
Vocal Music Council	579	-	-	579
Welding	965	598	1,206	357
Total - all agency funds	<u>\$ 348,335</u>	<u>\$ 1,297,833</u>	<u>\$ 1,218,883</u>	<u>\$ 427,285</u>

GRAPHS

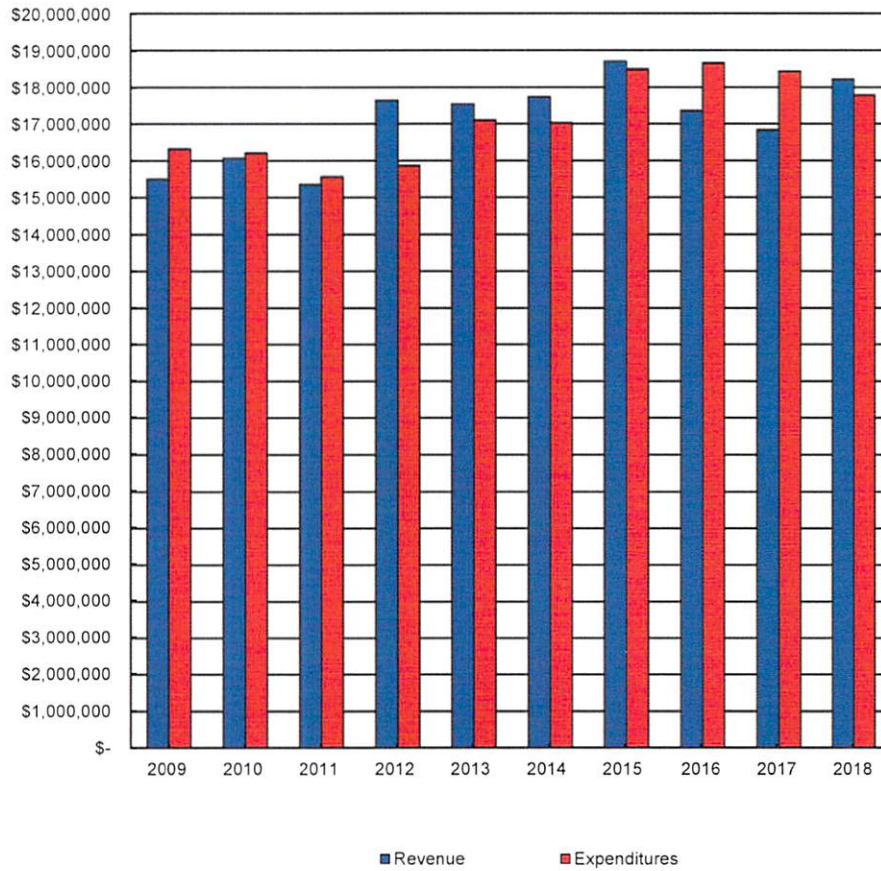
GARDEN CITY COMMUNITY COLLEGE
Schedule of Management Information
Comparison of Revenues -
All Current Funds - Unrestricted (Legal Basis) excluding Auxiliary Enterprises
but including Restricted - Postsecondary Technical Education Fund
For the Years Ended June 30



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



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



GARDEN CITY COMMUNITY COLLEGE

OPEID No.: 00191900
EIN: 48-0698107

FEDERAL AWARD PROGRAMS

June 30, 2018



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

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

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the *Kansas Municipal Audit and Accounting Guide*, issued by the State of Kansas, the financial statements of the business-type activities and the discretely presented component units of Garden City Community College as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Garden City Community College's basic financial statements, and have issued our report thereon dated December 20, 2018. The financial statements of the Garden City Community College Endowment Association and the Broncbuster Athletic Association were not audited in accordance with *Government Auditing Standards* or the *Kansas Municipal Audit and Accounting Guide*.

Internal Control over Financial Reporting

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

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

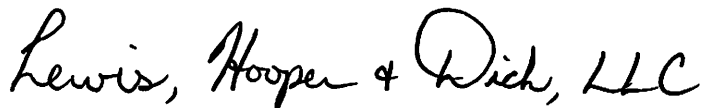
Our consideration of internal control was for the limited purpose described in the preceding paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations,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

Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in black ink that reads "Lewis, Hooper & Dick, LLC". The signature is written in a cursive, flowing style.

LEWIS, HOOPER & DICK, LLC

December 20, 2018



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

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

Report on Compliance for Each Major Federal Program

We have audited the compliance of Garden City Community College, Garden City, Kansas, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of the College's major federal programs for the year ended June 30, 2018. Garden City Community College's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Garden City Community College's financial statements include the operations of the Garden City Community College Endowment Association and the Broncbuster Athletic Association, which received no federal awards during the year ended June 30, 2018. Our compliance audit, described below, did not include the operations of the Garden City Community College Endowment Association and the Broncbuster Athletic Association because they expended no federal awards.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Garden City Community College's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the *Kansas Municipal Audit and Accounting Guide*, issued by the State of Kansas; and the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Garden City Community College's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on Garden City Community College's compliance.

Opinion on Each Major Federal Program

In our opinion, Garden City Community College complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.

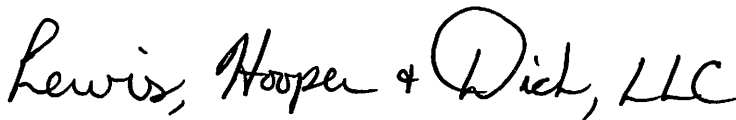
Report on Internal Control over Compliance

Management of Garden City Community College is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Garden City Community College's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Garden City Community College's internal control over compliance.

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

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

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

A handwritten signature in black ink that reads "Lewis, Hooper & Dick, LLC". The signature is written in a cursive, flowing style.

LEWIS, HOOPER & DICK, LLC

December 20, 2018

Garden City Community College
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2018

I. SUMMARY OF AUDIT RESULTS

A. Financial Statements

- Type of auditors' report issued: Unmodified
- Internal control over financial reporting as reported in the INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS:
- Are any material weaknesses identified? No
- Are any significant deficiencies identified? None reported
- Is any noncompliance material to financial statements noted? No

B. Federal Awards

- Internal control over major programs as reported in the INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE:
- Are any material weaknesses identified? No
- Are any significant deficiencies identified? None reported
- Type of auditors' report issued on compliance for major programs: Unmodified
- Are there any audit findings that are required to be reported in accordance with 2 CFR 20.516(a)? None
- The programs tested as major programs include:

CFDA	Name of Federal Program and Cluster	Grant Number	Expenditures
Student Financial Assistance Cluster:			
84.007	Federal Supplemental Educational Opportunity Grants	P007A171513	\$ 53,110
84.033	Federal Work-Study Program	P033A171513	66,917
84.063	Federal PELL Grant Program	P063P171468	3,643,253
84.063	Federal PELL Grant Program	P063P161468	59,070
Federal Direct Student Loans:			
84.268	Stafford Student Loan Program		1,057,166
84.268	Unsubsidized Stafford Student Loan Program		779,276
84.268	Parent Plus Loan Program		54,899
17.282	Trade Adjustment Assistance Community College and Career Training (TAACCCT) Grants	TC-26477-14-60-A-20	437,083

Garden City Community College
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2018

(continued)

I. SUMMARY OF AUDIT RESULTS (continued)

B. Federal Awards (continued)

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

II. FINANCIAL STATEMENT FINDINGS

None

III. FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None

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Corrective Action Plan
and Comments on Audit Resolution Matters Relating
to the Student Financial Assistance and Federal Award Programs
June 30, 2018

December 20, 2018

Department of Education:

Garden City Community College, Garden City, Kansas, respectfully submits the following corrective action plan for the year ended June 30, 2018.

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

Audit period: July 1, 2017 through June 30, 2018

The findings from the June 30, 2018, Schedule of Findings and Questioned Costs related to the federal award programs are discussed below. The findings are numbered consistently with the number assigned in the Schedule. Section I of the Schedule, Summary of Auditors' Results, does not include findings and is not addressed.

II. FINANCIAL STATEMENT FINDINGS

None

III. FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None

IV. STATUS OF CORRECTIVE ACTIONS ON PRIOR FINDINGS

None

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

Sincerely,

Debra Nicholson
Interim Chief Financial Officer

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GARDEN CITY COMMUNITY COLLEGE
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2018

<u>Federal Agency / Program</u>	<u>Federal CFDA Number</u>	<u>Federal Agency or Pass-Through Grant Number</u>	<u>Disbursements/Expenditures</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>			
Direct Programs:			
Federal Supplemental Educational Opportunity Grants	84.007	P007A171513	\$ 53,110
Federal Work-Study Program	84.033	P033A171513	66,917
Federal Pell Grant Program	84.063	P063P171468	3,643,253
Federal Pell Grant Program	84.063	P063P161468	59,070
Federal Direct Student Loans:			
Stafford Student Loan Program	84.268		\$ 1,057,166
Unsubsidized Stafford Student Loan Program	84.268		779,276
Parent Plus Loan Program	84.268		<u>54,899</u>
			<u>1,891,341</u>
Total Student Financial Assistance Cluster			<u>5,713,691</u>
 TRIO - Student Support Services:			
Student Support Services - 2018	84.042	P042A100272	190,523
Student Support Services - 2017	84.042	P042A100272	115,645
Student Support Services - 2016	84.042	P042A100272	<u>5,255</u>
			311,423
 Passed through the Kansas Board of Regents:			
Adult Education - Basic Grants to States:			
Adult Education	84.002		197,400
EL Civics	84.002	V002A150017	42,110
Integrated English Literacy and Civics Education Innovation	84.002	V002A170016	<u>7,730</u>
			247,240
Career and Technical Education - Basic Grants to States:			
2018 Perkins Reserve Grant Fund	84.048	V048A170016	38,800
Carl D Perkins Program Improvement	84.048	V048A160016	<u>113,122</u>
			151,922
 Passed through Kansas State University:			
Migrant Education College Assistance Migrant Program:			
Project KANCO - 2018	84.149	S149A140021	75,371
Project KANCO - 2016	84.149	S149A140021	2,380
Project KANCO - 2015	84.149	S149A040031	<u>1</u>
			<u>77,752</u>
Total U.S. Department of Education			<u>6,502,028</u>
 <u>U.S. DEPARTMENT OF LABOR</u>			
Passed through Washburn University:			
Trade Adjustment Assistance Community College and Career Training (TAACCCT) Grants:			
KanTRAIN	17.282	TC-26477-14-60-A-20	<u>437,083</u>
Total U.S. Department of Labor			<u>437,083</u>
 <u>U.S. DEPARTMENT OF AGRICULTURE</u>			
Passed through Kansas Department for Children and Families:			
USDA Pilot Projects to Reduce Dependency and Increase Work Requirements and Work Effort under SNAP			
	10.596	EES-2016-E&TPILOT-07	<u>38,040</u>
Total U.S. Department of Agriculture			<u>38,040</u>

(continued)

GARDEN CITY COMMUNITY COLLEGE
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2018

<u>Federal Agency / Program</u>	<u>Federal CFDA Number</u>	<u>Federal Agency or Pass-Through Grant Number</u>	<u>Disbursements/Expenditures</u>
(continued)			
<u>NATIONAL SCIENCE FOUNDATION</u>			
Passed through Fort Hays State University:			
Education and Human Resources	47.076	HRD-1305059	<u>\$ 24,705</u>
Total National Science Foundation			<u>24,705</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Passed through Kansas State University:			
Biomedical Research and Research Training	93.859	R25GM119968	<u>30,802</u>
Total U.S. Department of Health and Human Services			<u>30,802</u>
Total Expenditures of Federal Awards			<u><u>\$ 7,032,658</u></u>

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

Garden City Community College
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2018

1. General

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity programs of Garden City Community College under programs of the federal government for the year ended June 30, 2018. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the College, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the College.

2. Basis of accounting

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

3. De minimis cost rate

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

4. Summary of programs from sponsoring agencies

A. U.S. Department of Education

1. Supplemental Educational Opportunity Grant Program

The Supplemental Educational Opportunity Grant (SEOG) Program was established by the Garden City Community College in 1973, pursuant to Title IV, Part A, of the Higher Education Act of 1965, as amended. During the academic year ended June 30, 2018, 218 students participated in the program, receiving awards that aggregated \$70,813. Of these awards, \$53,110 were paid from federal funds and \$17,703 were paid from institutional contributions.

2. Federal Work Study Program

The Federal Work Study (FWS) Program was established by the Garden City Community College in 1967, pursuant to Title IV, Part C of the Higher Education Act of 1965, as amended. During the year ended June 30, 2018, 76 students participated in the program, earning \$87,896 in wages. Of these wages, \$66,917 were paid from federal funds and \$21,974 were paid from institutional contributions. An administrative allowance of \$995 from federal funds was also paid the College.

3. Federal PELL Grant Program

The College entered into an agreement with the Department of Education to participate in the Federal PELL Grant Program. This program provides eligible students with a foundation of financial aid to help defray the costs of post-secondary education. During the 2018 academic year, \$3,702,323 was expended for PELL awards to 1,029 full-time and part-time students.

Garden City Community College
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2018

4. Summary of programs from sponsoring agencies (continued)

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

4. Federal Family Education Loans

The Stafford Student Loan (SSL) Program, formerly the Guaranteed Student Loan Program, was established to make low interest loans available to students to pay for their costs of attending post-secondary educational institutions. The SSL Program in Kansas is administered by the Higher Education Assistance Foundation (HEAF), a private, nonprofit corporation chartered to guarantee student loans. The loans are made through lending institutions, but post-secondary institutions, such as Garden City Community College, are responsible for completing portions of the loan applications, verifying student eligibility, filing student confirmation reports, refunding money to lenders, when appropriate, and handling loan checks when they are sent to the education institution rather than to the borrower. The College handled 450 approved Stafford Student Loans for college students during the 2018 academic year. In addition, the College processed 369 approved loans under the related Unsubsidized Stafford Student Loan and 11 approved loans under the Parent Plus Loan Program.

5. TRIO – Student Support Services Program

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

6. Adult Education Program

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

7. Career and Technical Education - Basic Grants to States

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

8. Migrant Education College Assistance Migrant Program

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

B. U.S. Department of Labor

1. Trade Adjustment Assistance Community College and Career Training (TAACCCT) Grants

The Trade Adjustment Assistance Community College and Career Training (TAACCCT) Grants Program provides community colleges and other eligible institutions of higher education with funds to expand and improve their ability to deliver education and career training programs that can be completed in two years or less, are suited for workers who are eligible for training under the Trade Adjustment Assistance for Workers program, and prepare program participants for employment in high-wage, high-skill occupations. The targeted population of this program is workers who have lost their jobs or are threatened with job loss as a result of foreign trade.

Garden City Community College
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2018

4. Summary of programs from sponsoring agencies (continued)

C. U.S Department of Agriculture

1. USDA Pilot Projects to Reduce Dependency and Increase Work Requirements and Work Effort under SNAP

Kansas Department for Children and Families is providing funds to the College to provide funding for administrative costs incurred to operate Supplemental Nutrition Assistance Programs.

D. National Science Foundation

1. Education and Human Resources

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

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

1. Biomedical Research and Research Training Program

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

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ADDITIONAL INFORMATION

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

